

POTENTIAL FY'99/00 BUDGET PLAN ADJUSTMENTS AS IDENTIFIED BY THE CITY COUNCIL

Item/Issue	Interested Council Member	Allocation Adjustment	Notes:
Fire Department Exposure Management	Kavanaugh, Davidson	\$235,000	
Sunday Bus Service	Kavanaugh, Davidson, Giles, Pomeroy	\$205,000	
Sex Offender Notification Tracking	Giles, Hawker, Pomeroy	\$310,200	3 Officers (Detectives), 1 Sergeant and related vehicles & equipment
Increased MCPB Security	Giles, Kavanaugh, Brown	\$76,200	Additional security personnel for MCPB, employee badging system and staff to operate to system
Performing Arts Grants	Citizens Board Recommendation	\$25,974	Funding increase from FY'98/99 to FY'99/00 as Recommended by the designated Board
Mesa Southwest Museum Grant	Citizens Board Recommendation	\$20,000	Funding increase from FY'98/99 to FY'99/00 as Recommended by the designated Board
Mesa Southwest Museum Grant - Adobe Schoolhouse	Citizens Board Recommendation	\$65,625	Funding increase from FY'98/99 to FY'99/00 as Recommended by the designated Board
Human Services Funding	Citizens Board Recommendation	\$49,331	Funding increase from FY'98/99 to FY'99/00 as Recommended by the designated Board
Human Services Funding - Young Fathers Program	Citizens Board, Davidson	\$10,000	Funding increase from FY'98/99 to FY'99/00 as Recommended by the designated Board
Redevelopment Specialist	Kavanaugh	\$49,780	
Increase staffing/service hrs at the Library's Mesa Room	Kavanaugh	\$50,500	Funding for one Library Archivist position and related equipment
Growing Smarter General Plan Update	Hawker, Pomeroy, Jaffa	\$50,000	Supplementing the \$150,000 previously budgeted by Community Development
Broadway Recreation Center Programming	Giles	\$8,400	
Engineering Tech IV for GIS	Kavanaugh, Davidson	\$0	To be addressed through a vacancy transfer from another Dept.
General Fund Subtotal		\$1,156,010	
Other Items			
NEDCO Funding	Kavanaugh, Davidson	\$25,000	Administrative costs to be covered, a report concerning funding of loan pool will be forthcoming.
United Way - Kids Can youth Program	Study Session Item from 5/20/99	\$50,000	
Other Items Subtotal		\$75,000	
Total of General Fund & Other Items		\$1,231,010	
Non-budget Bond Projects			
Red Mountain Golf Course Design	Pomeroy	\$600,000	Parks bonds funding for initial design. Expenditure contingent upon feasibility study results
Bond Total		\$600,000	

OTHER FY'99/00 BUDGET ISSUES AS IDENTIFIED BY THE CITY COUNCIL

Additional Canal Bike/Pedestrian Paths	Davidson, Giles	\$0	No additional funding. Bid initial project & review the master plan for future development
Additional Youth Ballfields	Davidson, Giles, Jaffa	\$0	Some parks bonds funds remain available for potential site acquisition through FY'99/00
Additional Police presence at the local high schools	Davidson	\$0	The Mesa Police Dept. will be reviewing the current PROS program and the Principal's requests
Additional Site 23 Property	Giles, Jaffa	\$0	No additional allocation for sites outside of Temple Court
Park Acquisition in SE Mesa (possibly State Trust land)	Hawker, Pomeroy	\$0	Some parks bonds funds remain available for potential site acquisition through FY'99/00. Funding to acquire large parcels will require additional parks bond authorization from voters.
Geenbeit "spot" parks	Davidson	\$0	Based on property availability & recommendations of the Urban Planners.
Additional WGA Infrastructure		\$0	No additional funding for \$29M in projects identified and in addition to the water and wastewater bond projects included previously.

TO: City Council
THROUGH: C.K. Luster
FROM: Jack Friedline 
DATE: May 21, 1999
RE: Solid Waste Rate Adjustments

Purpose

The purpose of this action is to recommend solid waste rate changes effective September 1, 1999. Many of the proposed adjustments support a more equitable waste management fee structure whereby customers are charged either for solid waste collection based on the amount they generate or for a specialized service to be performed.

Recommendations

The Solid Waste Rate Committee consisting of members from the Solid Waste, Customer Service, Audit, Budget Divisions and City Manager's Office is recommending the following modifications to the solid waste rate schedules:

- 1) Adjust the discount factor for multiple bins from 1.56 per bin to 1.59 per bin (under R3.2 and R3.5 rate schedules);
- 2) Adjust the 8 cubic yard base rate 1% from \$82.00 to \$83.00 (under R3.2 and R3.5 rate schedules);
- 3) Increase the frontload compactor base rates by 4.5% (under R3.2 and R3.5 rate schedules);
- 4) Create a third roll-off/compactor zone (under R3.5 rate schedules);
- 5) Create a construction and demolition debris roll-off rate (under R3.5 rate schedules);
- 6) Establish a \$5.00 fee for residents bringing trash loads up to 2,000 pounds once per month at the Salt River Landfill (under 1.2 rate schedules);

- 7) Increase the twice per week garbage barrel service rate from \$10 to \$11 (under R1.23 and R3.82 rate schedules);
- 8) Increase the out-of-zone special barrel pickup rate from \$7.50 to \$10.00 (under R1.2 and R3.8 rate schedules); and
- 9) Create a new furlough rate for green waste barrel service (under 1.6 rate schedules).

Discussion

- 1), 2) and 3) Each year the Solid Waste Rate Committee reviews the financial outlook of each of our three solid waste systems (residential, frontload and roll-off/compactor) for the current fiscal year as well as the revenue/expenditure projections for the upcoming fiscal year. It was determined as the Committee reviewed the frontload area that although the system is projecting a positive contribution to the general fund next fiscal year, it is below the goal of 10% that the City anticipates achieving.

The Solid Waste Rate Committee has recommended only a few minor rate modifications to the frontload rate schedules over the past four years even though there have been inflationary costs in the areas of personnel, landfill disposal, vehicle maintenance and overhead. The Solid Waste Division has been able to offset these increases through achieved efficiencies. However, we have reached a point whereby in order to sustain a financially healthy frontload system, additional revenues need to be generated. In an effort to support an equitable solid waste management fee structure, members of the Committee have identified certain customer accounts that need to be adjusted. By doing this, the proposed rate adjustments affect only 1/3 of our customer base and enables us to recover fees from those customers who are not paying their "equitable share" for the service performed.

- 4) The Solid Waste Division provides roll-off/compactor service to several Mesa customers in the southeastern most part of the City. Due to the proximity of these accounts to the Queen Creek Landfill, it is more economical for the Solid Waste Division and our customers to haul the containers to this landfill rather than the Salt River Landfill. Because the Queen Creek Landfill assesses the City of Mesa a higher disposal fee than Salt River Landfill (which our current disposal rates are structured around), the Committee proposes creating a third zone (see attached map) with the initial set and haul rates equal to Zone 2, however adjust the

tonnage fees from \$24 to \$26. In addition, the Queen Creek Landfill charges the City of Mesa a minimum of 3 tons per haul. The Committee recommends that the Zone 3 rate indicates the minimum tonnage requirement so that our customers are aware of this condition, and that the City of Mesa recovers the costs if a customer's container is underweight.

- 5) The Solid Waste Division recently signed an agreement with CalMat to haul roll-offs that contain construction and demolition (C & D) debris to their facility. We have been using the R3.9 rate (unique situations) to charge our customers since there was not an applicable rate in our current rate schedules (CalMat's rate is less than the landfill tonnage rate). The C & D facility the Solid Waste Division takes the material to may change or the rate may increase, therefore the Committee recommends that the roll-off rate schedules indicate that customers will be charged according to the going disposal rate for C & D material.
- 6) The City currently offers homeowners who have Mesa solid waste service to dump once per month at the Salt River Landfill up to 2,000 pounds (1 ton) free of charge. Solid Waste staff projects spending \$380,000 this fiscal year to support this program. Our current landfill disposal fee at the Salt River Landfill is \$17.82 per ton and is estimated to increase to \$18.35 per ton in October 1999 (solid waste staff projects spending \$420,000 in fiscal year 1999-2000 to support this program). Included in every homeowner's residential monthly fee is a small portion to pay for this service whether a resident uses the service or not. In striving towards an equitable rate structure and minimizing the subsidy of services such as this, the Committee recommends assessing residents a \$5.00 fee to be placed on their City of Mesa utility bill when the resident uses this monthly service. This will only partially recover the cost the City pays for this service, however it would begin to generate revenue to support this program. In addition, it is the Committee's hope that our customers would begin to consolidate their loads causing less traffic congestion and safety hazards for solid waste operators at the landfill, especially on Saturdays.
- 7) The Solid Waste Division currently has 90 residential and commercial customers citywide who are utilizing our twice per week garbage barrel collection service. Because these accounts are located throughout the City on a given day, it is costly to provide this service because there are no route densities achieved. Therefore, the Committee recommends increasing this rate from \$10.00 to \$11.00 per month to recover additional monies to offset the cost of service.

- 8) The Solid Waste Division offers a special pickup barrel service whereby a customer can request their garbage barrel serviced on a non-scheduled collection day for a service fee. Our customers will occasionally utilize this service when they generate an unusual amount of garbage for the week and can not wait until their next collection day for service. There are two days of the week in which we are in the customer's collection area (in-zone) and can service the barrel for a nominal fee. The other four days our solid waste vehicles are not in the area (out-of-zone), therefore requiring staff to travel great distances to service a barrel. The Committee recommends increasing the out-of-zone fee from \$7.50 to \$10.00. Although out-of-zone pickups do not occur often, this will enable the Solid Waste Division to continue to provide this service and recover additional monies to offset the cost.
- 9) Create a new R1.64 furlough rate so that customers who have green waste barrels and reside outside of Mesa during the summer months will only be assessed 50% of the service fee.

Alternatives

Council can select only portions of the recommendations for adoption.

Council can choose not to adopt the recommendations to the solid waste schedules.

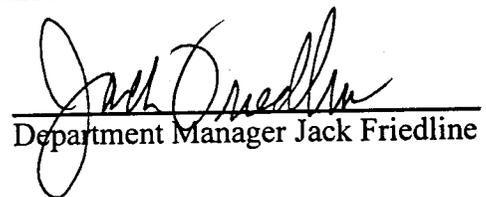
Fiscal Impact

The rate adjustments will generate an additional \$212,000 annually for the Solid Waste Management Enterprise Fund.

Concurrence

No other department is affected by this recommendation.


Staff Originator Kari Kent


Department Manager Jack Friedline


City Manager C. K. Luster