

RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

Executive Summary: 2009 Proposed Budget –Sanitation Section

1. The 2009 Proposed Sanitation Section Budget contains the following personnel changes:
 - One Recycling Assistant position (Salary Grade 530) is added to the Sanitation Section.
 - Funding for 2 Operations Driver Workers (ODWs) FTEs associated with the elimination of brush collection is not included in the Proposed Budget.
 - Funding for 1 FTE Sanitation Supervisor is not included the Proposed Budget. (Pages 2 & 3)
2. The 2009 Proposed Budget provides approximately \$4.5 million for snow and ice control operations. This is approximately \$400,000 less than the amount provided in the 2008 Budget. (Pages 4 & 5)
3. DPW estimates the State will provide \$3.5 million in 2009 for the City's household recycling program. The City's share is estimated to be \$7.7 million of the total household recycling cost of \$11.2 million (Pages 5, 6 & 7)
4. The 2009 Budget provides positions, but does not include funding for the Weekend Box Program. If CDBG reprogramming funding is made available, DPW intends to continue the program at its 2008 level. (Pages 7 & 8)
5. The collection of brush will be eliminated and the self-help centers will no longer accept construction materials under the 2009 Proposed Budget. (Page 8)
6. The 2009 Proposed Budget includes \$966,060 to purchase 18,000 garbage and recycling carts. (Pages 8 & 9)
7. The Snow and Ice Control Charge 2009 revenue estimate assumes the rate will remain at \$0.4811 per foot of property frontage and generate \$4.5 million. This is same rate that was established for 2008 prior to the Common Council amending the rate in September 2008. (Pages 9 & 10)
8. The 2009 Proposed Budget's revenue estimate for the Solid Waste Charge assumes the Solid Waste Charge will remain at \$132 per year and, generate \$25 million. (Page 10)

RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

2009 Proposed Budget Summary: Sanitation Section

Expense Category	2007 Actual	2008 Budget	% Change	2009 Proposed	% Change
Operating	\$ 37,053,594	\$ 34,630,866	-7%	\$ 33,854,224	-2%
Capital*	\$ 2,260,500	0	-	0	-
Positions**	531	524	-1%	537	2%

*Budgeted New Capital Borrowing

**Authorized positions include full-time funded, part-time funded and unfunded positions, including 262 auxiliary positions in the 2007 Budget, 250 in the 2008 Budget, and 262 in the 2009 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 2007, the Sanitation Section collected 268,400 tons of solid waste, 24,000 tons of compostable yard waste and 23,700 tons of recyclable 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. The charge was initially increased in 2008 to \$0.4811 per foot and then further adjusted to \$0.6522 per foot in September 2008.
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.

2009 Proposed Changes & Budget Issues

PERSONNEL

The 2009 Proposed Sanitation Section Budget contains the following personnel changes:

- One **Recycling Assistant** position (Salary Grade 530) is added to the Sanitation Section Budget. The basic function of this position is to assist recycling programs activities conducted by the City in fulfillment of State mandated recycling criteria, administer the recycling compliance system, and assist with outreach. The position is 100% funded by the Recycling Efficiency Incentive Grant. On July 30, 2008, the Common Council approved the addition of this position by amending the Salary and Positions Ordinance (File #080129) to include the position of Recycling Program Assistant. On October 7, 2008, the Common Council approved changing the Recycling Program Assistant position's title to Recycling Assistant by amending the Salary and Positions Ordinance (File #080382).
- 2 **Sanitation Worker** positions are replaced by 2 Operations Driver Worker Positions. As Sanitation Worker positions become vacant, they are replaced by Operator Driver Worker positions.
- Funding for 2 Operations Driver Workers (ODWs) FTEs associated with the elimination of brush collection is not included in the Proposed Budget. However Position Authority for those 2 ODWs is included in the Proposed Budget. **If the Solid Waste Fee is increased as proposed by the Mayor, funding could be restored for these 2 ODWs.**
- Funding for 1 FTE Sanitation Supervisor is not included the Proposed Budget. **If the Solid Waste Fee is increased as proposed by the Mayor, this position could be restored.**

The reduction in funding for sanitation supervisors will result in an imbalance in of supervisory staff in the 3 Sanitation Districts. Currently, there are 8 Sanitation Supervisors in each district. The funding reduction will result in 2 Districts having 8 Sanitation Supervisors and one having 7.

DPW indicates that this reduction will result in an approximately 20% reduction in route supervision for one third of the City, longer, response time to citizen and aldermanic service requests, and less frequent interaction with neighborhood organizations on cleanliness issues.

The table on page 3 shows the reduction in the number of Sanitation Section managers from 2001 to the proposed 2009 budget.

S ANITATION	PG	Mgmt Reduction								
		2001	2002	2003	2004	2005	2006	2007	2008	2009
Sanitation Services Manager	13			1	1	1	1	1	1	1
Sanitation Area Manager	11		3	3	3	3	3	3	3	3
Sanitation District Manager	7	6	6	6	6	6	6	6	6	6
Recycling Manager	7			1	1	1	1	1	1	1
Sanitation Supervisor	4	30	27	27	24	24	24	24	24	23
Sanitation Services Superintendent	16	1	1	1						
Sanitation Operations Manager	14	1	1							
Administration & Projects Manager	14	1								
Resource Recovery Manager	14	1	1							
Sanitation Area Manager	10	3								
Business Operations Manager	8	1	1							
Sanitation Shop Supervisor	6	1	1							
Shop & Maintenance Supervisor	7			1						
Sanitation Survey Coordinator	6	1								
Total		46	41	40	35	35	35	35	35	34
										26%

The table shows that in 2001 there were 30 supervisors, 6 district managers and 10 administrative managers in Sanitation. The 2009 proposed budget includes 23 supervisors, 6 district managers and 5 administrative managers. This represents a 26% reduction in management staff while there has actually been an increase in service delivery and span of responsibility, including:

- Combined collection – take everything on the route up to 4 cubic yards
- Designated recycling dates
- Twice per month recycling collection on certain routes
- Project Clean & Green
- DNS nuisance garbage clean ups
- City owned vacant lot clean ups
- Aldermanic walks and community meetings
- Each supervisor is responsible for 10 – 16 people daily - Snow operations can increase direct reports to more than 30 people per supervisor

OPERATING EXPENDITURES

Tools and Machinery account funding is shifted to the Other Operating Services account, the account the expenses are charged to.

Other Operating Supplies decreases from approximately \$1.6 million in the 2008 Budget to approximately \$1.28 million. This is a reduction in funding for salt. The 2009 Proposed Budget includes funding for 32,000 tons of salt. The 2008 Adopted Budget included funding for 43,000 tons of salt.

Information Technology Services increases from \$25,000 in 2008 to \$35,000 in 2009. The increase is based on past experience.

Infrastructure Services decreases from \$185,000 in 2008 to \$85,000 in 2009. The \$100,000 reduction in Infrastructure Services relates to contract/rental equipment for snow and ice control. The 2009 total proposed budget for snow equipment rentals/contracts (Fleet & Sanitation) is \$180,000 lower than the 2008 Budget.

Snow and Ice Control

The 2009 Proposed Budget provides approximately \$4.5 million for snow and ice control operations. This is approximately \$400,000 less than the amount provided in the 2008 Budget. The Administration has proposed that snow and ice control operations be funded at the level of the revenue generated by the Snow and Ice Control Charge. For 2009 that revenue is estimated to be \$4.5 million for 2009.

Category	2007 Actual	2008 Budget	2009 Proposed Budget
Sanitation			
Salaries	\$1,146,488	\$450,000	\$450,000
Deicing Materials	\$3,817,796	\$1,509,850	\$1,219,840
Plow Contracts/Service Agreements	\$139,333	\$415,000	\$315,000
Snow Related Services	\$385,770	\$71,935	\$71,935
Sanitation Subtotal	\$5,489,387	\$2,446,785	\$2,056,775
Buildings & Fleet Services			
Salaries	\$1,457,189	\$675,000	\$675,000
Service Agreements (Vehicle Rental)	\$1,002,130	\$200,000	\$120,000
Other Operating Services	\$755,675	\$435,000	\$435,000
Buildings & Fleet Services Subtotal	\$3,214,994	\$1,310,000	\$1,230,000
Forestry			
Salaries	\$758,970	\$151,875	\$151,875
Forestry Subtotal	\$758,970	\$151,875	\$151,875
Operation Division O & M Total	\$9,463,351	\$3,908,660	\$3,438,650
Fringe Benefits	\$1,378,317	\$523,519	\$523,519
DPW-Admin. Services Overhead		190,366	\$200,000
Fuel (Prorated By Budget Office)		296,337	\$337,831
Totals	\$10,841,668	\$4,918,942	\$4,500,000

Though the proposed 2009 snow and ice control funding is reduced, DPW intends to make no changes to its 2009 and ice control operations. Depending on actual expenditures this may result in a request for funding from the 2009 Common Council Contingent Fund, funded at \$5.0 million. As the table on page 5 shows, actual snow and ice control expenditures have exceeded the proposed \$4.5 million budget of 7 of the last 11 years. Discounting the expenditures to date

for 2008's extreme winter, snow and ice control expenditures have averaged \$6.1 million for the last 5 years (2003-2007).

Snow & Ice Control Expenditures		
Year	Funding	
	<u>Budget</u>	<u>Actual</u>
1998	6,011,324	4,149,443
1999	6,562,888	8,681,087
2000	6,423,219	10,727,038
2001	7,267,392	4,688,380
2002	7,731,934	3,682,140
2003	7,388,234	3,589,675
2004	5,990,847	4,649,565
2005	4,473,956	7,575,532
2006	4,923,626	3,873,753
2007	4,885,314	10,841,668
2008 YTD Estimate*	4,918,942	9,195,000

*through July 10, 2008

Recycling

DPW currently has 3 bin routes, and 28 summer and 31 winter cart 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 years, the recycling tonnage steadily declined each year, decreasing over that time period by 23% to its 2007 total of 23,700 tons. A phone survey conducted by the Department in spring of 2008 indicates that 89% of eligible 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 \$3,530,000 in 2009 for the City's household recycling program. The City's share is estimated to be \$7,670,000 of the total grant eligible recycling and yard waste cost of \$11.2 million. In addition to the annual recycling grant, DPW typically receives approximately at least \$226,500 from the 2009 State of Wisconsin's Recycling Efficiency (REI) Incentive Grant. However, as part of State spending reductions required of all State departments, the Wisconsin Department of Natural Resources has proposed not funding 2009 REI grants. The Governor's Office and the State Department of Administration ultimately will decide which funds to reduce when the State budget is finalized. DPW and the DOA's Intergovernmental Relations Division are appealing to the State to keep 2009 REI funding since 2009 awards are based on cooperative projects already funded and completed by Responsible Units.

Curbside Recycling Cart Set Out

Under the 2009 Proposed Budget, the Summer Curbside Recycling Cart Once per Month Set Out Program will continue in portions of the 1st, 5th, 9th, 10th, and 13th Aldermanic Districts. The program began in 2006, where residents in certain areas of the City who receive curbside solid waste collection were required to bring their recycling carts to the curb between April and November. It was anticipated the program would result in annual savings of approximately \$130,000.

As the data below shows, the program has not generated the full amount of anticipated savings. DPW projects that when the program ends on November 10th; the net savings will be approximately \$120,000.

Dates	May 1 to August 31 (Actual)	Projected through November
Estimated Labor Fleet Savings	\$85,714	\$150,000
Lost recycling revenue/land fill savings & processing cost	(\$6,646)	(\$11,589)
Cost of extra missed collections	(\$10,950)	(\$19,163)
Net Savings	\$68,118	\$119,248

DPW also indicates that accounting for the 2.7% decline in city-wide recycling pounds per household that all other routes experienced, the decline attributable to the monthly setout factor alone is 7.8%. A survey conducted at the end of the 2006 once per month setout program showed that residents are pleased to participate in setting their carts out on a guaranteed date but that they want more frequent collection than once per month.

In July 2007, approximately 7,400 households in the 3rd and 11th Aldermanic Districts began participating in a 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. The route in the 3rd Aldermanic District had its recycling pounds per household increase by 15% while the route in the 11th District actually decreased 9%. That decrease is largely explained by a decrease in total solid waste generation in that part of town, meaning that pounds of garbage also declined significantly (8% reduction from 2006 to 2007). Combining the experience of both pilot routes, recycling pounds per household increased 3% compared to a 6% decrease for all other routes. Collecting recycling carts that are set out twice per month in these two pilot routes has not brought any increased fleet or labor costs versus collecting once per month and retrieving carts from yards. The program has resulted in more tons recycled. Between recycling revenue and avoided landfill disposal costs, the City is saving about \$44 for every ton recycled thus far in 2008 (through August). This pilot will continue in 2009. Other areas where this program could be implemented fall in the areas where the Department is instead operating the once per month setout program to accommodate a reduction of summer recycling routes from 34 to 31.

Recycling Outreach, Education and Promotion

The overall goal of DPW's new recycling campaign called "Recycle for Good" is to increase the tonnage of recyclables collected in the City of Milwaukee by 15 percent. The campaign started October 1st and specifically aims to increase recycling in neighborhoods where recycling rates are low, as well as to get residents who are already recyclers to recycle even more.

The Department of Public Works conducted research among City of Milwaukee residents to help determine what motivates people to recycle, as well as identify the barriers to recycling. The "Recycle for Good" campaign was developed based on those results, as well as other statistical data and qualitative research by the Wisconsin Be SMART Coalition and the Department of Public Works. The campaign is designed to not only increase awareness of the need to recycle, but to actually effect behavior change toward increased recycling using the following strategies:

- Provide assistance for neighborhood campaigns that link recycling with cleaner, more attractive neighborhoods.
- Institute city-wide education and public outreach communicating that: recycling is the norm in the City of Milwaukee, recycling makes a positive impact on neighborhoods and quality of life, recycling conserves natural resources and saves the City money.
- Educate residents on what items can be recycled, including lesser-known items such as junk mail, paperboard, paper egg cartons and more.
- Study collection system changes that make recycling easier and more reliable.

Weekend Box Program

The 2009 Budget provides positions, but does not include funding for the Weekend Box Program. If CDBG reprogramming funding is made available, DPW intends to continue the program at its 2008 level. An amendment to the 2008 Proposed Budget restored partial funding (\$125,000) through the use of CDBG reprogramming funding. Under this program, DPW provides large roll-off dumpsters (boxes) for weekend neighborhood cleanups.

The table on page 8 shows the number of boxes provided and the tons collected from 2000 through September 10, 2008.

Years	Boxes Provided	Tons Collected
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	1,162	3,000
2008*	512	1,562

*through 9/10/08

Project Clean & Green

The Proposed 2009 Funding for Project Clean & Green is the same as was budgeted in 2008, approximately \$165,000. No changes to the project are currently planned.

Brush Collection

Under the 2009 Proposed Budget, the City will no longer collect brush. City residents can dispose of brush at the City self help centers or have the brush removed by a private tree removal service. **If the Solid Waste Fee is increased as proposed by the Mayor, funding could be restored for brush collection.**

Construction Debris

Under the 2009 Proposed Budget, the City will no longer accept heavy construction debris such as asphalt and concrete at the Self-Help Centers. Residents can have construction debris removed by a private vendor or take it to a private construction and demolition debris company.

Replacement Equipment

Carts

The 2009 Proposed Budget includes \$966,060 to purchase 18,000 garbage and recycling carts, a reduction of 200 from the 18,200 carts provided for in the 2008 Budget. The reduction will result in the Department replacing only carts deemed unserviceable.

The table on page 9 shows the total number of carts placed each year since 2001. The reduction in the number of carts purchased in recent years is the result of the Department replacing only carts deemed unserviceable.

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	22,850
2008 through 8/31/08	18,200	16,553

* 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.

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	10%
Worn Out	33%
Broken/Burnt	3%
Missing/Stolen	52%
New Start	2%

Litter Cans

The 2009 Proposed Budget provides \$45,000 for replacement litter cans. DPW currently services approximately 1,000 litter cans throughout the City and loses around 200 cans per year to damage, vandalism or normal wear and tear. The Funding provided is for an unspecified number of containers due to the cost difference based on container type. The green metal cans most prominent across the City cost \$250 each. The "litter cart" container prototyped by DPW's cart vendor costs \$165 each. These containers are more durable and functional than the green metal ones and are preferred by the Department.

Revenue

Snow and Ice Control Charge

The Snow and Ice Control Charge 2009 revenue estimate assumes \$4.5 million based on a rate of \$0.4811 per foot of property frontage. This is the same rate that was established for 2008 prior to the Common Council amending the rate from 0.4811 per foot of property frontage to \$0.6522 per foot (File #080483) on September 12, 2008 which will generate \$6.1 million in 2008 revenues, an increase of additional \$1.6 million for 2008. On September 12, 2008, the Common Council also tabled a substitute resolution establishing the 2009 Snow and Ice Control Charge (File #080485) at \$0.6522 per foot, the same rate as the 2008 amended charge.

Solid Waste Charge

The 2009 Proposed Budget's revenue estimate for the Solid Waste Charge assumes the Solid Waste Charge will remain at \$132 per year and, generate \$25 million, the same as the 2008 estimate. On September 12, 2008, the Common Council tabled, a substitute resolution establishing the 2009 Local Solid Waste Charge (File #080484). The resolution would have increased the 2009 Solid Waste Charge to \$42.25 per quarter (\$169 per year) per dwelling unit and generated approximately \$31.84 million revenue, an increase of \$6.84 million from the estimated \$25 million the 2008 Solid Waste Charge will generate.

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 2008, collection rates increased an average of 30% for front load collections, 55% for rear load collections and 17% for cart collections. DPW indicates rate increase has had little impact to date, with less than 3% of total accounts having cancelled since the rates were increased for the 3rd quarter billings. In 2009, the multi-unit apartment collections will generate an estimated \$1,475,000 million, an increase of \$475,000.

Other Revenues

The Comptroller's Office estimates the Sanitation Section will generate approximately \$38.3 million in revenue in 2009. The table on page 11 provides a breakdown of the Sanitation Section's revenues.

2009 SANITATION SECTION REVENUE	
ITEM	AMOUNT
Recycling Revenue	\$1,250,000
Snow & Ice Fee	\$4,500,000
Solid Waste Fee	\$25,000,000
Litter Nuisance	\$200,000
Service to Water Dept.	\$350,000
Street Sweeping & Leaf Collection Portion of Sewer Maintenance Fee	\$ 5,000,000
Apartment Garbage	\$1,475,000
Refuse Collection -Special	\$15,000
Other Collections	\$30,000
Recycling Charges	\$75,000
Snow Removal	\$45,000
Weed Removal	\$50,000
Other Sanitation Services	\$225,000
Cart Sales	\$3,000
Cart Relocation	\$15,000
Miscellaneous Sanitation Services	\$50,000
Total	\$38,283,000

Capital

No proposed 2009 funding is provided for Sanitation Section capital projects. The 2009 Budget does include \$1,761,155 in Sanitation Section carry-over funding. A portion of the funding will be used to complete paving, fencing and landscaping of additional yard space at 14th & Walnut, and for construction of a salt dome at Ruby Garage, which replaces lost salt storage capacity at 29th & Cameron, 72nd & Fond du Lac and 33rd & Vliet.

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 October 9, 2008