

## RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

### Executive Summary: 2010 Proposed Budget –Sanitation Section

1. The State of Wisconsin's Budget included a \$7.10 per ton increase in tipping fees to \$35.52 per ton, which will result in a \$2 million increase in 2010 City of Milwaukee tipping fees. To mitigate the impact of the tipping fee increase, the 2010 Proposed Budget includes the following changes in service:

#### **Outside of the Cart**

In 2010, the Sanitation Section will no longer collect items placed outside the garbage cart. This change will result in an estimated savings of \$1.4 million. The 2010 proposed budget includes \$161,711 for a second 4-week Clean & Green program in the fall to allow residents an additional opportunity to get rid of unwanted items without charge, including items that do not fit in the garbage cart.

#### **Charging for Construction Debris at Self-Help Centers**

Under the 2010 Proposed Budget, the City will no longer accept construction debris at self help centers free of charge. Under a proposed ordinance change citizens and contractors would be charged an amount based on the type of vehicle that is bringing the materials to the Self-Help Center. (Pages 1 & 2)

2. Other Sanitation service changes include:
  - **3 Saturday Collections to provide same collection day all summer**
  - **Curbside Recycling Cart Set Out for the entire city between April and Thanksgiving**
  - **Elimination of Weekend Box Program** (Page 2)
3. The 2010 Proposed Sanitation Section Budget contains the following personnel changes:
  - 3 Sanitation Supervisor positions are eliminated in the 2010 Proposed Budget, which will reduce the total number of Sanitation Supervisor positions from 24 to 21.
  - Funding is eliminated for 23 Operations Driver Workers (ODWs) positions (11 ODWs from Sanitation, 12 from Fleet Operations . (Pages 3, 4, & 5)
4. The 2010 Proposed Budget provides approximately \$6.5 million for snow and ice control operations. DPW intends to make no major changes to its 2010 and ice control operations. However, the Department will test the use of GEOMelt, a byproduct of sugar beets that adheres to the roadway longer – to gauge it's effectiveness in keeping anti-icing material on the pavement and reducing salt usage. (Page 5 & 6)
5. The 2010 proposed budget includes a revenue estimate for the Solid Waste Charge of \$32.3 million, an increase of \$3.75 million. This estimate assumes Common Council adoption of a resolution (File #090261) establishing the 2010 Local Solid Waste Charge of \$42.57 per quarter (\$170.28 per year), an increase of \$4.95 per quarter. (Pages 7 & 8)

6. The 2010 proposed budget includes a revenue estimate that assumes Common Council adoption of a resolution establishing a Snow and Ice Control Charge of \$0.6917 per foot of property frontage, a reduction of \$0.1239 from the amended 2009 rate of \$0.8156 per foot of property frontage.  
(Pages 7 & 8)
  
7. Sanitation services in other cities have not been immune to service cuts and budget reductions resulting from the overall decline in municipal revenues.  
(Page 8)

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October 13, 2009

## RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

### 2010 Proposed Budget Summary: Sanitation Section

Expense Category	2008 Actual	2009 Budget	% Change	2010 Proposed	% Change
Operating	\$ 39,604,710	\$ 34,078,982	-14%	\$ 34,911,535	2%
Capital*	\$ -	0	-	0	-
Positions**	531	539	2%	524	-3%

\*Budgeted New Capital Borrowing

\*\*Authorized positions include full-time funded, part-time funded and unfunded positions, including 250 auxiliary positions in the in the 2009 Budget, and 262 in the 2009 Budget and 2010 Proposed Budget.

## 2010 Proposed Changes & Budget Issues

### Service Changes

The State of Wisconsin's Budget included a \$7.10 per ton increase in tipping fees to \$35.52 per ton, which will result in a \$2 million increase in 2010 City of Milwaukee tipping fees. To mitigate the impact of the tipping fee increase, the 2010 Proposed Budget includes the following changes in service:

#### Outside of the Cart

In 2010, the Sanitation Section will no longer collect items placed outside the garbage cart. This change will result in an estimated savings of \$1.4 million. A breakdown of the savings is shown below:

- (\$551,588) in Operation Driver Worker salaries & fringe benefits - (10 FTEs)
- (\$135,248) in Sanitation Supervisors salaries & fringe benefits - (1.5 FTEs)
- (\$90,000) in Fleet fuel and equipment repair services savings
- (\$460,350) in tipping fees for 13,500 less tons of garbage picked up.

The 2010 proposed budget includes \$161,711 for a second 4-week Clean & Green program in the fall to allow residents an additional opportunity to get rid of unwanted items without charge, including items that do not fit in the garbage cart.

Effective June 1<sup>st</sup>, properly contained items placed outside the cart will be tagged to notify residents that these items are no longer collected free of charge. The current bulky collection charge is \$50. Inspectors will follow-up after 72 hours and items still outside the cart will be scheduled for collection. Property owners will receive an invoice for the collection. Unpaid invoices will be placed on the property tax roll. Nuisance garbage will be handled as it currently is with DNS inspectors issuing clean-up orders. Property owners are contacted to remediate the violation. If the violation is not remediated, Sanitation will have the nuisance garbage removed and full cost plus inspection fees will be levied against the property owner. The Department of Neighborhood Services may also issue a repeat litter charge for the 3<sup>rd</sup> and subsequent violation to compensate for

inspection, administrative and equipment costs in accordance with s. 200-33-49.2 of the Code.

### **Charging for Construction Debris at Self-Help Centers**

Under the 2010 Proposed Budget, the City will no longer accept construction debris at self help centers free of charge. Under s.79-12-2-c of the Code, construction waste is waste resulting from building fires, construction or demolition, alteration or repair, including excavated material. Under a proposed ordinance change, citizens and contractors would be charged an amount based on the type of vehicle that is bringing the materials to the Self-Help Center. The charges are proposed as follows:

- \$ 10.00 for normal size car or SUV
- \$ 15.00 for standard pickup truck/van OR car with single axle trailer
- \$ 20.00 for standard pickup truck/van with single axle trailer

(DPW's long range plans include installing scales at both self help sites and charging based on the actual weight of each load.)

Payments will be made at the self help centers by cash, check, debit/credit card. DPW is investigating licensed, bonded methods of cash handling and reconciliation.

City residents with proper identification will still be able to drop off trash, leaves, brush, recyclables, and unwanted household items in cars or small pickup trucks without a charge. DPW estimates that charging for construction materials that at the Self-Help Centers will generate approximately \$550,000 in savings, primarily in reduced, or revenue offset, disposal tonnage.

### **Other Sanitation Service changes include:**

#### **3 Saturday Collections**

The 2010 proposed budget includes \$208,385 to work 3 Saturdays between Memorial Day and Labor Day so residents have the same garbage collection day all summer. Residents whose collection falls on the 3 Monday holidays will have their garbage collected the Saturday prior.

#### **Curbside Recycling Cart Set Out**

The 2010 proposed budget will require all residents without alleys to set their recycling carts out at the curb on designated collection dates between April and Thanksgiving. This will reduce the number of recycling routes from 34 to 29 for 8 months of the year.

#### **Weekend Box Program Funding Eliminated**

The 2010 Budget does not include funding for the Weekend Box Program. Under this program, DPW provides large roll-off dumpsters (boxes) for weekend neighborhood cleanups. In 2009, the Common Council approved \$39,413 in CDBG reprogramming funding for the Weekend Box program.

The table on page 3 shows the number of boxes provided and the tons collected from 2000 through 2009.

<b>Years</b>	<b>Boxes Provided</b>	<b>Tons Collected</b>
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	698	3,080
2009	482	2,088

## **PERSONNEL**

The 2010 Proposed Sanitation Section Budget contains the following personnel changes:

**3 Sanitation Supervisor** positions are eliminated in the 2010 Proposed Budget, which will reduce the total number of Sanitation Supervisor positions from 24 to 21. Sanitation believes that supervisory reductions are feasible in conjunction with the implementation of a GPS/automated vehicle locator system. That technology, which is being developed by the Police Department, is not yet available to DPW on a fleet-wide basis. The reduction of the 3 Sanitation Supervisor positions may impact the enforcement of the proposed outside the cart initiative, which will require more field supervisor inspections and follow ups.

The 3 Sanitation Supervisor positions are currently considered vacant. However, they were filled on a provisional basis in January 2009, since there was no existing eligible list for the position. DER posted the job and received applications but has not completed the testing and recruitment process. If the positions are eliminated, the 3 provisional Sanitation Supervisors will return to Operations Driver Worker positions.

The table on page 4 shows the reduction in the number of Sanitation Section managers from 2001 to the proposed 2010 budget.

<b>Sanitation Management Reductions (2001-2010)</b>											
<b>Position</b>	<b>PG</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Sanitation Services Manager</b>	<b>13</b>			1	1	1	1	1	1	1	1
<b>Sanitation Area Manager</b>	<b>11</b>		3	3	3	3	3	3	3	3	3
<b>Sanitation District Manager</b>	<b>7</b>	6	6	6	6	6	6	6	6	6	6
<b>Recycling Manager</b>	<b>7</b>			1	1	1	1	1	1	1	1
<b>Sanitation Supervisor</b>	<b>4</b>	30	27	27	24	24	24	24	24	24	21
<i>Sanitation Services Superintendent</i>	<i>16</i>	1	1	1							
<i>Sanitation Operations Manager</i>	<i>14</i>	1	1								
<i>Administration &amp; Projects Manager</i>	<i>14</i>	1									
<i>Resource Recovery Manager</i>	<i>11</i>	1	1								
<i>Sanitation Area Manager</i>	<i>10</i>	3									
<i>Business Operations Manager</i>	<i>8</i>	1	1								
<i>Sanitation Shop Supervisor</i>	<i>6</i>	1	1								
<i>Shop &amp; Maintenance Supervisor</i>	<i>7</i>			1							
<i>Sanitation Survey Coordinator</i>	<i>6</i>	1									
<b>Total</b>		<b>46</b>	<b>41</b>	<b>40</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>32</b>
<b>Total Percentage Reduction</b>											<b>30%</b>

The table shows that in 2001 there were 30 supervisors, 6 district managers and 10 administrative managers in Sanitation. The 2010 proposed budget includes 21 supervisors, 6 district managers and 5 administrative managers. This represents a 30% 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 collection dates
- Twice per month recycling collection on 2 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

Funding is eliminated for 23 **Operations Driver Workers** (ODWs) positions. (23.3 FTEs) in the Sanitation and Fleet sections. The number of FTEs being reduced and the reason for the reduction is shown below:

- 10 Sanitation ODWs FTEs (20 drivers for 6 mos) is related to taking nothing outside of the cart.
- 1.3 Sanitation ODWs FTEs (2 drivers for 8 mos) is related to citywide recycling cart setout.
- 12 Fleet Operations ODWs FTEs are not directly linked to specific service reductions but will impact various DPW services including but

not limited to: a utility truck that moves DPW equipment, a fuel truck that fuels endloaders and other on site equipment, roll off trucks that service sweeping and self help roll off boxes, street sweepers, end loaders that service Tower and the nursery, Jet Vacs for Sewers, patch trucks, and pavement grinder for Streets.

DPW anticipates no ODWs will be laid-off, but there will be no new hires in spring 2010.

In addition to the 3 Sanitation Supervisor positions and 23 ODWs, 1 **Office** vacant **Assistant IV** position that provides administrative support to the central area is also eliminated.

### **Vacancies**

In addition to the 3 vacant Sanitation Supervisor position and the one Office Assistant IV, the Sanitation Section has the following positions vacant:

Sanitation District Manager – vacated 11/14/08 – request to fill currently in budget office  
Sanitation Inspector – vacated 02/22/2009 – no current eligible list  
Sanitation Inspector – vacated 05/01/2009 – no current eligible list  
Sanitation Inspector – vacated 07/14/2009 – no current eligible list

The Sanitation District Manager position is currently filled on a temporary basis awaiting permanent authority to fill. The Sanitation Inspector duties are currently being covered by overtime where necessary (primarily extended summer self help hours).

## **OPERATING EXPENDITURES**

Other **Operating Supplies** increases from \$1,276,600 in to \$1,973,000. The increase is primarily related to an increased cost of road salt.

**Other Operating Services** increases from \$10,450,707 in 2009 to \$11,887,000 2010. The increase is primarily related to the increased cost of tipping fees.

### **Snow and Ice Control**

The 2010 Proposed Budget provides approximately \$6.5 million for snow and ice control operations. The average 5 year (2004-08) average for snow and ice control expenditures is \$8.5 million. 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 2010 that revenue is estimated to be \$6.5 million.

The table on page 6 shows the snow and ice control budgets, expenditures and snowfall amounts for 1998 through June 10, 2009.

Year	Funding		Inches of Snow
	Budget	Actual	
1998	6,011,324	4,149,443	43.3
1999	6,562,888	8,681,087	59.3
2000	6,423,219	10,727,038	89.9
2001	7,267,392	4,688,380	11.3
2002	7,731,934	3,682,140	39.8
2003	7,388,234	3,589,675	32.6
2004	5,990,847	4,649,565	39.5
2005	4,473,956	7,575,532	61.4
2006	4,923,626	3,873,753	31.8
2007	4,885,314	10,841,668	77.8
2008*	4,918,942	\$15,783,927	105.7
2009 to date	4,777,000	\$4,030,305	37.7

\*2008 actuals include \$1,088,559 in costs charged to FEMA grant

DPW intends to make no major changes to its 2010 snow and ice control operations. However, the Department will test the use of GEOMelt, a byproduct of sugar beets that adheres to the roadway longer. The test will gauge its effectiveness in keeping anti-icing material on the pavement thereby, reducing the amount of salt required to maintain safe driving conditions.

### Recycling

As stated on page 2, the 2010 proposed budget will require all residents without alleys to set their recycling carts out at the curb on designated collection dates between April and Thanksgiving. This will reduce the number of recycling routes from 34 to 29 for 8 months of the year.

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 23,059 tons in 2008. 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 area recycling centers.

DPW estimates the State basic recycling grant will provide \$3,545,000 in 2010 for the City's household recycling program. The City's total grant eligible recycling and yard waste cost is \$11.9 million, with the State basic recycling grant reducing the City's share to \$8,355,000.

In recent years, the City also received funding from the State's Recycling Efficiency Incentive Grant, including \$329,596.58 awarded to Milwaukee for



2009. The 2010-11 bi-annual State of Wisconsin Budget eliminated funding for the Recycling Efficiency Incentive Grant program.

The City's Recycling Task Force is currently studying the feasibility of implementing a single stream recycling program in Milwaukee. The task force is expected to issue its final report later this year.

## **Replacement Equipment**

### **Carts**

The 2010 Proposed Budget includes \$966,060 to purchase 18,000 garbage and recycling carts, the same as 2009. DPW has historically placed 22,000 to 25,000 carts each year. At the current pace for 2009, DPW anticipates it will be completely out of carts by the end of October. A contingent fund request for \$215,435 was submitted to the Budget Office on September 11, 2009 to purchase 2592 garbage carts and 1296 recycling carts to get through the end of 2009.

### **Litter Cans**

The 2010 Proposed Budget provides \$45,000 for replacement litter cans. DPW currently services approximately 1,200 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 \$275 each. The plastic "litter cart" container costs \$165 each. These containers are more durable and functional than the green metal ones and are preferred by the Department.

## **Revenue**

### **Solid Waste Charge**

The 2010 proposed budget includes a revenue estimate for the Solid Waste Charge of \$32.3 million, an increase of \$3.75 million. This estimate assumes Common Council adoption of a resolution (File #090261) establishing the 2010 Local Solid Waste Charge of \$42.57 per quarter (\$170.28 per year), an increase of \$4.95 per quarter (\$19.80 per year). If the Common Council does not adopt a Solid Waste Charge amount necessary to generate the estimated revenue, the 2010 Budget will have to be adjusted accordingly, most likely through increasing the tax levy or a reduction in expenditures. (A list of the Administration proposed reductions in Appendix A.)

### **Snow and Ice Control Charge**

The 2010 proposed budget includes a revenue estimate that assumes Common Council adoption of a resolution establishing a Snow and Ice Control Charge of \$0.6917 per foot of property frontage, a reduction of \$0.1239 from the amended 2009 rate of \$0.8156 per foot of property frontage. It is estimated the 2010

charge will generate \$6.5 million in 2010. The impact of the amended charge on the owner of a property with 40 feet of frontage is approximately \$27.67 or \$4.95 less than the impact of the 2009 amended charge of \$32.62. If the Common Council does not adopt a Snow and Ice Control Charge amount necessary to generate the estimated revenue, the 2010 Budget will have to be adjusted accordingly, most likely through increasing the tax levy or a reduction in expenditures. (A list of the Administration proposed reductions in Appendix A.)

### **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 45% of these buildings. In 2010, the multi-unit apartment collections will generate an estimated \$1,558,000 million, an increase of \$83,000. This reflects a rate increase to recover costs related to the pension shortfall that was approved by the Common Council (File #090409) on September 22, 2009.

### **Capital**

No proposed 2010 funding is provided for Sanitation Section capital projects. The 2010 Budget does include \$1.5 million in Sanitation Section carryover funding. DPW's current facility plan calls for the consolidation of Sanitation and Forestry operations at the former Water Department facility at 36<sup>th</sup> & Lincoln. If this project is not approved, DPW indicates that the Sanitation Headquarters at 35<sup>th</sup> & Hayes is in need of upgrades to accommodate the staff currently working out of that facility.

### **Reduction in Sanitation Services in Other Jurisdictions**

Sanitation services in other cities have not been immune to service cuts and budget reductions resulting from the overall decline in municipal revenues. The following information is taken from the LRB's July 24, 2009 memo surveying nationwide city budget actions and a September 22, 2009 report from the Philadelphia Research Institute funded by the Pew Charitable Trust, Layoffs Furloughs and Union Concessions: The Prolonged and Painful Process of Balancing City Budgets:

- Baltimore-reduced overtime and decreased the frequency of trash pick-up.
- Columbus- after initially eliminating regular yard waste pickup, reinstated service for an annual fee.
- Philadelphia –eliminated leaf, bulky waste and tire collection.

## APPENDIX A

From the 2010 Proposed Plan & Budget Summary, Page 5

At the time the 2010 Executive Budget was submitted, the Common Council had not acted on a proposed \$3.75 million increase for the Local Solid Waste Charge and \$1.6 million Snow and Ice Fee. The Comptroller has recognized this proposed increase as part of the 2010 revenue estimates. In the event the Common Council fails to adopt, in whole or in part, the proposed increases, the Mayor will recommend that certain service levels be reduced. In order of priority reduction, these service levels include:

- Funding for three weekend garbage collections, in order to ensure users weekly service: \$250,000
- Elimination of the new four week fall "Clean & Green" communitywide collection of bulky materials: \$170,000
- Elimination of two recycling bin routes with relatively low tonnage rates: \$150,000
- Elimination of the 4-cubic yard "outside the cart" allowance for weekly collection, effective April 1, 2010 instead of June 1, 2010 as proposed: \$425,000
- Elimination of the existing eight week spring "Clean & Green" communitywide collection of bulky materials: \$340,000
- Reduction of existing garbage collection frequency from its current service level during four winter months: \$560,000 (10 winter routes eliminated)
- Reduction of existing garbage collection frequency from its current service level in the remaining eight months: \$1,890,000 (10 routes eliminated full year)
- \$1.6 million in snow and ice control related services.

In the absence of amendments, these costs would fall to the tax levy.

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October 12, 2009