

# **SOLID WASTE ENTERPRISE FUND FORECAST REVIEW**

**Council Work Session**

**July 11, 2011**

# PURPOSE OF PRESENTATION

- Provide the background and information to explain the following issues with the Solid Waste Enterprise Fund:
  - a) Existing operating program projections include increasing deficits
  - b) Current projections do not include capital funding for Drop-Off Station replacement

# BACKGROUND

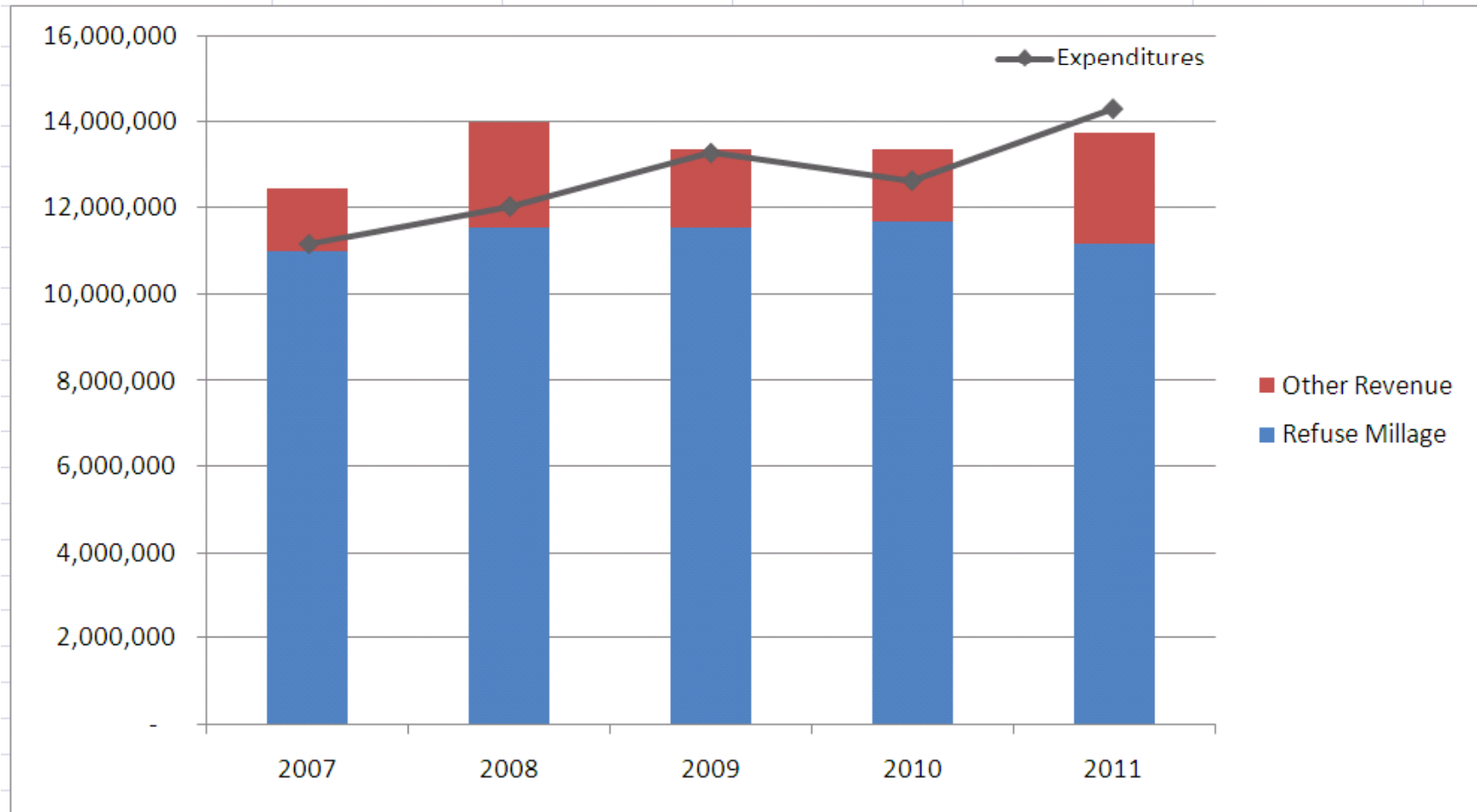
- Solid Waste Millage revenue has recently decreased
- Volatility of revenue from recyclable materials market
- Expenses have increased
- Adjustments made to date
  - Programmatic Adjustments
  - Staff reductions
  - Deferral of capital projects, e.g. Drop-Off Station

# ADJUSTMENTS MADE TO DATE

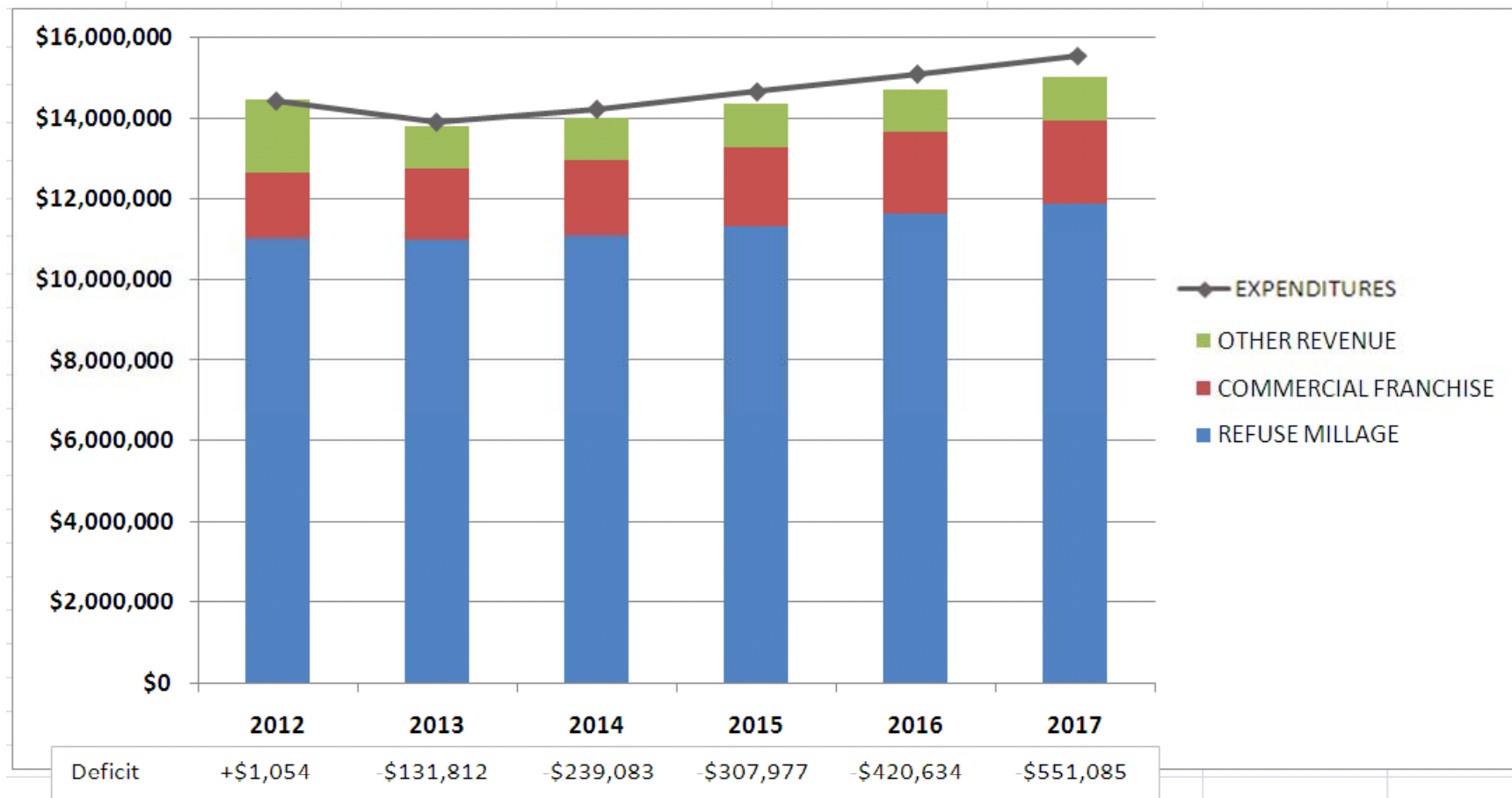
## *Program modifications already put into place*

- ***Leaf collection:*** Switch to curbside leaf collection (\$103,000 annual savings)
- ***Compost operations:*** New public-private partnership (\$350,000 annual savings)
- ***Christmas tree collection:*** Stop special collection (\$28,000 annual savings)
- ***Single Stream recycling:*** Increased revenues from recyclables (~\$550,000 FY 10 to 11) & reduced collection costs (-\$155,000 to -\$262,000)

# SOLID WASTE ENTERPRISE FUND HISTORY



# SOLID WASTE ENTERPRISE FUND FORECAST



# BACKGROUND

## ***Strategies:***

- ***Reduce services***  
(e.g., Christmas tree collection)
- ***Modify methods***  
(e.g. Merchant operations)
- ***Discontinue or reduce solid waste millage support*** (e.g., commercial waste franchise)

# REDUCE SERVICES

## *Accomplished to date*

- Christmas tree pickup
- Bulky item pickup



# REDUCE SERVICES

## *Ideas to Consider*

- Ideas previously considered by staff, but not implemented due do difficulty of implementation & inconvenience to residents:
  - Provide alternating week collection (refuse, recycle, & compost): Savings of ~\$900k to \$1,800k (10-20%); volume reduction of 5-10%
  - Reduce compost service in summer months: Savings of ~\$40k to \$80k (5-10%)

# MODIFY METHODS

## ***Accomplished to date***

- Public / private partnerships
  - MRF & Transfer station operations (ReCommunity)
  - Compost center operations (WeCare Organics)
- Non-profit partnerships
  - Recycling collection (Recycle Ann Arbor)
- Automated carts & trucks
- Single stream recycling
- Containerization of leaf pickup

# MODIFY METHODS

## *Ideas to Consider*

- Idea previously considered by staff, but not implemented due do difficulty of implementation & inconvenience to residents:
  - Provide residential curbside collection on one side of street only: Savings of ~\$400k to \$900k (5-10%)

# DISCONTINUE OR REDUCE SOLID WASTE MILLAGE SUPPORT

## *Accomplished to date*

- Commercial franchise
- Downtown trash carts
- Bulky trash curbside pickup
- Drop Off Station support
- Unlimited curbside trash collection

# DISCONTINUE OR REDUCE SOLID WASTE MILLAGE SUPPORT

## *Ideas to Consider*

- Proposed alternative: remove residential refuse collection from solid waste millage
- Provide franchised refuse collection separately
  - Fee based: residents support
  - Hybrid: some level of millage & fee based support
- Avoided costs: maximum potential \$2.9 million annually

# FRANCHISE COLLECTION OPTIONS

## *Options for franchise refuse collection*

- City role
  - Franchisee Oversight & Management
  - Customer Service: Ensuring quality of service
    - Matching collection days with recycle & compost collection
    - Turnaround time on missed pickups
    - Response to other issues, such as spilled materials Billing

# FRANCHISE COLLECTION OPTIONS

- ***Hauler licensing with ordinance requirements***
  - Property owners individually contract with licensed haulers
    - Examples: City of Lansing, Scio Twp
  - **Not** recommended
    - Increased truck traffic & impacts to street system
    - No economies of scale
    - Lack of coordinated routes
    - Increased carbon footprint

# FRANCHISE COLLECTION OPTIONS

## ***Quality of Service Issues to be addressed:***

- Frequency of service
  - 1-time/wk
- Continued tracking of tonnages
- Curbside based service – priced per cart size
- Volume limits per stop
  - Nothing outside cart
- Special pick-ups
  - Elderly & handicapped to be provided doorside pickup
- Handling missed pickups
  - to be serviced same day if called in by noon



# IDENTIFIED SOLID WASTE CAPITAL NEEDS

- Mandatory:
  - Landfill groundwater management: \$633,000
  - Compost center stormwater controls: \$400,000
  - Methane gas recovery: \$150,000
- Operational:
  - Commercial recycling containers: \$130,000
  - Landfill entrance improvements: \$400,000
- Unfunded:
  - Replacement Drop Off Station: \$2,200,000

# DROP-OFF STATION REPLACEMENT

- Existing Facility partially built on closed landfill & sinking. Will need to be closed at some point.
- Options:
  - Replace facility (\$3 to \$5 million). Continue to seek partnerships (current facility 60% non-city users)
  - Close Drop-Off Station & use existing alternatives

# DROP OFF STATION ALTERNATIVES

- ***Plastic bag recycling:*** Available in most grocery stores
- ***Rechargeable battery recycling:*** Available in many local stores
- ***Trash disposal & metal recycling:*** Available at Calvert's on the west side of town
- ***Small quantity compost purchases:*** Small volumes are currently available for free Saturday mornings at the compost site in April & June. Two yards or more are available all the time at the compost site.
- ***Small quantity compost drop off:*** We may choose to accept this at our compost site.
- ***Electronics recycling:*** Computers and TV's are currently recycled at the site. There are a few other options for residents, such as the one day recycling event that the AAPS holds each year. Michigan legislation now requires stores to take back computers and televisions, but this program is in its infancy and is primarily available for people purchasing a new computer or TV. We could consider a special drop off.
- ***Freon appliance recycling:*** We would need to check to see what other private sector options are available.
- ***Styrofoam recycling:*** Not aware of any other options in the area

# SUMMARY

- The Solid Waste Enterprise Fund has long term budget issues that need to be addressed:
  - a) Existing operating program projections include increasing deficits
  - b) Current projections do not include capital funding for drop off station replacement

# NEXT STEPS

- Should staff explore option of franchising residential trash collection?
- Should staff pursue option of placing carts on same side of the street
  - Recycle & compost carts on one side
  - Trash carts on the other

- **QUESTIONS?**