

# Sanitation Services Department

## FY07-08 Budget

**Briefing to City Council**  
**August 27, 2007**



# Six Basic SAN Services:

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## 1) Residential Refuse Collection \$30,908,723

- Essential public health service
- Twice weekly collection
- 242,000 accounts generates over 300,000 tons of waste
- Transport of waste from 3 transfer stations
- 394 FTEs and 210 vehicle units

## 2) Brush / Bulk Service \$11,350,735

- Monthly collection of over 200,000 tons each year
- Storm / flooding damage debris removal
- 153 FTEs and 150 vehicle units

## 3) Dead Animal Collection \$497,591

- Both on-demand and scheduled service
- Over 50,000 animals collected annually

# Six Basic SAN Services, cont:

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## 4) Waste Diversion & Recycling \$9,333,117

- Residential program: *Too Good To Throw Away*
- Household Chemical Collection Center
- Diversion at landfill: green waste, concrete, asphalt

## 5) Landfill Operations \$17,555,340

- Regional disposal facility
- Generates \$18.9M in commercial revenues
- 140 FTEs, 40 pieces of heavy equipment

## 6) City Facilities Refuse Collection \$1,009,600

- Both on-demand and scheduled service
- 210 facilities – contractor collected with city oversight
- Recycling drop-off centers serving single & multi-family

## SAN Department Support [ \$4,375,108 ]

- *37.2 FTEs to manage \$71M in budget, 799.8 FTEs*
- ***In FY08, this expense is allocated over other SAN Services***

# What's the *Value* of SAN Services ?

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- Pick up your garbage 104 times a year
  - 1.5 tons per household each year
  - Cost-of-service 20% less than comparable ICMA cities
- Collect 225,000 tons of bulk waste
  - Tree limbs, broken appliances, old furniture, debris
  - Monthly service is 4 times more frequent than any benchmark cities
- Recycle and divert 200,000 tons of waste
  - Household items – plastic, paper, metal, cardboard through *Too Good To Throw Away*
  - Christmas trees and other green waste
  - Old concrete, asphalt, used tires
  - Hazardous wastes – pesticides, paint, motor oils
- Remove over 50,000 dead animals
  - From residential households, veterinarians, rights-of-way

# What's *new* for FY08 ?

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- **Initiate “Pride in your Neighborhood” pilot**
  - Partner with non-profit “Keep Dallas Beautiful” for 6 specific neighborhoods as “make-over” pilots
  - ***Decrease litter, graffiti, code violations***
  - Increase “curb appeal” with cleaner, well-cared-for properties
  - Nurture the sense of unique identity and cultural strength
  - Enlist grass-roots efforts of residents, businesses, civic groups
  - Workshops to educate all from school-age to adults; incorporate into local school environmental curriculum
  - Includes high school student summer-hire program with hands-on environmental lab
  - Quarterly “spruce up” events to target community’s specific needs
  - Pilot costs to be reimbursed from Storm Water funds

# What's *new* for FY08 ? (cont.)

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- **Offer landfill space as a purchase commodity**
  - Create multi-year disposal contracts
  - Hauler contracts for specific volume for specific time frame (i.e.; Hauler X agrees to 50,000 tons for each of 5 years)
  - Hauler receives discount from gate rate for set volume
  - Hauler pays for landfill space, even if they bring less than contracted volume
  - Raise gate rate for non-contract customers
  - Limit amount of contract space to protect asset for residential customer

## **Results:**

- Stabilize landfill revenues; insulate from economic jolts
- Predictability of landfill operational needs and costs
- Increase revenues on steady basis

# SAN Budget - BFO Bid Amounts

Dept Support has been allocated across services

SUMMARY OF BFO BIDS				
Service	Budgeted FY 2006-07	BFO Proposed FY 2007-08	Comments	BFO Revenues FY 2007-08
Residential Refuse Collection	27,484,809	30,908,723	See Note 1	32,333,500
Landfill Services	13,115,074	17,555,340	See Note 1 and Note 2	27,874,061
City Facilities Services	653,326	1,009,600	See Note 3	675,000
Waste Diversion Service	8,664,260	9,333,117	Full Year Funding of TGTA	7,968,632
Brush/Bulk Waste Removal	11,006,770	11,350,735		11,994,995
Animal Collection Services	483,675	497,591		522,964
Department Support - SAN	7,777,053	0	See Note 1	0
<b>Totals</b>	<b>\$ 69,184,967</b>	<b>\$ 70,655,106</b>		<b>\$ 81,369,152</b>

## Notes:

- 1) In this year's budget process, department support has been allocated across departmental services for a more accurate cost of service (\$4.4M/37.2 FTEs)
- 2) 2003 GO Bond debt payment of \$1.8M
- 3) City Facilities contract will be enhanced to replace the city's existing 32 drop-off recycling sites with new receptacles, plus add 38 new sites (\$334,600)

# Residential Fee – budget estimate

<b>Current Fee</b>		<b>\$18.85</b>
<b>Cost to maintain service</b>		<b>\$0.68</b>
- Full Year Funding of Too Good To Throw Away	\$0.04	
- Day Labor increases (minimum wage and contract rebid)	\$0.18	
- Fuel, equipment maintenance & replacements, other	(\$0.08)	
- Year 1 of Green Fleet Phase-In Program	\$0.18	
- Debt service for 2003 GO Bond	\$0.21	
- Capital Transfer to Landfill Waste Cell Construction Fund	\$0.11	
- E-recycling events	\$0.04	
"Pride in Your Neighborhood" Pilot Program		\$0.00
<b>FY 07-08 Proposed Sanitation Fee</b>		<b>\$19.53</b>



# SAN Rate Forecast

Sanitation Financial Forecast				
	FY 05-06	FY 06-07	FY 07-08	FY 08-09
	(Actual)	(Budget)	(Proposed)	(Forecast)
<b>Expenses</b>	<b>\$60,063,273</b>	<b>\$69,184,967</b>	<b>\$70,655,106</b>	<b>\$73,695,033</b>
<b>Revenues</b>	<b>\$71,661,754</b>	<b>\$81,303,731</b>	<b>\$81,369,152</b>	<b>\$83,544,170</b>
<b>NET</b>	<b>\$11,598,481</b>	<b>\$12,118,764</b>	<b>\$10,714,046</b>	<b>\$9,849,137</b>
Residential monthly rate	<b>\$17.88</b>	<b>\$18.85</b>	<b>\$19.53</b>	<b>\$20.47</b>
<b>Rate Impact</b>		<b>\$0.97</b>	<b>\$0.68</b>	<b>\$0.95</b>

## Notes:

- (1) Revenues from recycling proceeds are \$1.5M less than estimated in Aug 2006 briefing. Projections for expenses in FY09 include increases related to rising labor costs.
- (2) Previous FY09 rate impact estimated at **\$0.11** in August 2006 briefing.

# Revenue Assumptions

## FY08 Budget Development:

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- Adjust the residential fee annually to maintain full cost recovery
- Increase gate rate at McCommas Bluff Landfill from \$16/ton to \$18/ton
- Implement multi-year disposal contracts for commercial customers at landfill
- Collect a full year of franchise fees for commercial haulers
  - Franchise fee program initiated in mid-FY07
  - Program recovered ½-year of permit fees and ½-year of franchise fees

# FY 07-08 Revenues Estimate

	<u>FY06-07</u>	<u>FY 07-08</u>
<ul style="list-style-type: none"> <li>■ <b><u>Collection Revenues:</u></b> <ul style="list-style-type: none"> <li>□ Based on total budget with \$19.56 residential rate</li> <li>□ Includes all revenues – city facilities, cost plus</li> </ul> </li> </ul>	\$ 55.7 M	\$ 57.8 M
<ul style="list-style-type: none"> <li>■ <b><u>Recycling Revenues:</u></b> <ul style="list-style-type: none"> <li>□ Sale of recyclables; education fund</li> </ul> </li> </ul>	\$ 2.5 M	\$ 1.6 M
<ul style="list-style-type: none"> <li>■ <b><u>Disposal Revenues:</u></b> <ul style="list-style-type: none"> <li>□ Tipping fees (charge per ton) \$18.9 M</li> <li>□ Permits / Franchise \$ 2.9M</li> <li>□ Other \$ 0.2M</li> </ul> </li> </ul>	\$ 19.1 M	\$ 22.0 M
<ul style="list-style-type: none"> <li>■ <b><u>Special One-Time Project:</u></b> <ul style="list-style-type: none"> <li>□ Linfield material to McCommas Bluff</li> </ul> </li> </ul>	\$ 4.0 M	\$ 0.0 M
<b>Total revenues projected:</b>	<b>\$81.3 M</b>	<b>\$ 81.4 M</b>

# Net Balance to General Fund

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□ FY08 Expense est. (with 68-cent increase to SAN rate)	<b>\$70,655,106</b>
□ FY08 Revenue Estimate:	<b><u>\$81,369,152</u></b>
□ Net Balance to General Fund:	<b>\$10,714,046</b>