

RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

Executive Summary: 2008 Proposed Budget –Sanitation Section

1. The 2008 Proposed Sanitation Section Budget contains the following personnel changes:
 - 5 Sanitation Worker positions are replaced by 5 Operations Driver Worker Positions.
 - A reduction in the number of special collections and a tighter DPW sick leave control policy results in the elimination of 7 Operations Driver Worker Positions.
 - 12 Sanitation Inspectors positions from auxiliary positions are shifted to regular positions. (Page 2)
2. The 2008 Proposed Budget provides approximately \$4.6 million for snow and ice control operations. This is approximately \$262,000 less than the amount provided in the 2007 Budget and reflects a \$250,000 elimination of funding for the remaining pieces of contracted snow removal equipment. (Pages 3 & 4)
3. DPW estimates the State will provide \$2,799,000 in 2008 for the City's household recycling program. The City's share is estimated to be \$3.8 million of the total household recycling cost of \$6.6 million (Pages 4 & 5)
4. The 2008 Proposed Budget provides O & M funding instead of grant funding for the 3 Operation Driver positions eliminated under the 2006 Curbside Recycling Cart Set-out Program. The O & M funding is based on the assumption that the City will receive the entire amount of State Shared Revenue that is recognized in the 2008 Proposed Budget. (Pages 4 & 5)
5. Due to restrictions on the use of CDBG funding for service programs, the 2008 Proposed Budget does not include funding for DPW's Weekend Box Program. (Pages 5 & 6)
6. In 2008, the Proposed Budget shifts the responsibility and CDBG funding for maintaining (snow removal, lawn mowing and weed removal) the approximately 2,600 city owned vacant lots from DNS to DPW. (Page 6)
7. The 2008 Proposed Budget includes \$1,001,000 to purchase 18,200 garbage and recycling carts, a reduction of 1,800 from the 20,000 carts provided for in the 2007 Budget. (Page 7)
8. The Administration is proposing to increase the Snow and Ice Control Fee from its current rate of \$0.2736 per foot of property frontage to \$0.4788 per foot. In 2008. (Page 8).

RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

2008 Proposed Budget Summary: Sanitation Section

Expense Category	2006 Actual	2007 Budget	% Change	2008 Proposed	% Change
Operating	\$ 32,907,565	\$ 34,222,697	4%	\$ 34,949,167	2%
Capital*	\$ -	\$ 2,260,500		\$ -	
Positions**	531	531	0%	526	-1%

*Budgeted New Capital Borrowing

**Authorized positions include full-time funded, part-time funded and unfunded positions, including 262 auxiliary positions in both the 2006 Budget and 2007 Budget and 250 in the 2008 Proposed Budget.

The Sanitation Section is responsible for the collection and disposal of residential solid waste and recycling, Sanitation services approximately 213,000 households within the City of Milwaukee. In 2006, the Sanitation Section collected 287,500 tons of solid waste, 27,000 tons of compost and 25,300 tons of recycled materials.

The Sanitation Section is also responsible for sweeping approximately 1,800 miles of streets and alleys and removing snow and ice from 1,400 miles of city streets. The Section's other responsibilities include operating two self-help centers, fall leaf collection, removal of dead animals from public right of ways and supporting neighborhood and civic celebrations.

Historical Information

1. In 2001, the Solid Waste Charge was established at \$44 per dwelling unit, per year. The solid waste charge was increased to \$75 per year in 2002 and further increased to \$132 per year in 2006.
2. In 2002, a snow and ice control recovery charge of \$0.2736 per foot of street frontage was established.
3. The 2003 Budget reduced funding for private snow plow equipment and also for operator standby time. DPW now uses the City's fleet and service order equipment to offset most of these reductions.
4. A change in the way bulky items (special pick-ups) are collected was included in the 2005 Budget. Under the change, most bulky items are collected on regular scheduled collections days by the garbage crew.
5. Following Project Clean & Green, beginning in June 2007, a service charge of \$50 per collection was imposed for bulky waste exceeding 4 cubic yards.

2008 Proposed Changes & Budget Issues

PERSONNEL

The 2008 Proposed Sanitation Section Budget contains the following personnel changes:

- 5 Sanitation Worker positions are replaced by 5 Operations Driver Worker Positions. As Sanitation Worker positions become vacant, they are replaced by Operator Driver Worker positions.
- A reduction in the number of special collections and a tighter DPW sick leave control policy results in the proposed elimination of 7 Operations Driver Worker Positions. DPW is proposing a number of changes to its current sick leave control policy, including reducing the number of sick leave occurrences that results in an action from 4 occurrences in a 6-month period to 3 occurrences in a 6-month period.
- 12 Sanitation Inspectors positions are shifted from auxiliary positions to regular positions (8 FTEs). Sanitation Inspectors are used primarily to enforce solid waste ordinances. They also supplement staffing at the Self Help stations, act as plow chasers during snow and ice control operations and attend neighborhood meetings with aldermen and community groups.
- The transfer of the vacant lot maintenance program from the Department of Neighborhood Services to the Sanitation Section results in the transfer of a Site Improvement Specialist and a Program Assistant II to the Operations Division. Both positions are CDBG funded.
- Due to a reclassification 2 Field Headquarters Coordinator positions are replaced with 2 Office Assistant IV positions.

OPERATING EXPENDITURES

General Office Expense is reduced from \$25,000 in 2007 to \$20,000 in 2008. The reduction is based on past experience.

Information Technology Services increases from \$20,000 in 2007 to \$25,000 in 2008. The increase is based on past experience.

Other Operating Supplies increases from approximately \$1.55 million in the 2007 Budget to approximately \$1.6 million. The increase reflects the inflation increase for the purchase of 43,000 tons of road salt.

Snow and Ice Control

The 2008 Proposed Budget provides approximately \$4.6 million for snow and ice control operations. This is approximately \$262,000 less than the amount provided in the 2007 Budget and reflects a \$250,000 elimination of funding for the remaining pieces of contracted snow removal equipment. DPW has reduced

the number of snow contracts from 100 pieces in 2001 to the current 15 pieces still under contract. This reduction is a result of the decreased usage of contract equipment during snow & ice operations. The Department now uses more of its own equipment and can sustain long duration operations by rotating the "A" and "B" teams of drivers and support staff. DPW has also increased the number of salt trucks with under belly plows to 88.

DPW does not believe the reduction in funding will have an impact on the City's normal snow and ice control operations. In the last 5 years, contract equipment was used once in 2002 and once in 2005 during snowfall events exceeding 8-10 inches.

The table below compares the 2006 actual expenditures with 2007 and 2008 Operations Division's (Sanitation, Buildings and Fleet and Forestry) snow and ice control operations budget.

Category	2006 Actual	2007 Budget	2008 Proposed Budget
Sanitation			
Salaries	\$437,732	\$450,000	\$450,000
Deicing Materials	\$1,096,457	\$1,509,850	\$1,509,850
Plow Contracts	\$285,189	\$665,000	\$415,000
Snow Related Services	\$148,030	\$71,935	\$71,935
Sanitation Subtotal	\$1,967,409	\$2,696,785	\$2,446,785
Buildings & Fleet Services			
Salaries	\$459,007	\$675,000	\$675,000
Service Agreements	\$199,824	\$200,000	\$200,000
Other Operating Services	\$403,672	\$435,000	\$435,000
Buildings & Fleet Services Subtotal	\$1,062,503	\$1,310,000	\$1,310,000
Forestry			
Salaries	\$327,454	\$151,875	\$151,875
Forestry Subtotal	\$327,454	\$151,875	\$151,875
Operation Division O & M Total	\$3,357,366	\$4,158,660	\$3,908,660
Fringe Benefits	\$516,388	\$536,288	\$523,519
DPW-Admin. Services Overhead		\$190,366	\$190,366
Totals	\$3,873,754	\$4,885,314	\$4,622,545

The table on page 4 shows the number of snow plowing and ice control operations for the years 2000 through the first part of 2007.

Year	# Snow Plow Operations	# Ice Control Operations
2000	11	49
2001	1	30
2002	3	19
2003	2	23
2004	3	23
2005	5	34
2006	3	22
2007*	3	33

*year-to-date

Recycling

DPW currently has 31 cart routes and 3 bin routes servicing approximately 190,000 residences. The City of Milwaukee began providing curbside recycling to City residents in 1989. The tons of materials collected by the City for recycling increased each year until it peaked in 1997 at 33,112 tons. In the following, the recycling tonnage steadily declined each year, decreasing over that time period by 23% to its 2006 total of 25,483 tons. The Department estimates 75% of City of Milwaukee households participate in the City's recycling program. There are also City residents who are self recyclers who take recyclable items to recycling centers in the area.

DPW estimates the State will provide \$2,799,000 in 2008 for the City's household recycling program. The City's share is estimated to be \$3.8 million of the total household recycling cost of \$6.6 million. In addition to the annual recycling grant, DPW estimates it will receive approximately \$226,500 from the 2008 State of Wisconsin's Recycling Efficiency Incentive Grant. This state grant rewards Responsible Units that have made efforts to improve the efficiency of their recycling programs.

An amendment to the 2007 Proposed Budget eliminated the Curbside Recycling Cart Set-out Program by restoring 3 Operation Driver positions with funding from the Recycling Efficiency Incentive Grant. Under the Curbside Recycling Cart Set-out Program, initiated in 2006, residents in certain areas (3 routes) of the City without alleys were required to bring their recycling carts to the curb between April and November.

The 2008 Proposed Budget provides O & M funding instead of grant funding for the 3 positions eliminated under the Curbside Recycling Cart Set-out Program. The O & M funding is based on the assumption that the City will receive the entire amount of State Shared Revenue that is recognized in the 2008 Proposed Budget. If the City's actual State Shared revenue is lower than the amount estimated in the 2008 Proposed Budget, the administration may request that 2008 Proposed Budget be amended to eliminate funding for the 3 positions and resume the Curbside Recycling Cart Set-out Program.

In July 2007, approximately 7,400 households in the 3rd and 11th Aldermanic Districts began participating in recycling pilot program offering twice per month collection of recycling carts set out on a guaranteed collection day. The DPW believes that this program will improve recycling service to residents while at the same time increasing the amount of recyclables collected and recovered. In 2008, this pilot may be expanded to other areas of the City where the amount of recyclables collected per household is high.

Although recycling is mandated by state law and City ordinance, participation in the City's recycling program in the central city is not as high as it is in other areas of the City. DPW indicates that the average pounds recycled per household in central city area was 51 pounds in 2006, while the average for the rest of the city was 305 pounds per household. Although the central city tends to be a more highly transient area and average incomes tend to be lower than the rest of the city and residents may generate fewer recyclables or may take their aluminum to scrap yards, the DPW believes there still exists an opportunity to increase recyclables collected from these areas.

DPW will use the funding from the 2008 Recycling Efficiency Incentive Grant to fund the first year of a Recycling Outreach, Education, and Promotion campaign for the promotion of recycling (File #070545). The 2008 Recycling Efficiency Incentive Grant will also be used to fund the recycling processing costs of electronic scrap collected from the public at Sanitation's Self Help Sites, as well as cover other recycling program costs related to education and compliance.

Under the current recycling contract, the City receives a 50% share of all marketable recycling. The 2008 revenue from recycling is estimated to be \$1.25 million.

Weekend Box Program Funding Eliminated

Due to restrictions on the use of CDBG funding for service programs, the 2008 Proposed Budget does not include funding for DPW's Weekend Box Program. Under this program, DPW provided large roll-off dumpsters (boxes) for weekend neighborhood cleanups. An amendment to the 2007 Budget restored \$295,000 in Community Development Block Grant reprogramming funding and \$40,000 in O & M funding for the program. The table on page 6 shows the number of boxes provided and the tons collected from 1999 through 2007.

Years	Boxes Provided	Tons Collected
1999	2,008	3,942
2000	1,922	3,482
2001	1,910	4,435
2002	1,522	3,722
2003	1,600	5,200
2004	1,620	6,980
2005	1,400	4,390
2006	1,511	3,800
2007*	922	2326

*Through 9/1/07

DPW is encouraging community groups and Common Council members to work with the department to utilize the Project Clean & Green as an alternative or to find other alternatives to the elimination of the funding for the Weekend Box Program

Clean & Green Program

In 2005, DPW initiated Project Clean and Green to provide a cleaner city, while reducing program costs. DPW concentrates its cleaning and greening efforts in one seventh of the City each week during April and May.

The 2008 Proposed Budget includes a \$100,000 increase in operating funding for the Clean & Green Program. The increase is to fund alternatives to the elimination of the weekend box program and to accommodate collections during the periods of peak “moveouts” throughout the City. The increase in funding is based on the assumption that the City will receive the entire amount of State Shared Revenue that is recognized in the 2008 Proposed Budget. If the City’s actual State Shared revenue is lower than the amount estimated in the 2008 Proposed Budget, the administration may request that 2008 Proposed Budget be amended to eliminate funding

Litter Removal/Vacant Lot Maintenance

To reduce the time it takes to remove nuisance litter from properties, the 2007 Budget transferred funding and the responsibility for removing nuisance litter from DNS to DPW. Through August 31, 2007, DPW received 2,429 DNS private property clean up orders. Of those, 561 were removed by owner and 1,868 were removed by Sanitation crews or contractors within an average of three days. DPW also assumed responsibility for garbage removal on city owned vacant lots. DPW received 1,242 service requests for vacant lots and removed debris from those lots within three days on average through August 31st.

In 2008, the Proposed Budget shifts the responsibility and CDBG funding for maintaining (snow removal, lawn mowing and weed removal) the approximately 2,600 city owned vacant lots from DNS to DPW.

Clean Fill Update

In 2008, Milwaukee residents will continue to be able to bring small amounts of clean fill (asphalt, dirt, concrete) to the City’s Self Help Centers. Currently, the City deposits the clean fill it receives at the Hartung Quarry. Under DPW’s current closure plan, DPW anticipates there will be enough capacity at the quarry to receive clean fill through 2010.

Replacement Equipment

Carts

The 2008 Proposed Budget includes \$1,001,000 to purchase 18,200 garbage and recycling carts, a reduction of 1,800 from the 20,000 carts provided for in the 2007 Budget. (The Sanitation Section’s 2008 Requested Budget included funding for the purchase of 20,000 carts) The reduction will result in the Department replacing only carts deemed unserviceable.

The table below shows the total number of carts placed each year since 2001.

Year	# of Carts Purchased	# of Carts Placed
2001	25,000	17,572
2002	15,000	25,190
2003	15,000	18,020
2004*	25,000	26,800
2005	25,000	23,500
2006**	25,000	21,457
2007	20,000	16,070***

* includes 5,000 carts purchased with funding from the Common Council Contingent Fund

** includes 5,000 purchased with one-time funding State of Wisconsin’s Recycling Efficiency Incentive Grant

***Through 8/31/07

Based on citywide data the table below shows the reasons for cart replacements. Nearly half of the carts replaced are replaced because the carts are missing or stolen.

REASONS FOR REPLACING CARTS	
Reason	Percentage
Additional Cart	11%
Broken/Worn Out	32%
Burnt	1%
Missing/Stolen	54%
New Start	2%

Litter Cans

The 2008 Proposed Budget provides \$15,000 for replacement litter cans. DPW currently services approximately 1,100 litter cans throughout the City and loses around 200 cans per year to damage, vandalism or normal wear and tear. In 2008, DPW will purchase 90 "littercart" containers manufactured by DPW's garbage cart manufacturer which cost \$165 each. The green metal cans most prominent across the City cost \$245 each. The "littercart" containers are more durable and functional than the green metal ones and are preferred by the Department. It should also be noted that many Business Improvement Districts are purchasing the black iron type litter containers that cost \$850 each.

Revenue

Snow and Ice Control Charge

The Administration is proposing to increase the Snow and Ice Control Fee from its current rate of \$0.2736 per foot of property frontage to \$0.4788 per foot. In 2008, it is estimated the fee will generate \$4.3 million, an increase of \$1.8 million from 2007 revenues. The Common Council has not approved the increase and the Comptroller has not recognized the revenue the proposed increase would generate.

Solid Waste Fee

The Solid Waste Fee will remain at \$132 per dwelling unit per year, generate \$25 million, and recover nearly 80% of solid waste operating costs. The Solid Waste Fee was last increased in 2006, from \$75 to \$132 annually, and from \$44 to \$75 in 2002.

Bulky Waste Collection Charge

Beginning June 5, 2007, following Project Clean & Green, a service charge of \$50 per collection was imposed for the collection of bulky waste exceeding 4 cubic yards, Sanitation employees first tag bulky waste exceeding 4 cubic yards with a notice to the property owner to remove the waste within 3 days or be subject to the charge. Piles not removed in three days are collected by Sanitation crews. Property owners receive a notice of their right to appeal before the charges are placed on the tax roll.

Through August 31, 2007, DPW had collected 482 bulky pickups subject to the \$50 fee. Administrative staff is currently mailing notices of the charge to property owners. The notice gives property owners 30 days to make payment to the City, or the charge will be placed on the property tax bill. For 2008, the Comptroller's Office estimates the Bulky Waste Collection Charge will generate \$540,000.

Multi-unit Apartment Collection

Since 2002, the City has charged those multifamily dwellings of 5 units or more, who opt for City solid waste collection, rates based on the recovery of City costs. There are approximately 2,660 residential buildings in the City of Milwaukee with 5 units or more. The City provides solid waste collection to approximately 50% of these buildings.

In 2006 collection rates increased an average of 37% for front load collections, 31% for rear load collections and 76% for cart collections. The new rates include labor, equipment and disposal based on 2005 actual expenditures adjusted for contract increases, indirect costs of supervision, administration, billing and a prorated amount for bulky collections. The new rates also include adequate charges for equipment, supervision, administration, billing and bulky collection which were previously not recovered. Since July 2006, Sanitation has lost 37 cart, 46 rear load and 8 front load containers to private vendors. During the same period, DPW also gained 5 front load containers. In 2008, the multi-unit apartment collections will generate an estimated \$1 million in revenue.

Other Revenues

The Comptroller's Office estimates the Sanitation Section will generate approximately \$36.5 million in revenue in 2008. The table below provides a breakdown of the revenue.

2008 SANITATION SECTION REVENUE	
<i>ITEM</i>	<i>AMOUNT</i>
Street Sweeping & Leaf Collection Portion of Sewer Maintenance Fee	\$ 5,000,000
Recycling Revenue	\$1,250,000
Snow & Ice Fee	\$2 ,500,000
Solid Waste Fee	\$25,000,000
Apartment Garbage	\$1,000,000
Construction Debris	\$65,000
\$50 Bulky Collection Charge	\$540,000
Suburban Recycling	\$100,000
Side Walk Snow Removal	\$22,000
Other Sanitation Services	\$225,000
Cart Sales	\$5,000
Cart Relocation	\$10,000
Litter Nuisance	\$240,000
Miscellaneous Sanitation Services	\$50,000
Hartung Quarry	\$400,000
Weed Removal	\$90,000
Total	\$36,497,000

Capital

The 2008 Proposed Budget does not include any new funding for DPW Sanitation Section capital projects. The 2008 proposed budget does include \$2,048,447 in carryover authority for Sanitation Headquarters Modification. The funding will be used for the following projects:

14th & Walnut - Acquisition of adjoining properties nearly completed. Fencing and paving will be done in 2008.

30th & Ruby- The 72nd and Fond du Lac and the 29th Cameron facilities have been closed and operations have been transferred to this facility. Building renovations are complete and a salt dome will be added in 2008.

35th & Lincoln - The 2007 funding will upgrade the South 35th Street Facility to allow the consolidation of Sanitation and Forestry operations at the site. Once the upgrades are completed, Forestry's south office (2024 W. Holt) will be sold. Design and cost estimate will be completed in 2008. Additional funding will be required for construction.

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