



Sandy City Council Office

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Memorandum

June 11, 2024

To: City Council

CC: Dustin Fratto – City Council Executive Director
Brian Kelley – Administrative Services Director

From: Cyndi Sharkey – Council At-Large

Subject: Council Member Sharkey proposed amendment to the FY 2025 Tentative Budget – Bulk Waste Subsidy and Fees

Description: Maintaining the General Fund subsidy transfer to the Bulk Waste Program.

Proposal Summary:

This amendment proposes to maintain the \$575,000 subsidy from the General Fund for the Bulk Waste Program. This program is highly valued throughout Sandy City and facilitates the disposal of items that cannot be managed through weekly waste collection services. In the tentative budget, the Mayor's introductory memo states "The Bulk Waste Program is an appreciated benefit for Sandy City residents, and the General Fund has subsidized it since the city began offering it." My intention is to continue this long-standing tradition as an affordable benefit for Sandy's residents.

As established, for most of its 40+ year existence, much of the Bulk Waste Program's funding came from the General Fund. Two years ago, a Bulk Waste Environmental Fee was implemented to cover the cost associated with heightened environmental requirements and enforcement needs. My intention is still to cover those costs and any inflationary cost increases with that fee. However, in keeping the subsidy to the program, we can keep the costs lower for our residents at a time when they have dealt with multiple tax and fee increases. We have asked so much of our residents over the past couple of years that we can surely make a sacrifice this year. The program's benefits in terms of city cleanliness, aesthetics, and resident satisfaction warrant financial support from the General Fund.

Detailed Proposed Expenditures (See Exhibits A & B):

General Fund – Transfers to Other Funds – 4415210 – City Cleanup \$575,000

Detailed Proposed Revenue Sources (See Exhibits A & B):



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The funding for the transfer will be sourced from a reduction in proposed expenditures in the FY2025 Tentative Budget from ongoing funding sources. The reductions in ongoing funding that were programmed for one-time purchases and fleet will be replenished by a reappropriation of one-time sources. Details of the funding mechanism can be found in Exhibits A (Flow Chart) and B (Budget Detail) to this memo.

Justification:

Sandy City residents overwhelmingly support the Bulk Waste Program, demonstrated by high participation rates and positive feedback. Given that our residents have been asked to bear the burden of multiple tax and fee increases over the past couple years, now is not the time to make an additional ask of our residents when we have the ability to dig deeper into our spending and find a way to cover the cost ourselves. I'm proposing that the city make the necessary adjustments for this fiscal year and preserve the subsidy. In maintaining a \$575,000 transfer from the General Fund we can continue to provide Bulk Waste service at the level our residents have come to expect and uphold the benefit of funding a significant portion of the program through the General Fund.

The Waste Management Contract Increase:

The Mayor's tentative budget proposes a \$4.20 bulk waste fee increase (from \$1.45 to \$5.65) that is derived from two sources: the elimination of the General Fund subsidy, and an increase in our contract with Waste Management equaling \$644,000. The city can't afford to absorb such a significant cost increase from our contractor under the current budget. Waste Management doesn't provide any services related to our bulk waste program, so the impact of the increase better fits with the weekly waste program. The increase per utility account is \$2.30 per month. This fee increase feels unavoidable, but I am open to good ideas! With consistency and transparency as my goal, any fee increase from Waste Management belongs on the weekly can fee, rather than elsewhere. Restoring the General Fund subsidy and applying the waste contract increase to the waste fee (\$2.30/month on the first can) would maintain the bulk waste environmental fee at \$1.45/month.

Exhibit A Bulk Waste Subsidy Funding Flow Chart

Funding One-time Increases to Fleet and Equipment*

From Fund Balance:	\$376,209
From Cassowary Project:	<u>\$100,000</u>
TOTAL:	\$476,209

Maintain fleet and equipment
with one-time money

Ongoing Reductions to fund the Bulk Waste Subsidy

Ongoing Fleet:	\$200,000
Ongoing Equipment:**	\$276,209
Non-Departmental (1900):	\$75,125
Council Office (1300):	<u>\$23,666</u>
TOTAL:	\$575,000

Ongoing reinstatement of the Bulk Waste Subsidy

Bulk Waste Subsidy: \$575,000

Maintain the Bulk Waste subsidy
with ongoing money

*These one-time monies will be used to reimburse fleet and equipment this year for the ongoing money taken to fund the bulk waste subsidy.

** This is otherwise known as "one-time for ongoing," and includes ongoing monies set aside for one-time equipment purchases in the tentative budget.

Exhibit B

Budget Detail

Ongoing Funding			
	Tentative	Sharkey Proposal	Notes
Ongoing for One Time Purchases	\$ 276,209	\$ -	
Dept 1900 - Non Departmental	\$ 1,587,207	\$ 1,512,082	CWC, Special Programs, Travel, Equipment**
Ongoing GF Fleet Replacement	\$ 1,500,000	\$ 1,300,000	FY24 Funding was 1,300,000
Dept 1300 - Management Studies	\$ 52,000	\$ 35,000	
Dept 1300 - Contingency	\$ 56,000	\$ 49,334	
Total	\$ 3,471,416	\$ 2,896,416	
Net Reduction in Ongoing		\$ 575,000	
Bulk Waste GF Subsidy	\$ -	\$ 575,000	
One Time Funding Reappropriation			
	Tentative	Sharkey Proposal	Notes
General Fund - Fund Balance	\$ 9,022,887	\$ 8,646,678	12% to 11.5%
Capital Projects - 13219 - Cassowary	\$ 100,000	\$ -	Transfer to Equipment Management
SubTotal	\$ 9,122,887	\$ 8,646,678	
Net Available For Reappropriation*		\$ 476,209	
One Time Fleet Replacement	\$ -	\$ 200,000	Replenishes the reduction in ongoing fleet
One Time GF Expenditures FY25	\$ -	\$ 276,209	Replenishes the reduction in ongoing one time funding
(*Sharkey Proposal would back fill ongoing funding reductions with a reappropriation of one time funding)			
(**Sharkey Proposal does not conflict with Stroud Proposal's reduction to Dept 1900, they are separate)			



BULK WASTE PROGRAM FINANCING



BULK WASTE TIMELINE

- Jan/ Feb 2020 — New Bulk Waste Collection Contract Signed
- Nov 2020 — Bulk Waste Work Group Formed
- Feb 2022 — Bulk Waste Ordinance (22-01) Passed
- June 2022 — Bulk Waste Fee increase (\$1.45) adopted



What was proposed to the Council:

Bulk Waste Expense Increase Summary (2022)

Ongoing Expense	Increase
Bulk Waste Costs in General Fund	\$575,000
Future Fleet Replacement	200,000
Landfill Cost	100,000
Code Enforcement Position	70,000
Anticipated Future Cost Increases	50,000
Total Ongoing Expense	\$995,000

Administration proposed a \$2.40 - \$6.20 fee increase to cover ongoing expenses



What the Council approved:

Bulk Waste Expense Increase Summary (2022)

Ongoing Expense

Increase

~~Bulk Waste Costs in General Fund~~

~~\$575,000~~

Council votes 6-1 to keep the \$575,000 General Fund Subsidy

Future Fleet Replacement

200,000

Landfill Cost

100,000

Code Enforcement Position

70,000

Anticipated Future Cost Increases

50,000

Total Ongoing Expense

~~**\$995,000**~~

New Total Ongoing Expense

\$420,000

*Council approves a set \$1.45 fee increase to generate **\$436,844.40** → \$16,844.44 extra funds generated*

Department 3510 Snapshot

DEPARTMENT 3510	2022	2023	2024	2025 TENTATIVE
Regular Pay	\$162,152	\$455,559	\$535,250	\$565,836
Overtime/ Gap	5,764	46,371	13,394	20,000
On Call Pay	1,752	1,901	7,614	7,614
Variable Benefits	37,071	103,114	114,021	121,972
Fixed Benefits	52,325	118,575	155,337	158,948
PTO Disbursement	1,040	524	1,000	1,500
Vehicle Allowance	-	258	-	-
Uniform Allowance	525	525	1,017	1,017
Phone Allowance	607	1,278	-	-
Books, Sub, and Memberships	-	-	200	-
Travel	-	-	700	-
Meetings	-	-	230	-
Trainings	-	-	250	-
Postage	-	-	21,000	16,000
Copying	12,447	16,538	16,000	20,000
Uniforms	-	-	710	710
Misc. Supplies	563	1,057	5,000	2,500
Telephone	578	294	309	240
Audit Services	-	3,720	4,320	4,800
Credit Card Processing	33,049	35,555	44,000	18,000
Professional Services	2,500	-	-	5,000
Administrative Charges	136,754	150,431	165,474	307,468
Fleet O&M	112,681	381,414	481,046	517,691
IT Charges	13,348	11,367	13,752	16,526
Risk Management Charges	5,435	5,051	7,233	10,156
Landfill Costs	234,117	247,740	270,000	295,000
Sandy Beautification Cleanup	-	-	20,000	-
Contracted Services	152,307	137,682	156,000	264,000
Fleet Purchases	-	807,559	456,562	-
Capital Outlays	91,000	-	-	-
FINANCING USES	\$1,056,014	\$2,490,419	\$2,490, 419	\$2,354,978

2022 Actuals to 2025 Tentative

DEPARTMENT 3510	2022	2025 TENTATIVE	\$ AMOUNT CHANGE	% CHANGE
Regular Pay	\$162,152	\$565,836	403,684	249%
Overtime/ Gap	5,764	20,000	14,236	247%
On Call Pay	1,752	7,614	5,862	335%
Variable Benefits	37,071	121,972	84,901	229%
Fixed Benefits	52,325	158,948	106,623	204%
PTO Disbursement	1,040	1,500	460	44%
Vehicle Allowance	-	-	-	
Uniform Allowance	525	1,017	492	94%
Phone Allowance	607	-	-607	-100%
Books, Sub, and Memberships	-	-	-	
Travel	-	-	-	
Meetings	-	-	-	
Trainings	-	-	-	
Postage	-	16,000	16,000	
Copying	12,447	20,000	7,553	61%
Uniforms	-	710	710	
Misc. Supplies	563	2,500	1,937	344%
Telephone	578	240	-338	-58%
Audit Services	-	4,800	4,800	
Credit Card Processing	33,049	18,000	-15,049	-46%
Professional Services	2,500	5,000	2,500	100%
Administrative Charges	136,754	307,468	170,714	125%
Fleet O&M	112,681	517,691	405,010	359%
IT Charges	13,348	16,526	3,178	24%
Risk Management Charges	5,435	10,156	4,721	87%
Landfill Costs	234,117	295,000	60,883	26%
Sandy Beautification Cleanup	-	-	-	
Contracted Services	152,307	264,000	111,693	73%
Fleet Purchases	-	-	-	
Capital Outlays	91,000	-	-91,000	
FINANCING USES	\$1,056,014	\$2,354,978	\$1,298,964	123%



CITY COUNCIL BUDGET RETREAT
January 23, 2024

Budget Strategies
Waste Collection Revenues

Waste Collection Funding Options – Fee Amounts

- **Option A – Revenue Sharing:** increase base can fee or bulk waste fee by **\$2.30**
 - Perpetuates lack of clarity in rate structure and program costs

- Monthly Base Can Fee
 - Increases from \$15.95 to **\$18.75** (or remains at **\$15.95** if applied to bulk waste fee)

- Monthly Bulk Waste Fee
 - Remains at **\$1.45** (or increases to **\$3.75** if monthly can fee remains the same)

- Annual General Fund Subsidy for Bulk Waste Program
 - Remains at **\$575,000**