

Community Development Sanitation Fund

Mission Statement

It is the mission of the Sanitation Division to provide for the collection and disposal of solid waste in a manner that is consistent with federal and state regulations, as well as to encourage the recycling efforts of the community.

Primary Functions → The four primary functions of the Sanitation Division include collection and disposal, composting, recycling, and technical and financial services.

- **Collection and Disposal**→ Provides weekly unlimited collection to all residential buildings of four units or less through a private contractor.
- **Composting Program**→ Contractor collects yard wastes, including leaves, grass, and pruning, and composts them at a City owned landfill site and uses material for landfill cover.
- **Recycling Program**→ Provides curbside recycling as part of regular weekly collection. Residents can recycle 32 items and Christmas trees are recycled seasonally.
- **Technical and Financial Services**→ Purchase of service for contract monitoring, billing and collecting, and reimbursement for street cleaning services are included.

Fund and Rate Information

- Contracts for collection and disposal of solid waste extend to 2013 with contract annual price changes tied to Consumer Price Index (CPI), both positive and negative, not to exceed 4% per year.
- An increase of \$1.40 per month, to \$15.60 effective January 1, 2012 to cover cost of forestry service.

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Budget Summary

COMMUNITY DEVELOPMENT SANITATION DIVISION BUDGET SUMMARY					
APPROPRIATION	2010 <u>ACTUAL</u>	2011 <u>BUDGET</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	INCREASE (DECREASE)
PERSONNEL	\$0	\$0	\$0	\$0	\$0
CONTRACTUAL	6,567,498	7,138,632	6,504,899	7,150,630	11,998
SUPPLIES	1,100	500	658	500	0
OTHER	<u>1,293,600</u>	<u>1,367,775</u>	<u>1,389,339</u>	<u>2,204,550</u>	<u>836,775</u>
TOTAL	<u>\$7,862,198</u>	<u>\$8,506,907</u>	<u>\$7,894,896</u>	<u>\$9,355,680</u>	<u>\$848,773</u>
FUNDING SOURCE		2011 <u>AMOUNT</u>	2011 <u>PERCENTAGE</u>	2012 <u>AMOUNT</u>	2012 <u>PERCENTAGE</u>
PROPERTY TAXES					
SANITATION		\$21,000	0.2	\$21,000	0.2
FRINGE BENEFIT REIMBURSEMENT		700	0.0	700	0.0
USER FEE		8,571,100	99.1	9,169,800	99.1
LANDFILL RENT		15,400	0.2	15,400	0.2
INTEREST INCOME		<u>39,000</u>	<u>0.5</u>	<u>47,300</u>	<u>0.5</u>
TOTAL		<u>\$8,647,200</u>	<u>100.0</u>	<u>\$9,254,200</u>	<u>100.0</u>

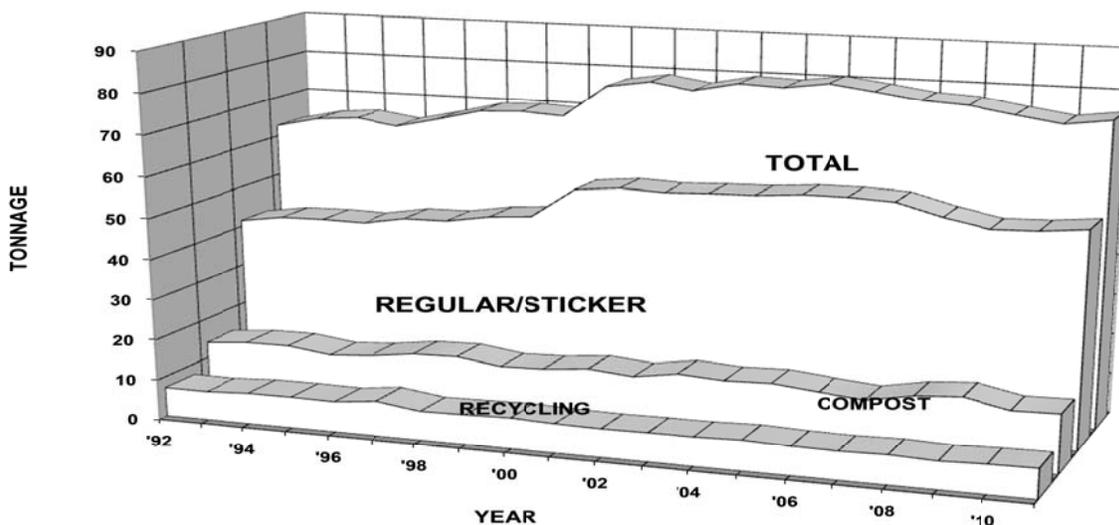
Budget Analysis

The contractual budget for collection and disposal costs will increase \$71,320 or 1.3% from the previous year. Rate increases change by the CPI; 2012 CPI is estimated to be 2.8%. The collection rate will increase from \$66.74 to \$67.26 per ton while the disposal rate will rise from \$37.05 to \$37.34 per ton. Actual 2011 tonnage is 69,735, 9,760 tons less than the budgeted 79,500 while 2012's projected 74,500 tons is 5,000 tons less than 2011's budget and 4,765 tons more than the 2011 actual. Customers are estimated at 49,500 for the year.

Code Enforcement Division staff monitor and enforce the contract and are funded with a purchase of services from the General Fund. Supplies remained unchanged. Purchase of services increases \$836,775 reflecting an increase to cover purchase of service cost of forestry service (\$797,000) and increase in street sweeping expenses.

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ROCKFORD SOLID WASTE



SOURCE: COMMUNITY DEVELOPMENT

As the performance measurement schedule indicates, the introduction of alternative programs, composting and recycling, have kept wastes out of the landfill. It is anticipated 29% of the waste stream, or 21,500 tons, will be diverted for 2012.

Rate changes since the introduction of the user fee in 1984 have been minimal and with good reason. Previously, a ten cent property tax rate, generating \$2.0 million annually, added to the user fee in paying for this service. With this rate transferred to the General Fund to pay public safety expenses, the 2011 user fee was increased to pay for this service. The user fee increased for 2012, from \$170.40 to \$186.00. Other income includes land rental and interest earnings.

In 2011, the Sanitation Fund spent \$7,894,896 or 92.8% of the budgeted allocation. In the past several years, 91% to 99% of the budget has been spent.

Five Year Financial Forecast

The 2013-2017 five year forecast assumes that total tonnage will increase approximately 300 tons per year. Costs are expected to increase 3.0% (4% is the maximum) annually for collection, composting, and recycling, and disposal.

SANITATION FUND 2013-2017 FINANCIAL FORECAST (IN 000'S)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Recommended Rates	\$186.00	\$186.00	\$192.00	\$198.00	\$204.00
Revenues	\$9,584	\$9,961	\$10,346	\$10,734	\$11,131
Expenses	<u>9,942</u>	<u>10,122</u>	<u>10,613</u>	<u>10,817</u>	<u>11,163</u>
Excess(Deficit)	<u>(358)</u>	<u>(162)</u>	<u>(267)</u>	<u>(82)</u>	<u>(32)</u>
Beginning Balance	<u>2,703</u>	<u>2,345</u>	<u>2,183</u>	<u>1,915</u>	<u>1,833</u>
Ending Balance	<u>\$2,345</u>	<u>\$2,183</u>	<u>\$1,915</u>	<u>\$1,833</u>	<u>\$1,801</u>
RESERVE	23.6	21.6	18.0	16.9	16.1

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Performance Measurements

	2009 Tonnage	2010 Tonnage	2011 Budgeted Tonnage	2011 Actual Tonnage	2012 Budgeted Tonnage	2011-2012	2011 Actual/ 2012 Budget
Regular	51,786	49,739	56,000	48,038	53,000	(3,000)	4,962
Composting	16,620	14,490	16,000	14,812	14,000	(2,000)	(812)
Recycling	6,830	6,736	7,500	6,886	7,500	0	614
Sticker	17	3	0	0	0	0	0
	75,253	70,968	79,500	69,736	74,500	(5,000)	4,764
Landfill	51,803	49,742	56,000	48,038	53,000	(3,000)	4,962
Baxter	16,620	14,490	16,000	14,812	14,000	(2,000)	(812)
Recycled	<u>6,830</u>	<u>6,736</u>	<u>7,500</u>	<u>6,886</u>	<u>7,500</u>	<u>0</u>	<u>614</u>
	75,253	70,968	79,500	69,736	74,500	(5,000)	4,764
Diversion Rate	31.2	29.9	29.6	31.1	28.9		