

**Item I**

**SALT LAKE CITY COUNCIL STAFF REPORT**  
**BUDGET ANALYSIS – FISCAL YEAR 2003**

**DATE:** November 15, 2002

**BUDGET FOR:** Salt Lake City/County Solid Waste Management Facility -  
Proposed FY (Calendar Year) 2003 Budget

**STAFF REPORT BY:** Michael Sears, Budget & Policy Analyst

**cc:** Cindy Gust-Jenson, Rocky Fluhart, Rick Graham, Steve Fawcett, Kevin Bergstrom, Greg Davis, Romney Stewart and Stuart Palmer

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The Solid Waste Management Council has forwarded the proposed budget for the 2003 calendar year budget for the City Council's consideration. Members of the Solid Waste Management Facility's Administration will be present at the November 19<sup>th</sup> briefing to answer Council questions.

The Salt Lake County Council will hold a public hearing on December 10, 2002 and consider adopting this budget on December 10, 2002. The Salt Lake City Council may also wish to hold a public hearing and consider adopting this budget on December 10, 2002.

**ANALYSIS**

The Administration's paperwork outlines in detail the proposed changes to the Solid Waste Management Facility's budget. Calendar year 2003 revenues are estimated at \$16,625,000; expenditures are estimated at \$15,751,417. Since no additional landfill modules are planned for 2003, excess revenues over expenditures of \$873,583 are proposed to accumulate in fund balance to be used for future capital costs.

Revenue is expected to increase by \$591,000 due to marginal growth in landfill tonnage while expenses are expected to increase by \$591,000. The increase includes:

- \$46,762 increase for salaries, wages, and benefits
- \$58,500 increase for materials and supplies
- \$177,787 increase for contractual hauling costs and profession/regulatory fee increases
- \$308,000 increase for capital outlay

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The proposed calendar year 2003 Landfill budget can be summarized as follows:

<b>Proposed 2003 Solid Waste Management Facility Budget Compared with prior years</b>			
<b>Category</b>	<b>2001 Adjusted Budget</b>	<b>2002 Amended Budget</b>	<b>2003 Proposed Budget</b>
Sources of Funds			
Fees and Charges	\$15,385,000	\$15,140,000	\$15,375,000
Interest	1,975,000	920,000	990,000
Other Sources	182,000	440,000	260,000
Fund Balance	1,641,229		
<i>Total Sources of Funds</i>	\$19,183,229	\$16,500,000	\$16,625,000
Uses of Funds			
Personal services*	3,362,072	3,527,676	3,574,438
Materials & supplies	705,750	237,200	295,700
Charges/Services	13,597,186	9,236,592	9,414,379
Capital	1,494,000	2,158,900	2,466,900
Increase Fund Balance		1,339,632	873,583
<i>Total Expenditures</i>	\$19,159,008	\$16,500,000	\$16,625,000

## BACKGROUND

The Salt Lake City/County Solid Waste Management Facility is jointly owned and operated by Salt Lake City and Salt Lake County. The Solid Waste Management Facility's operation is based on an interlocal agreement entered into by Salt Lake City and Salt Lake County in 2000 (this agreement replaced an earlier agreement which was effective from 1980-2000). The interlocal agreement establishes the Salt Lake Valley Solid Waste Management Council. The Management Council appoints the Director of the Solid Waste Management Facility, who supervises and manages the day-to-day activities of the Facility. Information on the facility and its programs has been provided by the Administration.

The Salt Lake Valley Solid Waste Management Council worked with the Facility's Director to develop a proposed 2003 calendar year operating and capital improvement budget for the Facility. The Management Council reviewed and approved the proposed budget on September 20, 2001.

According to the agreement both the City Council and the County Council must approve a budget for the Facility. Any changes the City Council makes to the proposed budget will be forwarded to the County Council for consideration.