



REPORT

LEGISLATIVE REFERENCE BUREAU

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21. DPW— Sanitation, 2015

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21. DPW—Sanitation

\$39,502,247

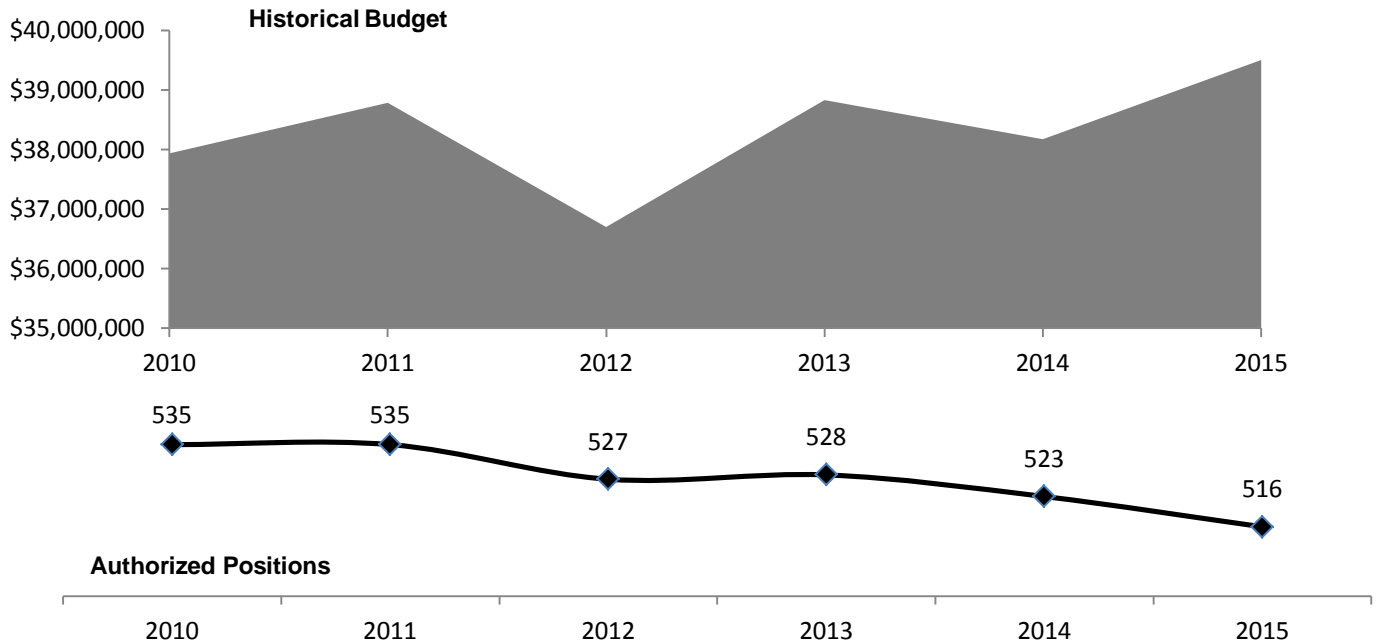
Proposed Department Budget

\$1,329,452

Nominal Change in Proposed Department Budget

3.48%

Percent Change in Proposed Department Budget

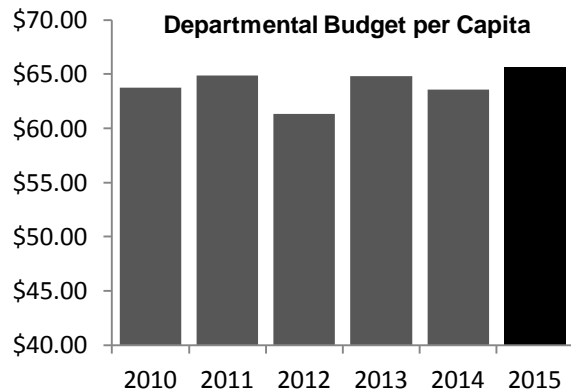
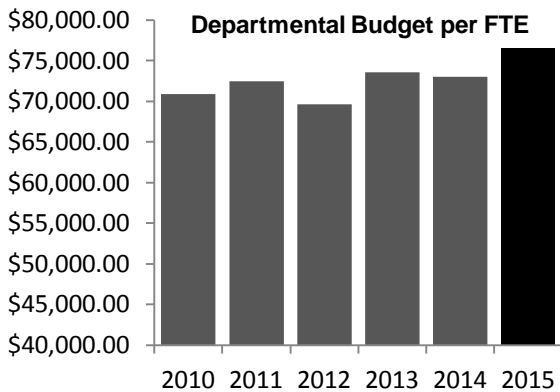


-1.3% Percent Change in FTE 2014 to 2015 Proposed

-7 Nominal Change in FTE 2014 to 2015 Proposed

1 Vacant Positions

55% % Eligible for Retirement within 10 years



1.05%

If the 2015 budget passes as proposed, average increase in Sanitation's adopted budgets since 2002.

23.8%

Milwaukee's landfill diversion rate in 2013.

4%

Proposed increase in the solid waste fee.

34.1%

The average national landfill diversion rate (per person), according to the U.S. EPA.

7

The number of auxiliary Operation Driver Worker positions eliminated in the 2015 Proposed Budget.

68%

The percent of written warnings for recycling enforcement which resulted in citations in 2013.

12.4%

Average increase in hardship applications from 2013 to 2014 in districts with automated collection, less than the citywide average of 12.6%.

287

Number of tips reported to the Illegal Dumping Tip Hotline since 2011. The Hotline is unfunded in the Proposed Budget.

14%

The anticipated percent increase in tipping fees in 2015.

\$275,000

Cost of a new 3-year project to purchase and install brine makers at Sanitation yards for use in snow and ice operations.

Salary & Wage	Fringe Benefits	Operations
\$136,462 Proposed change	-\$244,997 Proposed change	\$1,646,618 Proposed change
\$15,456,748 Proposed Total	\$6,955,537 Proposed Total	\$16,201,493 Proposed Total
39.13% % of Total Department Budget	17.61% % of Total Department Budget	41.01% % of Total Department Budget

I. INITIATIVES AND PROGRAMS.

1. Materials Recovery Facility.

According to the Sanitation Section, the most significant change in its recycling program in 2015 will be the City's new recyclables processing system – the Materials Recovery Facility (MRF) – jointly procured with Waukesha County and coming on line in the spring of 2015.

The City's recycling contract expired in July, and Sanitation had expected to receive highly competitive proposals due to the new joint recycling program. The City's share of recyclable revenue in its new contract with ReCommunity is 80%, the same as the old contract, and the same rate the City has had since September 2011.

According to management, the new contract has a sliding scale processing fee based on incoming volume to the MRF, and it is the processing fee, rather than the revenue share percentage, that provides the primary economic benefit to the City under the new contract. DPW expects to save at least 25% to 30% compared to the City's previous recycling contract with Waste Management. As of October 2, 2014, \$5,890,316 has been expended on the MRF.

2. Recycling Program.

The State's basic and consolidation recycling grants will provide approximately \$2.3 million in 2015 for the City's household recycling program, the same as in 2014. The City's total grant-eligible recycling and yard waste cost is \$12.3 million with the State's grant reducing the City's share to \$10 million. The \$2.3 million in State grant funding is the same amount as the reduced amount provided by the State in 2013, but \$1.1 million less than the amount received in 2010. Management projects the \$2.3 million will fund approximately 33 Operation Driver Worker FTEs.

DPW indicates that no significant changes are planned for its curbside recycling program in 2015. In 2014, 4 recycling routes were included in a pilot program of maintaining guaranteed collection schedules year round. Under the pilot program, residents set out carts during the winter as they did from April through November. The City used fully-automated collection trucks on 3 of these routes. Additionally, in 2011, DPW implemented a single-sort recycling program. The implementation of the single-sort recycling program was the result of DPW renegotiating the recycling processing contract to allow for single-stream or single-sort recycling.

Collecting one instead of 2 streams of recyclables has provided operational benefits such as greater fleet flexibility and enabling the use of fully-automated collection trucks. In addition, single-sort recycling and the addition of more materials to the recycling program contributed to a 5.8% increase in recycling tons from 2011 to 2012 and a 3.7% increase from 2012 to 2013. Total recycling tons of 25,052 in 2013 were the highest since 2006.

3. Self-Help Centers.

In 2015, the self-help centers will be closed Mondays during summer and closed Sundays and Mondays during winter, the same as 2014. In 2014, the Administration proposed that the charge for depositing construction materials at self-help centers be increased by \$5 to \$20 for loads not exceeding 8 cubic yards. According to management, 34,630 tons of construction material has been brought to self-help centers in 2014, as of September 30. This compares to 36,238 tons over the same period in 2013.

During the 2014 Budget hearings, the Common Council raised concerns over illegal dumping in relation to increased construction material disposal fees. The Sanitation Section notes that much of what is illegally dumped in Milwaukee can be taken to self-help sites at no cost to city residents. Management also indicates that Sanitation has attempted to identify and work with MPD Community Liaisons to potentially cite some of those responsible for illegal dumping, but to date, this has not been successful.

Finally, for safety and liability reasons, DPW maintains a “no junking” policy at self-help sites and does not allow employees or residents to sift through materials. In the past, Sanitation has attempted to reuse furniture through the installation of 2 Salvation Army trailers at the self-help sites, but found that the pilot program was not successful. Approximately half of all material dropped at self-help sites is diverted from the landfill, according to management. This material accounts for the majority of the reduction in the amount of solid waste managed by Sanitation in recent years, although because much of it is construction-related, it does not count toward the City’s residential waste diversion rate.

4. Snow and Ice Control.

Given the particularly harsh 2013-2014 winter season, DPW was unable to secure a reserve salt supply for the upcoming season, and will need to take efforts to reduce salt usage in the 2014-2015 season. The City has a current dome inventory of 17,000 tons of salt and has purchased 55,000 tons of salt (the maximum amount available from the City’s vendor) for the upcoming season.

For comparison, the average winter salt usage is approximately 65,000 tons, and the City used 87,000 tons this past winter. Management anticipates reducing salt spread rates, being more judicious in salting residential streets during storms and using salt/sand mixes where appropriate and as necessary. DPW anticipates it will have adequate resources for snow and ice operations in 2015. The Administration is proposing that snow and ice control operations be funded at \$8.7 million in 2015, \$500,000 (6.1%) greater than in 2014.

5. Weekend Box Program.

Under the Weekend Box Program, DPW provides large roll-off dumpsters (boxes) for weekend neighborhood cleanups. The Program will continue in 2015 with approximately \$30,000 in O&M funding. Thus far in 2014, O&M program costs, including disposal of 393 tons of debris, are \$39,300.

Table 21.1. Number of Weekend Boxes Provided and Tons Collected, 2009-2014.

Year	Boxes Provided	Tons Collected	% Change from Previous Year
2009	484	1,326	--
2010	401	629	-52.6%
2011	333	775	23.2%
2012	227	376	-51.5%
2013	220	388	3.2%
2014	215	393	1.3%

Prior to 2010, Sanitation's weekend box program had been funded with CDBG money. Management does not anticipate any CDBG funding in 2015, but Table 21.2 provides a breakdown of weekend boxes provided by district in both CDBG and Non-CDBG areas, for informational purposes.

Table 21.2. Number of Weekend Boxes Provided by District.

Ald. Dist.	CDBG		Non-CDBG		Total	
	#	% of Total	#	% of Total	#	%
1	24	11.2%	2	0.9%	26	12.1%
2	1	0.5%	15	7.0%	16	7.4%
3	0	0.0%	0	0.0%	0	0.0%
4	13	6.0%	0	0.0%	13	6.0%
5	0	0.0%	5	2.3%	5	2.3%
6	39	18.1%	0	0.0%	39	18.1%
7	36	16.7%	4	1.9%	40	18.6%
8	4	1.9%	0	0.0%	4	1.9%
9	4	1.9%	3	1.4%	7	3.3%
10	3	1.4%	5	2.3%	8	3.7%
11	0	0.0%	0	0.0%	0	0.0%
12	9	4.2%	0	0.0%	9	4.2%
13	0	0.0%	5	2.3%	5	2.3%
14	0	0.0%	3	1.4%	3	1.4%
15	40	18.6%	0	0.0%	40	18.6%
Total	173	80.5%	42	19.5%	215	100.0%

6. Administrative Specialist Position Update (Administration Section).

In the 2013 Budget, an Administrative Specialist position (later classified as a Program Assistant II by DER) was added to DPW Operations Division's Administration Section to audit and provide continuous updates to the databases that drive certain Municipal Service Bill Fees. In 2013, this position worked to audit the snow and ice fee, including review of the billed footage for every property in the City. DPW notes that, in conjunction with the Assessor's Office and ITMD, it has begun to improve data access, and ITMD has assisted with the creation of a single map file to improve location efficiency.

At this time last year, about 45% of the city had been reviewed. The audit has not been completed in 2014; DPW has indicated that approximately 40% of properties charged for snow and ice fees still need to be reviewed.

II. EXPENDITURES.

Table 21.3. Changes in Expenditure Amounts by Account.

Expenditure Account	2013 Actual	2014 Adopted Budget	% Change	2015 Proposed Budget	% Change
Salaries and Wages	\$14,534,272	\$15,320,286	5.4%	\$15,456,748	0.9%
Fringe Benefits	\$6,625,018	\$7,200,534	8.7%	\$6,955,537	-3.4%
Operating Expenditures	\$16,724,776	\$14,554,875	-13.0%	\$16,201,493	11.3%
Equipment Purchases	\$827,124	\$924,600	11.8%	\$888,469	-3.9%
Special Funds	\$118,018	\$172,500	46.2%	\$172,500	0.0%
Total Operating Budget	\$38,829,208	\$38,172,795	-1.7%	\$39,502,247	3.5%

1. Budget Summary.

The total 2015 Proposed Budget for DPW—Sanitation is \$39,502,247, an increase of \$1,329,452 (3.5%) from \$38,172,795 in the 2014 Budget. Including the 2015 Proposed Budget, the average increase in Sanitation's adopted budgets since 2002 has been 1.05%.

2. Personnel Costs.

Personnel costs decrease \$108,535 (-0.5%) in the 2015 Proposed Budget. Net salaries and wages increase \$136,462 (0.9%), while fringe benefits decrease by \$244,997 (-3.4%) from the 2014 Adopted Budget.

3. Operating Expenditures.

Operating Expenditures in the 2015 Proposed Budget are \$16,201,493, an increase of \$1,646,618 (11.2%) from the 2014 Adopted Budget amount of \$14,554,875. The changes can be attributed to the following:

- Other Operating Supplies.** Funding increases by \$214,750 from \$2,195,160 in the 2014 Adopted Budget. This increase reflects a 14% increase in the price of road salt, from \$48.91 per ton in 2013-2014 to \$55.76 per ton in 2014-2015 (for 55,000 tons of salt). The 2013 Adopted Budget had allocated approximately \$2.1 million to this account, but 2013 actual expenditures exceeded \$4.1 million due to a heavy snow and ice season.
- Other Operating Services.** This is the single largest account in Sanitation's operating expenditures budget. Funding increases from \$11,663,505 in 2014 to \$12,752,583 in the 2015 Proposed Budget, a difference of \$1,089,079 (9.3%). This increase primarily reflects a 14% increase in tipping fees, despite a projected 2% decrease in solid waste disposal tonnage. Of the approximately \$12.7 million budgeted in this account in the Proposed Budget, nearly \$12 million is related to disposal and/or processing of garbage, recycling, compost and other materials. A breakdown of remaining anticipated 2015 expenditures is provided in Table 21.4.

Table 21.4. Miscellaneous 2015 Expenses, Other Operating Services Account.

Water Works Administrative Charges for Fees	\$385,000
Routing & AVL Software & Training	\$87,583
Clothing Allowance	\$62,000
Manpower Temps - Office, Vacant Lots, In Rem Property, Other	\$60,000
Advertising OFNs, Recycling Outreach	\$50,000
Safety Shoes, Vests & Supplies	\$47,000
Dumpster Container Repair	\$20,000
Clean & Green Outreach	\$15,000
Copier/Printer/Fax Leases	\$14,000
DNR Transport Licenses	\$10,000
Weather Services	\$6,000
Training & Seminars	\$5,000
Total	\$761,583

4. Replacement Equipment Purchases.

Funding for Replacement Equipment purchases in the 2015 Proposed Budget is \$888,469, a decrease of \$36,131 (-3.9%) in 2014 Adopted Budget. This decrease is mostly due to a reduction in the number of refuse carts purchased from 2014 as a result of fewer households with multiple carts. The Replacement Equipment Purchases for 2014 are provided in Table 21.5.

Table 21.5. Replacement Equipment Purchases, 2014.

Account	2014		2015		% Change in Amount
	Amount	Units	Amount	Units	
Replacement Carts	\$879,600	19,000	\$832,794	16,566	-5.3%
Litter Cans	\$45,000	N/A	\$45,675	N/A	2%
Front and Rear Load Containers	\$0	0	\$10,000	20	--

- **Refuse Carts.** The 2015 Proposed Budget provides \$832,794 for the purchase of 16,566 replacement carts. At \$50.27 per cart, this represents a decrease of 931 carts from 2014 funding levels. Sanitation repaired and reused 1,393 carts in 2013 and has repaired 1,171 carts year-to-date in 2014. The City's cart contract will be rebid in 2015.
- **Litter Cans.** The 2015 Proposed Budget provides \$45,675 for replacement litter cans, a slight increase from 2014.
- **Front and Rear Load Containers.** Sanitation anticipates replacing 20 damaged front and rear load dumpsters in 2014. The total cost is \$10,000. None were purchased in 2013 or 2014.

Table 21.6. Reason Carts Replaced City-Wide, 2013 and YTD 2014.

Reason for Replacement	2013		
	Type of Cart		Total
	Garbage	Recycling	
Missing/Stolen	49.94%	34.16%	43.12%
Broken/Worn Out	42.26%	41.88%	42.09%
Additional	5.67%	20.76%	12.09%
New Start	2.13%	3.20%	2.60%
Reason for Replacement	2014, YTD		
	Type of Cart		Total
	Garbage	Recycling	
Missing/Stolen	50.82%	35.06%	44.18%
Broken/Worn Out	42.48%	45.16%	43.61%
Additional	4.59%	16.80%	9.74%
New Start	2.10%	2.98%	2.47%

5. Special Funds.

The 2014 Proposed Budget provided \$172,500 in special funds for vacant lot maintenance. This amount has been transferred to DPW – Forestry’s *In Rem/Vacant Lot Property Management Special Fund* in the 2015 Proposed Budget. Removal of debris from City-owned properties is performed by contractors. Sanitation has had and will continue to have responsibility for managing these contractors. Sanitation has indicated that it may, on occasion, remove items from City-owned properties where there may be a public nuisance issue that cannot be quickly abated by a contractor.

Table 21.7 indicates that the cost of cleaning up illegally-dumped debris from City-owned vacant lots increased between 2010 and 2014. Responsibility for *in rem* property maintenance was moved to DPW in 2013.

Table 21.7. Vacant Lot Maintenance Expenditures, 2010 to September 30, 2014..

Year	# Vacant Lot Cleanups	Amount Spent	# <i>In Rem</i> Cleanups	Amount Spent
2010	1,246	\$174,273	--	--
2011	1,335	\$180,000	--	--
2012	1,439	\$195,519	--	--
2013	1,215	\$97,874	2,000	\$245,730
2014	2,324	\$182,653	1,508	\$149,851

IV. PERSONNEL.

Table 21.8. Changes in Full-Time Equivalent (FTE) and Authorized Positions.

Position Category	2013 Actual	2014 Adopted Budget	Change	2015 Proposed Budget	Change
O&M FTEs	304.83	299.92	-4.91	292.39	-7.53
Non-O&M FTEs	32.92	32.92	0	33.45	0.53
Total Authorized Positions*	528	523	-5	516	-7

* Includes auxiliary positions (248 in 2015).

1. Personnel Changes.

The total number of authorized positions in the department under the 2015 Proposed Budget is 516, a decrease of 7 from the 523 positions authorized in the 2014 Adopted Budget.

Seven Auxiliary Operation Driver Worker (ODW) positions are eliminated. This reduction is related to savings from automated collections, as well as efficiencies from implementing new routes based on routing software solutions. Five positions had been eliminated in the 2014 Adopted Budget as a result of winter setout (4 positions) and savings from automated collections (one position).

2. Vacancies.

The Sanitation Section currently has one vacant position, a Sanitation Inspector. The position was approved to be filled at the September 17 Finance and Personnel Committee meeting. A job offer was extended to the highest-ranking eligible applicant, who declined. The Section will continue recruitment from its eligible list until an extended offer to hire is accepted.

3. Overtime Compensated.

Differences in overtime expenditures from year-to-year can be largely attributed to differences in the number of snow and ice operations. For instance, funding was reduced in the 2013 Adopted Budget to reflect the availability of carryover funds that resulted from the mild winter of 2012. The 2015 Proposed Budget provides approximately \$1,232,500 for overtime, a \$267,500 (-17.8%) decrease from the amount provided in 2014.

V. SPECIAL PURPOSE ACCOUNTS (SPA).

SPAs are budgeted outside of departmental operating accounts, and control over SPAs is provided to departments by resolution. The 2015 Proposed Budget does not include any funding for the Illegal Dumping Tip Hotline SPA.

Table 21.9. Changes in Special Purpose Accounts by Account.

Account	2013 Actual	2014 Adopted Budget	% Change	2015 Proposed Budget	% Change
Illegal Dumping Tip Hotline	\$15,000	5,000	-67%	\$0	-100%

Illegal Dumping Tip Hotline, \$0

The 2014 Proposed Budget provides \$0 for the Illegal Dumping Tip Hotline. Carryover funding from the 2013 budget was used in 2014. DPW did not request continued funding for this SPA in 2015, as the program has not had a positive impact on illegal dumping in the city. According to management, residents are calling in tips, but because it is not a high priority safety issue, no convictions or arrests have been made and no rewards have been issued.

The Tip Hot Line was implemented in June 2011 by Common Council Resolution File Number 120014. Since the program's inception in May 2011, DPW has received 287 tips, of which 143 requested rewards. WE-TIP, Inc. administered the hotline for the City.

VI. REVENUES.

Table 19.10. Changes in Revenues from Selected Accounts.

Account	2013	2014 Adopted Budget	% Change	2015 Proposed Budget	% Change
Solid Waste	\$33,994,612	\$35,072,272	3.2%	\$36,741,600	4.8%
Snow and Ice Control	\$7,955,486	\$8,170,000	2.7%	\$8,743,000	7.0%
Extra Cart	\$1,864,447	\$2,267,928	21.6%	\$1,860,000	-18.0%
Recycling	\$1,817,900	\$1,920,000	5.6%	\$1,568,000	-18.3%
Apartment Garbage Pickup	\$1,613,715	\$1,625,000	0.7%	\$1,543,750	-5.0%
Construction Debris Disposal (Self Help)	\$706,100	\$987,000	39.8%	\$987,000	0.0%
Other Collection (Pickup Charges)	\$131,400	\$200,000	52.2%	\$130,000	-35.0%
Other Sanitation Service (Self Help Metal Recycling)	\$116,800	\$110,000	-5.8%	\$115,000	4.5%
Cart Relocation (Garbage Cart Violations)	\$37,500	\$40,000	6.7%	\$40,000	0.0%
Refuse Collection (Curbside Construction)	\$22,000	\$10,000	-54.5%	\$20,000	100.0%

1. Solid Waste Fee.

The Administration is proposing an increase in the 2015 Solid Waste Fee of \$7.40 (4%), to \$194.40 per year. The Administration estimates that with the fee increase, the City will generate approximately \$36.7 million in 2015 – approximately 92% of the cost associated with garbage and recycling collection and an increase of \$1.7 million from the approximately \$35 million recognized in the 2014 Adopted Budget.

2. Extra Cart Charge.

The fee for extra garbage carts will remain \$15 per garbage cart above one cart per household, the same as the 2014 Adopted Budget. Revenue from the extra garbage cart fee is estimated to be approximately \$2.1 million in 2015. This amount is included in the Solid Waste Fee revenue account. The extra garbage cart fee is currently being assessed on approximately 26,161 municipal service accounts for approximately 30,994 extra garbage carts.

The extra cart charge was implemented in 2011 at \$10 per additional cart. It was increased to \$13 per cart in 2012 and to \$15 per cart in 2014. Since the fee was implemented, approximately 10,000 carts have been returned to the City, the majority of which were recycled due to poor condition. Management has noted that the number of additional garbage carts returned has steadily decreased since the first quarter of 2013 and estimates that approximately 1,500 additional carts may be returned in 2015. At \$50.27 per cart, the 2015 Proposed Budget reduces Sanitation's funding for replacement carts by 931 carts from 2014.

3. Snow and Ice Control Charge.

For 2015, the Administration is proposing an increase in the snow and ice control charge from the current charge of \$0.8556 per foot of property frontage to \$0.9155 per foot of property frontage. The proposed increase in the 2015 charge will increase the snow and ice control charge for a property owner of a property with 40 feet of frontage by \$2.40. This charge was increased by \$0.99 per 40 feet of frontage in the 2014 Adopted Budget.

The Administration estimates that the proposed increase will generate \$8.7 million in 2015 – approximately 100% of the estimated cost of the City's snow and ice control operation and an increase of \$500,000 from the \$8.2 million recognized in the 2014 Adopted Budget.

4. Apartment Garbage Collection.

Since 2002, the City has charged owners of multi-family dwellings of 5 units or more who opt for City solid waste collection rates based on the 100% recovery of City costs. The City provides solid waste collection to over 1,000 apartment buildings with 5 or more units (14,094 units total), approximately 25% of the multi-unit buildings in the city.

For 2013, the Administration is proposing an 8% rate increase to continue recovering 100%. The Administration estimates that the proposed multi-unit apartment collection rate increase will generate an estimated additional \$123,000 over the 2014 revenue estimate of \$1,625,000. The proposed increase may result in some accounts switching to private collection. For instance, according to Sanitation, the impact of the 8% increase on a property with one 4-yard top-load dumpster would be \$21.60 annually or \$5.40 quarterly. Additionally, when calculating the City's residential waste diversion rate, Sanitation does not have access to the recycling tonnage collected from the majority of apartments it services, but garbage tons from these apartments are included in the residential landfill diversion calculation.

Since the Common Council has not adopted legislation increasing the DPW charges, the Comptroller has not recognized this revenue. Hence, the Administration's estimated revenue for the increase in the charges is shown as an additional withdrawal from the Tax Stabilization Fund.

Table 19.11. Changes in Fees.

Fee	2013	2014 Adopted Budget	% Change	2015 Proposed Budget	% Change
Snow and Ice Control (per front foot)	\$0.8307	\$0.8556	3.0%	\$0.9155	7.0%
Solid Waste (per quarter, per res. unit)	\$44.95	\$46.75	4.0%	\$48.60	4.0%
Apartment Garbage Pickup	Varies by amount/ container.		3.0%	--	8%
Extra Cart (per quarter, per extra cart)	\$13.00	\$15.00	15.4%	\$15.00	0%
Construction Debris Disposal (self help, up to 8 cu. yds.)	\$15.00	\$20.00	33.3%	\$20.00	0%

VII. CAPITAL PROJECTS.

The 2015 Proposed Budget includes \$275,000 in funding for one capital project, a decrease of \$2.1 million (88.50%) from the 2014 Budget. The decrease is related to the development of a regional single-stream recycling system being pursued jointly with Waukesha County. That project received \$2.3 million in funding in the 2014 Budget. No additional funding will be required in 2015. Capital projects for 2015 are summarized in Table 21.12 and the discussion that follows.

Table 21.12. Capital Program Summary, 2015.

Program	2015 Proposed Budget	2014 Actual Budget	Increase (decrease)	% Chng.	6-year Request
Environmental Services Facility Modifications	\$0	\$100,000	(\$100,000)	-100%	\$2,835,000
Purchase & Install Brine Makers	\$275,000	\$0	\$275,000	----	\$825,000
Material Recovery Facility	\$0	\$2,300,000	(\$2,300,000)	-100%	\$2,000,000
Total	\$275,000	\$2,400,000	(\$2,125,000)	-88.5%	\$5,660,000 ¹

¹ Total does not include the 6-year request for the Industrial Road Relocation project which was not included in the 2015 Proposed Budget. The total 6-year capital request for DPW – Sanitation is \$12,460,000.

1. Currently-Funded Projects.**Purchase and Install Brine Makers, \$275,000.**

This is a new 3-year project to purchase and install brine makers at Sanitation yards for use in snow and ice operations. The project would install 3 brine makers. Brine would be transported and stored in holding tanks installed at each of the 6 Sanitation yards. The total estimated cost

of the project is \$825,000.

The Cheese Brine Pilot that was conducted during the winter of 2013-2014 demonstrated that pre-wetting salt with liquid brine is beneficial and should result in an overall reduction in salt usage. Salt that has been pre-wet with brine activates faster, remains in the driving lane better than dry salt and keeps the pavement clear longer. Salt trucks will need minor modifications to accommodate the brine, but the department anticipates that the cost will be minimal. Annual savings related to salt usage are difficult to quantify and may be highly variable.

2. Unfunded Capital Requests.

Environmental Services Facility Modifications, \$2,255,000.

The 2015 Proposed Budget includes no funding for improvements and modifications to Environmental Services Facilities. This program provides funds for the repair and maintenance of the facilities at the yards used by the Department of Public Works' Operations Division. Since 2001, nearly \$7.35 million in funding has been provided. Annual funding for this program varies; this program received \$550,000 in 2012, \$500,000 in 2013 and \$100,000 in 2014.

The department requested \$2.26 million for various projects, including a salt storage dome at C2 (1625 N. 14th Street), maintenance and remodeling at S2 (2363 S. 35th Street), a new transfer bay at N1 (6732 N. Industrial Road), the repaving of the parking lot at N2 (30th & Ruby) and general repairs.

Funding was allocated in 2014 to conduct a facility use study.

Industrial Road Facility Relocation, \$1,700,000.

Direct Supply has an option on the property where the Industrial Road facility is located. If Direct Supply exercises the option to expand its operation, the City will have 2 years to relocate the facility. The option has been extended several times and currently expires December 13, 2019. To date, Direct Supply has given no indication that it intends to exercise the option.

The preliminary cost estimate to relocate the facility is \$13,500,000. The City will be responsible for 50% of the cost. This project has not received any capital funding. The Capital Improvements Committee did not recommend funding for this project.

3. Project Updates.

Material Recovery Facility (MRF).

In previous years, improvements to this facility were budgeted in the Environment Services Facility Modifications capital account. That account received \$500,000 in 2013 to replace the roof at the Materials Recovery Facility (MRF) building at 1313 W. Mount Vernon Avenue. In 2014, the facility was budgeted as a stand-alone project and received \$2.3 million of funding. The Mount Vernon facility had been operating as a recyclables transfer station.

The City partnered with Waukesha County on the development of a regional single-stream recycling system. An intergovernmental cooperation agreement was signed on March 28, 2013. Under the terms of the agreement, the City and Waukesha County developed and issued a

request for proposal with responses due October 29, 2013. The RFP allowed multiple proposal options, including the construction of a private processing facility. The top proposal received was to retrofit the City's old dual-stream MRF at the Mount Vernon location into a modern single stream facility featuring state of the art technology. The Council authorized the execution of a contract for the construction and operation of a MRF facility in April 2014 (See Common Council File Number 131796). The old recycling equipment has been removed and the building is being readied for installation of the new recycling system. The facility is expected to be operational by the spring of 2015.

4. Future Capital Requests.

Anticipated out-year requests include the Industrial Road facility.

VIII. ISSUES TO CONSIDER.

1. According to the U.S. EPA, the average person generates 4.4 pounds of trash per day. Of that, 1.5 pounds is recycled or composted, and 2.9 pounds go to landfills or incinerators (a diversion rate of 34%). Milwaukee's landfill diversion rate was 23.8% in 2013, down from 24.3% in 2012 and below the national average. Management has indicated that the City is not currently on pace to reach the Mayor's goal of 40% diversion by 2020.

This goal was predicated on the City eliminating outside-the-cart collection, every-other-week recycling collection being implemented citywide and variable rate pricing for residential garbage collection service. Management notes that absent further policy changes, the residential landfill diversion rate is expected to remain relatively flat, at approximately 2% increase annually.

2. Although Sanitation has indicated it is difficult to isolate the impacts of neighborhood outreach efforts on community recycling, management notes that in areas where neighborhood recycling campaigns have been targeted, the City has observed up to a 70% increase in recycling (2007 to 2013). Approximately \$40,000 of Sanitation's Professional Services account and \$50,000 of its Other Operating Services account is budgeted for education and outreach.

Further, in 2013, DPW issued 1,003 written warnings for contaminated recycling carts to residences and one written warning to businesses. Of the total 1,004 written warning, 683 (68%) resulted in written citations, per s. 79-47 of the Code. Although the number of warning and citations varies from year-to-year, management has indicated that over the past 5 years, approximately 66% of residents issued warnings eventually receive citations. After a written warning, residents are given 72 hours to resort recycling carts to remove garbage before charges are incurred.

Management suspects that an increase in the number of written warnings issued would not result in an increase in recycling. Currently, drivers do not systematically check garbage receptacles. For instance, Sanitation has indicated that, primarily to prevent injuries, work rules prohibit employees from opening garbage bags or reaching into carts. A more rigorous garbage inspection program could be implemented, according to management, but it would result in additional labor and administrative costs and may raise safety or privacy concerns.

DPW considers such a change a major policy shift requiring direction from the Mayor and/or the Common Council.

3. Outside of the budget process, the Common Council could also request DPW to provide the Council with its full plan for implementing a pay-as-you-throw solid waste collection system. Subsequently, based on DPW's plan, the Council could act on a resolution authorizing DPW to proceed with the implementation of the proposal.

This 2-step process would provide the Council with more complete information about the plan and would provide DPW with guidance regarding its implementation.

4. A new pay plan for Operation Driver Worker (ODW) positions was before the Finance and Personnel Committee on October 8. The recommended changes in the pay plan for ODWs will offer pay increases based on the task being completed. For instance, more complicated jobs requiring more training will be paid at higher rates. The current system pays laboring jobs and driving jobs the same rate. According to management, by implementing a task-based pay system, more experienced drivers and operators will be encouraged to pick more difficult jobs, improving productivity and morale.

5. In the Proposed Budget, 7 auxiliary ODW positions have been eliminated due to the automation of garbage trucks. Three fully automated pieces of equipment are included in Sanitation's capital budget, the same as in 2014. Also in 2014, Sanitation's auxiliary ODW positions were reduced by one. Six additional trucks purchased with 2012 and 2013 capital funding are expected to come into services later this year. Management notes that it takes between 12 and 15 months for ordered automated trucks to be delivered and placed in service.

It is anticipated that every garbage route converted to automated collection for one full year will reduce the need for one ODW FTE. Sanitation currently has 2 automated garbage routes and 3 automated recycling routes. Sanitation anticipates adding an additional 4 automated garbage routes and 2 automated recycling routes.

It was anticipated that resources and staffing freed up through the automation of routes would be shifted to accomplish every other week recycling citywide.

6. Fully automated garbage collection has demonstrated operational savings on some routes by allowing garbage or recycling collection to be completed by one employee instead of 2 employees. However, the issue of garbage outside the cart remains unresolved. There will be a loss of efficiency if the driver must repeatedly exit the vehicle to manually load garbage. There may also be an increased risk of injury because the driver will be lifting items by themselves that may be heavy or awkward. Until no garbage is allowed outside the cart, the full efficiency benefits of the auto loading trucks will not be realized.

Neighborhoods with high levels of on-street parking or alleys with internal corners, e.g. T-shaped alleys, present collection challenges that will prevent city wide deployment of fully automated equipment. Winter conditions, especially in snowy winters, will make it challenging for residents to maintain the required 3-foot clearance around the carts.

7. Sanitation has indicated it is in the testing and design phase of its Route Smart software program. This new initiative will be used to optimize garbage, recycling, sweeping, salting and plowing operations. Once new routes have been designed, the Section's separate Automatic Vehicle Location system is anticipated to work in tandem with the new software to provide real-time data on each route. DPW anticipates it will continue to use snow plow chasers this winter season.

8. Thus far in 2014, 30 Wisconsin Community Service participants have worked as laborers on garbage routes during Project Clean and Green and also as helpers for other manual labor tasks. Sanitation anticipates approximately 40 participants will be used this fall on garbage routes from which ODWs have been pulled to perform leaf collection activities. Management has indicated that the partnership has worked well for both the City and for WCS participants and that Project Clean and Green will be funded in 2015 at the same level as 2014 (\$165,000). No operational changes to the program are anticipated in 2015.

9. The biggest constant challenge to winter setout is communicating to residents what their set-out days are in winter when garbage collection days change unexpectedly because of snow and ice operations. Sanitation retagged one- to 4-unit residential properties in March 2014 with new garbage collection schedules that cover April 7, 2014, through April 2, 2015, and recycling schedules that cover April 1 through December 5, 2014. Hardship application information was not included on the tags. Management notes that the transition to automated routes, in addition to year-round set out of garbage carts has resulted in an increase in hardship requests. There were 1,450 approved hardships in Oct 2013. There are now 1,633 approved hardships.

Table 21.13. Hardship Applications Compared to Sanitation Route Changes, 2013 to 2014.

Ald. Dist.	Automated Route Add-Ons	Set-Out Add-Ons	# Hardships, 2013	# Hardships, 2014	% Change
1	0	9	108	117	8.3%
2	0	6	92	98	6.5%
3	0	6	63	69	9.5%
4	0	2	14	16	14.3%
5	18	6	134	140	4.5%
6	0	9	92	101	9.8%
7	0	6	67	73	9.0%
8	0	7	50	57	14.0%
9	0	17	96	113	17.7%
10	16	15	116	131	12.9%
11	48	42	257	299	16.3%
12	0	5	41	46	12.2%
13	0	31	198	229	15.7%
14	0	17	81	98	21.0%
15	0	5	41	46	12.2%
Total	82	183	1,450	1,633	12.6%

In addition to resident hardships, carts left at the curb prior to a snow storm may become buried and difficult for residents to remove. They may also be more susceptible to damage from plowing operations, which could increase costs for cart repair or replacement. It is also likely that year-round setout will result in a greater number of carts being left at the curb for longer periods of time.

Recovery plans for suspended collections are for residents to place carts at the collection point on the day following their regularly scheduled pickup day. Sanitation will augment its collection force with other staff throughout DPW to get caught up. Collection could occur on Saturday, if necessary to maintain the schedule.

10. Year-round guaranteed collection on recycling routes also has potential for cost savings. To the extent that the recycling equipment is used for snow removal operations, year-round guaranteed collection for recycling will face many of the same challenges as year-round garbage set out. It is anticipated that 3 of the 4 recycling routes proposed for year-round guaranteed collection will use fully automated equipment. Maintaining the 3-foot spacing that is required for pickup, may be difficult in the winter months especially if there is a lot of snow.

11. Beginning January 1, 2014, DPW began tracking trip/fall injuries reported using specific service categories. Sanitation will now be able to track injuries which occur on the street, on private property (driveways) and those related to carts on City-owned properties. Using a limited sample size (40 report injuries), it appears that on-street injuries make up the largest proportion (67.5%), followed by driveway (27.5%) and City-owned properties (5%).

DPW also tracks the nature of injuries. The most recent available data shows that in 2013, 101 (12.0%) of the 845 injuries reported in DPW were a result of year-round garbage set out. Not including the first 3 months of the 2014-2015 winter season, 2014 injuries total 40 (5.76% of all DPW injuries). This number is likely to increase, as October, November and December traditionally see higher rates of ice-related injuries.

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