

SALT LAKE CITY COUNCIL STAFF REPORT
BUDGET ANALYSIS – FISCAL YEAR 2004-05

DATE: May 14, 2004
SUBJECT: **REFUSE COLLECTION FUND**
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Salt Lake City provides a refuse program of weekly trash collection, curbside recycling, annual neighborhood cleanup, Christmas tree pickup, and leaf removal (half of the leaf bag expense is funded by the Stormwater Fund). The Refuse Fund operates as an enterprise fund, so the General Fund does not subsidize these services. The budget for fiscal year 2004-05 is proposed to increase by \$167,124 or 2.1% over fiscal year 2003-04.

REFUSE FUND PROPOSED BUDGET				
	Adopted 2003-04	Proposed 2004-05	Difference	Percent Change
Revenue & other sources				
Refuse fees	\$5,811,780	\$5,765,388	\$(46,392)	(0.8%)
Landfill dividends	1,232,998	1,154,004	(78,994)	(6.4%)
Stormwater Fund – leaf removal	374,000	411,960	37,960	10.1%
Sale of vehicles	151,000	115,500	(35,500)	(23.5%)
Interest income	92,000	80,004	(11,996)	(13.0%)
Appropriation of reserves	308,074	610,121	302,047	98.0%
Total revenue & other sources	\$7,969,852	\$8,136,977	\$167,125	2.1%
Expenses & other uses				
Weekly trash collection	\$4,931,205	\$5,011,715	\$ 80,510	1.6%
Curbside recycling	1,336,891	1,218,744	(118,147)	(8.8%)
Annual neighborhood cleanup	1,701,757	1,906,518	204,761	12.0%
Total expenses & other uses	\$7,969,853	\$8,136,977	\$167,124	2.1%

A weekly trash pickup service is provided to the residents of Salt Lake City. Additionally, residents receive an annual curb side pickup designed for large or oversized debris as well as leaf bag removal, and weekly curbside recycling pickup.

During fiscal year 2002-03 the City changed the funding source for the street sweeping and urban forestry programs from the Refuse Collection Fund to the General Fund. The Stormwater Fund pays for a portion of the leaf bag program.

This funding source should have been transferred to the General Fund, but it hasn't been changed yet because there are some offsetting costs when the employees of the refuse fund are temporarily assigned to projects that are a General Fund responsibility. The Department is proposing to adjust these offsetting amounts during the coming year.

Also during fiscal year 2002-03, the City expanded the curbside recycling program to include multi-family properties for a fee. In fiscal year 2003-04, the Council made recycling services available at a fee to individuals who live in planned unit developments and have their trash picked up by a private business. No fee increase is planned for the upcoming fiscal year.

The Salt Lake City Council reviews and adopts the budget for the Solid Waste Facility. The Solid Waste Facility administers the Landfill, coordinates the transfer station and the long range planning for future landfill sites. The decisions made in the operating budget of the Solid Waste Facility affect the revenue and expenditures of the Refuse Fund. For instance, an increase in material collection through the curbside recycling program will result in less garbage collection and lower tipping fee expenditures in the refuse fund. It also reduces the over-all revenue to the landfill, impacting the dividend that the City receives as a result of landfill revenue.

Refuse Fund budget staffing is proposed to decrease by 2.44 FTEs. Specifically, one staff member eliminated as part of the 50/50 Concrete Program in the general fund; that individual performed enforcement duties (.40 FTE) in the Refuse Fund. Additionally, seasonal staffing associated with recycling (2.04 FTEs) has been eliminated and is no longer necessary now that the program is up and running. Costs for fleet maintenance are decreasing by \$153,698. These savings are a result of a more efficient fleet replacement program. The savings from fleet maintenance will be used to offset increasing costs associated with curbside recycling not covered by the landfill dividend.

LEGISLATIVE INTENT STATEMENTS

No legislative intent statements are outstanding for the Refuse Fund.

During the briefing on the proposed budget, the Council may wish to identify legislative intents relating to the Refuse Fund.

The Council may wish to consider establishing a legislative intent encouraging the Public Services Department to address the accounting associated with the storm water contribution to the leaf bag program so that it accurately reflects the current status.

During the briefing, the Council may wish to identify potential programs or functions to be added to the Council's list for future audits.