

COUNCIL TRANSMITTAL

TO: Rocky Fluhart
Chief Administration Officer

DATE: October 28, 2004

FROM: Rick Graham, Director
Public Services Department

SUBJECT: Salt Lake Valley Landfill Fiscal Year (Calendar Year) 2005 Budget

STAFF CONTACT: Greg Davis 535-6397

Stuart Palmer 974-6920
SL Valley Solid Waste Facility

DOCUMENT TYPE: Budget

RECOMMENDATION: That the City Council adopt the proposed budget.

BUDGET IMPACT: User fees collected and managed by Salt Lake County.

DISCUSSION: The FY 2005 budget reflects changes to the ongoing Landfill operating costs. The proposed budget was reviewed and approved by the Salt Lake Valley Solid Waste Management Council on September 17, 2004. The Salt Lake County Council has scheduled its public hearing and formal adoption of the proposed budget on December 7, 2004. Schedules are attached.

PUBLIC PROCESS: Conducted by Salt Lake County. See above.

SALT LAKE CITY ORDINANCE

No. _____ of 2004

(Adopting the Solid Waste Management Facility budget,
which has been prepared and submitted by the
Salt Lake Valley Solid Waste Management Council
for calendar year 2005, subject to specific policy directives)

AN ORDINANCE ADOPTING THE SOLID WASTE MANAGEMENT
FACILITY BUDGET, AS PREPARED AND SUBMITTED BY THE SALT LAKE
VALLEY SOLID WASTE MANAGEMENT COUNCIL, FOR CALENDAR YEAR
2005, SUBJECT TO SPECIFIC POLICY DIRECTIVES.

PREAMBLE

On November 14, 2000, Salt Lake City (the "City") and Salt Lake County (the "County") entered into an Interlocal Cooperation Agreement (the "Agreement"), pursuant to Title 11, Chapter 13 of the Utah Code Annotated, regarding the joint management and operation of a Solid Waste Management Facility. The Agreement established the Salt Lake Valley Solid Waste Management Council and provided it with authority and responsibility relating to the operation and management of the Solid Waste Management Facility.

Pursuant to the Agreement, all actions by the Salt Lake Valley Solid Waste Management Council constitute recommendations to the City and the County and the City and the County have the power to review, ratify, modify or veto any action of the Salt Lake Valley Solid Waste Management Council.

The Salt Lake Valley Solid Waste Management Council has prepared the attached Solid Waste Management Facility budget for calendar year 2005 and has submitted said attached budget to the City Council for their approval. The City Council has authority

relating to budgets and appropriation of funds and, therefore, must approve, on behalf of the City, the Solid Waste Management Facility budget. The attached Solid Waste Management Facility budget has been available for public inspection in the Office of the City Recorder for at least ten days.

The City Council fixed the time and place for a public hearing to be held on December 14, 2004 to consider the adoption of the attached Solid Waste Management Facility budget and ordered notice thereof be published at least seven days prior to the hearing. Notice of said public hearing, to consider the adoption of said Solid Waste Management Facility budget, was duly published as required herein. A public hearing to consider adoption of said Solid Waste Management Facility budget was held on December 14, 2004, in accordance with said notice, at which hearing all interested persons were heard for and against the estimates of revenue and expenditures in the Solid Waste Management Facility budget.

The City Council wants to adopt the attached Solid Waste Management Facility budget for calendar year 2005, submitted by the Salt Lake Valley Solid Waste Management Council, subject to specific policy directives.

Be it ordained by the City Council of Salt Lake City, Utah:

SECTION 1. PURPOSE. The purpose of this Ordinance is to adopt the attached Solid Waste Management Facility budget, prepared and submitted by the Salt Lake Valley Solid Waste Management Council, for calendar year 2005, subject to the attached policy directives.

SECTION 2. ADOPTION OF BUDGET. The attached Solid Waste Management Facility budget, prepared and submitted by the Salt Lake Valley Solid

Waste Management Council, for calendar year 2005, is hereby adopted subject to the attached policy directives, and subject to similar approval by the County.

SECTION 3. RESERVE THE RIGHT TO AMEND. The City reserves the right to amend the attached Solid Waste Management Facility budget, at any time, consistent with the Agreement.

SECTION 4. PUBLIC INSPECTION. Copies of the attached Solid Waste Management Facility budget shall be available for public inspection during regular business hours in the Office of the City Recorder.

SECTION 5. EFFECTIVE DATE. This Ordinance shall take effect on its first publication.

Passed by the City Council of Salt Lake City, Utah, this 14th day of December, 2004.

CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

Transmitted to the Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

APPROVED AS TO FORM
Salt Lake City Attorney's Office

Date 10-25-04

By Boyd Ferguson

ATTEST:

CHIEF DEPUTY CITY RECORDER

(SEAL)

Bill No. _____ of 2004.

Published: _____.

Salt Lake City Corporation
Management and Fiscal Note Worksheet
for
Budget Development and Budget Amendment

Public Services		FY0405	
Department		For Fiscal Year	
SLVSWMF 2005 Budget		FY2005 Landfill Budget	
Initiative Name		Initiative Number	
Greg Davis		535-6397	
Prepared By		Phone Number	
Co-Approve SLVSWMF Annual Budget		N/A	
Type of Initiative		CFDA Number	

Fiscal Impact of Proposed Change				
A. Revenue Impacted by Fund and Source:		1st Year FY 2004-05	2nd Year FY 2005-06	3rd Year FY 2006-07
1. General Fund				
Total		\$0	\$0	\$0
2. Internal Service Fund				
Total		\$0	\$0	\$0
3. Enterprise Fund				
Salt Lake Valley Solid Waste Management Facility				
Interest		675,000	688,500	702,270
Landfill Fees		14,280,000	14,280,000	15,253,636
Compost Sales		400,000	400,000	400,000
Salvage Sales		220,000	230,000	240,000
Interfund Charges		105,000	105,000	105,000
Other Sources		257,000	260,000	275,000
Fund Balance ... (Favorable) / Unfavorable		(1,379,437)	(6,560)	(673,273)
Total		\$14,557,563	\$15,956,940	\$16,302,633
4. Other Fund				
Total		\$0	\$0	\$0
B. Expenditures Impacted by Fund and Source:				
1. General Fund				
Total		\$0	\$0	\$0
2. Internal Service Fund				
Total		\$0	\$0	\$0
3. Enterprise Fund				
Salt Lake Valley Solid Waste Management Facility		14,557,563	15,956,940	16,302,633
Total		\$14,557,563	\$15,956,940	\$16,302,633
4. Other Fund				
Total		\$0	\$0	\$0
C. Expenditure Impact Detail				
1. Salaries and Wages		2,640,081	2,706,083	2,773,736
2. Employee Benefits		1,300,339	1,332,847	1,366,168
3. Operating and Maintenance Supply		261,200	261,200	270,000
4. Charges and Services		9,206,643	9,436,809	9,672,730
5. Capital Outlay		1,149,300	2,220,000	2,220,000
6. Other (Specify)				
Total		\$14,557,563	\$15,956,940	\$16,302,633

Salt Lake City Corporation
Management and Fiscal Note Worksheet
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Budget Development and Budget Amendment

E. Measured or measurable Impact on functions, structure and organization

This action has no impact on the FY2005 balanced scorecard business plan goals and targets.

F. Issue Discussion: A complete justification will contain a discussion of each of the elements mentioned below; criteria, condition, effect, cause and recommendation.

Criteria is a definition of what is expected or what can be expected. It provides a basis for comparison without which analysis cannot be effective. The criteria varies from issue to issue. In straightforward cases, it can be an ordinance or policy. In other cases, it may be an industry standard or comparable data from another city.

Condition is a description of current practices. It is the information to which the criteria is compared.

Effect is the difference, if any, between the condition and criteria. It is best described in terms of a dollar impact or a service level impact. If an effect cannot be identified, there is no finding.

Cause is sometimes a difficult element to identify but is essential to a finding. It is simply identifying why the condition varies from the criteria. Sometimes the answer is as simple as a change in policy or budget but often goes deeper into management

Recommendation is made in a way that addresses the cause. By doing so, it is most likely to result in improving the condition to be in line with the criteria.

Each year the Salt Lake Valley Solid Waste Management Facility (SLVSWMF), which is jointly owned by Salt Lake County and Salt Lake City, submits its budget to Salt Lake City for approval. Salt Lake City last provided its approval of the SLVSWMF budget in December of 2003 for calendar year 2004.

SLVSWMF has submitted to Salt Lake County its proposed budget for calendar year 2005 and is seeking approval from Salt Lake City.

As in the past, revenue will match expense with a contribution being made to fund balance. Year-to-year, revenue and expense will decrease by \$1,123,186 after a contribution to fund balance of \$1,379,437 has been factored in. The contribution to fund balance in calendar year 2005 is budgeted to be \$1,295,186 more than in the amended calendar year budget for 2004.

The major revenue and expense changes are as follows. Revenue, including a contribution to fund balance, is proposed to decrease in 2005 by \$1,123,186. Given that capital expenditures for 2005 are roughly one-half of the needs of 2004, an increment of \$1,295,186 in revenue will be contributed to fund balance for future needs. Continued low interest rates will incrementally reduce revenue by \$138,000. With an improving economy, it is anticipated that tipping fee revenue will increase incrementally by 2% or \$280,000. The improved economy is also anticipated to yield an incremental \$30,000 in compost sales. Expenses are also proposed to decrease by \$1,123,186. Proposed increases in expense include \$142,200 for environmental and aerial monitoring, \$55,000 in fuel expenses and \$33,600 in maintenance expense for facilities 'n grounds, office equipment and software. Major decreases proposed in expense include \$1,091,700 in capital expenditures, \$141,618 in contract hauling and \$110,000 in landfill closure costs.

It is recommended that the Council approve the SLVSWMF budget.

SOLID WASTE MANAGEMENT FACILITY

Funding	Interest	Fees and Charges				Other Sources	Use / (Add To) Fund Balance	Total
		Landfill Fee	Compost Sales	Salvage Sales	Interfund Charges			
FY0203 Budget - Adopted	990,000	14,750,000	340,000	180,000	105,000	260,000	(873,583)	15,751,417
FY0203 - Mid year adjustments	(195,000)					227,291	700,105	732,396
FY0203 Budget - Amended	795,000	14,750,000	340,000	180,000	105,000	487,291	(173,478)	16,483,813
FY0304 Budget - Adopted	813,000	14,000,000	370,000	220,000	105,000	256,000	(204,151)	15,559,849
FY0304 Budget - Mid year adjustments						1,000	119,900	120,900
FY0304 Budget - Amended	813,000	14,000,000	370,000	220,000	105,000	257,000	(84,251)	15,680,749
Significant Changes								
Continued Low Interest Rates	(138,000)							(138,000)
Improving economy yielding increased sales		280,000						280,000
Increases in wood and yard waste being processed			30,000					30,000
Fund Balance							(1,295,186)	(1,295,186)
Total Changes	(138,000)	280,000	30,000				(1,295,186)	(1,123,186)
FY0405 Budget	675,000	14,280,000	400,000	220,000	105,000	257,000	(1,379,437)	14,557,563

Budget History	FTE	Personal Services	Materials/Supplies	Charges/Services	Capital		Fund Balance	Total
FY0203 Budget - As Adopted	71.40	3,574,438	295,700	9,414,379	2,466,900			15,751,417
Technical Adjustments		25,056		(32,363)	739,703			732,396
FY0203 Budget - As Amended	71.40	3,599,494	295,700	9,382,016	3,206,603			16,483,813
FY0304 Budget - Adopted	72.40	3,738,118	265,700	9,315,031	2,241,000			15,559,849
FY0304 Budget - Mid year adjustments	0.35	162,732		(41,832)				120,900
FY0304 Budget - As Amended	72.75	3,900,850	265,700	9,273,199	2,241,000			15,680,749
Significant Changes	72.75	3,900,850	265,700	9,273,199				
Adjustment to Base		39,570			(2,241,000)			(2,201,430)
Computer Supplies			(10,200)					(10,200)
Small Equipment, value<\$1,000			5,700					5,700
Maintenance of facilities 'n grounds + office equip+ s/w				33,600				33,600
Fleet fuel				55,000				55,000
Fleet maintenance				(73,894)				(73,894)
Travel + Mileage Allowance				4,750				4,750
Vehicle Rental 'n Replacement Charge				(13,804)				(13,804)
Utilities				6,000				6,000
Environmental + aerial monitoring				142,200				142,200
Excavation services				40,000				40,000
Consulting:								
SLC City Engineering Support				6,210				6,210
Utility Master Plan				(20,000)				(20,000)
Gas Collection / Flare				10,000				10,000
Compost Operation				(2,500)				(2,500)
3rd Party QA Specifications				(12,000)				(12,000)
Contract hauling				(141,618)				(141,618)
Landfill closure costs				(110,000)				(110,000)
Loader					140,000			140,000
Tub Grinder					295,000			295,000
Heavy Duty Generator, qty 2					45,000			45,000
DNR Dozer					618,000			618,000
Submersible pumps					51,300			51,300
Miscellaneous adjustments				9,500				9,500
Total Changes		39,570	(4,500)	(66,556)	(1,091,700)			(1,123,186)
FY0405 Budget	72.75	3,940,420	261,200	9,206,643	1,149,300			14,557,563