

RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

Executive Summary: 2007 Proposed Budget –Sanitation Section

1. One Driver Worker position is eliminated in Sanitation's Section's the 2007 Proposed Budget. (Page 2)
2. One FTE (\$30,000) of sanitation inspector is eliminated in the 2007 Proposed Budget. As a result of this reduction, there will be a reduction in the number of citations issued for sidewalk snow removal, carts not shoveled out and other sanitation related issues. (Page 2)
3. Funding for Operating Services increases from approximately \$9.2 million in 2006 to approximately \$9.7 million in 2007. This increase reflects inflation and adjustments for solid waste and recycling contracts and \$217,500 transferred to DPW from DNS for the removal of nuisance litter on private property. (Pages 2 & 3)
4. The 2007 Proposed Budget provides approximately \$4.7 million in funding for snow and ice control operations. This is approximately \$224,000 less than the amount provided in the 2006 Budget and reflects a \$265,000 elimination of funding for 53 pieces of contracted snow removal equipment. (Pages 3 and 4)
5. DPW estimates the State will provide \$2,799,860 in 2007 for the household recycling program. The City's share of eligible recycling cost is estimated to be \$3.8 million of the total cost of household recycling of \$6.6 million. (Page 5)
6. In 2007, residents in certain parts of the city who receive curbside solid waste collection during the summer months, will continue to be required to bring their recycling carts to curb between April and November. (Pages 5 & 6)
7. In 2007, Milwaukee residents will still be able to bring small amounts of clean fill (asphalt, dirt, concrete) to the City's Self Help Centers. Under DPW's current Hartung Quarry closure plan, there will be enough capacity at the quarry to receive clean fill through 2007. (Pages 6 & 7)
8. Beginning in 2007, a service charge of \$50 per collection will be imposed for the collection of bulky waste exceeding 4 cubic yards. (Page 8)

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2007 Proposed Budget Summary: Sanitation Section

Expense Category	2005 Actual	2006 Budget	% Change	2007 Proposed	% Change
Operating	\$ 34,387,707	\$ 33,571,172	-2%	\$ 34,326,537	2%
Capital*	\$ -	\$ -		\$ -	
Positions**	536	529	-1%	528	0%

*Budgeted Capital

**Authorized positions include full-time funded, part-time funded and unfunded positions, including 272 auxiliary positions in the 2005 Budget, and 262 auxiliary positions in both the 2006 Budget and 2007 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 2005, the Sanitation Section collected 289,400 tons of solid waste, 27,200 tons of compost and 25,500 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. In 2001, the Solid Waste Charge was established at \$44 per dwelling, per year. The solid waste charge was increased to \$75 per dwelling unit per year in 2002 and increased to \$132 per year per dwelling unit in 2006.
2. In 2002, a snow and ice control recovery charge of \$0.2736 per foot of street frontage was established.
3. The 2003 Budget reduced 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 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.

2007 Proposed Changes & Budget Issues

PERSONNEL

Field Operations

Sanitation Worker Positions

One Sanitation Worker position is eliminated in the 2007 Proposed Budget. This reduction is in response to servicing fewer rear load containers at apartment complexes. (One Operations Driver Worker in the Fleet Operations section is also eliminated in the 2007 Proposed Budget.)

Auxiliary Sanitation Inspector Funding

Funding (\$30,000) for one FTE of auxiliary Sanitation Inspector is eliminated in the 2007 Proposed Budget to reflect a reduction in winter code enforcement. As a result of this reduction, there will be a reduction in the number of citations issued for sidewalk snow removal, carts not shoveled out and other sanitation related issues (debris on property, carts not returned to storage location, carts contaminated, etc).

In 2006, DPW used 5 of 12 auxiliary Sanitation Inspector positions. Currently, one Inspector is assigned to DPW's north area, two are assigned to DPW's central area and one is assigned to DPW's south area. In 2007, 4 auxiliary Sanitation Inspector positions will be funded for 9 months.

OPERATING EXPENDITURES

Other Operating Supplies increases from approximately \$1.46 million in the 2006 Budget to approximately \$1.55 million in 2007 Proposed Budget. This increase reflects the new contract price for the procurement and delivery of road salt and calcium chloride.

Operating Services increases from approximately \$9.2 million in 2006 to approximately \$9.7 million in 2007. The funding increase reflects inflation and adjustments for solid waste and recycling contracts and the transfer of \$217,500 from DNS to DPW for the removal of nuisance litter on private property.

Currently, DNS is responsible for issuing orders and the removal of nuisance litter from private property. According to the *2007 Proposed Plan and Executive Budget Summary*, litter often remains on a property up to two weeks after the original seven-day notification period. The majority of this material is on vacant lots in the central city.

To reduce the time it takes to remove nuisance litter from private property, the 2007 Proposed Budget transfers funding and the responsibility for removing nuisance litter from private property from DNS to DPW.

If the property owner does not comply with the DNS order to remove the litter, DNS currently uses private contractors and DPW to remove nuisance litter from the property at the owner's expense. To obtain the use of private contractors, DNS bundles a number of properties together and puts the removal of the litter from those bundled properties out to bid.

To reduce the time it takes to remove the litter in 2007, DPW intends in 2007 to change the method of contracting for private contractors. Rather than bundle a number of properties and then go out to bid, DPW will have private contractors under "time and material" contracts for the removal of nuisance litter, similar to how weed removal is currently contracted. The contractors would be paid for the time and material it takes to remove the litter rather than an amount for each group of bundled properties.

By having private contractors already under contract to remove litter at the time the enforcement action is initiated, rather than just beginning the contracting process at time the enforcement action is initiated, DPW believes the time it takes to remove nuisance litter from private property can be reduced to approximately 3 days from the original seven-day notification period.

Snow and Ice Control

The table below shows the number of snow plowing and ice control operations for the years 1999 through the first part of 2006.

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
2005	5	39
2006*	3	22

*year-to-date

The 2007 Proposed Budget provides approximately \$4.7 million for snow and ice control operations. This is approximately \$224,000 less than the amount provided in the 2006 Budget and reflects a \$265,000 elimination of funding for 53 pieces of contracted snow removal equipment.

During this past winter season, the City had 69 pieces of snow equipment under contract. These contractors receive a "guarantee" of \$750 per month for each vehicle during the snow season whether they plow for the City or not. In April 2006, 53 pieces of equipment under contract expired. This leaves 16 pieces (mostly endloaders) available to augment City forces.

DPW does not believe the reduction in funding will have an impact on the City's normal snow and ice control operations. In the last 5 years, all contracted

equipment was used in once 2002 and once in 2005. This most often occurs in snowfalls exceeding 8-10 inches.

DPW believes they can obtain the use of additional snow fighting equipment through outside service agreements. However, service agreement equipment has no obligation to show up or to remain for the duration of a storm, whereas contracted equipment does. In addition, in recent years DPW has increased the number of salt trucks with under plows to 73 out of 90 salt trucks used in salting operations.

The table below compares the 2005 actual expenditures with 2006 and 2007 Operations Division's (Sanitation, Fleet & Forestry) snow and ice control operations budget.

Category	2005 Actual	2006 Budget	2007 Proposed Budget
Sanitation			
Salaries	\$549,045	\$450,000	\$450,000
Deicing Materials	\$2,226,792	\$1,458,600	\$1,509,850
Plow Contracts	\$382,136	\$900,000	\$665,000
Snow Related Services	\$346,823	\$71,935	\$71,935
Sanitation Subtotal	\$3,504,796	\$2,880,535	\$2,696,785
Buildings & Fleet Services			
Salaries	\$1,443,853	\$675,000	\$675,000
Service Agreements	\$345,660	\$200,000	\$200,000
Other Operating Services	\$471,164	\$437,850	\$435,000
Buildings & Fleet Services Subtotal	\$2,260,677	\$1,312,850	\$1,310,000
Forestry			
Salaries	\$690,630	\$151,875	\$151,875
Forestry Subtotal	\$690,630	\$151,875	\$151,875
Operation Division O & M Total	\$6,456,103	\$4,345,260	\$4,158,660
Fringe Benefits	\$1,110,348	\$536,288	\$536,288
Operations Administration Prorated	\$9,068	\$42,078	\$5,000
Totals	\$7,575, 519	\$4,923,626	\$4,699,948

Recycling

DPW estimates the State will provide \$2,799,860 in 2007 for the City's household recycling program. The City's share is estimated to be \$3.8 million of the total household recycling cost of \$6.6 million. In addition to the annual recycling grant, DPW estimates it will receive approximately \$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.

DPW currently operates 31 cart routes and 3 weekly bin routes servicing approximately 190,000 residences during the winter. Three cart routes are reduced in the summer for the cart set out program initiated in 2006.

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 eight years, the recycling tonnage steadily declined each year, decreasing over that time period by 23% to its 2005 total of 25,483 tons. The City's current recycling participation rate is approximately 75%.

Although recycling is mandated by state law and City ordinance, participation in the City's recycling program in the central city is not as prevalent as it is in other areas of the City. For example, DPW indicates that the average pounds recycled per household in central city area was 41 pounds in 2005, while the average for the rest of the city was 305 pounds per household. Although the central city tends to be a more highly transient area and average incomes tend to be lower than the rest of the city and residents may generate fewer recyclables or may take their aluminum to scrap yards, the DPW believes there still exists an opportunity to increase recyclables collected from these areas.

In 2007, DPW intends to use a portion of the Wisconsin's Recycling Efficiency Incentive Grant (\$100,000) along with \$50,000 from the City's recycling contract to award a contract for the creation, production, and delivery of a recycling educational and promotional campaign. The campaign hopes to increase awareness and drive greater participation in the City's curbside recycling program in general and to also develop and carry out creative and non-traditional approaches to communicate the recycling message to residents in the central city.

Under the current recycling contract, the City receives a 50% share of all-marketable recycling. The 2007 revenue from recycling is estimated to be \$1.25 million.

Summer Curbside Recycling Cart Set Out

Under the 2007 Proposed Budget, the Summer Curbside Recycling Cart Set Out Program will continue. Beginning in 2006, 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 \$150,000.

As the data below shows, the program has not generated the anticipated savings. DPW projects that when the program ends on November 10th, the net savings will be approximately \$84,749.

Dates	May 1 to August 31 (Actual)	Projected to November 10 th
Estimated Labor Fleet Savings	\$96,429	\$150,000
Lost recycling revenue/land fill savings	(\$17,524)	(\$27,199)
Cost of extra missed collections	(\$24,462)	(\$38,052)
Net Savings	\$54,442	\$84,749

Removal of Dead Animals

Currently, citizens may request the DPW to remove dead animals from private property. Beginning January 1, 2007, this service is proposed to be eliminated. Under the proposal, DPW will remove dead animals only from the public right of way. DPW annually collects 2,400 dead animals and estimates the savings from this change in service to be approximately \$43,000.

The Clean & Green Program

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

In 2007, the program will only be funded using O & M funds (\$165,000). An amendment to the 2006 Program restored full funding through the use of CDBG reprogramming funding (an additional \$200,000).

For 2007, DPW intends to work with community groups to enhance the greening portion of the program and to increase resident participation.

Clean Fill Update

In 2007, Milwaukee residents will continue to be able to bring small amounts of clean fill (asphalt, dirt, concrete) to the City's Self Help Centers. Currently, the City deposits the clean fill it receives at the Hartung Quarry. Under DPW's current closure plan, there will be enough capacity at the quarry to receive clean fill through 2007.

On October 18, 2006, 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.

While the final draft RFP has not been completed, DPW indicates that preliminary findings indicate a local market for concrete and stone. Several options are available including public or private processing and/or hauling.

Replacement Equipment

Carts

The 2007 Proposed Budget includes \$1,135,000 to purchase 22,500 garbage and recycling carts. DPW intends to have an outside vendor to do extensive repairs to 2,500 carts in 2007. In addition, the 2007 Proposed Budget continues funding for 2 Cart Maintenance Technician positions to do minor cart repair.

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

Year	# of Carts Purchased	# of Carts Placed
2001	25,000	17,572
2002	15,000	25,190
2003	15,000	18,020
2004*	25,000	26,800
2005	25,000	23,500
2006**	25,000	15,560***

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

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

***Through 8/31/06

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	12%
Broken	15%
Burnt	1%
Missing/Stolen	51%
New Start	2%
Worn Out	19%

Litter Cans

The 2007 Proposed Budget does not include funding for replacement litter cans. The 2006 Budget included \$50,000 for the purchase of 200 litter cans. The City has not purchased replacement litter cans since 2002. DPW currently services 1,038 litter cans. Litter cans normally last 3 years and without funding being provided in 2007, DPW anticipates its inventory of replacement cans will be depleted in the spring of 2008.

Festival Boxes

The 2007 Proposed Budget includes \$15,000 for the purchase of 20 festival boxes. 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

Bulky Waste Collection Charge

Currently, the Department of Public Works collects bulky waste without charge. Beginning in 2007, a service charge of \$50 per collection will be imposed for the collection of bulky waste exceeding 4 cubic yards, excepting only waste collected during the Clean and Green program period. Sanitation employees will first tag bulky waste exceeding 4 cubic yards with a notice to the property owner to remove the waste within 3 days or be subject to the charge. DPW has modified the call center application to interface with their special assessment program. Property owners will receive a notice of their right to appeal before the charges are placed on the tax roll.

DPW roughly estimates there will be 12,000 bulky collections exceeding 4 cubic yards in 2007. Because there is no historical data and it is difficult to gauge how many citizens will modify the amount of material they dispose of when there is a charge, no estimated revenue for this proposal is included in the 2007 Proposed Budget.

Solid Waste Fee

No change as been proposed to the Solid Waste Charge for 2007. The 2006 Solid Waste Charge is \$33.00 (\$132 per year) per quarter per dwelling unit. The 2007 Solid Waste Charge is expected to generate approximately \$25.0 million.

Snow & Ice Control Charge

No change as been proposed to the Snow and Ice Control Recovery Charge for 2007. The 2006 Snow and Ice Control Charge 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 2007, 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 2,660 residential buildings in the City of Milwaukee with 5 units or more. The City provides solid waste collection to approximately 51% of these buildings.

In 2006 collection rates increased an average of 37% for front load collections, 31% for rear load collections and 76% for cart collections. The new rates include labor,

equipment and disposal based on 2005 actual expenditures adjusted for contract increases, indirect costs of supervision, administration, billing and a prorated amount for bulky collections. Costs that will be recovered in 2006 that weren't recovered in 2005 are adequate charges for equipment, supervision, administration, billing and bulky collection.

DPW had anticipated a 20% loss in revenue due to the increase in rates. So far in 2006, DPW has experienced a negligible loss of front loads, a 16% loss of rear loads and a 10% loss of cart accounts. Overall, 90% of accounts chose to stay with City provided collection services, even with the increase. In 2006, the multi-unit apartment collections will generate \$980,000 in revenue.

Other Revenues

The Comptroller's Office estimates the Sanitation Section will generate approximately \$34,602,000 in revenue in 2007. The table below provides a breakdown of the revenue.

2007 SANITATION SECTION REVENUE	
<i>ITEM</i>	<i>AMOUNT</i>
Street Sweeping & Leaf Collection Portion of Sewer Maintenance Fee	\$ 4,600,000
Recycling Revenue	\$1,250,000
Snow & Ice Fee	\$ 2,400,000
Solid Waste Fee	\$25,000,000
Apartment Garbage	\$ 980,000
Construction Debris	\$12,000
Suburban Recycling	\$100,000
Side Walk Snow Removal	\$20,000
Metal Recycling	\$200,000
Apartment Cart Sales	\$5,000
Cart Relocation	\$10,000
Sanitation Services	\$25,000
Hartung Quarry	\$400,000
Total	\$34,602,000

Capital

Sanitation - \$906,500 – The 2007 funding will upgrade the South 35th Street Facility to allow the consolidation of Sanitation and Forestry operations at the site. Once the upgrades are completed, Forestry's south office (2024 W. Holt) will be sold.

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