

SALT LAKE CITY COUNCIL STAFF REPORT

BUDGET ANALYSIS – CALENDAR YEAR 2013

DATE: November 20, 2012

BUDGET FOR: Salt Lake Valley Solid Waste Management Facility –
 a. 2012 Calendar Year mid-year adjustments
 b. Proposed 2013 Calendar Year Budget

STAFF REPORT BY: Lehua Weaver

cc: Cindy Gust-Jenson, Jennifer Bruno, David Everitt, Rick Graham, Gina Chamness, Greg Davis, Nancy Sanders, Vicki Bennett, Patrick Leary, John Ioannou, and Larry Hansen

The Solid Waste Management Council has forwarded proposed 2012 mid-year adjustments and a proposed 2013 Solid Waste Management Facility (“Landfill”) budget for the City Council’s review. This staff report will address the mid-year adjustments and the 2013 annual budget separately. (As a reminder, the fiscal year for the Landfill is the calendar year, therefore the Landfill budget is prepared for the calendar year rather than a July – June fiscal year.)

The Landfill facility is jointly owned by Salt Lake City and Salt Lake County and operated with County employees. The Landfill and the City’s Refuse Fund (the Enterprise Fund responsible for providing waste collection services) are distinct entities with a direct relationship - as the City is successful in efforts to divert recyclable items and yard waste from the general garbage collection, less garbage will be taken to the Landfill, and therefore tipping fee revenue at the Landfill will decrease. In turn, the annual dividend paid to the City, which is calculated based on the Landfill revenues, will also decrease and reduce the amount of revenue the City’s Refuse Fund receives.

HIGHLIGHTS:

- Mid-year 2012 Adjustments - Significant shortfall on budgeted revenues for salvage metal sales, because the actual sales are not meeting expectations by over \$3 million. (The “Key Elements” of the mid-year adjustments begin on page 2.)
- Annual 2013 budget - The proposed budget anticipates raising tipping fees, and using \$434,500 of cash balances due to revenues not covering expenses and dividends. (The “Key Elements” of the 2013 annual budget begin on page 5.)
- **Year-End Cash Balances**

| | Projected 2012 Year-End | Projected 2013 Year-End | <i>Difference</i> |
|-------------------------|----------------------------|----------------------------|-------------------|
| Closure / Post Closure: | 15,944,782 | 16,776,710 | 831,928 |
| Designated Cash: | 19,541,335 | 18,401,154 | (1,140,181) |
| Undesignated Cash: | 533,503 | 1,641,409 | 1,107,906 |
| Total: | 36,019,620 | 36,819,273 | 799,653 |

KEY ELEMENTS

Mid-year Adjustments:

1. A process issue – the County Council received and adopted these proposed mid-year adjustments in June. The City Council office received the information as part of the Budget Amendment packet in October. The City Council may want to evaluate whether a different process should be in place to ensure more timely inclusion of the City Council in the processing of the Landfill budget related items. Some suggestions are included on page 3 under ‘questions for consideration.’
2. Salvage sales: reduction of the revenue budget by \$3.1 million. The budgetary impacts of this shortfall is that several equipment purchases have been delayed (\$1.2 million) and in order to meet other expense commitments, including the annual dividend payment to the City and County, the Landfill will use \$890,467 *from* their cash balances, compared to the original budget which anticipated dropping \$1.7 million *to* cash balances.

Further Discussion on metal salvage sales:

The Council may recall that the Landfill purchased several shredders with magnets to collect metal from the waste stream. The benefit to the shredder purchases was primarily to extend the life of the landfill by reducing the size of waste. This benefit has been recognized.

Another benefit was the anticipated revenue to be recognized by selling of metal recovered from the waste streams. Unfortunately, this benefit has not been fully recognized and the Landfill is requesting that the revenue budget be reduced significantly. The 2012 adopted budget included \$3,677,482 in anticipated revenues for salvaged metal sales. Based on the actual amount of revenue, the Landfill projects that actual sales will be closer to \$539,889 for 2012; a reduction of \$3,137,593.

The following reasons were provided for why the salvage sales have not met estimates:

- The estimate of how much metal would be recovered was based on an Environmental Protection Agency figure that 8% of a waste stream is comprised of metals. However, alloys and metals that do not contain iron will not be picked up by the magnets, and there are other portions of the waste stream that do not come to the Landfill, such as the curbside recycling materials and construction & demolition waste.
- Due to the economy and continued steady price of metals, people may be removing more metal than usual prior to sending waste to the Landfill to salvage / sell on their own.

The Landfill Administration has provided this list of other benefits to having and utilizing the shredders:

- Improved compaction of landfill material
- Extended landfill life
- Reduction of fires on the landfill face because air pockets have been reduced
- Greater control of rats & mice etc. due to mixing of the waste stream
- Improved hauling efficiency and less fuel consumption
- Greater methane gas production due to increases in surface area

- Use of shredded materials for daily cover – the Utah Department of Environmental Quality has approved the usage of shredded garbage for daily cover, which saves on soil costs and staff time
3. Delay of capital expenses in the amount of \$1,180,000 – the purchase of a packer, a loader, and one industrial shredder were budgeted for 2012, but will be removed from the 2012 budget. Although the transmittal information indicates that these pieces would be purchased during 2013, the Landfill Administration indicates that they will not plan on purchasing another shredder.
 4. Actual compost sales are also expected to be lower than budgeted by approximately \$275,000. (Budget: \$425,000 and projected actuals: \$147,630.) Although there is no mid-year adjustment to reduce the budgeted revenues, for 2013 the revenue budget is proposed to be reduced. (See page 5)
 5. Add \$160,000 for a new road that is needed near the methane gas plant.
 6. Carry over \$114,500 from 2011 for the completion of the Transfer intersection repaving, to which Quickrete is contributing.
 7. Misc. adjustments including:
 - (\$76,932) reduction for employee service reserve (based on County Auditors)
 - \$5,000 increase for rental equipment that would be used for conveyors and experimenting with ways to increase the metal recovery efforts.
 - \$3,351 increase to overhead charges

Questions for Consideration regarding the mid-year adjustments:

- *The Council may also wish to discuss how to correct the process to ensure that mid-year adjustments are processed earlier in the year, and/or how to receive earlier notification when such significant fluctuations occur.*
Some options include:
 - Separate the processing of Landfill mid-year adjustments from the City’s budget amendment process so that timing of budget amendments does not dictate the Council’s inclusion (or exclusion) in Landfill budget discussions.
 - Require certain dates for mid-year Landfill updates –to include budget adjustments and/or operating updates.
 Depending on the Council’s desired course of action, some of these options may either necessitate an amendment to the Interlocal Agreement with the County and/or a process agreement with the Administration.
- *With regard to the use of \$890,467 from cash balances in 2012, the Council may wish to ask which cash account will cover the shortfall and whether any future projects may be affected. The Council also may wish to ask whether expense budgets could have been adjusted to cover a greater portion of the shortfall in 2012 if the conversation had occurred earlier in the year.*
- *The Council may also wish to ask about why the annual dividend paid to the City & County was not recalculated in 2012 when the revenues were significantly down.*

- *The Council may also wish to ask about the sustainability of the Landfill's budget in future years and how the deficit will be covered. (In 2013, it is anticipated that \$434,500 will be used from cash balances.)*
- *The Council may wish to discuss the issues surrounding the shredders and metal recovery in more detail. It is an important initiative for the Landfill, and the staff continues to search for ways to maximize the benefits.*
- *The Council may wish to ask the Landfill representatives about what efforts have been made to advertise or market the availability of compost for purchase, and/or what they might do in the future to increase sales. The Council may also wish to ask what is being done with the compost that is not sold.*

(Please continue to next page for the "Key Elements" of the 2013 Annual Budget proposal.)

Proposed 2013 Annual Budget:

**SALT LAKE VALLEY SOLID WASTE MANAGEMENT FACILITY
PROPOSED BUDGET**

| | <u>Amended 2012</u> | <u>Proposed 2013</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|--|-------------------------|--------------------------|--------------------------|---------------------------|
| Revenue and other sources | | | | |
| Landfill fees | 11,905,000 | 12,141,750 | 236,750 | 2.0% |
| Green waste tipping fees | 450,000 | 480,000 | 30,000 | 6.7% |
| Compost sales | 425,000 | 180,000 | (245,000) | -57.6% |
| Salvage sales | 539,889 | 440,063 | (99,826) | -18.5% |
| Interest income | 155,000 | 155,000 | 0 | 0.0% |
| Other sources | 646,390 | 554,165 | (92,225) | -14.3% |
| Total revenue & other sources | 14,121,279 | 13,950,978 | (170,301) | -1.2% |
| Expenditures and other uses | | | | |
| Salaries, wages, benefits | 3,406,316 | 3,364,038 | (42,278) | -1.2% |
| Materials and supplies | 273,250 | 203,500 | (69,750) | -25.5% |
| Charges and services | 7,161,718 | 6,787,477 | (374,241) | -5.2% |
| Total operating expenses | 10,841,284 | 10,355,015 | (486,269) | -4.5% |
| Capital outlay | 2,164,500 | 2,115,000 | (49,500) | -2.3% |
| Transfers | 430,962 | 534,213 | 103,251 | 24.0% |
| Total expenses and other uses | 13,436,746 | 13,004,228 | (432,518) | -3.2% |
| Net before dividends & distrib. | 684,533 | 946,750 | 262,217 | 38.3% |
| Dividends & distributions | | | | |
| Ongoing dividends | 1,575,000 | 1,381,250 | (193,750) | -12.3% |
| One-time distribution | 0 | 0 | 0 | - |
| Total dividends & distributions | 1,575,000 | 1,381,250 | (193,750) | -12.3% |
| Net after dividends & distributions | (890,467) | (434,500) | 455,967 | -51.2% |
| Total of expend., dividends, & distrib. | 15,011,746 | 14,385,478 | (626,268) | -4.2% |

Revenues: The Landfill has \$13,950,978 budgeted in revenues for 2013, which is a decrease of \$170,301 from 2012. The decrease is due to:

- - \$245,000 Decrease to **Compost sales** revenue to reflect actual sales that have been recognized.
- - \$99,826 Decrease to **Salvage Sales**: this change is in addition to the significant decrease recognized in the 2012 mid-year adjustments.
- **Tipping Fees:**
 - \$236,750 Increase to **Landfill Tipping Fee** revenue due to a proposed tipping fee increase of \$3 per ton at the Landfill and \$8 per ton at the transfer station. Although the price per ton will result in revenue increase, the amount of total tonnage expected to the Landfill is estimated to decrease by 5.6%. (Please see the transmittal packet for a chart of fees and proposed increases.) As diversion increases, the amount of waste brought to the Landfill will decrease. This is positive on a number of levels in terms of the life of the Landfill and environmental benefits, however in turn, it will also reduce the amount of the dividend paid to the City (and County) on an annual basis. The City uses that dividend to fund the City’s Office of Sustainability in the “Environmental & Energy Fund.”

The Council may wish to ask about the City Administration’s plan for funding the Environmental & Energy Fund as the dividend dwindles.

- \$30,000 Increase to revenue from **Green Waste tipping fees**: The Landfill budget tracks tipping fees for green waste separately from general waste.
- -\$92,225 Decrease in **Other revenue sources** is due to a net of the following:
 - \$4,000 increase in a utilities reimbursement from Household Hazardous Waste
 - -\$66,225 decrease in the sale of assets; expecting lower value for the equipment to be sold
 - -\$30,000 decrease in refunds; the reimbursement from Quickrete toward the intersection project will be removed

Operating Expenses: The operating expenses for the Landfill are budgeted at \$10,355,015. This is a decrease of (\$486,269) overall. The major changes in the operating expenses are:

- -\$42,278 overall decrease to **Salaries & Wages** (Personal Services): no changes are proposed to the number of employees. The reduction is related to turnover and represents the difference in pay between employees with more experience who have left, and the entry-level salary for newer employees (“changes to the base”).
- -\$69,750 overall reduction to **materials & supplies** due to removal of some one-time expenses of totaling \$27,250, and decreasing the purchase of posi-shells for a savings of \$40,000, because of the approval to use shredded material as cover on the Landfill.
- -\$108,659 decrease to the **contract for hauling** from the Transfer Station due to decreases in tonnage.
- -\$324,900 decrease due to **deferring maintenance expenses** for road & facility maintenance and reducing contract labor, both reduction are planned to help reduce expenses.
- -\$50,000 decrease to **professional services** to reflect actual usage.
- -\$43,011 reduced closure expense – the **amount transferred to the post-closure account** is based on a formula using the amount of tonnage received at the Landfill. Since the amount of tonnage is continuing to decrease, the closure expense budget is also reduced.
- \$105,600 increase to **fleet maintenance and fuel**; \$100,000 related to maintenance partly because of the cost of maintaining older equipment.
- \$106,250 increase for **recycling initiatives**.

Other Expenses:

- The Capital Outlay budget is set at \$2,115,000, which is decrease of \$49,500 compared to the 2012 budget.

| | |
|--|-----------|
| Capital Projects: | |
| DN9 Dozer...scheduled replacement | 900,000 |
| Loader...scheduled replacement | 250,000 |
| Track Excavator...scheduled replacement | 165,000 |
| Gas Lines | 350,000 |
| Capitalized repairs | 250,000 |
| Solid Rubber Tires (3-year life) | 50,000 |
| Scale approaches-rebudget from 2012 | 50,000 |
| Carryover Citizen Unloading Facility study costs | 100,000 |
| FY13 Budget | 2,115,000 |

The Council may also wish to ask for more information related to the study of improvements for the Citizen unloading area.

- Annual Dividend total \$743,750 for both the City and the County. The county is choosing to use \$106,250 for recycling initiatives. Therefore the traditional County dividend will be \$637,500 and the City dividend will be \$743,750 for a total traditional dividend of \$1,381,250.: Each year, the City and County each receive an annual dividend. For the City, this amount is budgeted as revenue in the Environmental & Energy Fund which funds the Office of Sustainability & the Environment. (This is one of the funds in the Refuse Fund Class. The other is the Operations & Recycling Fund, which funds the City's waste collection services.) The dividend from the Landfill is paid monthly to the City's Environmental & Energy Fund. For 2012-13, the City's E&E Fund budgeted dividend revenue of \$790,800. Due to the difference in the Landfill Calendar Year budget and the City's Fiscal Year budget and budget preparation cycles, the City will receive approximately \$25,175 less than what was budgeted as revenue for the E&E Fund. (Please note: at the time this report was written, there was some confusion about whether the amount may be slightly higher. A correction will be provided to the Council on Tuesday if needed.) *The Council may wish to ask the City's Administration how this shortfall will be handled.*

Fund Balance

- The Landfill's fund balance has three categories: Undesignated Cash, Designated Cash, and a Closure/Post-Closure Fund. The category used for various needs, including capital, is Undesignated Cash. The 2013 year-end projected balance in each category is as follows:

| | |
|-------------------------|--|
| Closure / Post-Closure: | \$16,776,710 (this is a \$831,928 increase over the 2012 year-end amended projection) |
| Designated Cash: | \$18,401,154 (this is a decrease of \$1,140,181 over 2012 year-end amended projection; it is used for insurance reserve, environmental liability, module construction, equipment and facility replacement, and other projects) |
| Undesignated Cash: | \$1,641,409 (this is an increase of \$1,107,906 over 2012 year-end amended projection largely due to a transfer from designated cash to cover the purchase of shredders; it is unrestricted cash on-hand) |
| Total Cash Balances: | \$36,819,273 |

The Council may wish to ask for a more detailed accounting of the cash balances, including future plans for uses of designated cash.

Salt Lake City FY 2012-13 Budget Amendment #1

| Initiative Number/Name | Fund | Amount |
|-------------------------------|-------------|---------------|
|-------------------------------|-------------|---------------|

prior year and paid in the current year.

Fleet Replacement requests an expense budget increase of \$659,609 to cover encumbrances in place at June 30, 2012 that will be expensed during FY13.

| | | |
|---|----------------------|-----------------------|
| D-12: Landfill SLVSWMF 2012 Mid Year Adjustments | Landfill Fund | (\$759,081.00) |
|---|----------------------|-----------------------|

The following information has already been presented to the Salt Lake County Council for the Salt Lake Valley Solid Waste Management Facility (SLVSWMF).

The Transfer Station intersection with Quickcrete, which was originally approved in 2010, was not completed by the end of 2011. Therefore \$114,500 in expense budget and \$30,000 in revenue budget from 2011 needs to be rolled to 2012. A revenue budget increase of \$28,500 is needed since there had already been a budget of \$1,500.

Proceeds from the sale of grinders and loaders was budgeted to be \$565,000. Actual proceeds from the auction were 45% less than the approved budget. Therefore the sale of vehicle revenue budget is being reduced by \$256,110 to \$308,890.

The SLVSWMF spent \$1,973,883 on three shredders in 2011, on a capital project which began in 2009. Before actual operations began, it was projected that these shredders would generate approximately \$3,500,000 per year in salvage revenue. For FY12 the revenue had been estimated and budgeted at 3,677,482. Based on the first eight months of actuals, the new FY12 estimate is \$539,889, or about 15% of the original FY12 projection, a decrease of \$3,137,593.

Expenditures for equipment rental will increase by \$5,000 over the original budget to fund short-term leasing of conveyors which will be used in testing ways to increase the recovery potential of the shedder.

The three shredders purchased in 2011 require modifications which were not included in the original 2012 budget. These costs, which are estimated to be \$50,000, are being added now.

Based on calculations made by Salt Lake County Auditors, the employee service reserve should be reduced by \$76,932 while overhead charges are being increased by \$3,351.

Costs associated with closure of the SLVSWMF has been re-estimated based on increasing the inflation rate from 1% to 2%. The impact is an increase of \$165,000 to the budget or 23%.

An expense budget increase of \$114,500 is needed for the Transfer Station intersection completion, as noted above.

Salt Lake City Engineering has informed management at the SLVSWMF that a new road is needed near the methane gas plant. The cost of this road is \$160,000 and is proposed to be funded from the Capital Improvement portion of restricted cash.

A packer for the citizen unloading area, a loader, and one industrial shredder were among the capital equipment included in the adopted 2012 budget. Because of upward pressure in other expense areas and a significant decrease in projected revenue, these three capital items are being dropped from the current budget. The expense saving is \$1,180,000. It is the intent of the SLVSWMF to purchase these pieces of equipment during 2013 so that the joint compacting and metals recovery strategies, made possible by having adequate shredding at the Transfer Station, the compost area and near the tipping face, can be fully implemented.

As of the preliminary "year-end close" of 2011 and YTD 2012, Undesignated Cash was projected to have a negative balance. The SLVSWMF Board approved, in April 2012, moving \$1,900,000 from the facilities replacement reserve section of Designated Cash to Undesignated Cash. Based on this move, final Undesignated Cash for 2011 is positive.

The bottom-line SLVSWMF 2012 projected cash balance is \$36,019,620, with \$15,944,782 being held in a trustee account for Closure / Post Closure activities as required by governmental accounting standards. Currently, the projected unrestricted cash appears to fall below the 5% operational expense requirement. The fund is projected to be at 4%. The SLVSWMF is working to develop a solution to this concern.

BACKGROUND:

The Salt Lake City/County Solid Waste Management Facility (“Landfill”) is jointly owned by Salt Lake City and Salt Lake County. The employees at the Landfill are County employees and the budget process follows the County’s budget schedule and fiscal year. The management and operations of the Landfill is based on an Interlocal agreement entered into by Salt Lake City and Salt Lake County in 1978 and updated in 2000 and 2009. The Interlocal agreement establishes a Salt Lake Valley Solid Waste Management Council. The Management Council appoints the Director of the Solid Waste Management Facility, who supervises and manages the day-to-day activities of the Facility.

The Salt Lake Valley Solid Waste Management Council worked with the Facility’s Director to develop the proposed 2013 budget before the Council for review. The Landfill Council will review and vote on the proposed budget in mid-December, and has forwarded this for review and approval by both the City and County councils. According to the agreement both the City Council and the County Council must approve a budget for the landfill.

Although the Landfill is a separate entity from the City’s Refuse Fund, a direct relationship exists between the Landfill and the City’s waste collection services – as the City is successful in efforts to divert recyclable items and yard waste from the general garbage collection, tipping fee revenue at the Landfill will decrease. In turn, the annual dividend paid to the City will also decrease. Previously, this annual dividend was used to offset the recycling service provided to City residents at no-charge. However, in the 2009-10 City Refuse Fund budget, the dividend revenue was moved to the newly formed Environmental and Energy Fund for sustainability projects.

As a reminder, the City received a one-time \$7 million disbursement from the Landfill’s Post-Closure account early in 2011. As adopted, \$1.5 million was budgeted in the Operations and Recycling Fund for immediate use, and \$5.5 million was budgeted in the Environmental and Energy Fund for use toward sustainability projects, once presented and approved by the Council.

Salt Lake City FY 2012-13 Budget Amendment #1

| Initiative Number/Name | Fund | Amount |
|-------------------------------|-------------|---------------|
|-------------------------------|-------------|---------------|

prior year and paid in the current year.

Fleet Replacement requests an expense budget increase of \$659,609 to cover encumbrances in place at June 30, 2012 that will be expensed during FY13.

| | | |
|---|----------------------|-----------------------|
| D-12: Landfill SLVSWMF 2012 Mid Year Adjustments | Landfill Fund | (\$759,081.00) |
|---|----------------------|-----------------------|

The following information has already been presented to the Salt Lake County Council for the Salt Lake Valley Solid Waste Management Facility (SLVSWMF).

The Transfer Station intersection with Quickcrete, which was originally approved in 2010, was not completed by the end of 2011. Therefore \$114,500 in expense budget and \$30,000 in revenue budget from 2011 needs to be rolled to 2012. A revenue budget increase of \$28,500 is needed since there had already been a budget of \$1,500.

Proceeds from the sale of grinders and loaders was budgeted to be \$565,000. Actual proceeds from the auction were 45% less than the approved budget. Therefore the sale of vehicle revenue budget is being reduced by \$256,110 to \$308,890.

The SLVSWMF spent \$1,973,883 on three shredders in 2011, on a capital project which began in 2009. Before actual operations began, it was projected that these shredders would generate approximately \$3,500,000 per year in salvage revenue. For FY12 the revenue had been estimated and budgeted at 3,677,482. Based on the first eight months of actuals, the new FY12 estimate is \$539,889, or about 15% of the original FY12 projection, a decrease of \$3,137,593.

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Based on calculations made by Salt Lake County Auditors, the employee service reserve should be reduced by \$76,932 while overhead charges are being increased by \$3,351.

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A packer for the citizen unloading area, a loader, and one industrial shredder were among the capital equipment included in the adopted 2012 budget. Because of upward pressure in other expense areas and a significant decrease in projected revenue, these three capital items are being dropped from the current budget. The expense saving is \$1,180,000. It is the intent of the SLVSWMF to purchase these pieces of equipment during 2013 so that the joint compacting and metals recovery strategies, made possible by having adequate shredding at the Transfer Station, the compost area and near the tipping face, can be fully implemented.

As of the preliminary "year-end close" of 2011 and YTD 2012, Undesignated Cash was projected to have a negative balance. The SLVSWMF Board approved, in April 2012, moving \$1,900,000 from the facilities replacement reserve section of Designated Cash to Undesignated Cash. Based on this move, final Undesignated Cash for 2011 is positive.

The bottom-line SLVSWMF 2012 projected cash balance is \$36,019,620, with \$15,944,782 being held in a trustee account for Closure / Post Closure activities as required by governmental accounting standards. Currently, the projected unrestricted cash appears to fall below the 5% operational expense requirement. The fund is projected to be at 4%. The SLVSWMF is working to develop a solution to this concern.

Salt Lake City FY 2012-13 Budget Amendment #1

| Initiative Number/Name | Fund | Amount |
|-------------------------------|-------------|---------------|
|-------------------------------|-------------|---------------|

| | | |
|---|---------------|---------------------|
| D-13: Refuse Encumbrance Carryover | Refuse | \$679,183.00 |
|---|---------------|---------------------|

State law requires that all budgets, except the Capital Project Fund, lapse at June 30th of each fiscal year end. Historically, purchase orders encumbered at the end of the fiscal year are re-appropriated in the next fiscal year. Because the budget from the prior fiscal year lapsed, it is necessary to again appropriate funds to cover the purchase commitments made in the prior year and expensed in the current year.

This amendment request will appropriate expense budget in the Refuse Operations & Recycling (O&R) Fund of \$509,465. The Refuse O&R Fund has working capital of \$5,250,386 as of 30 June 2012; a draw on this working capital will cover the proposed budget increase.

This amendment request will appropriate expense budget in the Refuse Environmental & Energy (E&E) Fund of \$170,183. This budget relates to previously approved spending from the one-time FY10-11 \$5.5M Landfill / SLVSWMF distribution. The Refuse E&E Fund has working capital of \$4,292,943 as of 30 June 2012; a draw on this working capital will cover the proposed budget increase.

| | | |
|--|---------------------------|-------------------|
| D-14: Correct Fund Class 20 Special Assessment Budget | Special Assessment | \$4,150.00 |
|--|---------------------------|-------------------|

During the 2013 budget process corrections were made to numerous Fund Class 20 items for professional and technical services required for processing special assessments. These corrections were not reflected in the Mayor's Recommended Key Changes because they occurred after the Key Changes had been finalized and was in the publishing process. The correction was discovered after the final budget was approved by Council. A single line item posting was made to balance to the Council's Adopted Budget. This amendment request will restore the correct amount of expense budget to pay for the expected expenditures for the Special Assessments Fund.

| | | |
|---|-----------|-----------------------|
| D-15: General Fund Encumbrance Carryover | GF | \$2,142,919.00 |
|---|-----------|-----------------------|

General Fund department's comparison to budget includes encumbrances that are outstanding at fiscal year end. Historically, the Council has appropriated fund balance to provide a means to "hold harmless" the General Fund departments' prior year encumbrances. Without Council action, the General Fund departments' Fiscal 2013 appropriation will be forced to fund encumbrances outstanding at fiscal year end. It is recommended that the Council approve the budget for the outstanding encumbrances in the General Fund.

| | | |
|--|----------------------|------------------------|
| D-16: Grants and Other Special Revenue Carryovers | CDBG | \$1,240,702.94 |
| | Operating | |
| | Misc Grants | \$25,654,030.55 |
| | Other Special | \$557,162.90 |
| | Revenue | |
| | Housing | \$1,426,217.17 |
| | Loans & | |
| | Trust | |
| | Donations | \$2,414,854.55 |
| | Fund | |

City Council has in the past approved carryover budgets in these funds in order to complete the started projects. After June 30, 2012, the spending authority of any remaining amounts held by these funds lapsed. Without Council action, the City cannot finish the started projects. It is recommended that the Council approve the carryover budgets for these grants and other special revenue funds.

| | | |
|----------------------------|---------------------|---------------------|
| D-17: Library Items | Library Fund | \$133,500.00 |
|----------------------------|---------------------|---------------------|

The following is a budget amendment request to support small items that were omitted from the original budget adopted and approved by the Board and City Council for FY2012-13. The Library would like to recognize and budget for RDA revenue of \$109,000. This amount will be budgeted in a contingency account to support unforeseen expenses the Library did not plan for as part of the budget process. Budget transfers will take place throughout the year out of this contingency account to support those unforeseen expenses. If we do not have a contingency account, all changes in the budget that actually increase the budget will have to be taken to the City Council, which is time consuming and cumbersome. All of these transfers will be submitted to the Board for Approval.


The Library is requesting to recognize \$5000 of grant revenue received from Utah's Art and Museums to support the Utah

RICHARD GRAHAM
PUBLIC SERVICES DIRECTOR

SALT LAKE CITY CORPORATION
DEPARTMENT OF PUBLIC SERVICES
DIRECTORS OFFICE

SCANNED TO: *Mayor*
SCANNED BY: *Ralph Berke*
DATE: *11/2/2012*

CITY COUNCIL TRANSMITTAL


David Everitt, Chief of Staff

Date Received: *11/2/2012*
Date Sent to Council: *11/6/2012*



TO: Soren Simonsen, Chair
Salt Lake City Council

DATE: November 2, 2012

FROM: Rick Graham *RG*
Director of Public Services

SUBJECT: Salt Lake Valley Landfill Fiscal (Calendar) Year 2013 Budget

STAFF CONTACT:

Greg Davis
Salt Lake City Department of Public Services
801.535.6123

Vicki Bennett
Salt Lake City Department of Public Services
801.535.6540

Larry Hansen
Salt Lake County Landfill Operations
801.974.6909

Nancy Sanders
Salt Lake City Department of Public Services
801.535.7957

DOCUMENT TYPE: Budget

RECOMMENDATION: City Council approve the proposed County budget.

BUDGET IMPACT: User fees collected and managed by Salt Lake County.

BACKGROUND and DISCUSSION: The FY2013 budget reflects changes to the ongoing operation of the Landfill. The proposed budget is scheduled to be reviewed and

approved by the Salt Lake Valley Landfill Council on Friday November 9, 2012. The Salt Lake County Council is scheduled to hold its public hearing Tuesday December 4, 2012 and to adopt this budget on Tuesday December 11, 2012. (See Attachment for specific budget details.

PUBLIC PROCESS: Public Hearing

SALT LAKE CITY ORDINANCE
No.
(Adopting the Solid Waste Management Facility
budget for calendar year 2013)

An ordinance adopting the Solid Waste Management Facility budget, as prepared and submitted by the Salt Lake Valley Solid Waste Management Council for the Calendar Year 2013.

PREAMBLE

On November 14, 2000, Salt Lake City (the “City”) and Salt Lake County (the “County”) entered into an Interlocal Cooperation Agreement (as amended on October 7, 2009, the “Agreement”), pursuant to Title 11, Chapter 13 of the Utah Code Annotated, regarding the joint management and operation of a Solid Waste Management Facility. The Agreement established the Salt Lake Valley Solid Waste Management Council (the “Management Council”) and provided it with authority and responsibility relating to the operation and management of the Solid Waste Management Facility.

Pursuant to the Agreement, all actions by the Management Council constitute recommendations to the City and the County and the City and the County have the power to review, ratify, modify, or veto any action of the Management Council.

The Management Council has prepared the attached Solid Waste Management Facility budget for calendar year 2013 (the “2013 Budget”) and has submitted it to the City Council for its approval. The City Council has authority relating to budgets and appropriation of funds and, therefore, must approve, on behalf of the City, the 2013 Budget. The 2013 Budget has been available for public inspection in the Office of the City Recorder for at least 10 days.

The City Council fixed the time and place for a public hearing to be held on December 4, 2012 to consider the adoption of the 2013 Budget and ordered notice thereof be published at least seven days before the hearing. Notice of said public hearing was duly published as required herein. A public hearing to consider adoption of the 2013 Budget was held on December 4, 2012, in accordance with said notice, at which hearing all interested persons were heard for and against the estimates of revenue and expenditures in the 2012 Budget.

The City Council wants to adopt the 2013 Budget submitted by the Management Council.

Be it ordained by the City Council of Salt Lake City, Utah:

SECTION 1. PURPOSE. The purpose of this Ordinance is to adopt the 2013 Budget, prepared and submitted by the Management Council.

SECTION 2. ADOPTION OF BUDGET. The 2013 Budget is hereby adopted, subject to similar approval by the County.

SECTION 3. RESERVE THE RIGHT TO AMEND. The City reserves the right to amend the 2012 Budget at any time, consistent with the Agreement.

SECTION 4. PUBLIC INSPECTION. Copies of the 2013 Budget shall be available for public inspection during regular business hours in the Office of the City Recorder.

SECTION 5. EFFECTIVE DATE. This Ordinance shall take effect immediately upon the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this _____ day of _____, 2012.

CHAIRPERSON

ATTEST:

CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

CITY RECORDER

(SEAL)

Bill No. _____ of 2012.

Published: _____.

APPROVED AS TO FORM
Salt Lake City Attorney's Office
Date 10-31-12
By [Signature]

Initiative Name:

SLVSWMF Landfill 2013 Budget

Initiative Number:

Blank (Gordon will number)

Initiative Type:

New item

Initiative Discussion:

Each year the Salt Lake Valley Solid Waste Management Facility (SLVSWMF), which is jointly owned by Salt Lake County and Salt Lake City, submits its budget to Salt Lake City for approval. Salt Lake City last provided its approval of the SLVSWMF budget in Dec 2011 for fiscal (calendar) year 2012.

SLVSWMF has submitted its 2013 budget to Salt Lake County for approval. SLVSWMF is also seeking the approval of the 2013 budget from Salt Lake City.

Traditional types of midyear adjustments have been combined with the approved 2012 budget to form the 2012 amended SLVSWMF budget. The major changes to revenue and expense will now be reviewed. All comparisons are made to the **amended** 2012 budget.

The projected December 31, 2013 cash balance for the SLVSWMF is \$36,819,273. The projected cash balances by type are: Closure/Post Closure \$16,776,710, Designated \$18,401,154 and Undesignated \$1,641,409. The cash balance includes the impact of the annual landfill dividend to the joint owners. The annual dividend is projected to be \$1,381,250.

Revenue is projected to be \$13,950,978. This is a year-to-year revenue decrease of \$170,301. The proposed budget for expense is \$14,385,478. This is a year-to-year decrease of \$626,268. Explanations for these changes follow.

SLVSWMF tipping fee revenue is budgeted to increase by \$236,750. Ongoing tonnage is proposed to decrease by 5.6% which equals 25,000 tons. Fee increases are proposed as of 01 July 2013. The increases are \$3/ton which is a 11.5% increase at the Landfill and \$8/ton which equals a 30.8% increase at the Transfer Station. Both fee increases are based on projected cash flow needs for the current year and upcoming years and by the cost to handle the waste at the face and the Transfer Station. There is no change in the Health Department per-ton assessment.

Tipping fees for green waste are tracked separately by the SLVSWMF. Based on projected tons, green waste tipping fees will increase by \$30,000.

No change in interest income revenue is projected. PTIF interest rates Aug 11 to Aug 12 changed from 0.6214% to 0.7637%.

Three new waste shredders were delivered to the SLVSWMF in 2011; they became fully functional in 3rd Quarter 2012. They are projected to bring in \$99,826 less in metal salvage revenue than was included in the amended 2012 budget. Metal content in the waste stream delivered to the SLVSWMF continues to diminish, a reflection of tough economic conditions. It is anticipated that the SLVSWMF will be able to recover and sell 2,000 tons of metal. Compost sales have been soft for the last four years and have not met budgeted levels. Compost sales to commercial customers have not been strong. Hence, the revenue budget for compost sales has been decreased by \$245,000.

The one-time revenue of \$30,000 from Quickcrete for the Transfer Station intersection has been removed. The project is complete. Sale of vehicle revenue has been decreased by \$66,225 to reflect the anticipated auction value of a dozer, a loader and a track excavator. The Health Dept will pay \$4,000 utilities reimbursement for the household hazardous waste site.

Personal services is projected to decrease by \$42,278. No changes are being made to either full time or temporary headcount. Adjustments to base are a reduction of \$47,824. Other changes net to an increase of \$5,546.

Materials and supplies are projected to decrease by \$69,750. Obsolete radios were replaced 2012; therefore, this one-time budget of \$20,000 has been removed. Software and hardware purchases made in 2012 are not needed again in 2013; hence, \$7,250 has been removed. Fewer tons are going to the face of the landfill because shredded materials has been approved for use as daily cover; therefore, purchases of posi-shells will decrease by \$40,000. Miscellaneous reductions total \$2,500.

It is proposed that the charges and services budget decrease by \$374,241. Contract hauling has been reduced by \$108,659 because of decreasing tonnage. Road maintenance of \$235,000 is being deferred because of cash constraints. Maintenance of facilities and grounds equaling \$49,000 is also being deferred. Other professional fees is decreasing by \$50,000. This is an area where underspending has occurred in the past. Fleet fuel is increasing \$5,600. It is anticipated that 280,000 gallons will be used. The price of diesel fuel is assumed to be \$3.87/gallon. Fleet maintenance will increase \$100,000 to cover cost increases at County Fleet and some costs associated with slightly older equipment. Recycling initiatives will receive increased funding of \$106,250. Utilities expense is budgeted to decrease by \$9,000 because of energy initiatives such as the sky lights at the Transfer Station. Household hazardous waste expense will decrease by \$37,500 because of the drop in tons going to the landfill tipping face. Decreased tonnage will also reduce the contribution to the required GASB 18 closure expense by \$43,011. Contract labor is being reduced by \$40,900 to help ease cash constraints. Other adjustments net to a \$13,021 decrease.

Capital expense is projected to be \$2,115,000. This is a budget-to-budget decrease of \$49,500. Scheduled replacement includes a DN9 dozer for \$900,000, a loader for \$250,000 and a track excavator for \$165,000. Routine maintenance and repairs of \$250,000 along with rubber tires of \$50,000 will be capitalized. Safety capital in 2013 will be a \$50,000 rebudget from 2012 for concrete at the scale approaches. Regulatory capital includes \$350,000 for gas lines. Planning expense, first budgeted in 2011, of \$100,000 for the citizen unloading area is proposed to be rolled from 2012 to 2013.

Transfers from the SLVSWMF to other Salt Lake County funds increased \$103,251. Contributions to the the environmental liability are \$100,000. Remaining changes are \$3,251.

The landfill owners dividend is budgeted to decrease by \$193,750. Based on lower tonnage, the owners dividend is budgeted to decrease by \$87,500. To initiate additional SLVSWMF and Salt Lake County recycling initiatives, \$106,250 which was previously paid as owners dividend to Salt Lake County General Fund will now be used by the recycling section of the SLVSWMF.

It is recommended that the Council approve the SLVSWMF budget.



| | | | |
|---|----|--------------------------------------|---------------------------------|
| SLVSWMF Landfill 2013 Budget | | | |
| Initiative Name | | | |
| Blank (Gordon will number) | | | 2012-13 |
| Initiative Number | | | Fiscal Year |
| Public Services Department | | | New item |
| Department | | | Type of Initiative |
| Greg Davis | | | 801.535.6123 |
| Prepared By | | | Telephone Contact |
| | | (Negative) | Positive |
| General Fund - Fund Balance-Impact | \$ | - | \$ - |
| Revenue Impact By Fund: | | | |
| | | Fiscal Year Impact Amount | Annual Impact Amount |
| General Fund | | 0 | |
| | | | |
| Total | | \$0 | \$0 |
| Internal Service Fund | | | |
| | | | |
| Total | | \$0 | \$0 |
| Enterprise Fund | | | |
| SLVSWMF | | 13,950,978 | 13,950,978 |
| | | | |
| Total | | \$13,950,978 | \$13,950,978 |
| Other Fund | | | |
| | | | |
| Total | | \$0 | \$0 |
| Staffing Impact: | | | |
| Requested Number of | | 0 | 0 |
| Position Title: | | | |
| No changes to staffing. The following is currently approved staffing: | | | |
| FTEs: | | | |
| Full time | | 50.00 | |
| Seasonal | | 2.16 | |
| Total | | 52.16 | |

| Accounting Detail | | Grant # and CFDA # If Applicable: | |
|---|---------------------------|--|--------------------|
| Revenue: | | | |
| Cost Center Number | Object Code Number | Amount | |
| Salt Lake Valley Solid Waste Management Facility | | | |
| Interest | | 155,000 | |
| Landfill Fees | | 12,141,750 | |
| Green Waste Tipping Fees | | 480,000 | |
| Compost Sales | | 180,000 | |
| Salvage Sales | | 440,063 | |
| Interfund Charges | | 4,000 | |
| Other Sources | | 550,165 | |
| Total Revenue | | 13,950,978 | |
| | | | |
| Draw on Fund Balance | | (434,500) | |
| | | | |
| Expenditure: | | | |
| Cost Center Number | Object Code Number | Amount | |
| Personal Services | | | |
| | | 3,364,038 | |
| Operating and Maintenance Supplies | | | |
| | | 203,500 | |
| Charges and Services | | | |
| | | 6,787,477 | |
| Capital Outlay | | | |
| | | 2,115,000 | |
| Transfers | | | |
| | | 534,213 | |
| Total Expense | | 13,004,228 | |
| | | | |
| Annual Owners Dividend | | | |
| | | 1,381,250 | |
| One-time Distribution to Owners from Landfill cash balances | | | |
| | | 0 | |
| | | | |
| Total Cash Flow | | 14,385,478 | |
| | | | |
| Additional Accounting Details: | | | |
| Revenue | | | |
| | | 13,950,978 | |
| Expense | | | |
| | | (13,004,228) | |
| Annual Owners Dividend | | | |
| | | (1,381,250) | |
| Draw on Fund Balance | | | |
| | | (434,500) | |
| | | | |
| Grant Information: | | | |
| Grant funds employee positions? | | | (Yes or No) |
| Is there a potential for grant to continue? | | | (Yes or No) |
| If grant is funding a position is it expected the position will be eliminated at the end of the grant? | | | (Yes or No) |
| Will grant program be complete in grant funding time frame? | | | (Yes or No) |
| Will grant impact the community once the grant funds are eliminated? | | | (Yes or No) |
| Does grant duplicate services provided by private or Non-profit sector? | | | (Yes or NO) |

**SALT LAKE VALLEY SOLID WASTE MANAGEMENT FACILITY
PROPOSED BUDGET**

| | <u>Amended 2012</u> | <u>Proposed 2013</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|--|-------------------------|--------------------------|--------------------------|---------------------------|
| Revenue and other sources | | | | |
| Landfill fees | 11,905,000 | 12,141,750 | 236,750 | 2.0% |
| Green waste tipping fees | 450,000 | 480,000 | 30,000 | 6.7% |
| Compost sales | 425,000 | 180,000 | (245,000) | -57.6% |
| Salvage sales | 539,889 | 440,063 | (99,826) | -18.5% |
| Interest income | 155,000 | 155,000 | 0 | 0.0% |
| Other sources | 646,390 | 554,165 | (92,225) | -14.3% |
| Total revenue & other sources | <u>14,121,279</u> | <u>13,950,978</u> | <u>(170,301)</u> | -1.2% |
| Expenditures and other uses | | | | |
| Salaries, wages, benefits | 3,406,316 | 3,364,038 | (42,278) | -1.2% |
| Materials and supplies | 273,250 | 203,500 | (69,750) | -25.5% |
| Charges and services | 7,161,718 | 6,787,477 | (374,241) | -5.2% |
| Total operating expenses | <u>10,841,284</u> | <u>10,355,015</u> | <u>(486,269)</u> | -4.5% |
| Capital outlay | 2,164,500 | 2,115,000 | (49,500) | -2.3% |
| Transfers | 430,962 | 534,213 | 103,251 | 24.0% |
| Total expenses and other uses | <u>13,436,746</u> | <u>13,004,228</u> | <u>(432,518)</u> | -3.2% |
| Net before dividends & distrib. | <u>684,533</u> | <u>946,750</u> | <u>262,217</u> | 38.3% |
| Dividends & distributions | | | | |
| Ongoing dividends | 1,575,000 | 1,381,250 | (193,750) | -12.3% |
| One-time distribution | 0 | 0 | 0 | - |
| Total dividends & distributions | <u>1,575,000</u> | <u>1,381,250</u> | <u>(193,750)</u> | -12.3% |
| Net after dividends & distributions | <u>(890,467)</u> | <u>(434,500)</u> | <u>455,967</u> | -51.2% |
| Total of expend., dividends, & distrib. | 15,011,746 | 14,385,478 | (626,268) | -4.2% |

**SALT LAKE VALLEY SOLID WASTE MANAGEMENT FACILITY
PROPOSED BUDGET**

| | <u>Amended 2012</u> | <u>Proposed 2013</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|---|-------------------------|--------------------------|--------------------------|---------------------------|
| CONVERSION FROM COUNTY TO CITY | | | | |
| County | | | | |
| Revenue | 14,121,279 | 13,950,978 | (170,301) | -1.2% |
| Expense | 13,498,246 | 12,869,663 | (628,583) | -4.7% |
| Net | <u>623,033</u> | <u>1,081,315</u> | <u>458,282</u> | <u>73.6%</u> |
| City | | | | |
| Revenue per County | 14,121,279 | 13,950,978 | (170,301) | -1.2% |
| Remove gain on sale of equip | 0 | 0 | 0 | - |
| Add proceeds from sale of equip | 0 | 0 | 0 | - |
| Revenue per City | <u>14,121,279</u> | <u>13,950,978</u> | <u>(170,301)</u> | <u>-1.2%</u> |
| Expense per County | 13,498,246 | 12,869,663 | (628,583) | -4.7% |
| Remove depreciation | (2,225,000) | (2,080,000) | 145,000 | -6.5% |
| Remove loss on sale of equip | (1,000) | (1,000) | 0 | 0.0% |
| Add contributions to reserves | 0 | 100,565 | 100,565 | - |
| Add capital outlay | 2,164,500 | 2,115,000 | (49,500) | -2.3% |
| Expense per City | <u>13,436,746</u> | <u>13,004,228</u> | <u>(432,518)</u> | <u>-3.2%</u> |
| Dividends & distributions | | | | - |
| Ongoing dividends | 1,575,000 | 1,381,250 | (193,750) | -12.3% |
| One-time distribution | 0 | 0 | 0 | - |
| Total dividends & distributions | <u>1,575,000</u> | <u>1,381,250</u> | <u>(193,750)</u> | <u>-12.3%</u> |
| Net after dividends & distrib. | <u>(890,467)</u> | <u>(434,500)</u> | <u>455,967</u> | <u>-51.2%</u> |
| Total of expend., dividends, & distrib. | 15,011,746 | 14,385,478 | (626,268) | -4.2% |

**SALT LAKE VALLEY SOLID WASTE MANAGE
PROPOSED BUDGET**

FROM ADOPTED TO AMENDED BUDGETS

| | <u>Original 2012</u> | <u>Amended 2012</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|--|--------------------------|-------------------------|---------------------------|---------------------------|
| Revenue and other sources | | | | |
| Landfill fees | 11,905,000 | 11,905,000 | 0 | 0.0% |
| Green waste tipping fees | 450,000 | 450,000 | 0 | 0.0% |
| Compost sales | 425,000 | 425,000 | 0 | 0.0% |
| Salvage sales | 3,677,482 | 539,889 | (3,137,593) | -85.3% |
| Interest income | 155,000 | 155,000 | 0 | 0.0% |
| Other sources | 872,500 | 646,390 | (226,110) | -25.9% |
| Total revenue & other sources | <u>17,484,982</u> | <u>14,121,279</u> | <u>(3,363,703)</u> | -19.2% |
| Expenditures and other uses | | | | |
| Salaries, wages, benefits | 3,483,248 | 3,406,316 | (76,932) | -2.2% |
| Materials and supplies | 273,250 | 273,250 | 0 | 0.0% |
| Charges and services | 6,781,718 | 7,161,718 | 380,000 | 5.6% |
| Total operating expenses | <u>10,538,216</u> | <u>10,841,284</u> | <u>303,068</u> | 2.9% |
| Capital outlay | 3,230,000 | 2,164,500 | (1,065,500) | -33.0% |
| Transfers | 427,611 | 430,962 | 3,351 | 0.8% |
| Total expenses and other uses | <u>14,195,827</u> | <u>13,436,746</u> | <u>(759,081)</u> | -5.3% |
| Net before dividends & distrib. | <u>3,289,155</u> | <u>684,533</u> | <u>(2,604,622)</u> | -79.2% |
| Dividends & distributions | | | | |
| Ongoing dividends | 1,575,000 | 1,575,000 | 0 | 0.0% |
| One-time distribution | | 0 | 0 | - |
| Total dividends & distributions | <u>1,575,000</u> | <u>1,575,000</u> | <u>0</u> | 0.0% |
| Net after dividends & distributions | <u>1,714,155</u> | <u>(890,467)</u> | <u>(2,604,622)</u> | -151.9% |
| Total of expend., dividends, & distrib. | 15,770,827 | 15,011,746 | (759,081) | -4.8% |

**SALT LAKE VALLEY SOLID WASTE MANAGE
PROPOSED BUDGET**

FROM ADOPTED TO AMENDED BUDGETS

| | <u>Original 2012</u> | <u>Amended 2012</u> | <u>Dollar Change</u> | <u>Percent Change</u> |
|---|--------------------------|-------------------------|--------------------------|---------------------------|
| CONVERSION FROM COUNTY TO CITY | | | | |
| County | | | | |
| Revenue | 17,484,982 | 14,121,279 | (3,363,703) | -19.2% |
| Expense | 13,191,827 | 13,498,246 | 306,419 | 2.3% |
| Net | <u>4,293,155</u> | <u>623,033</u> | <u>(3,670,122)</u> | -85.5% |
| City | | | | |
| Revenue per County | 17,484,982 | 14,121,279 | (3,363,703) | -19.2% |
| Remove gain on sale of equip | 0 | 0 | 0 | - |
| Add proceeds from sale of equip | 0 | 0 | 0 | - |
| Revenue per City | <u>17,484,982</u> | <u>14,121,279</u> | <u>(3,363,703)</u> | -19.2% |
| Expense per County | 13,191,827 | 13,498,246 | 306,419 | 2.3% |
| Remove depreciation | (2,225,000) | (2,225,000) | 0 | 0.0% |
| Remove loss on sale of equip | (1,000) | (1,000) | 0 | 0.0% |
| Add contributions to reserves | | | | |
| Add capital outlay | 3,230,000 | 2,164,500 | (1,065,500) | -33.0% |
| Expense per City | <u>14,195,827</u> | <u>13,436,746</u> | <u>(759,081)</u> | -5.3% |
| Dividends & distributions | | | | |
| Ongoing dividends | 1,575,000 | 1,575,000 | 0 | 0.0% |
| One-time distribution | | | 0 | - |
| Total dividends & distributions | <u>1,575,000</u> | <u>1,575,000</u> | <u>0</u> | 0.0% |
| Net after dividends & distrib. | <u>1,714,155</u> | <u>(890,467)</u> | <u>(2,604,622)</u> | -151.9% |
| Total of expend., dividends, & distrib. | 15,770,827 | 15,011,746 | (759,081) | -4.8% |

SLVSWMF Current 2012 Fees and Proposed 2013 Fees

| | Pick-Up Truck | | Single Axle Trailers | | Double Axle Trailers | | Commercial | | Transfer Station | |
|---|---------------|-----------------------------|----------------------|-----------------------------|----------------------|-----------------------------|------------|-----------------------------|------------------|-----------------------------|
| | Flat Rate | | Flat Rate | | Flat Rate | | By Ton | | By Ton | |
| | 2012 | 2013: July 1 implementation | 2012 | 2013: July 1 implementation | 2012 | 2013: July 1 implementation | 2012 | 2013: July 1 implementation | 2012 | 2013: July 1 implementation |
| | | | | | | | | | | |
| household trash | \$10.00 | \$10.00 | \$10.00 | \$10.00 | \$30.00 | \$30.00 | \$26.00 | \$29.00 | \$28.00 | \$36.00 |
| household trash, SLCity, SLCounty, Wasatch Waste & Recycling District | n/a | | n/a | | n/a | | \$26.00 | \$29.00 | \$26.00 | \$34.00 |
| clean green waste | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$15.00 | \$15.00 | \$16.00 | \$16.00 | n/a | n/a |
| construction debris | \$10.00 | \$10.00 | \$10.00 | \$10.00 | \$30.00 | \$30.00 | \$26.00 | \$26.00 | n/a | n/a |
| clean soil n clean sod | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$15.00 | \$15.00 | \$5.00 | \$5.00 | n/a | n/a |
| clean asphalt n concrete | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$15.00 | \$15.00 | \$5.00 | \$5.00 | n/a | n/a |
| leaves, debugged | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$3.00 | \$3.00 | n/a | n/a |
| deceased animals | n/a | n/a | n/a | n/a | n/a | n/a | \$100.75 | \$100.75 | n/a | n/a |
| special/medical waste | n/a | n/a | n/a | n/a | n/a | n/a | \$100.75 | \$100.75 | n/a | n/a |
| asbestos ~ friable | n/a | n/a | n/a | n/a | n/a | n/a | \$500.75 | \$500.75 | n/a | n/a |
| asbestos ~ non-friable | n/a | n/a | n/a | n/a | n/a | n/a | \$100.75 | \$100.75 | n/a | n/a |
| household hazardous waste | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| compost sale - per scoop (green waste ground to mulch like | \$30.00 | \$30.00 | \$30.00 | \$30.00 | \$30.00 | \$30.00 | \$30.00 | \$30.00 | n/a | n/a |

Proposed SLVSWMF 2013 Budget

| | Administrative | Landfill | Transfer Station | Organics | Environmental & Permits | Recycling Education | Total |
|--|---------------------------------|-------------------------------|-----------------------------|------------------------------|-----------------------------|-----------------------|----------------------|
| Tons: All Sources | 455,000 | 425,000 | 200,000 | 30,000 | 425,000 | 425,000 | |
| Tons: Unique | 455,000 | 225,000 | 200,000 | 30,000 | 425,000 | 425,000 | |
| Revenue Not Related to Tipping Fees | \$405,719 (\$405,719) | \$595,042 <u>\$261,416</u> | \$88,301 <u>\$38,793</u> | \$180,061 <u>\$79,105</u> | \$60,082 <u>\$26,395</u> | \$23 <u>\$10</u> | \$1,329,228 |
| | <u>\$0</u> | <u>\$856,458</u> \$2.02 | <u>\$127,094</u> \$0.64 | <u>\$259,166</u> \$8.64 | <u>\$86,477</u> \$0.20 | <u>\$33</u> \$0.00 | |
| Direct Expense | | | | | | | |
| Base | \$3,620,998 | \$4,659,065 | \$2,803,420 | \$652,566 | \$881,593 | \$252,022 | \$12,869,664 |
| Depreciation & Loss on Sale of Vehicle | (\$2,081,000) | | | | | | (\$2,081,000) |
| Reserves & Capital Purchases | \$0 | \$2,400,210 | \$1,302,854 | \$0 | \$0 | (\$106,250) | \$3,596,814 |
| Total Direct Expense - Cash | <u>\$1,539,998</u> | <u>\$7,059,275</u> | <u>\$4,106,274</u> | <u>\$652,566</u> | <u>\$881,593</u> | <u>\$145,772</u> | <u>\$14,385,478</u> |
| Admin Allocation | (\$1,539,998) | \$846,311 | \$492,286 | \$78,234 | \$105,691 | \$17,476 | |
| Admin Cost / Ton | | 54.96% \$1.99 | 31.97% \$2.46 | 5.08% \$2.61 | 6.86% \$0.25 | 1.13% \$0.04 | |
| Direct Cost / Ton | | \$16.61 | \$20.53 | \$21.75 | \$2.07 | \$0.34 | |
| | | \$16.61 | \$37.14 | \$21.75 | \$2.07 | \$0.34 | |
| Base Cost / Ton | | \$16.61 | \$37.14 | \$21.75 | \$2.07 | \$0.34 | |
| Admin Cost / Ton | | \$1.99 | \$2.46 | \$2.61 | \$0.25 | \$0.04 | |
| Combined Cost / Ton | | \$18.60 | \$39.60 | \$24.36 | \$2.32 | \$0.38 | |
| Revenue Not Related to Tipping Fees | | (\$2.02) | (\$0.64) | (\$8.64) | (\$0.20) | (\$0.00) | |
| Cost / Ton ... needs to be recovered by Tipping Fees | | <u>\$16.59</u> | <u>\$38.97</u> | <u>\$15.72</u> | <u>\$2.12</u> | <u>\$0.38</u> | |

| Current Fees | | | | | | | |
|-------------------|------------|---------|------|---------|------|---------|------|
| Commercial | 1-Jul-2011 | \$26.00 | 8.3% | \$28.00 | 7.7% | \$16.00 | 0.0% |
| SLCounty & SLCity | 1-Jul-2011 | \$26.00 | 8.3% | \$26.00 | 8.3% | \$16.00 | 0.0% |
| West Valley | 1-Jul-2011 | \$24.25 | 8.2% | n/a | | \$16.00 | 0.0% |

| per straw poll held during SLVSWMF Board meeting 26 Oct 12 | | | | | | | |
|--|----------------|---------|-------|---------|-------|---------|------|
| | Transportation | \$0.00 | | \$5.00 | | | |
| | Operational | \$3.00 | | \$3.00 | | \$0.00 | |
| | | \$3.00 | | \$8.00 | | \$0.00 | |
| Proposed Fees (rounded) | | | | | | | |
| Commercial | 1-Jul-2013 | \$29.00 | 11.5% | \$36.00 | 28.6% | \$16.00 | 0.0% |
| SLCounty, Wasatch Front W&RD, SLCity | 1-Jul-2013 | \$29.00 | 11.5% | \$34.00 | 30.8% | \$16.00 | 0.0% |
| West Valley | 1-Jul-2013 | \$27.25 | 12.4% | n/a | | \$16.00 | 0.0% |