

# City of Ann Arbor Commercial Recycling Implementation Package

## ENTERPRISE FUND IMPACT SUMMARY

**Solid Waste Enterprise Fund (0072)**

*November 18, 2008 Draft*

**COMBINED BUDGET INCREMENTAL CHANGE SUMMARY**

**Commercial Recycling Implementation Plan**

**FY08/09 through FY13/14**

	<b>FY 09/10</b>	<b>FY 10/11</b>	<b>FY 11/12</b>	<b>FY 12/13</b>	<b>FY 13/14</b>
<b>RETURN TO FUND BALANCE</b>					
Waste Collection Contract	\$ 435,785	\$ 806,330	\$ 1,140,201	\$ 1,421,863	\$ 1,508,128
Drop City Front Load Commercial	\$ 18,601	\$ 28,683	\$ 39,401	\$ 50,786	\$ 62,869
Dumpster Commercial Recycling	\$ 44,929	\$ 82,233	\$ 95,595	\$ 101,018	\$ 109,026
Curb-Cart Commercial Recycling	\$ (187,329)	\$ (432,752)	\$ (441,238)	\$ (452,421)	\$ (461,687)
Infrastructure Capital Recovery	\$ (159,958)	\$ (162,819)	\$ (248,194)	\$ (250,883)	\$ (253,328)
<b>TOTAL RETURN</b>	\$ 152,028	\$ 321,675	\$ 585,765	\$ 870,363	\$ 965,009
<b>DEDUCT CAPITAL UTILIZATION</b>	\$ 509,000	\$ 627,310	\$ 45,917	\$ 3,863	\$ -
<b>NET RETURN TO FUND BALANCE</b>	\$ (356,972)	\$ (662,607)	\$ (122,759)	\$ 743,741	\$ 1,708,750
<b>Curb-Cart Commercial Recycling</b>	<b>FY 09/10</b>	<b>FY 10/11</b>	<b>FY 11/12</b>	<b>FY 12/13</b>	<b>FY 13/14</b>
Return to Fund Balance	\$ (187,329)	\$ (432,752)	\$ (441,238)	\$ (452,421)	\$ (461,687)
Deduct Capital Utilization	\$ 290,000	\$ 276,350	\$ 7,725	\$ 3,863	\$ -
Net Return to Fund Balance	\$ (477,329)	\$ (1,186,430)	\$ (1,635,393)	\$ (2,091,676)	\$ (2,553,363)
<b>Dumpster Commercial Recycling</b>	<b>FY 09/10</b>	<b>FY 10/11</b>	<b>FY 11/12</b>	<b>FY 12/13</b>	<b>FY 13/14</b>
Return to Fund Balance	\$ 44,929	\$ 82,233	\$ 95,595	\$ 101,018	\$ 109,026
Deduct Capital Utilization	\$ 144,000	\$ 320,960	\$ 38,192	\$ -	\$ -
Net Return to Fund Balance	\$ (99,071)	\$ (337,798)	\$ (280,395)	\$ (179,378)	\$ (70,352)
<b>Waste Collection Contract</b>	<b>FY 09/10</b>	<b>FY 10/11</b>	<b>FY 11/12</b>	<b>FY 12/13</b>	<b>FY 13/14</b>
Return to Fund Balance	\$ 435,785	\$ 806,330	\$ 1,140,201	\$ 1,421,863	\$ 1,508,128
Deduct Capital Utilization	\$ -	\$ -	\$ -	\$ -	\$ -
Net Return to Fund Balance	\$ 435,785	\$ 1,242,115	\$ 2,382,315	\$ 3,804,178	\$ 5,312,307
<b>Infrastructure Capital Recovery</b>	<b>FY 09/10</b>	<b>FY 10/11</b>	<b>FY 11/12</b>	<b>FY 12/13</b>	<b>FY 13/14</b>
Return to Fund Balance	\$ (159,958)	\$ (162,819)	\$ (248,194)	\$ (250,883)	\$ (253,328)
Deduct Capital Utilization	\$ 75,000	\$ 30,000	\$ -	\$ -	\$ -
Net Return to Fund Balance	\$ (234,958)	\$ (427,777)	\$ (675,971)	\$ (926,854)	\$ (1,180,182)
<b>Drop City Front Load Commercial</b>	<b>FY 09/10</b>	<b>FY 10/11</b>	<b>FY 11/12</b>	<b>FY 12/13</b>	<b>FY 13/14</b>
Return to Fund Balance	\$ 18,601	\$ 28,683	\$ 39,401	\$ 50,786	\$ 62,869
Deduct Capital Utilization	\$ -	\$ -	\$ -	\$ -	\$ -
Net Return to Fund Balance	\$ 18,601	\$ 47,284	\$ 86,685	\$ 137,471	\$ 200,340
	\$ (356,972)	\$ (662,607)	\$ (122,759)	\$ 743,741	\$ 1,708,750

**Solid Waste Enterprise Fund (0072)**  
**COMBINED BUDGET INCREMENTAL CHANGE**  
**Commercial Recycling Implementation Plan**  
**FY08/09 through FY13/14**

November 18, 2008 Draft

	Requested FY 08/09	Projected FY 09/10	Projected FY 10/11	Projected FY 11/12	Projected FY 12/13	Projected FY 13/14	Notes
<b>REVENUES</b>							
Solid Waste Millage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fees & Charges	\$ -	\$ 1,591,980	\$ 2,334,328	\$ 2,770,162	\$ 3,087,228	\$ 3,207,368	1,2
Investment Income	\$ -	\$ -	\$ (12,494)	\$ (23,191)	\$ (4,297)	\$ 26,031	3
Transfer from Fund Balance	\$ -	\$ 509,000	\$ 627,310	\$ 45,917	\$ 3,863	\$ -	4
<b>TOTAL REVENUES</b>	\$ -	\$ 2,100,980	\$ 2,949,144	\$ 2,792,888	\$ 3,086,794	\$ 3,233,399	
<b>EXPENDITURES</b>							
Administration	\$ -	\$ 77,944	\$ 80,282	\$ 82,691	\$ 85,171	\$ 87,727	5
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Waste Collection	\$ -	\$ 690,609	\$ 732,015	\$ 751,732	\$ 772,040	\$ 792,957	6
Living Wage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital	\$ -	\$ 509,000	\$ 627,310	\$ 45,917	\$ 3,863	\$ -	7
Material Recovery	\$ -	\$ 346,167	\$ 921,905	\$ 1,176,927	\$ 1,211,317	\$ 1,234,454	8,9
Compost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Landfill and Transfer	\$ -	\$ 232,715	\$ 184,492	\$ 71,162	\$ 61,232	\$ 66,501	10
Customer Service	\$ -	\$ 32,921	\$ 35,634	\$ 37,735	\$ 38,830	\$ 39,876	11
Systems Planning	\$ -	\$ 90,973	\$ 98,126	\$ 103,715	\$ 106,733	\$ 109,629	12
Municipal Service Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt-Maintenance Facility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Inc. in Fleet as we buy in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Depreciation	\$ -	\$ 113,739	\$ 221,831	\$ 279,007	\$ 280,331	\$ 280,706	13
<b>TOTAL EXPENDITURES</b>	\$ -	\$ 2,094,068	\$ 2,901,595	\$ 2,548,885	\$ 2,559,517	\$ 2,611,851	
Budget Balance (Deficit)	\$ -	\$ 6,911	\$ 47,549	\$ 244,003	\$ 527,277	\$ 621,548	
Fully Funded Depreciation	\$ -	\$ 145,117	\$ 274,126	\$ 341,762	\$ 343,086	\$ 343,461	14
Return to Fund Balance	\$ -	\$ 152,028	\$ 321,675	\$ 585,765	\$ 870,363	\$ 965,009	
Balance of Available Operating Funds:							
At Beginning of Fiscal Year	\$ -	\$ -	\$ (356,972)	\$ (662,607)	\$ (122,759)	\$ 743,741	
Capital Utilized from Reserves	\$ -	\$ 509,000	\$ 627,310	\$ 45,917	\$ 3,863	\$ -	4
At End of Fiscal Year	\$ -	\$ (356,972)	\$ (662,607)	\$ (122,759)	\$ 743,741	\$ 1,708,750	
Target Available Operating Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Funds available for Capital from Reserves	\$0	-\$356,972	-\$662,607	-\$122,759	\$743,741	\$1,708,750	
Reserved Capital Funds Available		\$0	\$0	\$0	\$0	\$0	
<b>Assumptions:</b>							
Revenue & Living Wage Escalation Factor	1	Millage Escalat	1.04	Admin Fee %	16.3%		
Expenditure Escalation Factor	1	Target Reserve	0.15				

**Assumptions for Incorporating Incremental Costs for This Program**

Notes 1 through 14: See Incremental Cost/Savings Sub-Schedules  
Curb-Cart Recycling Budget  
Dumpster Recycling Budget  
Front Load Waste Collection Contract Budget  
Drop Front Load City Commercial Collection

**Solid Waste Enterprise Fund (0072)**  
**NEW COMMERCIAL WASTE COLLECTION CONTRACT**  
**Commercial Recycling Implementation Plan**  
**FY08/09 through FY13/14**

November 18, 2008 Draft

1st Quarter PrePay	25%	Requested FY 08/09	Projected FY 09/10	Projected FY 10/11	Projected FY 11/12	Projected FY 12/13	Projected FY 13/14	Notes
<b>REVENUES</b>								
Solid Waste Millage			\$ -	\$ -	\$ -	\$ -	\$ -	
Fees & Charges			\$ 1,698,514	\$ 2,125,932	\$ 2,382,346	\$ 2,652,231	\$ 2,731,798	1,2
Investment Income			\$ -	\$ 15,252	\$ 43,474	\$ 83,381	\$ 133,146	3
Transfer from Fund Balance			\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL REVENUES</b>			\$ 1,698,514	\$ 2,141,184	\$ 2,425,820	\$ 2,735,612	\$ 2,864,944	
<b>EXPENDITURES</b>								
Administration			\$ 28,563	\$ 29,420	\$ 30,302	\$ 31,211	\$ 32,148	4
Fringe Benefits			\$ -	\$ -	\$ -	\$ -	\$ -	
Waste Contract Service Cost			\$ 787,960	\$ 834,531	\$ 859,566	\$ 885,353	\$ 911,914	5
Living Wage			\$ -	\$ -	\$ -	\$ -	\$ -	
Capital			\$ -	\$ -	\$ -	\$ -	\$ -	
Material Recovery			\$ -	\$ -	\$ -	\$ -	\$ -	
Compost			\$ -	\$ -	\$ -	\$ -	\$ -	
Landfill			\$ 401,154	\$ 424,499	\$ 347,954	\$ 347,954	\$ 362,047	6
Customer Service			\$ 12,640	\$ 13,019	\$ 13,410	\$ 13,812	\$ 14,226	7
Systems Planning			\$ 32,413	\$ 33,385	\$ 34,387	\$ 35,419	\$ 36,481	8
Municipal Service Charge			\$ -	\$ -	\$ -	\$ -	\$ -	
Debt-Maintenance Facility			\$ -	\$ -	\$ -	\$ -	\$ -	
Inc. in Fleet as we buy in			\$ -	\$ -	\$ -	\$ -	\$ -	
Depreciation			\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL EXPENDITURES</b>			\$ 1,262,729	\$ 1,334,854	\$ 1,285,619	\$ 1,313,749	\$ 1,356,816	
Budget Balance (Deficit)			\$ 435,785	\$ 806,330	\$ 1,140,201	\$ 1,421,863	\$ 1,508,128	
Fully Funded Depreciation			\$ -	\$ -	\$ -	\$ -	\$ -	
Return to Fund Balance			\$ 435,785	\$ 806,330	\$ 1,140,201	\$ 1,421,863	\$ 1,508,128	
Balance of Available Operating Funds:								
At Beginning of Fiscal Year			\$ -	\$ 435,785	\$ 1,242,115	\$ 2,382,315	\$ 3,804,178	
Capital Utilized from Reserves			\$ -	\$ -	\$ -	\$ -	\$ -	
At End of Fiscal Year			\$ 435,785	\$ 1,242,115	\$ 2,382,315	\$ 3,804,178	\$ 5,312,307	
Target Available Operating Funds			\$ -	\$ -	\$ -	\$ -	\$ -	
Funds available for Capital from Reserves			\$435,785	\$1,242,115	\$2,382,315	\$3,804,178	\$5,312,307	
Reserved Capital Funds Available			\$0	\$0	\$0	\$0	\$0	
<b>Assumptions:</b>								
Revenue & Living Wage Escalation Factor	1.03	Millage Escalation	1.04					
Expenditure Escalation Factor	1.03	Target Reserve	0.15					

**Assumptions for Incorporating Incremental Costs for This Program**

- 1 Includes Dumpster Service Charges paid to City by Commercial Accounts
- 2 Includes initial pre-pay to City of 1 quarter of service by Commercial Accounts at beginning of service
- 3 Includes 3.5% interest on additions to "Funds Available for Capital Reserves" Line from prior year
- 4 Includes Percentage Allocation for Administrative Costs (Staff, Supplies, Education, Web, Contract Management, etc.)
- 5 Includes commercial collection contracting cost to City's vendor
- 6 Includes solid waste transfer station and landfill disposal tip fees for waste collected by commercial collection contractor
- 7 Includes Percentage Allocation for Customer Service Costs - either for use by Customer Service in billing and call handling
- 8 Includes Percentage Allocation for Systems Planning (Staff, Supplies, Forecasting, Assessments, Operations Management, etc.)

**Solid Waste Enterprise Fund (0072)**  
**ELIMINATION OF FRONT LOAD WASTE COLLECTION - TRANSFER TO WASTE CONTRACT**  
**Commercial Recycling Implementation Plan**  
**FY08/09 through FY13/14**

November 18, 2008 Draft

	<b>Requested FY 08/09</b>	<b>Projected FY 09/10</b>	<b>Projected FY 10/11</b>	<b>Projected FY 11/12</b>	<b>Projected FY 12/13</b>	<b>Projected FY 13/14</b>	<b>Notes</b>
<b>REVENUES</b>							
Solid Waste Millage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fees & Charges	\$ -	\$ (295,776)	\$ (295,776)	\$ (295,776)	\$ (295,776)	\$ (295,776)	1
Investment Income	\$ -	\$ -	\$ 651	\$ 1,655	\$ 3,034	\$ 4,811	2
Transfer from Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL REVENUES</b>	\$ -	\$ (295,776)	\$ (295,125)	\$ (294,121)	\$ (292,742)	\$ (290,965)	
<b>EXPENDITURES</b>							
Administration		\$ (3,166)	\$ (3,261)	\$ (3,359)	\$ (3,460)	\$ (3,564)	3
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Waste		\$ (172,151)	\$ (177,316)	\$ (182,635)	\$ (188,115)	\$ (193,758)	4
Living Wage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Material Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Compost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Landfill	\$ -	\$ (131,510)	\$ (135,456)	\$ (139,519)	\$ (143,705)	\$ (148,016)	5
Customer Service	\$ -	\$ (3,956)	\$ (4,074)	\$ (4,197)	\$ (4,322)	\$ (4,452)	6
Systems Planning	\$ -	\$ (3,593)	\$ (3,701)	\$ (3,812)	\$ (3,926)	\$ (4,044)	7
Municipal Service Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt-Maintenance Facility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Inc. in Fleet as we buy in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL EXPENDITURES</b>	\$ -	\$ (314,377)	\$ (323,808)	\$ (333,522)	\$ (343,528)	\$ (353,834)	
Budget Balance (Deficit)	\$ -	\$ 18,601	\$ 28,683	\$ 39,401	\$ 50,786	\$ 62,869	
Fully Funded Depreciation		\$ -	\$ -	\$ -	\$ -	\$ -	
Return to Fund Balance	\$ -	\$ 18,601	\$ 28,683	\$ 39,401	\$ 50,786	\$ 62,869	
Balance of Available Operating Funds:							
At Beginning of Fiscal Year	25%	\$ -	\$ 18,601	\$ 47,284	\$ 86,685	\$ 137,471	
Capital Utilized from Reserves		\$ -	\$ -	\$ -	\$ -	\$ -	
At End of Fiscal Year		\$ -	\$ 18,601	\$ 47,284	\$ 86,685	\$ 137,471	
Target Available Operating Funds		\$ -	\$ -	\$ -	\$ -	\$ -	
Funds available for Capital from Reserves		\$0	\$18,601	\$47,284	\$86,685	\$137,471	\$200,340
Reserved Capital Funds Available			\$0	\$0	\$0	\$0	\$0
<b>Assumptions:</b>							
Revenue & Living Wage Escalation Factor		1.03 Millage Escalati	1.04				
Expenditure Escalation Factor		1.03 Target Reserve	0.15				

**Assumptions for Incorporating Incremental Costs for This Program**

- 1 Includes shift of the subsidized commercial dumpster fee to the Collection Contract but no revenue from fee increase to new WM Fee structure
- 1 Includes loss of 3.5% interest on additions to "Funds Available for Capital Reserves" Line from prior year
- 2 Includes reduction based on percentage allocation for administrative costs per budget
- 3 Includes reduction in collection program costs due to shift to commercial collection contract
- 4 Includes reduction in landfill costs due to shift to commercial collection contract
- 5 Includes reduction based on percentage allocation for customer service costs per budget
- 8 Includes reduction based on percentage allocation for systems planning costs per budget

**Solid Waste Enterprise Fund (0072)**  
**NEW COMMERCIAL DUMPSTER RECYCLING**  
**Commercial Recycling Implementation Plan**  
**FY08/09 through FY13/14**

November 18, 2008 Draft

	Requested FY 08/09	Projected FY 09/10	Projected FY 10/11	Projected FY 11/12	Projected FY 12/13	Projected FY 13/14	Notes
<b>REVENUES</b>							
Solid Waste Millage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fees & Charges	\$ -	\$ 83,580	\$ 247,181	\$ 360,199	\$ 384,478	\$ 402,211	1,2
Investment Income	\$ -	\$ -	\$ (3,467)	\$ (11,823)	\$ (9,814)	\$ (6,278)	3
Transfer from Fund Balance	\$ -	\$ 144,000	\$ 320,960	\$ 38,192	\$ -	\$ -	4
<b>TOTAL REVENUES</b>	\$ -	\$ 227,580	\$ 564,673	\$ 386,569	\$ 374,664	\$ 395,932	
<b>EXPENDITURES</b>							
Administration	\$ -	\$ 8,972	\$ 9,241	\$ 9,518	\$ 9,804	\$ 10,098	5
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Waste Collection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Living Wage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital	\$ -	\$ 144,000	\$ 320,960	\$ 38,192	\$ -	\$ -	6
Material Recovery	####	\$ 109,865	\$ 319,171	\$ 457,256	\$ 480,209	\$ 494,615	7,8
Compost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Avoided Landfill and Transfer	\$ -	\$ (13,497)	\$ (39,172)	\$ (56,067)	\$ (58,829)	\$ (60,542)	9
Customer Service	\$ -	\$ 4,954	\$ 6,828	\$ 8,064	\$ 8,269	\$ 8,398	10
Systems Planning	\$ -	\$ 12,704	\$ 17,509	\$ 20,679	\$ 21,206	\$ 21,537	11
Municipal Service Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt-Maintenance Facility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Inc. in Fleet as we buy in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Depreciation	\$ -	\$ 7,800	\$ 22,228	\$ 31,179	\$ 31,815	\$ 31,815	12
<b>TOTAL EXPENDITURES</b>	\$ -	\$ 274,798	\$ 656,765	\$ 508,821	\$ 492,474	\$ 505,922	
Budget Balance (Deficit)	\$ -	\$ (47,218)	\$ (92,092)	\$ (122,253)	\$ (117,810)	\$ (109,989)	
Fully Funded Depreciation	\$ 0	\$ 92,147	\$ 174,325	\$ 217,847	\$ 218,828	\$ 219,015	13
Return to Fund Balance	\$ -	\$ 44,929	\$ 82,233	\$ 95,595	\$ 101,018	\$ 109,026	
<b>Balance of Available Operating Funds:</b>							
At Beginning of Fiscal Year	\$ -	\$ -	\$ (99,071)	\$ (337,798)	\$ (280,395)	\$ (179,378)	
Capital Utilized from Reserves	\$ -	\$ 144,000	\$ 320,960	\$ 38,192	\$ -	\$ -	4
At End of Fiscal Year	\$ -	\$ (99,071)	\$ (337,798)	\$ (280,395)	\$ (179,378)	\$ (70,352)	
Target Available Operating Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Funds available for Capital from Reserves	\$ 0	\$ -99,071	\$ -337,798	\$ -280,395	\$ -179,378	\$ -70,352	
Reserved Capital Funds Available		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	

**Assumptions:**

Revenue & Living Wage Escalation Factor	1.03	Millage Escalation	1.04	Admin Fee %	3.4%
Expenditure Escalation Factor	1.03	Target Reserve	0.15		

**Assumptions for Incorporating Incremental Costs for This Program**

- 1 Includes FCR revenue share for recyclables
- 2 Includes FCR \$4/ton Contribution to Capital Reserves for MRF Renewal
- 3 Includes 3.5% interest on additions to "Funds Available for Capital Reserves" Line from prior year
- 4 Includes transfer of funds from Capital Available from Reserves to cover capital purchases
- 5 Includes Percentage Allocation for Administrative Costs (Staff, Supplies, Education, Web, Contract Management, etc.)
- 6 Includes annual capital outlay for each year from reserves for dumpsters (amortized internally in Enterprise Fund) and truck purchases (Amortized in Fleet Fund)
- 7 Includes incremental MRF tip fee for new commercial tons (prior to revenue share)
- 8 Includes incremental City front load collection operations for servicing recycling dumpsters with Fleet Fund charges included
- 9 Includes reduced solid waste transfer station and landfill disposal tip fees for some of the commercial waste that is recycled (30% of dumpster tons)
- 10 Includes Percentage Allocation for Customer Service Costs - either for use by Customer Service or for Contracting Out (e.g. via RAA)
- 11 Includes Percentage Allocation for Systems Planning (Staff, Supplies, Forecasting, Assessments, Operations Management, etc.)
- 12 Includes increase in funded depreciation for dumpster purchases (Fleet Fund truck depreciation charges in Material Recovery Line Item)
- 13 Includes fully funded depreciation - adding back cash into fund balance of enterprise fund and Fleet Fund for depreciation changes highlighted above

**Solid Waste Enterprise Fund (0072)**  
**NEW COMMERCIAL CURBCART RECYCLNG**  
**Commercial Recycling Implementation Plan**  
**FY08/09 through FY13/14**

November 18, 2008 Draft

	Requested FY 08/09	Projected FY 09/10	Projected FY 10/11	Projected FY 11/12	Projected FY 12/13	Projected FY 13/14	Notes
<b>REVENUES</b>							
Solid Waste Millage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fees & Charges	\$ -	\$ 87,062	\$ 233,029	\$ 293,757	\$ 310,662	\$ 327,166	1,2
Investment Income	\$ -	\$ -	\$ (16,706)	\$ (41,525)	\$ (57,239)	\$ (73,209)	3
Transfer from Fund Balance	\$ -	\$ 290,000	\$ 276,350	\$ 7,725	\$ 3,863	\$ -	4
<b>TOTAL REVENUES</b>	\$ -	\$ 377,062	\$ 492,673	\$ 259,957	\$ 257,285	\$ 253,957	
<b>EXPENDITURES</b>							
Administration	\$ -	\$ 43,575	\$ 44,882	\$ 46,229	\$ 47,616	\$ 49,044	5
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Waste Collection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Living Wage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital	\$ -	\$ 290,000	\$ 276,350	\$ 7,725	\$ 3,863	\$ -	6
Material Recovery	\$ -	\$ 132,545	\$ 498,976	\$ 531,614	\$ 543,052	\$ 551,783	7,8
Compost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Landfill and Transfer	\$ -	\$ (23,432)	\$ (65,380)	\$ (81,205)	\$ (84,188)	\$ (86,987)	9
Customer Service	\$ -	\$ 19,283	\$ 19,862	\$ 20,458	\$ 21,071	\$ 21,703	10
Systems Planning	\$ -	\$ 49,449	\$ 50,933	\$ 52,461	\$ 54,034	\$ 55,655	11
Municipal Service Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt-Maintenance Facility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Inc. in Fleet as we buy in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Depreciation/Fleet Fund Payments	\$ -	\$ 105,939	\$ 199,603	\$ 247,828	\$ 248,516	\$ 248,891	12
<b>TOTAL EXPENDITURES</b>	\$ -	\$ 617,361	\$ 1,025,226	\$ 825,109	\$ 833,964	\$ 840,089	
Budget Balance (Deficit)	\$ -	\$ (240,298)	\$ (532,553)	\$ (565,152)	\$ (576,678)	\$ (586,132)	
Fully Funded Depreciation	\$ 0	\$ 52,970	\$ 99,801	\$ 123,914	\$ 124,258	\$ 124,445	13
Return to Fund Balance	\$ -	\$ (187,329)	\$ (432,752)	\$ (441,238)	\$ (452,421)	\$ (461,687)	
Balance of Available Operating Funds:							
At Beginning of Fiscal Year	\$ -	\$ -	\$ (477,329)	\$ (1,186,430)	\$ (1,635,393)	\$ (2,091,676)	
Capital Utilized from Reserves	\$ -	\$ 290,000	\$ 276,350	\$ 7,725	\$ 3,863	\$ -	4
At End of Fiscal Year	\$ -	\$ (477,329)	\$ (1,186,430)	\$ (1,635,393)	\$ (2,091,676)	\$ (2,553,363)	
Target Available Operating Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Funds available for Capital from Reserves	\$0	-\$477,329	-\$1,186,430	-\$1,635,393	-\$2,091,676	-\$2,553,363	
Reserved Capital Funds Available	\$0	\$0	\$0	\$0	\$0	\$0	

**Assumptions:**

Revenue & Living Wage Escalation Factor	1 Millage Escalate	1.04 Admin Fee %	16.3%
Expenditure Escalation Factor	1 Target Reserve	0.15	

**Assumptions for Incorporating Incremental Costs for This Program**

- 1 Includes FCR revenue share for recyclables
- 2 Includes FCR \$4/ton Contribution to Capital Reserves for MRF Renewal
- 3 Includes 3.5% interest on additions to "Funds Available for Capital Reserves" Line from prior year
- 4 Includes transfer of funds from Capital Available from Reserves to cover capital purchases
- 5 Includes Percentage Allocation for Administrative Costs (Staff, Supplies, Education, Web, Contract Management, etc.)
- 6 Includes annual capital outlay for each year from reserves for curb-cart (amortized internally in Enterprise Fund) and truck purchases (Amortized in Fleet Fund)
- 7 Includes incremental MRF tip fee for new commercial tons (prior to revenue share)
- 8 Includes incremental RAA Contract Costs for Curb-Cart Collection
- 9 Includes reduced solid waste transfer station and landfill disposal tip fees for some of the commercial waste that is recycled (50% of curb-carts tons)
- 10 Includes Percentage Allocation for Customer Service Costs - either for use by Customer Service or for Contracting Out (e.g. via RAA)
- 11 Includes Percentage Allocation for Systems Planning (Staff, Supplies, Forecasting, Assessments, Outsourced Contract Management, etc.)
- 12 Includes increase in funded depreciation for capital shown in Fully Funded Depreciation line below, doubled to account for Fleet Fund Charges for Fuel and Maintenance
- 13 Includes fully funded depreciation - adding back cash into fund balance of Enterprise Fund and Fleet Fund for depreciation changes highlighted above

**Solid Waste Enterprise Fund (0072)**  
**CAPITAL RECOVERY FOR COMMERCIAL RECYCLING AND WASTE INFRASTRUCTURE**  
**Commercial Recycling Implementation Plan**  
**FY08/09 through FY13/14**

November 18, 2008 Draft

	<b>Requested FY 08/09</b>	<b>Projected FY 09/10</b>	<b>Projected FY 10/11</b>	<b>Projected FY 11/12</b>	<b>Projected FY 12/13</b>	<b>Projected FY 13/14</b>	<b>Notes</b>
<b>REVENUES</b>							
Solid Waste Millage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fees & Charges	\$ -	\$ 18,600	\$ 23,963	\$ 29,636	\$ 35,633	\$ 41,969	1,2
Investment Income	\$ -	\$ -	\$ (8,224)	\$ (14,972)	\$ (23,659)	\$ (32,440)	3
Transfer from Fund Balance	\$ -	\$ 75,000	\$ 30,000	\$ -	\$ -	\$ -	4
<b>TOTAL REVENUES</b>	\$ -	\$ 93,600	\$ 45,739	\$ 14,663	\$ 11,974	\$ 9,529	
<b>EXPENDITURES</b>							
Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Waste	\$ -	\$ 74,801	\$ 74,801	\$ 74,801	\$ 74,801	\$ 74,801	5
Living Wage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital	\$ -	\$ 75,000	\$ 30,000	\$ -	\$ -	\$ -	4
Material Recovery	\$ -	\$ 103,757	\$ 103,757	\$ 188,056	\$ 188,056	\$ 188,056	6, 7
Compost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Landfill	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Customer Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Systems Planning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Municipal Service Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt-Maintenance Facility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Inc. in Fleet as we buy in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL EXPENDITURES</b>	\$ -	\$ 253,558	\$ 208,558	\$ 262,857	\$ 262,857	\$ 262,857	
Budget Balance (Deficit)	\$ -	\$ (159,958)	\$ (162,819)	\$ (248,194)	\$ (250,883)	\$ (253,328)	
Fully Funded Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Return to Fund Balance	\$ -	\$ (159,958)	\$ (162,819)	\$ (248,194)	\$ (250,883)	\$ (253,328)	
<b>Balance of Available Operating Funds:</b>							
At Beginning of Fiscal Year	25%	\$ -	\$ (234,958)	\$ (427,777)	\$ (675,971)	\$ (926,854)	
Capital Utilized from Reserves	\$ -	\$ 75,000	\$ 30,000	\$ -	\$ -	\$ -	4
At End of Fiscal Year	\$ -	\$ (234,958)	\$ (427,777)	\$ (675,971)	\$ (926,854)	\$ (1,180,182)	
Target Available Operating Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Funds available for Capital from Reserves	\$ -	\$ 0	\$ -234,958	\$ -427,777	\$ -675,971	\$ -926,854	\$ -1,180,182
Reserved Capital Funds Available	\$ -	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
<b>Assumptions:</b>							
Revenue & Living Wage Escalation Factor		1.03 Millage Escalati	1.04				
Expenditure Escalation Factor		1.03 Target Reserve	0.15				

**Assumptions for Incorporating Incremental Costs for This Program**

- 1 Includes revenue share from FCR merchant tons @ 10% of net revenue above trigger
- 2 Includes contribution by FCR to equipment repair/renewal fund of \$4/Merchant Ton
- 3 Includes loss of 3.5% interest on additions to "Funds Available for Capital Reserves" Line from prior year
- 4 Includes capital in years 1 and 2 for information technology, web and Re-TRAC on-line reporting systems - provided from Enterprise Fund reserves
- 5 Includes capital recovery of 50% of the City's \$1,500,000 investment in transfer station, amortized over 15 years @ 5%.
- 6 Includes capital recovery of 100% of the City's \$800,000+ investment in MRF commercial waste recycling equipment
- 7 Includes anticipated capital recovery of 25% of a projected \$3,500,000 investment in MRF upgrade to single stream processing in 2011/12