

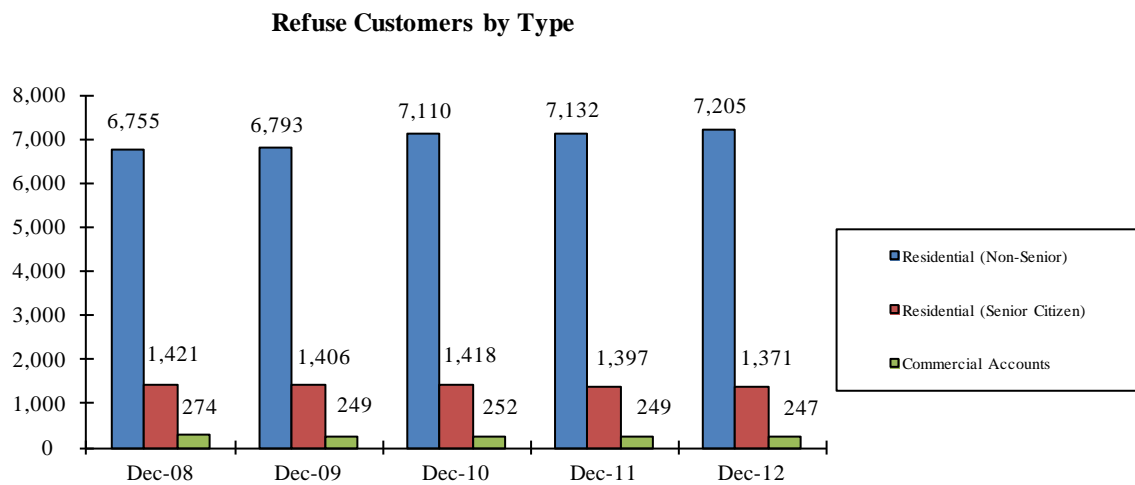
SOLID WASTE MANAGEMENT FUNDS

REFUSE COLLECTION

GENERAL INFORMATION:

The Solid Waste Management functions of the City are accounted for in three (3) separate funds - Landfill Operations, Transfer Station Operations, and Refuse Collection. Separating the three activities is required to properly analyze the fee structure and costs within each of the operations. The Landfill operation and Transfer Station operation are detailed in separate activity budgets which follow.

The Refuse Collection activity involves the pickup of solid waste by refuse trucks in the City of Muscatine. Refuse at residential dwellings is collected once each week. The department also collects refuse from some apartment complexes, commercial businesses and industrial customers. Non-residential refuse collection is made only upon request, as many businesses contract with private haulers for this service. The breakdown of the number of customers in December for the last five years is as follows:

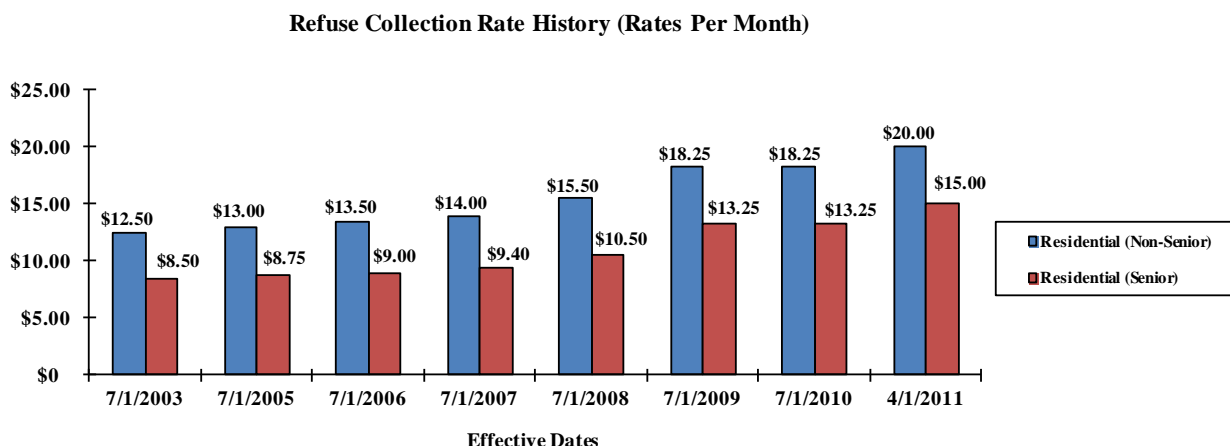


In April 2011, the City began a contracted single-sort curbside recycling program for all residential refuse collection customers. Allied Waste was selected as the contractor. This replaced the previous program which involved recycling trailers located throughout the community. Funding for the curbside recycling program has been incorporated into the refuse collection rates. The cost per customer per month for the curbside recycling program was \$3.05 in the first year of the contract. The contract provides for increases to \$3.14, \$3.23, \$3.33, and \$3.43, respectively, for the 2nd through the 5th years of the contract. Allied Waste provided the containers for each customer as part of that fee.

The City realized savings from discontinuing the previous drop-off trailer recycling program. These savings were in the reduction of one fulltime refuse collection driver, decreased temporary services, decreased overtime, and decreased fuel and maintenance costs. Temporary services and overtime were reduced since the drop-off trailers were emptied seven days per week which resulted in approximately \$23,900 of overtime annually.

The Refuse Collection activity is performed by six (6) full-time refuse drivers, one (1) solid waste lead worker, and a Solid Waste Supervisor. In addition to regular weekly garbage pickup service, the City provides a curbside pickup service for large refuse items.

As an enterprise fund, it has been necessary to increase rates to assure the service fees properly cover the cost of this operation. The following chart reflects fee charges on a monthly basis for residential customers. The rates increased to \$20.00 and \$15.00 respectively, for regular and senior customers, effective April 1, 2011 when the single sort curbside recycling program was implemented. Those rates are budgeted to continue through 2013/2014.



CURRENT TRENDS AND ISSUES:

The Transfer Station opened in August of 1995. All refuse from the City's refuse collection division is delivered to the transfer station, compacted and then taken to the landfill. In 2011/2012 the Refuse Collection division disposed of 7,793 tons of waste at the Transfer Station. This was a reduction of 742 tons (8.7%) compared to the 8,535 tons disposed of in 2009/2010. This reduction was due to the implementation of the contracted curbside recycling service which began in April, 2011. The 2013/2014 budget includes \$486,000 for Transfer Station fees for disposal of an estimated 8,100 tons of waste at the budgeted rate of \$60.00 per ton. The increased tonnage estimate for 2013/2014 is due to providing refuse collection services to the recently annexed Ripley's Mobile Home Court area which added approximately 325 residential units. Refuse collection service for this area will begin April 1, 2013.

The 2012/2013 revised estimate is \$12,900 higher than the budgeted amount primarily due to increased temporary employee costs. In prior years the City used a temporary employment service to supplement the regular refuse collection employees to cover employee vacations, sick leave, Cleanup Week, and catch-up days after holidays. Due to the employment service's increase in workers compensation rates for refuse collection employees, they terminated their arrangement with the City in the middle of 2012. The City now directly hires several temporary employees to supplement the regular crew. The temporary employment service recently offered some temporary employees which can be used; however, staff is limiting use of this service due to their significant rate increase.

The budget for 2013/2014 is \$101,177 (4.9%) more than the 2012/2013 budget. The budget includes increases in personal services (\$55,300), contractual services (\$30,100), and capital outlay (\$30,000). Of the personal services increase, \$25,000 is due to directly hiring temporary employees instead of using the temporary employment service. The balance of the personal services increase is due to increased wages, pension, and insurance costs for regular employees. The contractual services increase includes an

increase of \$36,000 in transfer station tipping fees and \$26,000 in contracted curbside recycling fees. These increases were primarily due to adding the approximately 325 units in the recently annexed Ripley's Mobile Home Court area as well as the scheduled increase in the curbside recycling fee. The increases in those line items were partially offset by decreases in other accounts including a \$20,000 decrease for contracted temporary employee services.

The original Refuse Collection department budget submission included a request of \$150,000 for a new refuse collection vehicle. This would be to replace one of the 2-person vehicles currently being used by this division. During the staff review of this budget there was discussion of a possible long-term plan to change to 1-person trucks with side-loaders similar to what is used by the City's curbside recycling contractor. Costs to fully implement such a program would be significant with side-loading refuse vehicles having a higher cost than regular vehicles and the added cost to provide customers with bins that could be loaded by the 1-person trucks. The 2013/2014 budget includes funds for a "trial area" to start moving in this direction, but does not include funding to replace a refuse vehicle. The capital outlay items include \$26,000 to equip two of the current refuse collection vehicles with tippers that would be used to load the standardized refuse bins that would be required under this type of program. The budget also includes \$34,000 to purchase bins, again for a trial area only. It should be noted that with the tippers, a two person crew will still be required. If this is the direction the City Council wishes to move, a plan to implement the 1-person trucks would need to be implemented over a number of years. This would include replacing the current refuse collection vehicles with 1-person vehicles at the time the older vehicles are replaced as well as providing the required refuse bins for customers as areas of the city are added to this type of service. If this is the future direction for the refuse operation, it should be noted that the last payment on the bond issue for the separate refuse collection vehicle building at the Transfer Station (approximately \$100,000 annually) will be made in 2013/2014. This would allow more funding to be available in this budget in future years to begin the capital purchases which would be required to implement such a program.

The 2012/2013 budget continues to include the allocation of 50% of the Senior Health and Housing Inspector position. This position works out of the Community Development department and is involved in addressing nuisance complaints including garbage and junk removal responsibilities. The budget also continues to fund the City of Muscatine's portion of the Solid Waste Management Agency assessment which began in 2008/2009 (\$64,800).

The 2010/2011 budget included a \$200,000 transfer from the Refuse Collection fund to the Transfer Station fund to assist in reducing the accumulated deficit in that fund. An additional \$50,000 transfer was made in 2011/2012. The Transfer Station budget does not show a deficit for 2012/2013 or 2013/2014 and no additional transfers have been included in this budget for either of these years. The estimated balance in the Refuse Collection fund at the end of 2013/2014 is \$238,035.

GOAL STATEMENT:

To provide an efficient and cost effective solid waste collection system providing once per week pickup in all residential areas and providing service upon request to commercial and industrial customers to provide a clean and healthy environment for the citizens of Muscatine.

PERFORMANCE MEASURES:

	Actual 2009/2010	Actual 2010/2011	Actual 2011/2012	Estimated 2012/2013	Estimated 2013/2014
Tons of Refuse Collected	8,535	7,731	7,793	7,800	8,100
Regular Residential Customers - December (Excluding Fruitland)	6,793	6,785	6,807	6,880	7,200
Senior Residential Customers - December	1,406	1,418	1,397	1,371	1,375
Commercial and Industrial Customers - December	249	252	249	247	250 **
Fruitland Residential Customers – December	325	325	325	325	325
Cleanup Week Collections (Tons)	558	526	530	550	550
Number of Recycling Trailers	16	16/5 *	5	5	5
Recycling Trailer Collections (Tons)	1,300	892 *	260	250	250
Single Sort Curbside Recycling (Tons)	0	294	1,284	1,300	1,400
Curbside Pickups (calendar year)	1,227	1,245	1,163	1,200	1,200

* With the implementation of the curbside recycling program in April 2011, the recycling trailers located throughout the community were discontinued with the exception of those at one drop-off location at the Transfer Station.

** In April 2013, refuse collection services will be expanded to include the recently annexed Ripley's Mobile Home Court. This will be billed as one commercial account but it will include providing refuse collection services to 325 individual residential units in the mobile home court.

RECENT ACCOMPLISHMENTS:

In April 2011, the City of Muscatine started curbside recycling. After the first full fiscal year of the program, 1,284 tons of recycling was collected from residents in Muscatine, Fruitland, City facilities, and the Muscatine Community School District. Overall, the program has a 95% participation rate and has been well-received by residents.

The demand for commercial services for waste disposal has grown for the Refuse Collection program. Staff has worked with numerous businesses of all sizes to provide the best services that can be provided with the containers available.

The Solid Waste Manager and the City's Nuisance Officer have been working with the Downtown Action Alliance and the Landlord Association to communicate information on the proper placement of waste and recycling in the downtown area alleys. Businesses, tenants, and property owners all received a flyer. This is a continual effort to get waste off the front curbs and in the alleys in the downtown area.

OBJECTIVES TO BE ACCOMPLISHED IN 2013/2014:

* To research the possible use of GIS technology for more efficient routing and better daily communication with staff in this division.

- * To continue public education outreach opportunities and expand our ability to reach customers.
- * To keep safety a priority for the refuse collection staff by having scheduled safety meeting dates and planned safety programs during the year. Working with staff to emphasize safety for them as well as customers is important to this operation.
- * To continue outreach programs at community events and programs. Staff will continue working with sustainability, beautification, and environmental programs for the City of Muscatine and Muscatine County.
- * To present to City Council options for automated refuse collection.

REFUSE COLLECTION FUND

STATEMENT OF BOND AND INTEREST REQUIREMENTS

General Obligation Refunding Bonds
Refuse Collection Portion of
Refunding of Advance Refunding of November 1, 1994 Solid Waste Transfer
Station and Recycling Center (Series A) Issue Dated June 1, 1998
and December 1, 1995 Issue
\$536,392 of \$6,560,000 Issue Dated June 1, 2008 (Series B)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012/13	\$ 93,775	\$ 6,194	\$ 99,969
2013/14	96,800	3,146	99,946
Total	<u>\$ 190,575</u>	<u>\$ 9,340</u>	<u>\$ 199,915</u>

Principal and interest payments for this general obligation bond issue are made from the Debt Service Fund. Bond proceeds from the original issues financed construction of the Transfer Station including the separate Refuse Collection building. Accordingly, transfers from the Refuse Collection Fund to the Debt Service Fund are made annually to fund principal and interest payments on the Refuse Collection portion of this issue as they become due.

Refuse Collection Fund

Fund Statement

	<u>Actual</u> <u>2010/2011</u>	<u>Actual</u> <u>2011/2012</u>	<u>Budget</u> <u>2012/2013</u>	<u>Revised</u> <u>Estimate</u> <u>2012/2013</u>	<u>Budget</u> <u>2013/2014</u>
Beginning Balance, July 1	\$ 206,671	\$ 149,400	\$ 200,907	\$ 191,650	\$ 236,381
Revenues					
Charges for Services	\$ 1,941,062	\$ 2,093,287	\$ 2,090,000	\$ 2,113,000 (4)	\$ 2,158,000 (5)
Sales - Yard Waste Bags	14,856	12,727	12,000	12,000	12,000
Commercial Brush Fee	1,236	49	2,000	1,000	1,000
Rental of Dumpsters	0	0	100	100	100
Interest	327	184	200	100	100
Sales Tax	4,235	4,378	4,500	4,500	4,700
FEMA Reimbursement	149	0	0	0	0
Sale of Equipment	9,311	0	0	0	0
Total Revenues	<u>\$ 1,971,175</u>	<u>\$ 2,110,625</u>	<u>\$ 2,108,800</u>	<u>\$ 2,130,700</u>	<u>\$ 2,175,900</u>
Funds Available	\$ 2,177,846	\$ 2,260,025	\$ 2,309,707	\$ 2,322,350	\$ 2,412,281
Expenditures (1)	<u>2,028,446 (2)</u>	<u>2,068,375 (3)</u>	<u>2,073,069</u>	<u>2,085,969</u>	<u>2,174,246</u>
Ending Balance, June 30	<u><u>\$ 149,400</u></u>	<u><u>\$ 191,650</u></u>	<u><u>\$ 236,638</u></u>	<u><u>\$ 236,381</u></u>	<u><u>\$ 238,035</u></u>
Increase (Decrease) in Fund Balance	\$ (57,271)	\$ 42,250	\$ 35,731	\$ 44,731	\$ 1,654

1. Expenditures include changes in compensated absences and other post-employment benefits.
2. The actual 2010/2011 expenditures included a \$200,000 transfer to the Transfer Station fund to reduce the deficit in that fund.
3. The actual 2011/2012 expenditures included a \$50,000 transfer to the Transfer Station fund to eliminate the deficit in that fund.
4. Revised estimate revenues include an estimated \$17,000 from Ripley's Mobile Home Court for April - June, 2013 with refuse collection service scheduled to begin April 1, 2013 for this recently annexed area.
5. Fiscal year 2013/2014 revenues reflect a full year of refuse collection services for Ripley's Mobile Home Court estimated at \$68,000.

Function:
Business Type Activity

Department:
Public Works

Activity:
Refuse Collection

	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Percent Change
Expenditure Summary						
Personal Services	\$ 684,222	\$ 684,341	\$ 705,500	\$ 731,100	\$ 760,800	7.84%
Commodities	74,820	64,441	86,500	85,400	70,400	-18.61%
Contractual Services	895,760	1,090,771	1,079,400	1,071,200	1,109,500	2.79%
Capital Outlay	9,938	4,999	40,000	36,600	70,000	75.00%
Transfers	<u>359,827</u>	<u>209,793</u>	<u>161,669</u>	<u>161,669</u>	<u>163,546</u>	1.16%
Total Expenditures	<u>\$ 2,024,567</u>	<u>\$ 2,054,345</u>	<u>\$ 2,073,069</u>	<u>\$ 2,085,969</u>	<u>\$ 2,174,246</u>	4.88%
Funding Sources						
Charges for Services	\$ 1,941,062	\$ 2,093,287	\$ 2,090,000	\$ 2,113,000	\$ 2,158,000	3.25%
Sales - Yard Waste Bags	14,856	12,727	12,000	12,000	12,000	0.00%
Other Fees	1,236	49	2,000	1,000	1,000	-50.00%
Sales Tax	4,235	4,378	4,500	4,500	4,700	4.44%
Interest	327	184	200	100	100	-50.00%
Sale of Equipment	9,310	-	-	-	-	
Other	<u>149</u>	<u>-</u>	<u>100</u>	<u>100</u>	<u>100</u>	
Total Funding Sources	<u>\$ 1,971,175</u>	<u>\$ 2,110,625</u>	<u>\$ 2,108,800</u>	<u>\$ 2,130,700</u>	<u>\$ 2,175,900</u>	3.18%

Personnel Schedule						
	Actual 2010/2011	Actual 2011/2012	Budget 2012/2013	Revised Estimate 2012/2013	Budget 2013/2014	Budget Amount 2013/2014
Full Time:						
Solid Waste Manager	0.39	0.50	0.50	0.50	0.50	
Solid Waste Supervisor	1.00	1.00	1.00	1.00	1.00	
Refuse Truck Driver I	6.25	6.00	6.00	6.00	6.00	
Refuse Collection Leadworker	1.00	1.00	1.00	1.00	1.00	
Sr. Health & Housing Inspector	0.50	0.50	0.50	0.50	0.50	
Maintenance Worker II	0.33	0.33	0.33	0.33	0.33	
Clerk	<u>0.39</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	
Total Full Time	9.86	9.83	9.83	9.83	9.83	
Part Time:						
Compost Site Attendant	0.83	0.48	0.83	0.83	0.83	
Refuse Collection	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.30</u>	<u>1.30</u>	
Total	10.69	10.31	10.66	11.96	11.96	\$ 506,800
Employee Benefits						<u>254,000</u>
Total Personal Services						<u>\$ 760,800</u>

Capital Outlay			
<i>Item</i>	<i>Quantity</i>	<i>Replacement</i>	<i>Amount</i>
Tippers for Refuse Trucks	2	No	\$ 26,000
Bins for Refuse Collection		No	34,000
Dumpsters		Additional	10,000
			<u>\$ 70,000</u>