

# SALT LAKE CITY COUNCIL STAFF REPORT

## BUDGET ANALYSIS – CALENDAR YEAR 2011

**DATE:** November 16, 2010

**BUDGET FOR:** Salt Lake Valley Solid Waste Management Facility - Proposed 2011 Calendar Year Budget

**STAFF REPORT BY:** Lehua Weaver

**cc:** Cindy Gust-Jenson, Jennifer Bruno, David Everitt, Rick Graham, Gina Chamness, Greg Davis, Nancy Sanders, Linda Hamilton, John Ioannou, and Larry Hansen

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The Solid Waste Management Council has forwarded the proposed 2011 Solid Waste Management Facility (“Landfill”) budget for the City Council’s review. (As a reminder, the Landfill budget is prepared for the calendar year rather than a July – June fiscal year.) The Salt Lake County Public Works Director will be present at the November 16<sup>th</sup> briefing to respond to inquiries from the City Council. The public hearing is scheduled for December 7, 2010, and potential action on December 14, 2010.

The proposed budget includes total budgeted revenue of \$14,470,898. On the expense side, the budget includes \$10.2 million in operating expenses and \$3.3 million in capital outlay and transfers. In addition to these expenses, the Landfill budget anticipates paying \$1,564,500 in dividend payments to the City and County (\$782,250 each). These expenses and distributions total \$15,045,092. To meet these expenses and disbursements, the budget includes an appropriation from fund balance of \$574,194.

### HIGHLIGHTS:

- **Benefits of the Shredders:** Using the shredders will not only extend the life of the Landfill, but will also increase metal recovery and sales significantly.
  - The revenue budget includes an increase of \$2.3 million in salvage sales because of the metal recovered by the shredder magnets. This significant increase offsets the expected reduction in Landfill fee revenue.
  - Based on the ability to shred the waste going to the Landfill, new estimates of the life of the Landfill have improved by 18 years - the new anticipated closure date of the Landfill is 2068.
- **Compost Sales:** The Council has expressed an interest in the compost sales at the Landfill. The sales to residential customers in 2010 are expected to generate \$223,000, which is short of the \$450,000 budgeted. In 2011, the Landfill Council has reduced the revenue budget by \$25,000 to \$425,000 and also plans to begin selling compost to commercial customers to help meet that goal.
- **One-Time Disbursement Status:** The one-time disbursement from the Landfill post-closure account has not been processed (\$7 million to each the City and the County). There is still some review and approval needed from the State for the transfer to be made, and there is no indication about when that might occur.

### KEY ELEMENTS

**SALT LAKE VALLEY SOLID WASTE MANAGEMENT FACILITY  
PROPOSED BUDGET OVERVIEW**

	<b>Amended 2010</b>	<b>Proposed 2011</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Revenue and other sources</b>				
Landfill fees	12,680,000	10,973,850	(1,706,150)	-13.5%
Compost sales	450,000	425,000	(25,000)	-5.6%
Salvage sales	250,000	2,579,548	2,329,548	931.8%
Interfund charges	-	-	-	-
Interest income	200,000	155,000	(45,000)	-22.5%
Other sources	338,500	337,500	(1,000)	-0.3%
<b>Total revenue &amp; other sources</b>	<b>13,918,500</b>	<b>14,470,898</b>	<b>552,398</b>	<b>4.0%</b>
<b>Expenditures and other uses</b>				
Salaries, wages, benefits (Note)	3,550,136	3,521,826	(28,310)	-0.8%
Materials and supplies	203,250	247,252	44,002	21.6%
Charges and services	6,529,700	6,438,334	(91,366)	-1.4%
<b>Total operating expenses</b>	<b>10,283,086</b>	<b>10,207,412</b>	<b>(75,674)</b>	<b>-0.7%</b>
Capital outlay	2,944,000	2,803,883	(140,117)	-4.8%
Transfers	471,882	469,297	(2,585)	-0.5%
<b>Total expenses and other uses</b>	<b>13,698,968</b>	<b>13,480,592</b>	<b>(218,376)</b>	<b>-1.6%</b>
<b>Net before dividends &amp; distrib.</b>	<b>219,532</b>	<b>990,306</b>	<b>770,774</b>	<b>351.1%</b>
<b>Dividends &amp; distributions</b>				
Ongoing dividends	1,600,000	1,564,500	(35,500)	-2.2%
One-time distribution	14,000,000	-	(14,000,000)	-100.0%
<b>Total dividends &amp; distributions</b>	<b>15,600,000</b>	<b>1,564,500</b>	<b>(14,035,500)</b>	<b>-90.0%</b>
<b>Net after dividends &amp; distributions</b>	<b>(15,380,468)</b>	<b>(574,194)</b>	<b>14,806,274</b>	<b>-96.3%</b>
Total exp, incl dividends & distrib	29,298,968	15,045,092	(14,253,876)	-48.6%

*Note - FY11 includes late-included compensation changes (COLA, retirement, insurance, etc.) totaling \$88,416*

**Revenues:** The Landfill has budgeted for \$14,470,898 in revenues for 2011, which is an increase of \$552,398 over 2010. Although the increase is small, there are some significant fluctuations:

- \$2,329,548 Increase to **salvage sales**: the new shredders being employed at the Landfill not only shred materials, but also have magnets to collect more of the metal items. These will be collected and sold, and the anticipated revenue from those sales is significant.
- (\$1,706,150) Decrease to **Landfill Fee** revenue: this has been attributed to the industry trend of less trash being sent to landfills. The Landfill Council's proposal includes an anticipated reduction of tonnage by 12 per cent. There are no proposed tipping fee increases. *Attached is a copy of the current tipping fee schedule.*
- (\$45,000) Decrease to **interest income** because of fall of interest rates.

- (\$25,000) Decrease to **compost sales**: the goals for compost sales have proven to be too aggressive for the current year. 2010 sales will be (\$227,000) shorter than budget, and for 2011 the Landfill Council proposes reducing the budget. The Landfill Council also plans on allowing commercial customers to purchase of the compost available.

**Operating Expenses:** The operating expenses for the Landfill are budgeted at \$10,207,412. This is a decrease of (\$75,674) overall. *(Please note - this amount has been updated since the information in the Council transmittal packet, because wage adjustments were updated.)* The major changes in the operating expenses are:

- \$270,990 increase to **fleet maintenance**- this accommodates an increase to the hourly rate charged by the Fleet Fund, and an estimate for the increased amount of maintenance needed on older equipment.
- \$90,000 increase for the purchase of **posi-shell**, which is a thin cement-like substance used for daily cover, and is more advantageous than clean fill, because it takes up less room and extends the life of the landfill. This saves tipping face space and reduces cover-soil requirements.
- (\$28,310) overall decrease to **Salaries & Wages (Personal Services)**: the proposed budget includes the reduction of 1.09 FTEs in temporary staff (\$31,572) and a restriction placed on overtime charges (\$54,400). The Landfill has also budgeted \$88,416 to fund a 1% cost-of-living adjustment, restoration of the 1% retirement contribution, and the County will receive a 13% insurance rate change.
- (\$35,000) reduction to **small tools and equipment** purchases.
- (\$68,256) **contract for hauling** from the Transfer Station will be reduced because of the expected reduction in tonnage.
- (\$150,000) reduction to **road maintenance** budget based on estimated needs. Remaining budget is \$50,000.
- (\$109,600) reduced closure expense - the amount transferred to the post-closure account is based on a formula using the amount of tonnage received at the Landfill. Since the amount of tonnage is expected to decrease, the closure expense budget is also reduced. *The Council may wish to ask for information on the annual amount transferred to the Closure / Post-Closure fund.*

**Other Expenses:**

- Capital Outlay: Most capital projects are ongoing projects, or carried over from 2010. Projects include:

\$1,973,883	3 Shredder & Conveyor systems
350,000	Methane Gas Lines
250,000	Equipment repairs
130,000	Improve the intersection of 500 W 3300 South
100,000	Planning for improvements to the Citizen unloading area

*The Council may wish to ask for more information about the citizen unloading area project, including an approximate total budget.*

*The Council may wish to ask about availability of funds in future years, plans for replenishing the fund, and how funding will match with the cyclical nature of capital projects.*

- Annual Dividend: Each year, the City and County each receive an annual dividend. For the City, this amount is budgeted as revenue in the Environmental & Energy Fund within the Refuse Fund, and funds the Office of Sustainability & the Environment. The dividend is paid monthly. For 2010-11, the City budgeted a dividend of \$850,000. Due to the difference in the Landfill Calendar Year budget and the City's Fiscal Year budget, the difference in what the City budgeted and what will be received is approximately \$25,000. *The Council may wish to ask how the City will accommodate the slight decrease in revenue.*

**Fund Balance**

- The Landfill's fund balance has three categories: Undesignated Cash, Designated Cash, and a Closure/Post-Closure Fund. The category used for various needs, including capital, is Undesignated Cash. The 2011 year-end projected balance in each category is as follows:

Closure / Post-Closure:      \$12,870,829 (this assumes the \$14 million one-time disbursement)

Designated Cash:                \$22,865,855 (this is used for insurance reserve, environmental liability, module construction, equipment and facility replacement, and other projects)

Undesignated Cash:            \$8,252 (unrestricted cash on-hand)

*The Council may wish to ask for information on future capital plans, since cash will not be transferred to Fund Balance in 2011.*

- One Time Disbursement: Additionally, as mentioned above, the Landfill's 2010 budget includes the \$14 million withdrawal from the Landfill's cash balance. At this time, the date of the disbursement has not been set, but the County is working with the State's Department of Environmental Quality on processing the withdrawal. (As a reminder, the adopted fiscal year 2010-11 budget for the Refuse Fund Class includes the disbursement of \$7 million. As adopted, \$1.5 million was budgeted in the Operations and Recycling Fund for immediate use, and \$5.5 million was budgeted in the Environmental and Energy Fund for use toward sustainability projects, once presented and approved by the Council.)

There is a required annual balance for the Closure/Post Closure fund, which is calculated based on standards found in the accounting directive GASB 18. Discussions on withdrawing funds from the Closure/Post Closure fund will include verification that the required annual balance can still be maintained after any proposed withdrawal. The projected cash balance at the end of 2010 in the Closure/Post-Closure fund (after the \$14 million is withdrawn from the Landfill's cash balance) would be \$13,161,133.

As a reminder, in October 2009, the City Council adopted amendments to the Interlocal Cooperation Agreement with the County for Landfill operations, to allow for the withdrawal of the \$14 million.

## **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 1978 and updated in 2000 and 2009. The Interlocal agreement establishes a 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 2011 calendar year operating and capital improvement budget for the Facility. The Landfill Council reviewed and approved the proposed budget and has forwarded this for review and approval by the City and County councils. According to the agreement both the City Council and the County Council must approve a budget for the landfill.

A direct relationship exists between the Landfill and the City's Refuse Fund - as the City is successful in efforts to divert recyclable items and yard waste from the general garbage collection, tipping fee revenue at the Landfill will decrease. In turn, the annual dividend paid to the City will also decrease. Previously, this annual dividend was used to offset the recycling service provided to City residents at no-charge. However, in the 2009-10 budget, the dividend revenue was moved to the newly formed Environmental and Energy Fund for sustainability projects, which will be approved in advance by the City Council.

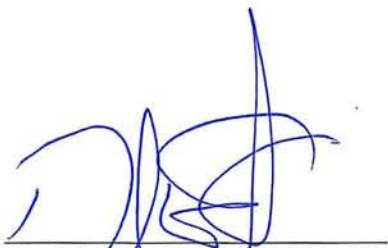
RICHARD GRAHAM  
PUBLIC SERVICES DIRECTOR

# SALT LAKE CITY CORPORATION

DEPARTMENT OF PUBLIC SERVICES  
DIRECTORS OFFICE

RALPH BECKER  
MAYOR

## CITY COUNCIL TRANSMITTAL




David Everitt, Chief of Staff

Date Received: 10/29/2010  
Date sent to Council: 11/2/2010

**TO:** Salt Lake City Council  
D J Martin, Chair

**DATE:** October 29, 2010

**FROM:** Rick Graham   
Public Services Director

**SUBJECT:** Salt Lake Valley Landfill Calendar Year 2011 Budget

**STAFF CONTACT:** Greg Davis  
Salt Lake City Department of Public Services  
801.535.6123

Larry Hansen  
Salt Lake County Landfill  
801.974.6909

**DOCUMENT TYPE:** Budget

**RECOMMENDATION:** That the City Council adopt the proposed budget.

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


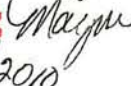
**BACKGROUND/DISCUSSION:** The FY2011 budget reflects changes to the ongoing Landfill operation. The proposed budget is scheduled to be reviewed and approved the Salt Lake Valley Landfill Council on Friday November 12, 2010. The Salt Lake County Council is scheduled to hold its public hearing and to adopt this budget on Tuesday December 7, 2010.

**PUBLIC PROCESS:** Public Hearing

# RECEIVED

OCT 29 2010

Salt Lake City Mayor

SCANNED TO:   
SCANNED BY:   
DATE: 10/29/2010

SALT LAKE CITY ORDINANCE  
No. \_\_\_\_\_ of 2010

(Adopting the Solid Waste Management Facility  
budget for calendar year 2011)

An ordinance adopting the Solid Waste Management Facility budget, as prepared and submitted by the Salt Lake Valley Solid Waste Management Council for the Calendar Year 2011.

PREAMBLE

On November 14, 2000, Salt Lake City (the "City") and Salt Lake County (the "County") entered into an Interlocal Cooperation Agreement (as amended on October 7, 2009, 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 (the "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 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 Management Council.

The Management Council has prepared the attached Solid Waste Management Facility budget for calendar year 2011 (the "2011 Budget") and has submitted it to the City Council for its approval. The City Council has authority relating to budgets and appropriation of funds and, therefore, must approve, on behalf of the City, the 2011 Budget. The 2011 Budget has been available for public inspection in the Office of the City Recorder for at least 10 days.

The City Council fixed the time and place for a public hearing to be held on November 16, 2010 to consider the adoption of the 2011 Budget and ordered notice thereof be published at least seven days before the hearing. Notice of said public hearing was duly published as required herein. A public hearing to consider adoption of the 2011 Budget was held on November 16, 2010, in accordance with said notice, at which hearing all interested persons were heard for and against the estimates of revenue and expenditures in the 2011 Budget.

The City Council wants to adopt the 2011 Budget submitted by the Management Council.

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

SECTION 1. PURPOSE. The purpose of this Ordinance is to adopt the 2011 Budget, prepared and submitted by the Management Council.

SECTION 2. ADOPTION OF BUDGET. The 2011 Budget is hereby adopted, subject to similar approval by the County.

SECTION 3. RESERVE THE RIGHT TO AMEND. The City reserves the right to amend the 2011 Budget at any time, consistent with the Agreement.

SECTION 4. PUBLIC INSPECTION. Copies of the 2011 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 \_\_\_\_ day of \_\_\_\_\_,  
2010.

\_\_\_\_\_  
CHAIRPERSON

ATTEST:

\_\_\_\_\_  
CITY RECORDER

Transmitted to the Mayor on \_\_\_\_\_.

Mayor's Action: \_\_\_\_ Approved. \_\_\_\_ Vetoed.

\_\_\_\_\_  
MAYOR

APPROVED AS TO FORM  
Salt Lake City Attorney's Office  
Date 10-25-10  
By Boyd Ferguson

ATTEST:

\_\_\_\_\_  
CITY RECORDER

(SEAL)

Bill No. \_\_\_\_\_ of 2011.

Published: \_\_\_\_\_.

HB\_ATTYY-#15164-v1-Ordinance\_adopting\_solid\_waste\_management\_facility.DOC

ATTACHMENT 1

(Attach copy of 2011 Budget)

**Initiative Name:**

**SLVSWMF Landfill 2011 Budget**

**Initiative Number:**

**Blank**

**Initiative Type:**

**Type of Initiative**

**Initiative Discussion:**

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 its approval. Salt Lake City last provided its approval of the SLVSWMF budget in January and June of 2010 for calendar year 2010.

SLVSWMF has submitted its 2011 budget to Salt Lake County for approval. SLVSWMF is also seeking the approval of the 2011 budget from Salt Lake City.

Traditional types of midyear adjustments have been combined with the approved 2010 budget to form the 2010 amended SLVSWMF budget. The major changes to revenue and expense will now be reviewed. All comparisons are made to the **amended** 2010 budget.

The projected December 31, 2011 cash balance for the SLVSWMF is \$35,744,936. The projected cash balances by type are: Closure/Post Closure \$12,870,829, Designated \$22,865,855 and Undesignated \$8,252. The projected cash balances include the impact of the approved \$14,000,000 disbursement to the joint owners in calendar year 2010. The cash balance includes the impact of the annual landfill dividend to the joint owners. The annual dividend is projected to be \$1,564,500.

Revenue is projected to be \$14,470,898. This is a year-to-year revenue increase of \$552,398. The proposed budget for expense is \$13,392,176. This is a year-to-year decrease of \$306,792. Explanations for these changes follow.

SLVSWMF tipping fee revenue is budgeted to decrease by \$1,706,150. Ongoing tonnage is proposed to decrease by 63,559 tons or 12.3%. For reference purposes, the national average decrease in tonnage at landfills is 30%. Fees are not proposed to increase. No new fee structures have been added. There are no changes to the DEQ or the Health Department per ton assessments.

Interest income revenue is projected to decrease by \$45,000. PTIF interest rates Sept 09 to Sept 10 have fallen from 0.7751% to 0.6344%. This is a 18.15% decrease.

Three new shredders, purchased recently, will be online and functioning beginning Feb 2011. They are projected to bring in an additional \$2,329,548 in revenue. The bulk of which will be related to metal recovery. Compost sales are not projected to reach budget in 2010. Therefore decreasing compost sales budget by \$25,000 for 2011.

The market for soil regeneration is sluggish and will yield \$30,000 less in revenue. Revenue of \$30,000 from Quickcrete for the Transfer Station intersection has been included. This project was approved in 2010. However the revenue and the expense budget has been resubmitted in 2011 because the project was not started. Sale of vehicle budget revenue has been reduced by \$1,000.

Personal services is projected to decrease by \$116,726 and 1.09 FTEs. The FTE reductions are temp employees. Fewer tons to the transfer station will require fewer temp employees who haul; a reduction of \$31,572. Restrictions have been placed on overtime which will result in a decrease of \$54,400. Adjustments to base are a reduction of \$30,754.

Materials and supplies are projected to increase by \$44,002. Purchases of posi-shells is budgeted to increase by \$90,000. Use of posi-shells saves tipping face space and reduces cover-soil requirements. Small equipment and tools are budgeted to be reduced by \$35,000. A change in contract will reduce janitorial supplies expense by \$11,000.

It is proposed that the charges and services budget decrease by \$91,366. Fleet maintenance is increasing \$270,990. The fleet hourly rate is increasing 6.7% and hours used are also increasing. Household hazardous waste is increasing \$88,000; the rate increase of 2010 is now in effect for the entire budget year. Paving of the transfer station parking area will cost \$30,000. This is not a capital expense because this land improvement costs less than \$50,000. Road maintenance at the landfill has been low for the last several years. For 2011, the budget for this activity has been reduced by \$150,000 to a new proposed level of \$50,000. This reduction will help offset the increase in fleet maintenance. With reduced tonnage GASB18 requires less closure expense; specifically \$109,600 less. With fewer tons being dropped off at the transfer station, contract hauling is budgeted to decrease by \$68,256. The DEQ fee structure did not change, so \$66,000 has been removed from the 2011 budget. Maintenance expense of the facilities and grounds is being delayed which will reduce the budget by \$50,000. The County's Fleet Fund is directly paying \$30,000 of the landfill's propane expense hence the landfill's heating expense budget is decreasing by the same amount. Other adjustments net to a \$6,500 decrease.

Capital expense is projected to decrease by \$140,117. No items related to scheduled replacement are included. Two capital items from prior fiscal years have been included: three shredders totaling \$1,973,883 and the transfer station intersection for \$130,000. Ongoing capital funding of \$350,000 for gas lines and \$250,000 for capitalized equipment repairs have been budgeted. Planning expense for the citizen unloading area, of \$100,000, which will be capitalized has also been included in the budget. Adjustment to base for prior year capital is \$2,944,000.

Transfers from the SLVSWMF to other funds in Salt Lake County fund decreased \$2,585. Vehicle replacement charges from Fleet Replacement are the driver.

Based on decreased tonnage, the owners dividend is budgeted to decrease by \$35,500.

It is recommended that the Council approve the SLVSWMF budget.

<b>SLVSWMF Landfill 2011 Budget</b>			
Initiative Name			
<b>Blank</b>		<b>Calendar 2011</b>	
Initiative Number		Fiscal Year	
<b>Public Services</b>		<b>Type of Initiative</b>	
Department		Type of Initiative	
<b>Greg Davis</b>		<b>801.535.6123</b>	
Prepared By		Telephone Contact	
		<b>(Negative)</b>	<b>Positive</b>
<b>General Fund - Fund Balance- Impact</b>		\$ -	\$ -
<b>Revenue Impact By Fund:</b>			
		<b>Calendar Year 2011 Impact Amount</b>	<b>Annual Impact Amount</b>
<b>General Fund</b>			
Total		\$0	\$0
<b>Internal Service Fund</b>			
Total		\$0	\$0
<b>Enterprise Fund SLVSWMF</b>		14,956,676	14,956,676
Total		\$14,956,676	\$14,956,676
<b>Other Fund</b>			
Total		\$0	\$0
<b>Staffing Impact:</b>			
<b>Change in Number of FTE's:</b>		(1.09)	(1.09)
<b>Position Title:</b>			
Seasonal Employees		(1.09)	(1.09)
FTEs:			
Full time		50.00	50.00
Seasonal		2.16	2.16
Total		52.16	52.16

<b>Accounting Detail</b>		<b>Grant # and CFDA # If Applicable:</b>																	
<b>Revenue:</b>																			
<b>Cost Center Number</b>		<b>Object Code Number</b>				<b>Amount</b>													
Salt Lake Valley Solid Waste Management Facility																			
Interest																			155,000
Landfill Fees																			10,973,850
Compost Sales																			425,000
Salvage Sales																			2,579,548
Interfund Charges																			
Other Sources																			337,500
Total Revenue																			14,470,898
Use of Fund Balance																			485,779
Total Cash Flow																			14,956,676
						Calculation of the use of Fund Balance													
						Amount		Use and (Source) Description											
						1,564,500		Annual Owners Dividend											
						0		One-time Distribution to Owners from Landfill cash balances											
						(1,078,721)		revenue - expense											
						485,779													
<b>Expenditure:</b>																			
<b>Cost Center Number</b>		<b>Object Code Number</b>				<b>Amount</b>													
Personal Services																			3,433,410
Operating and Maintenance Supplies																			247,252
Charges and Services																			6,438,334
Capital Outlay																			2,803,883
Transfers																			469,297
Total Expense																			13,392,176
Annual Owners Dividend																			1,564,500
One-time Distribution to Owners from Landfill cash balances																			0
Total Cash Flow																			14,956,676
<b>Additional Accounting Details:</b>																			
Revenue																			14,470,898
Expense																			13,392,176
Addition to Fund Balance																			1,078,721
<b>Grant Information:</b>																			
Grant funds employee positions?																			(Yes or No)
Is there a potential for grant to continue?																			(Yes or No)
If grant is funding a position is it expected the position will be eliminated at the end of the grant?																			(Yes or No)
Will grant program be complete in grant funding time frame?																			(Yes or No)
Will grant impact the community once the grant funds are eliminated?																			(Yes or No)
Does grant duplicate services provided by private or Non-profit sector?																			(Yes or NO)

**2011 ~ SLVSWMF Budget Bridge**

Funding	Interest	Fees and Charges				Other Sources	Use / (Add To) Fund Balance	Total
		Landfill Fee	Compost Sales	Salvage Sales	Interfund Charges			
FY0910 Budget - Adopted	200,000	12,360,000	450,000	250,000	338,500	14,949,122	28,547,622	
FY0910 Budget - Mid year adjustments		320,000				(15,168,654)	(14,848,654)	
Landfill dividend impact								
FY0910 Budget - Amended	200,000	12,680,000	450,000	250,000	338,500	(219,532)	13,698,968	
<b>Significant Changes</b>								
Interest... rates dropped...0.7751% to 0.6344%, \$14M w/draw	(45,000)						(45,000)	
Tonnage decreasing by 62,559 tons = 12.3% decrease.								
National average is 30% decrease.		(1,706,150)					(1,706,150)	
Shredders, deploying 3 as of Feb 2011 to increase metals recover -->more revenue				2,329,548			2,329,548	
Soil regeneration - continues to be sluggish					(30,000)		(30,000)	
Quickcrete reimbursement for access road improvements					30,000		30,000	
Compost sales less than projected...anticipating \$223K in 2010 sales...shredders aimed at metal instead of brush..metal market is \$180/ton vs brush \$30/ton			(25,000)				(25,000)	
Sale of assets					(1,000)		(1,000)	
Fund Balance: net revenue - expense (impact other than dividends)						(859,189)	(859,189)	
Fund Balance: Annual owners dividend impact						(35,500)	(35,500)	
Total Changes	(45,000)	(1,706,150)	(25,000)	2,329,548	(1,000)	(894,689)	(342,292)	
FY1011 Budget per landfill	155,000	10,973,850	425,000	2,579,548	337,500	(1,114,221)	13,356,676	

**2011 ~ SLVSWMF Budget Bridge**

Amended Revenue	Amended Expense	Net Fund Balance Impact	
#####	#####	219,532	amended net impact
		(14,949,122)	adopted net impact
		(15,168,654)	budget to budget net rev-expense impa
Proposed Revenue	Proposed Expense	Net Fund Balance Impact	
14,470,898	13,392,176	1,078,721	
(552,398)	(306,792)	(859,189)	budget to budget net rev-expense impa



Budget History	FTE	Personal Services	Materials/Supplies	Charges/Services	Capital	Transfers	Dividend	Total
FY0910 Budget - Adopted	53.25	3,433,268	203,250	6,222,200	2,625,000	463,904	15,600,000	28,547,622
FY0910 Budget - Mid year adjustments		116,868		307,500	319,000	7,978		751,346
FY0910 Budget - As Amended	53.25	3,550,136	203,250	6,529,700	2,944,000	471,882	15,600,000	29,298,968

**Significant Changes**

Adjustment to Base		(30,754)			(2,944,000)		(14,000,000)	(16,974,754)
Overtime		(54,400)						(54,400)
Temps	(1.09)	(31,572)						(31,572)
Posi-shell covering ~ need more...saves tipping face space			90,000					90,000
Small Equipment, value<\$1,000 + Small Tools			(35,000)					(35,000)
Janitorial supplies			(11,000)					(11,000)

Fleet maintenance, rates from County Fleet increased 6.7%, legacy of previous improper maintenance continues which means that hour utilization is increasing				270,990				270,990
Household Hazardous Waste				88,000				88,000
Fleet fuel				57,200				57,200
Xfer Station Parking area ~ non-capital improvements				30,000				30,000
Increase promotion of recycling				9,000				9,000
Intergovernmental Charges								
Misc projects				(24,725)				(24,725)
Misc signs				6,825				6,825
Landfill landscape maint				8,070				8,070
Xfer Station landscaping				8,830				8,830
Surveyor charges				1,000				1,000
Maintenance of roads, premanently paving road to tipping face which will reduce temp road base mtl's nee				(150,000)				(150,000)
Landfill closure expense				(109,600)				(109,600)
Contract hauling - 5.7% decrease in tonnage yty + any associated fuel surcharge impacts				(68,256)				(68,256)
DEQ fee structure did not change				(66,000)				(66,000)
Maintenance of facilities 'n grounds + office equip+ s/w				(50,000)				(50,000)
Propane ~ Fleet will now directly pay \$30K of this expense				(30,000)				(30,000)
Contract labor				(10,900)				(10,900)
Other Professional / Consulting								
environmental monitoring				(50,000)				(50,000)
SLC City Engineering Support				(4,200)				(4,200)
compost operation consultant				(1,600)				(1,600)
Equipment rental				(5,000)				(5,000)
Capital Projects:								
Gas lines					350,000			350,000
Capitalized repairs					250,000			250,000
Transfer Station intersection. Project previously approved in 2010. Not started yet. Carryover to 2011.					130,000			130,000
Shredders, qty three. Project previously approved in 2009 and 2010. Invoice will be paid in 2011. Carryover to 2011.					1,973,883			1,973,883
Citizen Unloading Planning					100,000			100,000
Vehicle replacement charges - Non-departmental then fleet						(2,585)		(2,585)
Annual owners dividend to joint owners							(35,500)	(35,500)
One-time distribution to joint owners								
Miscellaneous			2	(1,000)				(998)
Total Changes	(1.09)	(116,726)	44,002	(91,366)	(140,117)	(2,585)	(14,035,500)	(14,342,292)
FY1011 Budget	52.16	3,433,410	247,252	6,438,334	2,803,883	469,297	1,564,500	14,956,676

per landfill budget difference		3,433,410	247,252	6,438,334	2,803,883	469,297	1,564,500	14,956,676
FTE	50.00	ok 20 oct 10						
Temps	2.16	now 4500 hours						
	52.16							

**SOLID WASTE MANAGEMENT FACILITY**  
**Bridge from County to City numbers**  
**FY1011 Budget**

**Revenue + Draws on Fund Balance**

Per County	14,470,898	
less: FY0910 adopted vs amended revenue impact	(219,532)	
less: annual owners dividend impact	(35,500)	
add: one-time distribution impact		
add: net revenue - expense (impact other than dividends)	(859,189)	
Per City	<u>13,356,676</u>	13,356,676

**Expenses + Draws on Fund Balance**

Per County	12,589,293	
less: depreciation	(2,000,000)	
less: loss on sale of vehicles	(1,000)	
add: one-time distribution to owners		
add: capital	2,803,883	
add: annual owners dividend	1,564,500	
Per City	<u>14,956,676</u>	14,956,676

**SALT LAKE VALLEY SOLID WASTE MANAGEMENT FACILITY  
PROPOSED BUDGET**

	<b>Amended 2010</b>	<b>Proposed 2011</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Revenue and other sources</b>				
Landfill fees	12,680,000	10,973,850	(1,706,150)	-13.5%
Compost sales	450,000	425,000	(25,000)	-5.6%
Salvage sales	250,000	2,579,548	2,329,548	931.8%
Interfund charges	-	-	-	-
Interest income	200,000	155,000	(45,000)	-22.5%
Other sources	338,500	337,500	(1,000)	-0.3%
<b>Total revenue &amp; other sources</b>	<b>13,918,500</b>	<b>14,470,898</b>	<b>552,398</b>	<b>4.0%</b>
<b>Expenditures and other uses</b>				
Salaries, wages, benefits	3,550,136	3,433,410	(116,726)	-3.3%
Materials and supplies	203,250	247,252	44,002	21.6%
Charges and services	6,529,700	6,438,334	(91,366)	-1.4%
<b>Total operating expenses</b>	<b>10,283,086</b>	<b>10,118,996</b>	<b>(164,090)</b>	<b>-1.6%</b>
Capital outlay	2,944,000	2,803,883	(140,117)	-4.8%
Transfers	471,882	469,297	(2,585)	-0.5%
<b>Total expenses and other uses</b>	<b>13,698,968</b>	<b>13,392,176</b>	<b>(306,792)</b>	<b>-2.2%</b>
<b>Net before dividends &amp; distrib.</b>	<b>219,532</b>	<b>1,078,722</b>	<b>859,190</b>	<b>391.4%</b>
<b>Dividends &amp; distributions</b>				
Ongoing dividends	1,600,000	1,564,500	(35,500)	-2.2%
One-time distribution	14,000,000	-	(14,000,000)	-100.0%
<b>Total dividends &amp; distributions</b>	<b>15,600,000</b>	<b>1,564,500</b>	<b>(14,035,500)</b>	<b>-90.0%</b>
<b>Net after dividends &amp; distributions</b>	<b>(15,380,468)</b>	<b>(485,778)</b>	<b>14,894,690</b>	<b>-96.8%</b>

***DRAFT FOR DISCUSSION PURPOSES ONLY***

**SALT LAKE VALLEY SOLID WASTE MANAGEMENT FACILITY  
PROPOSED BUDGET**

	<b>Amended 2010</b>	<b>Proposed 2011</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>CONVERSION FROM COUNTY TO CITY</b>				
<b>County</b>				
Revenue	13,918,500	14,470,897	552,397	4.0%
Expense	12,894,968	12,589,293	(305,675)	-2.4%
Net	<u>1,023,532</u>	<u>1,881,604</u>	<u>858,072</u>	<u>83.8%</u>
<b>City</b>				
Revenue per County	13,918,500	14,470,897	552,397	4.0%
Remove gain on sale of equip	-	-	-	-
Add proceeds from sale of equip	-	-	-	-
Revenue per City	<u>13,918,500</u>	<u>14,470,897</u>	<u>552,397</u>	<u>4.0%</u>
Expense per County	12,894,968	12,589,293	(305,675)	-2.4%
Remove depreciation	(1,820,000)	(2,000,000)	(180,000)	9.9%
Remove loss on sale of equip	(1,000)	(1,000)	-	0.0%
Add capital outlay	2,625,000	2,803,883	178,883	6.8%
Expense per City	<u>13,698,968</u>	<u>13,392,176</u>	<u>(306,792)</u>	<u>-2.2%</u>
Dividends & distributions				-
Ongoing dividends	1,600,000	1,564,500	(35,500)	-2.2%
One-time distribution	14,000,000	-	(14,000,000)	-100.0%
Total dividends & distributions	<u>15,600,000</u>	<u>1,564,500</u>	<u>(14,035,500)</u>	<u>-90.0%</u>
Net after dividends & distrib.	<u>(15,380,468)</u>	<u>(485,779)</u>	<u>14,894,689</u>	<u>-96.8%</u>
Difference from Overview	-	(1)	(1)	