

FUND STATEMENT

FUND:

SOLID WASTE FUND

The Solid Waste Fund is an Enterprise Fund supported by revenues received from solid waste monthly residential fees, service charges for special bulk/brush collection, residential recycling revenues and other miscellaneous fees. Solid Waste Services is a division of the Environmental Management Department.

The Solid Waste Management Division underwent a significant reorganization in FY2003, primarily to manage a number of new solid waste service contracts and to improve services to customers. Four major service areas exist under the new organizational structure, including: Contract Management, Field Operations, Customer Service, and Community Education.

Contract Management oversees a number of service contracts to ensure that each contractor meets contract requirements. The city has awarded contracts for the collection of residential garbage, recycling, brush and yard waste; recyclable material processing; operation of the city's Southeast Landfill; processing of yard waste and disposal of bulk waste; the purchase of new carts and their maintenance; and the hauling of containers from the Drop-off Stations to landfills for waste disposal.

Field Operations is staffed by city employees, and provides illegal dump site cleanup as well as the operation of two Drop-off Stations for customer drop-off of waste and recycling. One additional Drop-off Station is in the initial construction phase and funding for a fourth Drop-off Station was transferred to the capital projects fund during FY2008. In FY2005, Code Compliance responsibilities for Solid Waste were moved to the Code Compliance Department along with eight authorized Code Compliance Officer Positions; funding for expenses associated with compliance is transferred annually from the Solid Waste Enterprise Fund to the General Fund.

Customer Service is also staffed by city employees, and handles incoming calls for individuals seeking new service arrangements, registering complaints, modifying existing service arrangements or inquiries of the services provided. The Customer Service staff implemented advanced call center technology to minimize call wait times while maximizing customer satisfaction. In addition to supporting inbound calls for the Solid Waste Services Division, the Customer Service staff also answers calls for the Code Compliance Department and the city's Switchboard. In FY2009 the Customer Service Section was directed to be the Consolidated Call Center for the City. As a result, Animal Care and Control and the Transportation Public Works customer inquiries/request are also supported by this group.

Community Education is assigned three Public Education Specialists to create and distribute materials and programs to teach residents about available solid waste services. The intent of the program is to promote direct citizen involvement in volunteer activities that encourage individual responsibility for a cleaner city. Although the education effort reached a peak of activity during initial rollout of new programs and services in FY2003, the need will continue in coming years to ensure that residents maximize the use of available services. Beginning in FY2009 personnel were transferred to the Community Relations Department. The Solid Waste Fund transfers monies to the General Fund to cover the associated personnel cost.

Residential customers pay for comprehensive solid waste collection services through a monthly fee added to their water bill. The monthly residential fee is structured in three tiers based upon the size of garbage cart used: \$12.75 for a 32-gallon garbage cart, \$17.75 for a 64-gallon garbage cart, and \$22.75 for a 96-gallon garbage cart. Residential customers can choose one of the three tiers, and may change tiers if they later decide the original choice was unsuitable for their waste disposal needs.

FORT WORTH



**SOLID WASTE FUND BUDGET SUMMARY
FISCAL YEAR
2010**

REVENUES:

| | |
|-------------------------|---------------------|
| Interest on Investments | \$962,722 |
| Landfill | 1,862,801 |
| Residential Collection | 42,196,179 |
| Commercial Collection | 491,681 |
| Refuse Hauling Permits | 13,830 |
| Grants of Privilege | 1,839,836 |
| Dead Animal Pick-up | 0 |
| Garbage Sales Tax | 430,680 |
| Recycling Waste | 1,333,517 |
| Bad Debts Recovered | 86,644 |
| Other Revenues | <u>1,279,824</u> |
| TOTAL REVENUE | \$50,497,714 |

OTHER FINANCING SOURCES:

| | |
|--|---------------------|
| Uses/(Source) of Fund Balance | <u>\$2,010,683</u> |
| TOTAL REVENUE AND OTHER FINANCING SOURCES | \$52,508,397 |

EXPENDITURES:

| | |
|---------------------------------|---------------------|
| Personal Services | \$4,320,889 |
| Supplies | 1,447,077 |
| Contractual Services | <u>45,527,341</u> |
| TOTAL RECURRING EXPENSES | \$51,295,307 |

DEBT SERVICE AND CAPITAL OUTLAY:

| | |
|--|---------------------|
| Capital Outlay | \$499,625 |
| Debt Service | <u>713,465</u> |
| TOTAL DEBT SERVICE AND CAPITAL OUTLAY | \$1,213,090 |
| TOTAL EXPENDITURES | \$52,508,397 |

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**PROJECTED
FY2009-10 CASH FLOW
SOLID WASTE FUND**

| | |
|--|-----------------------|
| Cash Balance as of 9/30/09 * | \$25,960,424 |
| Plus: Projected Revenues | \$50,497,714 |
| Less: Projected Expenditures | (\$52,508,397) |
| Estimated Available Cash as of 9/30/10 | \$23,949,741 |

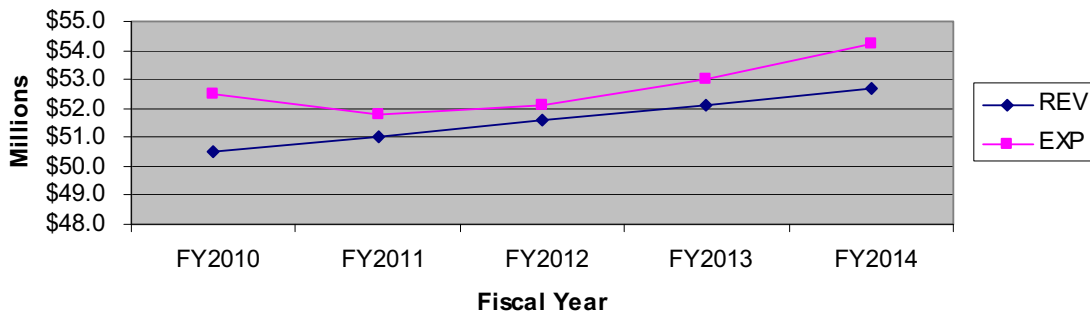
* Preliminary cash balance due to pending audit of actual fund balances.

SOLID WASTE FUND FIVE YEAR FORECAST FISCAL YEAR 2010 THROUGH 2014

| | FY2009-10 Adopted | FY2010-11 Projected | FY2011-12 Projected | FY2012-13 Projected | FY2013-14 Projected |
|-------------------------------|----------------------|------------------------|------------------------|------------------------|------------------------|
| Beginning Cash Balance | \$25,960,424 | \$23,949,741 | \$23,206,957 | \$22,720,097 | \$21,830,211 |
| Revenues* | | | | | |
| Interest | \$962,722 | \$972,349 | \$982,073 | \$991,893 | \$1,001,812 |
| Residential billing | \$42,196,179 | \$42,618,141 | \$43,044,322 | \$43,474,765 | \$43,909,513 |
| Recycling Waste Revenue | \$1,333,517 | \$1,364,455 | \$1,423,126 | \$1,481,332 | \$1,558,065 |
| Landfill | \$1,862,801 | \$1,881,429 | \$1,900,243 | \$1,919,246 | \$1,938,438 |
| Other Revenue | \$4,142,495 | \$4,183,920 | \$4,225,759 | \$4,268,017 | \$4,310,697 |
| Total Revenue | \$50,497,714 | \$51,020,294 | \$51,575,524 | \$52,135,253 | \$52,718,526 |
| Total Resources | \$76,458,138 | \$74,970,035 | \$74,782,481 | \$74,855,350 | \$74,548,736 |
| Expenditures | | | | | |
| Personnel Services | \$4,320,889 | \$4,383,206 | \$4,441,208 | \$4,481,913 | \$4,524,989 |
| Supplies | \$1,447,077 | \$1,461,548 | \$1,476,163 | \$1,490,925 | \$1,505,834 |
| Contractual | \$45,527,341 | \$45,072,068 | \$45,297,428 | \$46,203,376 | \$47,358,461 |
| Capital | \$499,625 | \$132,791 | \$134,119 | \$135,460 | \$136,815 |
| Debt Service | \$713,465 | \$713,465 | \$713,465 | \$713,465 | \$713,465 |
| Total Expenditures | \$52,508,397 | \$51,763,077 | \$52,062,384 | \$53,025,139 | \$54,239,564 |
| Projected Variance | (\$2,010,683) | (\$742,784) | (\$486,860) | (\$889,886) | (\$1,521,039) |
| Projected Cash Balance | \$23,949,741 | \$23,206,957 | \$22,720,097 | \$21,830,211 | \$20,309,172 |
| Reserve Requirement (20%) | \$10,358,986 | \$10,209,922 | \$10,269,784 | \$10,462,335 | \$10,705,220 |
| Excess/(Deficit) | \$13,590,755 | \$12,997,035 | \$12,450,313 | \$11,367,876 | \$9,603,952 |

Note: Landfill Revenue is contingent upon the outcome of the Department of Justice mandated divestiture of Allied Waste Industries, Inc. As a result, the current lease may be renegotiated on the open market.

SOLID WASTE FUND PROJECTED REVENUES AND EXPENDITURES



* This model does **not** reflect any rate increases for the next five years.

**COMPARISON OF SOLID WASTE FUND
EXPENDITURES**

| | ACTUAL 2006-07 | ACTUAL 2007-08 | BUDGET 2008-09 | RE-ESTIMATE 2008-09 | ADOPTED 2009-10 |
|----------------------|---------------------------|---------------------------|---------------------------|--------------------------------|----------------------------|
| Administration | \$5,077,385 | 5,229,344 | \$3,433,919 | \$5,211,628 | \$4,722,913 |
| Collection Contracts | 25,483,220 | 27,306,979 | 30,157,166 | 28,302,660 | 31,177,869 |
| Contract Compliance | 710,427 | 872,870 | 980,510 | 890,948 | 1,146,949 |
| Disposal Contracts | 4,212,088 | 4,134,426 | 5,640,318 | 5,026,001 | 5,795,517 |
| Convenience Centers | 1,746,841 | 2,170,623 | 2,790,296 | 2,736,565 | 2,246,732 |
| Non-Departmental | 3,718,057 | 2,488,745 | 3,172,406 | 2,444,561 | 3,893,943 |
| Illegal Dump Cleanup | 1,363,040 | 1,515,726 | 1,985,774 | 1,603,497 | 1,652,057 |
| Dead Animal Pickup | 186,623 | 220,388 | 219,443 | 219,345 | 246,422 |
| SWM Education | 396,511 | 385,819 | 867,294 | 667,263 | 788,033 |
| Customer Service | <u>790,279</u> | <u>829,042</u> | <u>975,558</u> | <u>868,938</u> | <u>837,962</u> |
| TOTAL | \$43,684,471 | \$45,153,962 | \$50,222,684 | \$47,971,406 | \$52,508,397 |

FORT WORTH



**COMPARISON OF SOLID WASTE FUND
REVENUES**

| | ACTUAL 2006-07 | ACTUAL 2007-2008 | BUDGET 2008-09 | RE-ESTIMATE 2008-09 | ADOPTED 2009-10 |
|-------------------------|---------------------------|-----------------------------|---------------------------|--------------------------------|----------------------------|
| Interest on Investments | \$1,146,712 | \$1,248,683 | \$1,140,776 | \$855,979 | \$962,722 |
| Landfill | 1,191,344 | 1,511,664 | 1,543,996 | 1,636,932 | 1,862,801 |
| Residential Collection | 37,691,079 | 40,203,808 | 42,036,876 | 41,408,303 | 42,196,179 |
| Commercial Collection | 473,484 | 483,155 | 473,978 | 484,732 | 491,681 |
| Refuse Hauling Permits | 20,800 | 9,149 | 13,830 | 14,945 | 13,830 |
| Grants of Privilege | 1,298,257 | 1,880,982 | 1,751,866 | 1,811,390 | 1,839,836 |
| Dead Animal Pickup | 210 | 550 | 200 | 0 | 0 |
| Garbage Sales Tax | 372,758 | 397,448 | 425,109 | 418,930 | 430,680 |
| Recycling Waste | 3,284,614 | 4,707,520 | 3,992,708 | 1,718,662 | 1,333,517 |
| Bad Debts Recovered | 82,674 | 84,265 | 82,674 | 82,766 | 86,644 |
| Miscellaneous Revenues | 1,831,467 | 2,352,674 | 1,228,783 | 1,121,355 | 1,265,824 |
| Sale of Equipment | <u>51,315</u> | <u>26,030</u> | <u>20,000</u> | <u>31,217</u> | <u>14,000</u> |
| TOTAL | \$47,444,714 | \$52,905,928 | \$52,710,796 | \$49,585,211 | \$50,497,714 |

FORT WORTH



FUND BUDGET SUMMARY**DEPARTMENT:**

ENVIRONMENTAL MGT, SOLID WASTE FUND

FUND/CENTER

PE64/0525001:0525010

SUMMARY OF FUND RESPONSIBILITIES:

In 2001, the Solid Waste Management Division was moved from the City Services Department to the Environmental Management Department. The Solid Waste Division was transferred to enhance efficiency and effectiveness by grouping divisions with similar functions and objectives in the Environmental Management Department. The division provides for solid waste collection and disposal, as well as other solid waste management-related services for Fort Worth residents. It fulfills those duties by primarily using and managing service contracts.

The Solid Waste Management Division underwent a significant reorganization in FY2003, by establishing new service provision contracts, creating a customer service call center, and implementing new variable rate fee structures. Under the new organizational structure, the Solid Waste Management Division has four functional areas including: Contract Administration, Field Operations, Customer Service Center, and the Community Education Section. The Administration Section is responsible for oversight of all functional areas within the division, as well as overall solid waste management for Fort Worth residents.

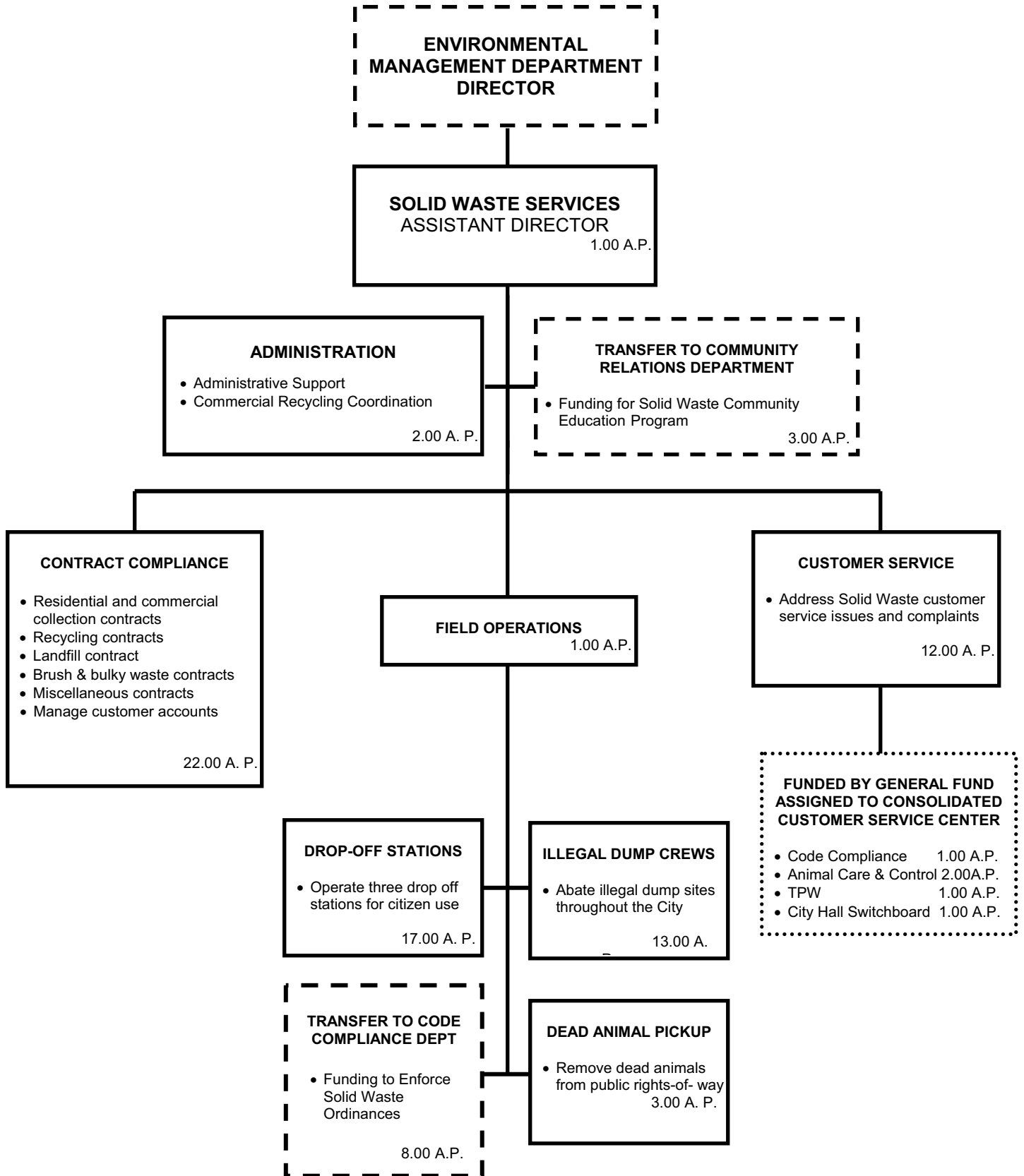
In FY2005, Code Compliance responsibilities for Solid Waste were moved to the Code Compliance Department along with eight Code Compliance Officer positions and the Solid Waste Customer Service Section began accepting customer service inquiries for Code Compliance and the City Switchboard.

In FY2009, the three authorized positions assigned to education were transferred to the Community Relations Department. All non-personnel related expenditures assigned to the education component continue to be included in the Solid Waste Fund.

In FY2009, the Customer Service Section was expanded to be the "consolidated call center" for the city. In addition to providing customer service and support for Solid Waste, Code Compliance and the City Hall Switchboard, the section also provides customer service and support for Animal Care & Control and Transportation and Public Works.

| Allocations | Actual FY2008 | Adopted FY2009 | Proposed Budget FY2010 | Adopted Budget FY2010 |
|-----------------------------|--------------------------|---------------------------|-----------------------------------|----------------------------------|
| Personnel Services | \$ 3,829,147 | \$ 4,108,938 | \$ 4,320,889 | \$ 4,320,889 |
| Supplies | 1,451,501 | 1,706,929 | 1,447,077 | 1,447,077 |
| Contractual | 39,261,084 | 42,928,283 | 45,176,329 | 45,527,341 |
| Capital Outlay | 306,610 | 742,000 | 499,625 | 499,625 |
| Debt Service | 305,620 | 736,534 | 713,465 | 713,465 |
| Total Expenditures | \$ 45,153,961 | \$ 50,222,684 | \$ 52,157,385 | \$ 52,508,397 |
| Authorized Positions | 80.00 | 78.00 | 71.00 | 71.00 |

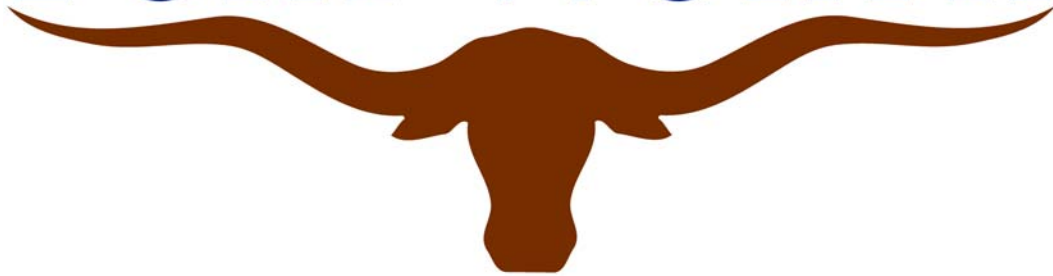
SOLID WASTE FUND – 71.00 A. P.



SIGNIFICANT BUDGET CHANGES

| | | | |
|--|--------------|----------------------|-------|
| DEPARTMENT: | | FUND/CENTER | |
| SOLID WASTE FUND | | PE64/0525001:0525010 | |
| CHANGES FROM 2008-09 ADOPTED TO 2009-10 ADOPTED | | | |
| 2008-09 ADOPTED: | \$50,222,684 | A.P. | 78.00 |
| 2009-10 ADOPTED: | \$52,508,397 | A.P. | 71.00 |
| <p>A) The adopted budget increases by \$61,116 for one authorized position for Customer Service in the Call Center.</p> <p>B) The adopted budget decreases by (\$580,226) for the deletion of one illegal dump crew. This includes three Equipment Operators positions.</p> <p>C) The adopted budget decreases by (\$168,149) for the deferred establishing of drop station #4. That includes five Equipment Operators positions.</p> <p>D) The adopted budget increases by \$1,172,276 in other contractual for funding payment for Enterprise Resource Planning phase II, payment for road use fees and cost adjustment on residential collection contract.</p> <p>E) The adopted budget increases by \$379,186 in landfill closure costs for the Landfill closure based on remaining air space.</p> <p>F) The adopted budget increases by \$351,012 in the transfer out to fund six positions in the City's illegal dumping program in the Code Compliance department.</p> <p>G) The adopted budget increases by \$261,411 for an additional contribution to Retiree Healthcare costs.</p> <p>H) The adopted budget decreases by (\$242,375) for one time vehicle replacement costs since the department will not use the entire budgeted amount.</p> <p>I) The adopted budget increases by \$125,078 in payment in lieu of taxes.</p> <p>J) The adopted budget decrease by (\$36,907) for the implementation of eight mandatory furlough days city wide.</p> | | | |

FORT WORTH



DEPARTMENTAL OBJECTIVES AND MEASURES

DEPARTMENT:

ENVIRONMENTAL MANAGEMENT, SOLID WASTE FUND

DEPARTMENT PURPOSE

To provide efficient, effective and compliant environmental and solid waste management services.

FY2009-10 DEPARTMENTAL OBJECTIVES

To provide once a week curbside garbage and recycling collection with carts, once per week yard waste collection and once per month bulk collection to the residents of Fort Worth at a cost not to exceed the FY2009-10 approved budget

To provide once-a-week curbside single stream recycling and yard waste collection and increase the diversion rate of recyclable materials from disposal to exceed 24%

To continue removing debris from illegal dump sites during FY2010 at a cost not to exceed the approved budget

To educate the public on the City's waste minimization programs

To answer 85% of the incoming calls to the City's Consolidated Call Center in 30 seconds or less

| DEPARTMENTAL MEASURES | ACTUAL FY2008 | ESTIMATED FY2009 | PROJECTED FY2010 |
|---|--------------------------|-----------------------------|-----------------------------|
| Number of Customers Served | 191,838 | 196,636 | 201,183 |
| Number of Garbage misses/1,000 Customers not to exceed | 0.91 | 0.75 | 0.75 |
| Number of Recycling misses/1,000 Customers not to exceed | 0.53 | 0.32 | 0.32 |
| Number of Bulk misses/1,000 Customers not to exceed | 3.95 | 3.96 | 3.96 |
| Tons of Illegal Dump Materials Removed | 5,375 | 5,373 | 5,000 |
| % of Incoming Calls Answered within 30 seconds or less | 87% | 85% | 85% |

FORT WORTH



DEPARTMENTAL SUMMARY BY CENTER

| DEPARTMENT ENVIRONMENTAL MANAGEMENT | | ALLOCATIONS | | | | AUTHORIZED POSITIONS | | | |
|--|-------------------------------------|-------------------------------|--------------------------|---------------------------|--------------------------|--------------------------|--------------------------|---------------------------|--------------------------|
| FUND PE64 SOLID WASTE FUND | | Actual Expenditures FY2008 | Adopted Budget FY2009 | Proposed Budget FY2010 | Adopted Budget FY2010 | Adopted Budget FY2008 | Adopted Budget FY2009 | Proposed Budget FY2010 | Adopted Budget FY2010 |
| Center | Center Description | | | | | | | | |
| | <u>SOLID WASTE MANAGE- MENT</u> | | | | | | | | |
| 0525001 | ADMINISTRATION | \$ 5,229,344 | \$ 3,433,919 | \$ 4,722,913 | \$ 4,722,913 | 3.00 | 4.00 | 4.00 | 4.00 |
| 0525002 | COLLECTION CON- TRACTS | 27,306,979 | 30,157,166 | 31,177,869 | 31,177,869 | 0.00 | 0.00 | 0.00 | 0.00 |
| 0525003 | CONTRACT COMPLI- ANCE | 872,870 | 980,510 | 1,146,949 | 1,146,949 | 18.00 | 18.00 | 22.00 | 22.00 |
| 0525004 | DISPOSAL CONTRACTS | 4,134,426 | 5,640,318 | 5,795,517 | 5,795,517 | 0.00 | 0.00 | 0.00 | 0.00 |
| 0525005 | CONVENIENCE CEN- TERS | 2,170,623 | 2,790,296 | 2,246,732 | 2,246,732 | 22.00 | 22.00 | 17.00 | 17.00 |
| 0525006 | NON-DEPARTMENTAL | 2,488,745 | 3,172,406 | 3,542,931 | 3,893,943 | 0.00 | 0.00 | 0.00 | 0.00 |
| 0525007 | ILLEGAL DUMP CLEANUP | 1,515,726 | 1,985,774 | 1,652,057 | 1,652,057 | 16.00 | 16.00 | 13.00 | 13.00 |
| 0525008 | DEAD ANIMAL PICKUP | 220,388 | 219,443 | 246,422 | 246,422 | 3.00 | 3.00 | 3.00 | 3.00 |
| 0525009 | SWM EDUCATION | 385,819 | 867,294 | 788,033 | 788,033 | 3.00 | 0.00 | 0.00 | 0.00 |
| 0525010 | CUSTOMER SERVICE | 829,042 | 975,558 | 837,962 | 837,962 | 15.00 | 15.00 | 12.00 | 12.00 |
| | Sub-Total | <u>\$ 45,153,961</u> | <u>\$ 50,222,684</u> | <u>\$ 52,157,385</u> | <u>\$ 52,508,397</u> | <u>80.00</u> | <u>78.00</u> | <u>71.00</u> | <u>71.00</u> |
| | TOTAL | \$ 45,153,961 | \$ 50,222,684 | \$ 52,157,385 | \$ 52,508,397 | 80.00 | 78.00 | 71.00 | 71.00 |

FORT WORTH

