

PUBLIC UTILITIES

Solid Waste and Street Lighting

Description

In addition to the water and sewer services reflected in the Enterprise Fund, the Department of Public Utilities provides solid waste disposal, limited refuse collection, and street lighting services to residents of Henrico County.

Revenue from user charges supports the activities necessary to provide all Solid Waste services except curbside recycling, bulky waste services, bagged leaf collection and neighborhood cleanup activities. These programs are supported by General Fund revenue. Street Lighting services are supported by a Sanitary District tax levy on real and personal property in those Sanitary Districts where street lights are installed.

The solid waste services provided consist of operating and maintaining a sanitary landfill with public use areas, limited curbside refuse collection and recyclables collection, neighborhood and community maintenance cleanups, Keep Henrico Beautiful program, bulky waste and bagged leaf collection. The street lighting services provided consist of accounting for the operation and maintenance of several designated street lighting districts.

Objectives

- To provide for disposal of solid waste in a manner consistent with State and Federal laws and regulations and policies of the County Board of Supervisors.
- To administer the street lighting program in sanitary Districts 2, 3, 3.1, 12 and 23 in a manner consistent with policies of the County Board of Supervisors.

Budget Highlights

Solid Waste

Projected revenues in FY2010-11 are \$12,166,612, inclusive of a General Fund subsidy of \$3,064,001. Locally generated revenues are projected to remain flat with the prior fiscal year. The General Fund subsidy for FY2010-11 will also remain at the same level as in FY2009-10. Revenues are sufficient to cover all operating expenditures for Solid Waste in FY2010-11.

Total expenditures of \$12,166,612 reflect an increase of \$102,544 or 0.8 percent compared to the FY2009-10 adopted budget.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 3,516,859	\$ 3,868,079	\$ 3,641,033	(5.9%)
Operation	5,932,044	6,657,989	7,162,779	7.6%
Capital	1,270,723	1,538,000	1,362,800	(11.4%)
Total Solid Waste	<u>\$ 10,719,626</u>	<u>\$ 12,064,068</u>	<u>\$ 12,166,612</u>	<u>0.8%</u>
Street Lights	<u>77,242</u>	<u>70,200</u>	<u>72,500</u>	<u>3.3%</u>
Total Solid Waste/Street Lights	<u>\$ 10,796,868</u>	<u>\$ 12,134,268</u>	<u>\$ 12,239,112</u>	<u>0.9%</u>
 Personnel Complement	 75	 75	 70 *	 (5)

* Reflects the elimination of four vacant positions and the shift of one position to the Water and Sewer Fund in FY2009-10.

Solid Waste (cont'd)

	Performance Measures			Change 10 to 11
	FY09	FY10	FY11	
Workload Measures				
Tons Collected by Refuse	37,647	39,000	39,000	0
Tons Collected by Bulky Waste Service	486	700	700	0
Tons Collected by Outside Sources	50,351	55,000	55,000	0
Tons Collected by Neighborhood Cleanups	3,371	3,500	3,500	0
Tons Deposited in Public Use Areas	40,272	36,000	36,000	0
Number of Refuse Customers	37,647	38,000	39,000	1,000

In looking at the components of the Solid Waste budget, personnel costs reflect a \$227,046 or 5.9 percent decrease due to the elimination of four vacant positions and the shifting of one position to the Water and Sewer Fund.

The operating component of the budget reflects an increase of \$504,790 or 7.6 percent. This increase arises from a number of fixed cost increases present in the FY2010-11 budget. Recycling costs have increased 16.3 percent or \$390,868 as a result of increased costs associated with the recycling contract with the Central Virginia Waste Management Authority (CVWMA). This increase arises from external mulch grinding service, which is now provided under the CVWMA contract. This service was contracted out in FY2009-10 at a cost of \$260,000, and these funds will be used to partially offset the \$390,868 increase in the CVWMA contract. Vehicle repair costs have increased \$309,602 due to costs associated with aging heavy equipment and the increasing complexity of trucks requiring increasing external service repairs. Partially offsetting these operating increases is a targeted 2.5 percent reduction in non-fixed costs, the elimination of travel and tuition funding, and the shift of \$175,200 in capital outlay costs to the operating budget.

Capital Outlay expenditures total \$1,362,800 for FY2010-11, a decrease of \$175,200 or 11.4 percent from the prior year budget. Highlights from this component of the budget includes funding for the purchase of 6,000 (96 gallon) refuse collection carts for automated collection trucks, two 110 cubic yard walking floor trailers at \$80,000 each, two replacement automated refuse collection trucks at a cost of \$290,000 each, and one used landfill compactor at a cost of \$250,000.

The Solid Waste budget is captured in four distinct areas – Administration, Collections Operations, Processing Disposal and Litter Control (Keep Henrico Beautiful). What follows is a description of each major area in the Solid Waste Budget:

Administration

The budget for Administration is \$2,038,685 and represents a net reduction of \$262,413 or 11.4 percent as compared to the prior fiscal year. This decrease is due to the elimination of one vacant position in FY2010-11, targeted reductions in operating line items, including the elimination of travel and tuition expenditures, and the reduction in capital outlay funding of \$175,200 that was shifted elsewhere in the operating budget to cover a number of fixed cost increases.

Collections Operations:

The budget for Collection Operations totals \$3,906,105, and represents an increase of 2.2 percent when compared to the prior fiscal year.

Refuse Collection

The budget for the Refuse Collection area is \$2,762,810, a net decrease of \$26,120. This reduction is due to the elimination of three vacant positions in FY2010-11 and the shift of one position to the Water and Sewer Fund in FY2009-10. Partially offsetting the declines in personnel costs, a number of operating fixed cost increases are included in FY2010-11. The cost of vehicle repair is increasing \$127,500 due to the increasing complexity of refuse trucks and associated external service repairs. The budget for bad debt expense is increasing \$35,000 to reflect historical expenditures. Weekly refuse collection services are provided to over 38,000 households in the County by eleven refuse collection crews, operating County owned equipment.

Solid Waste (cont'd)

Bulky Waste Collection

Bulky Waste Collection operates during normal business hours and will collect large items, such as furniture, appliances and yard waste, and deposit them in the landfill. The cost for this service is a \$43 per trip fee. The program also receives a subsidy of \$239,002 from the General Fund. The FY2010-11 budget continues to include the estimated cost to provide free bulky waste pick up for all County residents that currently participate in the Real Estate Tax Advantage Program (REAP).

Bagged Leaf Services

The budget for Bagged Leaf Services is \$155,127, which remains flat with the prior fiscal year budget. Bagged Leaf Services provides three collections in each neighborhood from October to February according to a published Leaf Collection Schedule. Open burning is banned in the majority of the County. A transfer from the General Fund fully supports the costs associated with Bagged Leaf Services.

Community and Neighborhood Cleanup

Cleanup expenditures total \$532,072 in FY2010-11, which remains flat with the prior fiscal year budget. There are no personnel costs budgeted for Cleanup activities, however, \$319,636 is budgeted for employees from other areas of Solid Waste to perform this service. Cleanup costs are fully supported by General Fund subsidy.

Processing and Disposal:

The budget of \$6,255,114 in FY2010-11 for Processing and Disposal represents an increase of 6.9 percent, or \$405,917. The Processing and Disposal budget components covers recycling, landfill and the public use areas.

Recycling

Recycling expenditures total \$3,056,684 in FY2010-11, an increase of \$96,865. Recycling costs have increased 16.3 percent or \$390,868 as a result of increased costs associated with the recycling contract with the Central Virginia Waste Management Authority (CVWMA). This increase arises from external mulch grinding service, which is now provided under the CVWMA contract. This service was contracted out in FY2009-10 at a cost of \$260,000, and these funds will be used to partially offset the \$390,868 increase in the CVWMA contract. The curbside recycling program serves approximately 86,000 homes in the County at \$1.88 per home per month. Recycling costs are also

supported by a \$2,137,800 subsidy from the General Fund.

Landfill

The county operates a Landfill at Ford's Country Lane and the budget is \$2,132,582. The landfill accepts refuse from the County's Refuse Collection Service, Public Use Areas, Bulky Waste Collection, Neighborhood Cleanups, as well as from private haulers. The budgeted increase in this area is mainly due to increasing vehicle repair costs, which are increasing \$180,000 in FY2010-11 due to aging vehicles and the increasing costs of vehicle repair. Also included in the Landfill budget for FY2010-11 is an additional \$24,800 to repair the Landfill access road, which is in poor condition.

Public Use Areas

The FY2010-11 budget for the Public Use Areas is \$987,993, an increase of \$22,987. Solid Waste operates two Public Use Areas in the County, on the western end at Ford's Country Lane, and on the eastern end at Charles City Road. The Public Use Areas are available to citizens to deposit refuse for a fee of \$3 per visit and deposit recyclables at no charge. Coupon books are available for ten visits at a cost of \$27 and for fifteen visits at a cost of \$40. The Public Use Areas are open three hundred and sixty one days a year, closing on January 1st, July 4th, Thanksgiving Day and Christmas Day. The Public Use Areas will receive approximately 36,000 tons of refuse annually.

Landfill Post Closure

Landfill Post Closure expenditures in FY2010-11 are to remain the same as the current fiscal year at \$77,855 for closed landfills at Nine Mile Road and Charles City Road.

Litter Control (Keep Henrico Beautiful):

The budget for Litter Control remains largely status quo at a level of \$94,884. Solid Waste receives an annual grant from the State Litter Control Board, budgeted at \$25,000, for this program.

General Fund Subsidies:

The General Fund subsidy of \$3,064,001 remains flat with the prior fiscal year budget, and includes \$2,137,800 for the curbside recycling program and \$926,201 for the cost of Community and Neighborhood Cleanup activities, Bagged Leaf Collection and Bulky Waste Collection. The subsidy

Solid Waste (cont'd)

for Bulky Waste Collection is net of the revenue from the \$43 per trip fee.

The FY2010-11 subsidy for bulky waste factors in the cost of REAP participants receiving free bulky waste pick up service. The components for the General Fund subsidies for Recycling, Community and Neighborhood Cleanups, Bagged Leaf Collections, and Bulky Waste Collection are as follows:

	<u>FY09-10</u>	<u>FY10-11</u>	<u>% Change</u>
Recycling	2,137,800	2,137,800	0.0%
Bulky Waste	239,002	239,002	0.0%
Cleanups	532,072	532,072	0.0%
Bagged Leaf	155,127	155,127	0.0%
Total	\$3,064,001	\$3,064,001	0.0%

The history of Community Maintenance Cleanup projects are:

<u>Community Maintenance</u>	<u>No.</u>	<u>Total Cost</u>
FY1999-00	15	\$300,400
FY2000-01	18	\$355,923
FY2001-02	27	\$329,083
FY2002-03	26	\$333,890
FY2003-04	25	\$433,267
FY2004-05	25	\$423,600
FY2005-06	27	\$448,040
FY2006-07	30	\$464,990
FY2007-08	31	\$419,814
FY2008-09	31	\$416,086

This compares to the summary of Neighborhood Cleanup projects below:

<u>Neighborhood Cleanups</u>	<u>No.</u>	<u>Total Cost</u>
FY1999-00	27	\$6,705
FY2000-01	22	\$7,125
FY2001-02	26	\$7,830
FY2002-03	23	\$9,268
FY2003-04	18	\$6,904
FY2004-05	22	\$9,077
FY2005-06	26	\$11,645
FY2006-07	29	\$11,038
FY2007-08	44	\$16,539
FY2008-09	41	\$14,560

Street Lighting

The County provides street lighting in certain areas of the County. Costs for street lighting are supported by supplemental tax levies to residents and businesses in those areas. The budget for FY2010-11 will maintain services levels for the current 156 street lights in District #2, 163 street lights in District #3, the 27 street lights in District #3.1, the 27 street lights in District #23, and the 87 street lights in District #12.

Projected street lighting revenues and expenditures in FY2010-11 equal \$72,500. This reflects an increase of \$2,300 or 3.3 percent as compared to the FY2009-10 adopted budget.

The street lighting personal property levy for each District remains at \$0.001 for all districts below and proposed real property levies remain unchanged for FY2010-11 at the following rates:

<u>Sanitary District</u>	<u>Approved Rate</u>
District #2	\$0.003
District #3	\$0.010
District #3.1	\$0.031
District #23	\$0.010
District #12	\$0.010

It should be noted that the real property rates were decreased for street lighting in the FY2006-07 approved budget. Prior to that decrease, the real property tax levies had not been reduced since calendar year 1981 for all existing sanitary districts.