

FISCAL REVIEW SECTION – LEGISLATIVE REFERENCE BUREAU

Executive Summary: 2006 Proposed Budget –Sanitation Section

1. The 2006 Proposed Budget includes personnel changes in Sanitation's Field Operations area and reduces the number of the section's auxiliary postings. (Page 2)
2. Based on an analysis of expenditures over the last 5 years (excluding the above average winter of 2000), the 2006 Proposed Budget provides approximately \$4.9 in funding for snow and ice control operations. This is approximately \$125,000 more than provided in the 2005 Budget and reflects increases in salaries due to labor settlements and an increase in the cost of deicing materials. (Pages 3 and 4)
3. In 2006, Milwaukee residents will no longer be able to bring clean fill (asphalt, dirt, concrete) to the City's Self Help Centers. (Page 4)
4. DPW estimates the State will provide \$2,799,860 in 2006 for the recycling program. The City's share of eligible recycling cost is estimated to be \$8,440,640 of the total cost of recycling of \$11,240,500. (Page 5)
5. In 2006, residents who receive curbside solid waste collection, during the summer months, will be required to bring their recycling carts to curb between April and November. (Page 5)
6. The 2006 Solid Waste Charge is \$33.00 (\$132 per year) per quarter per dwelling unit. (Page 7)
7. The 2006 proposed Snow and Ice Control Fee is \$0.2736 per foot of street frontage, the same rate as 2005 (Page 8)

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2006 Proposed Budget Summary: Sanitation Section

Expense Category	2004 Actual	2005 Budget	% Change	2006 Proposed	% Change
Operating	\$ 33,454,977	\$ 30,178,482	-10%	\$ 33,571,172	11%
Capital*	\$ -	\$ -		\$ -	
Positions**	776	536	-31%	529	-1%

*Budgeted Capital

**Authorized positions include full-time funded, part-time funded and unfunded positions, including 496 auxiliary positions in the 2004 Budget and 272 auxiliary positions in the 2005 Budget, and 262 in the 2006 Proposed Budget.

The Sanitation Section is responsible for the collection and disposal of residential solid waste and recycling, street and alley cleaning, leaf collection and dead animal removal. Sanitation services approximately 213,000 households within the City of Milwaukee. In 2004, the Sanitation Section collected 307,000 tons of solid waste, 27,700 tons of compost and 25,800 tons of recycling.

Sanitation sweeps approximately 1,800 miles of streets and alleys and removes snow and ice from 1,400 miles of city streets. Other responsibilities include operation of two self-help centers, coordination and support of neighborhood clean-ups and public way clean up for civic celebrations.

Historical Information

1. The 2001 Budget placed the Sanitation Division into the Solid Waste Fund – an enterprise fund for solid waste expenses. A new Solid Waste Fee was established at \$44 per dwelling unit a year or \$11 per quarter. In 2002, the solid waste fee was increased to \$75 per dwelling unit per year.
2. The 2002 Budget dissolved the Solid Waste Fund (the Solid Waste Fee remained) when the Sanitation Section was included in the newly created Operations Division.
3. The 2002 Budget established a new snow and ice control fee of \$0.2736 per foot of street frontage to be charged to property owners.
4. The 2003 Budget reduced the use of private equipment for plowing operations on non-arterial streets and funding for standby time was reduced in the snow and ice control operations budget. (DPW has since developed a plan to use the City's fleet to offset most of the reductions in the use of private equipment.)
5. A change in the way bulky items (special pick-ups) are collected was included in the 2005 Proposed Budget. Under the change, most bulky items are collected on regular scheduled collections days.

2006 Proposed Changes & Budget Issues

PERSONNEL

Field Operations

Operation Driver Worker Positions

In the 2006 Proposed Budget a technical change shifts 6 auxiliary Operation Driver Worker positions to regular positions to properly reflect where the positions' funding is located. The summer recycling cart curbside setout change eliminates 3 Operation Driver Worker positions. The net effect of these two changes is the elimination of 3 Operation Driver positions in the Sanitation Section.

Auxiliary Personnel

Position authority for four unfunded auxiliary Sanitation Crew Leader (snow) positions that are no longer used was moved to the auxiliary Operation Driver Worker line.

Vacancies

There are no vacant positions in the Sanitation Section

Overtime

The 2006 Proposed Budget includes \$1,529,931 for overtime, an increase of \$170,607 from the 2005 Budget. The increase in overtime funding reflects wage settlements for 2003, 2004, 2005 and 2006.

OPERATING EXPENDITURES

Other Operating Supplies increases from approximately \$1.35 million in the 2005 Budget to approximately \$1.46 million in 2006 Proposed Budget. This increase reflects inflation adjustments for the procurement and delivery of road salt and calcium chloride.

General Office Expense funding decreases from approximately \$40,000 in the 2005 to \$25,000 in 2006 Proposed Budget. The funding reduction reflects 2004 budget experience. DPW indicates there will be no impact on services.

Property Services increases from \$5,000 in 2005 Budget to \$15,000 in the 2006 Proposed Budget. The increased reflects 2004 budget experience.

Operating Services increases from approximately \$8.4 million in 2005 to approximately \$9.2 million in 2006. The funding increase reflects inflation and funding adjustments for solid waste and recycling contracts.

Snow and Ice Control

The table below shows the number of snow plowing and ice control operations for the years 1999 through 2004.

Year	# Snow Plow Operations	# Ice Control Operations
1999	4	26
2000	11	49
2001	1	30
2002	3	19
2003	2	23
2004	3	23

Based on an analysis of expenditures over the last 5 years (excluding the above average winter of 2000), the 2006 Proposed Budget provides approximately \$4.9 in funding for snow and ice control operations. This is approximately \$125,000 more than provided in the 2005 Budget and reflects increases in salaries due to labor settlements and an increase in the cost of deicing materials.

The table on page 4 compares the 2005 and 2006 Operations Division's (Sanitation, Fleet & Forestry) snow and ice control operations budget.

2006 Proposed Snow & Ice Control Reductions		
Category	2005 Budget	2006 Proposed Budget
Sanitation		
Salaries	\$400,000	\$450,000
Deicing Materials	\$1,354,000	\$1,458,600
Plow Contracts	\$900,000	\$900,000
Snow Related Services	\$91,285	\$71,935
Sanitation Subtotal	\$2,745,285	\$2,880,000
Buildings & Fleet Services		
Salaries	\$600,000	\$675,000
Service Agreements	\$200,000	\$200,000
Other Operating Services	\$418,000	\$437,850
Equipment (Plows)	\$42,000	0
Buildings & Fleet Services Subtotal	\$1,260,500	\$1,312,850
Forestry		
Salaries	\$135,000	\$151,875
Forestry Subtotal	\$135,000	\$151,875
Operation Division O & M Total	\$4,140,785	\$4,345,260
Fringe Benefits	\$408,000	\$536,288
Operations Administration Prorated	\$95,469	\$42,078
DPW Administration Prorated	\$154,086	0
Total Snow & Ice Control Budget	\$4,798,940	\$4,923,626

Clean Fill

In 2006, Milwaukee residents will no longer be able to bring 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. The quarry is expected to reach its capacity at the end of 2006 or beginning 2007. Beginning in 2006, residents will be required to use private facilities to dispose of clean fill.

On October 5, 2005, the Public Works Committee approved a resolution (#050766) that authorizes DPW enter into a contract with EarthTech to develop an RFP to determine the most cost effective means for the future recycling and disposal of clean fill material.

Recycling Grant Funding

DPW estimates the State will provide \$2,799,860 in 2006 for the recycling program. The City's share of eligible recycling cost is estimated to be \$8,440,640 of the total cost of recycling of \$11,240,500.

DPW currently operates 31 cart routes and 3 weekly bin routes servicing approximately 190,000 residences. The City's current recycling participation rate is approximately 78%. The Department annually collects approximately 27,000 tons of curbside recyclables.

In addition to the annual recycling grant, DPW estimates it will receive approximately \$227,000 from the 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. The 2006 funding will be used as a one-time funding strategy to purchase 5,000 recycling carts.

Summer Curbside Recycling Cart Set Out

In 2006, residents who receive curbside solid waste collection, during the summer months, will be required to bring their recycling carts to the curb between April and November. DPW will provide residents with a date their recyclables will be collected. An ordinance change will need to be enacted to require residents to return the recycling carts to their storage area, similar to that addressing the return of solid waste carts.

Targeted Weekend Box Program

The Operations Division has requested \$295,000 in Community Development Block Grant (CDBG) Funding and \$40,000 in O & M funding for the Targeted Neighborhood Box Program. The program is available April through October and 85% of the boxes are placed in the CDBG area.

Years	Boxes Provided	Tons Collected
1998	2,109	4,609
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*	1,170	3,940

* through August, 2004

Project Clean and Green Funding Eliminated

Funding for Project Clean and Green is eliminated in the 2006 Proposed Budget. In 2005, the DPW-Operations Division implemented Project Clean and Green to provide a cleaner city, reduce program costs and increase revenue

For this initiative, DPW divided the City into seven clean up zones. Crews targeted one zone each week. Residents received door/cart hangers stating their designated cleanup week and were asked to place items at their collection point by 7AM on their collection day. The program began in the perimeter of the City and wrapped up in the central east side to coincide with student move outs around Marquette and UWM over the Memorial Day weekend.

The program involved 11 additional collection crews and four supplemental skid loader crews for large refuse piles. The program was funded through a \$200,000 CDBG grant supplemented by \$125,000 in existing neighborhood cleanup program dollars.

The 2005 initiative allowed residents to get rid of unwanted items that piled up in their garages, basements and attics over the winter months. Clean & Green crews collected:

- 1,680 tons of refuse (a 23% increase over targeted cleanups performed in 2004)
- 7,160 small brush piles
- 4,240 tires
- 4,980 skid loader piles of debris

The "green" part of the project included:

- 15 Arbor Day programs (one in each aldermanic district)
- The Mayor's Landscape Award Kick-Off Program on May 4th where citizens were awarded for beautifying their yards.
- Greening Milwaukee responded to nearly 200 requests for free trees. Fifteen trees were planted on May 21st.

Neighborhood Clean and Green Initiative SPA

For 2006, the proposed budget will continue funding for the neighborhood Clean Green Initiative SPA. The 2006 Proposed Budget includes \$70,000 for this SPA. The SPA provides funding for neighborhood cleanup initiatives conducted jointly by Sanitation and the Department of Neighborhood Services (DNS).

Replacement Equipment

Carts

The 2006 Proposed Budget includes \$840,000 to purchase 20,000 garbage and recycling carts. The proposed budget also includes a one-time purchase of 5,000

recycling carts with funds from the State of Wisconsin's Recycling Efficiency Incentive Grant

The table on page 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	15,000

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

**Through 7/31/05

Based on citywide data through July 31,2005, 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	13%
Broken	26%
Burned	1%
Missing/Stolen	48%
New Start	2%
Worn Out	10%

Litter Cans

The 2006 Proposed Budget includes \$50,000 for the purchase of 200 litter cans. The City has not purchased replacement litter cans since 2002. DPW's current inventory is nearly depleted and without this request DPW will not be able to replace litter cans as they deteriorate.

Festival Boxes

The 2006 Proposed Budget includes \$15,000 for the purchase of 20 festival boxes. The City has not purchased replacement festival boxes since 2001. These boxes are used to support various civic celebrations throughout the City. Without this funding, DPW indicates it will be unable to provide receptacles as requested.

Revenue

Solid Waste Fee

The 2006 Solid Waste Charge is \$33.00 (\$132 per year) per quarter per dwelling unit. The 2006 Solid Waste Fee will generate approximately \$24.6 million and according to the 2006 Proposed Plan and Budget Summary (page 123), recover approximately 87% of the City's household solid waste collection costs.

Snow & Ice Control Fee

The 2006 proposed Snow and Ice Control Fee is \$0.2736 per foot of street frontage, the same rate as 2005. The fee's impact on the average household is approximately \$12. The fee is charged on the municipal services bill after the costs have accumulated. In 2006, the fee will generate \$2.4 million in revenue.

Multi-unit Apartment Collection

An amendment to the 2002 Proposed Budget eliminated special pickups for multifamily dwellings of 5 units or more who do not pay for city waste collection. There are approximately 2,680 residential buildings in the City of Milwaukee with 5 units or more. The City provides solid waste collection to approximately 57% of these buildings. In 2006, the multi-unit apartment collections will generate \$800,000 in revenue.

Other Revenues

The Comptroller's Office estimates the Sanitation Section will generate approximately \$34 million in additional revenue in 2006. The table below provides a breakdown of the revenue.

2006 SANITATION SECTION REVENUE	
ITEM	AMOUNT
Apartment Garbage	\$ 800,000
Cart Relocation	\$2,500
Apartment Cart Sales	\$2,500
Hartung Quarry	\$400,000
Metal Recycling	\$100,000
Miscellaneous Revenue	\$25,000
Snow & Ice Fee	\$ 2,400,000
Snow Removal	\$7,000
Solid Waste Fee	\$24,600,000
Special Collection	\$10,000
Street Sweeping & Leaf Collection Portion of Sewer Maintenance Fee	\$ 4,600,000
Suburban Recycling	\$100,000
Special Collection	\$10,000
Recycling Contract Revenue	\$ 1,000,000
Total	\$34,047,000

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