

# Agenda Report

June 21, 2010

**TO:** Honorable Mayor and City Council

**THROUGH:** Municipal Services Committee (June 8, 2010)

**FROM:** Department of Public Works

**SUBJECT: ADOPTION OF THE 2010 INTEGRATED WASTE MANAGEMENT OPERATIONS PLAN AND APPROVAL OF INITIATION OF THE STATE-MANDATED PROCESS FOR SEEKING AN INCREASE IN THE REFUSE COLLECTION FEES**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the project is exempt from the California Environmental Quality Act ("CEQA") pursuant to the State CEQA Guidelines Section 15301(b), Existing Facilities and Section 15308 Actions by Regulatory Agencies for Protection of the Environment;
2. Adopt the 2010 Integrated Waste Management Operations Plan; and
3. Allow staff to begin the Proposition 218 required public hearing process to pass through future landfill disposal cost increases.

## **EXECUTIVE SUMMARY:**

In November 2003 and May 2005, the City Council approved the 2004 and 2006 Integrated Waste Management (IWM) Operations Plans, respectively. The Operations Plan is a formalized approach to bridge the gap between today's reality and our vision of the future.

The IWM Section has evolved into a multi-faceted organization merging standard refuse collection and disposal techniques with a wide variety of dynamic waste diversion programs. As the City of Pasadena looks ahead to the next decade, it is important to continue a process of evaluation, assessment, and action to ensure continuity with the waste and recycling industry and compliance with current and future legislation as well as the United Nations Green Cities declaration and Urban Accords Action 4 - Zero Waste by 2040.

The IWM Section is committed to enhancing business practices through continuous improvements and innovation. The approval of the 2010 Operations Plan will help ensure that the City provides quality, best value municipal services; works to create innovative and effective solutions; ensures satisfied customers; fosters a positive work environment that promotes valued employees; and provides effective management of the solid waste franchise system. By meeting the strategies outlined in the Operations Plan, the ongoing financial stability of the Refuse Fund will be accomplished.

**BACKGROUND:**

On April 27, 2010, staff updated the Municipal Services Committee (MSC) of the progress made on the 2006 IWM Operations Plan. Staff also presented a draft of the 2010 IWM Operations Plan. Based on comments from the MSC, staff finalized the 2010 IWM Operations Plan (Attachment A) and it is now being presented to the City Council for adoption.

The 2010 Plan outlines six major goals, to be achieved over the next two years. They are:

**1. Provide for effective vehicular assets through the management of repairs and timely vehicle replacements with alternative-fuel vehicles to ensure greater availability of service to residents.**

As part of this goal, the Department will replace older, deteriorated vehicles which exceed their useful life in order to reduce downtime and maintenance costs. In FY 2010 and 2011 refuse vehicles will be purchased using available cash from the Refuse Fund. In FY 2012 through 2014 the City may issue new debt service for a portion of refuse vehicle costs and in FY 2015 refuse vehicles will be purchased with available cash. The use of debt service to purchase needed refuse vehicles will only be employed if necessary to maintain a positive cash balance.

**2. Manage personnel costs efficiently and effectively.**

To meet this goal, staff will continue to implement efficient collection routes that maximize the performance of the refuse drivers and reduce overtime. Additionally, productivity standards will be established for refuse collection staff to reduce overtime costs in FY 2011 by ten percent over FY 2010.

**3. Maximize the diversion of waste from landfills and minimize the generation of disposable products.**

To meet the object of minimizing discharges to land, water and air that threaten the environment, the Department will hire an environmental consultant to develop a 2040 Zero Waste Strategic Plan in FY 2011. This consultant will develop strategies for the continued and future management of products and processes to reduce the

volume and toxicity of waste and materials, to conserve and recover materials, and to minimize landfill disposal and incineration.

**4. Ensure that the City's billing system accurately reflects the level of service provided to all customers.**

Staff will perform annual residential and commercial audits to record the size and numbers of containers for each account to ensure that fees charged are based on the actual service level provided to residential and commercial customers.

**5. Ensure Pasadena Municipal Code Chapters 8.60, 8.61 and 8.62 are updated to reflect City Council adopted strategies and reflect the standards and programs adopted by the City Council.**

Currently, there are no specific definitions for the amount of materials that the City will pick up free of charge as part of the bulky item program. As a result, the volume of items that have been put out by residents has oftentimes been excessive. Staff will define the amount of materials that the City will pick up and establish a fee structure for items exceeding the set limits.

**6. Ensure ongoing financial stability of the Refuse Fund.**

When the 2006 Operations Plan was presented to Council in May 2005, the FY 2005 beginning Refuse Fund balance was negative \$945,547. As a direct result of operational changes made pursuant to the 2006 Operations Plan, by FY 2009 the Refuse Fund had a positive beginning fund balance of \$1,428,901.

Financial stability of the Refuse Fund is a fundamental goal. Due to program changes resulting from the measures put into place as part of the 2004 and 2006 Operations Plans, the Refuse Fund is operating more efficiently. For example, in FY 2009 overtime costs were eleven percent lower than FY 2008 and equipment maintenance costs were eight percent lower for the same period. Also, in FY 2007 refuse collection service was provided to over 600 households per driver per day. That figure is up to over 700 households per driver per day in FY 2010.

To further ensure the continuation of these efficiencies, the 2010 Operations Plan proposes the following:

- a. Establish rates that are equitable for each customer group, encourage recycling, and provide for appropriate cash reserve levels.
- b. Secure City Council and customer approval to allow for adjustments of refuse rates when landfill disposal costs increase.
- c. Maintain required cash reserves. The Refuse Fund cash reserve requirement equals 1/12 of the prior year's operating expenditures. Based on FY 2010 estimates this amount will be \$1.2 million in FY 2011.

To implement the above, staff will hire a qualified and experienced consultant to perform a rate study and determine appropriate rates for residential and commercial customers. These findings will be presented to City Council in November 2010.

Additionally, to ensure timely adjustments to the refuse rates resulting from increased landfill costs by the Los Angeles County Sanitation District, staff seeks the City Council's approval to pass through future disposal cost increases to the refuse rates. Due to a January 2009 amendment to Proposition 218 this is now allowable without multiple protest votes.

Prior to the passage of Proposition 218, landfill disposal cost increases were automatically passed through to customers. Now, all property related fee increases are subject to the procedural and substantive requirements of Proposition 218. Proposition 218 requires a written notice be sent by mail to each parcel owner upon which the fee will be imposed, and a public hearing be conducted not less than 45 days after mailing the notice. If written protests against the proposed fee are presented by a majority of parcel owners, the City may not impose the fee increase. If written protests against the fee increase are not presented by a majority of owners, the City may impose the fee increase.

In January 2009 Proposition 218 (California Government Code Section § 53756) was amended to allow for the adoption of a schedule of fees or charges authorizing adjustments for inflation and was designed to address pass through type increases for a period of five years.

Based on this amendment to Proposition 218, staff requests City Council approval to begin the public hearing process to allow for the increase of refuse fees resulting from increases in landfill costs which are established by the Los Angeles County Sanitation District. With the tipping fee increase of \$4.16 per ton (from \$44.83 to \$48.99), which became effective in February 2010, Pasadena's refuse rates will increase 2.07 percent. For residential customers the amount of the increase will depend on the level of service received. The increased monthly rate for residents with 32 gallon, 60 gallon or 100 gallon mixed waste containers will be as follows:

<b>Container Size</b>	<b>Old Rate</b>	<b>Proposed New Rate</b>	<b>Increase Amount</b>
32	\$14.51	\$14.81	\$0.30
60	\$23.54	\$24.03	\$0.49
100	\$36.43	\$37.18	\$0.75

**COUNCIL POLICY CONSIDERATION:**

The City Council's Strategic Planning goal of Increased Conservation and Sustainability will be advanced through the goals outlined in the 2010 Operations Plan.

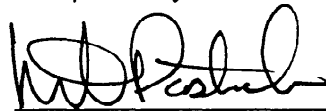
**ENVIRONMENTAL ANALYSIS:**

The proposed project is exempt from CEQA pursuant to the State CEQA Guidelines Section 15301 and Section 15308. Section 15301, Existing Facilities, allows for the licensing, operation, maintenance etc. of existing structures and facilities where there is negligible or no expansion of the use. Section 15308, Actions by Regulatory Agencies for Protection of the Environment, exempts actions taken by a regulatory agency to maintain, enhance, restore etc. the environment. The proposed project will establish operational goals and policies related to the existing waste management system and facilities. Further, the plan seeks to comply with regulations that reduce waste and establishes goals for waste reduction throughout the City.

**FISCAL IMPACT:**

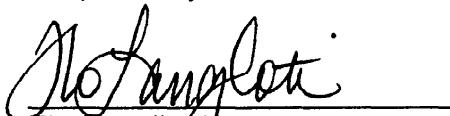
There are sufficient funds in the Refuse Fund in the form of Refuse Collection Fees to complete and fund all of the programs and services requested in the 2010 Operations. Staff will return to Council for approval of all purchases outlined in the proposed 2010 Operations Plan.

Respectfully submitted,



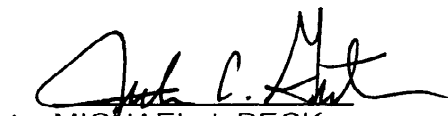
\_\_\_\_\_  
Martin Pastucha  
Director  
Department of Public Works

Prepared by:



\_\_\_\_\_  
Flo Langilotti  
Management Analyst V

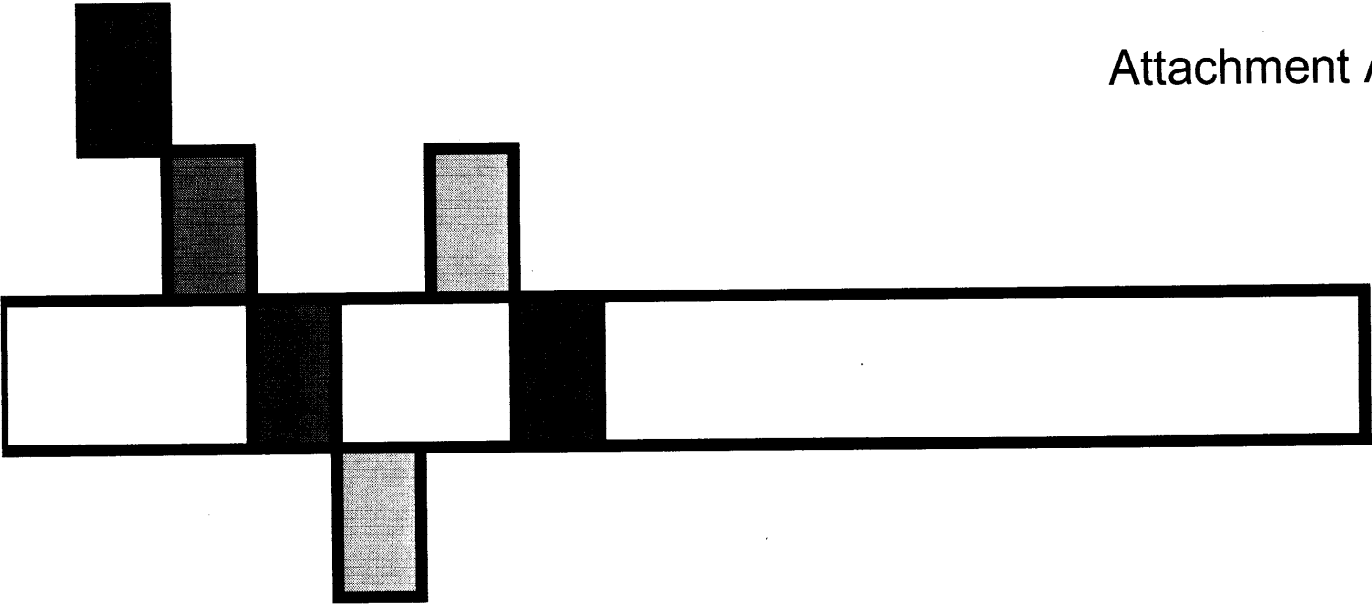
Approved by:



62 MICHAEL J. BECK  
City Manager

Attachment:

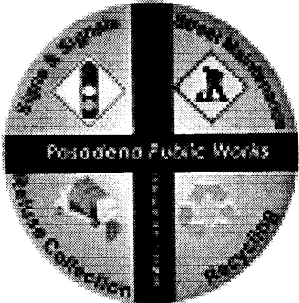
Attachment A – 2010 Operations Plan

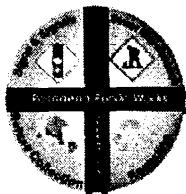


# Department of Public Works Integrated Waste Management



## 2010 Operations Plan



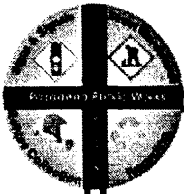


# Introduction

In November 2003 and May 2005, the City Council approved the 2004 and 2006 Integrated Waste Management (IWM) Operations Plans, respectively. The Operations Plan is a formalized approach to bridge the gap between today's reality and our vision of the future. It identifies the relationship of the components that we will use to build our future.

The 2010 Operations Plan provides the goals, objectives and strategies for the next two years.

The IWM Section has evolved into a multi-faceted operation merging standard refuse collection and disposal techniques with a wide variety of dynamic recycling programs. As the City of Pasadena looks ahead to the next decade, it is important to continue a process of evaluation, assessment, and action to ensure continuity with the waste and recycling industry and compliance with current and future legislation as well as the United Nations Green Cities declaration and Urban Environmental Accords Action 4 – Zero Waste by 2040.



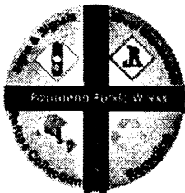
# Mission Statement

The IWM Section is committed to providing efficient refuse and recycling collection programs that will ensure that the City is aesthetically pleasing, protects the community's health, and reduces the City's waste stream.

We are committed to enhancing our business practices through continuous improvements and innovation and will be supported by the following factors:

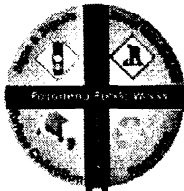
- Provide quality, best value municipal services
- Work to create effective solutions
- Ensure satisfied customers
- Foster a positive work environment that promotes valued employees
- Provide effective and efficient management of the solid waste franchise system consistent with the Franchise System Ordinance and rules established to foster competitive pricing and effective management of the commercial waste stream.





# Goals

1. Provide for effective vehicular assets through the management of repairs and timely vehicle replacements with alternative-fuel vehicles to ensure greater availability of service to residents.
2. Manage personnel costs efficiently and effectively.
3. Maximize the diversion of waste from landfills and minimize the generation of disposable products.
4. Ensure that the City's billing system accurately reflects the level of service provided to all customers.
5. Ensure Pasadena Municipal Code Chapters 8.60, 8.61 and 8.62 are updated to reflect City Council adopted strategies and reflect the standards and programs adopted by the City Council.
6. Ensure ongoing financial stability of Refuse Fund.



# Goals and Objectives

## Goal 1

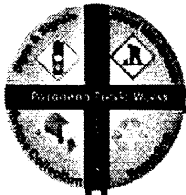
Provide for effective vehicular assets through the management of repairs and timely vehicle replacements with alternative-fuel vehicles to ensure greater availability of service to residents.

## Objectives

- Comply with the South Coast Air Quality Management District's Rule 1193 requiring that public and private solid waste collection fleet operators acquire alternative-fuel refuse collection heavy-duty vehicles when procuring or leasing these vehicles.
- Replace older, deteriorated vehicles which exceed their useful life in order to reduce downtime and maintenance costs.

## Strategy

- Annually procure vehicles based on an established vehicle replacement schedule (see Exhibit 1), beginning with the purchase of four residential alternative-fuel vehicles and one commercial vehicle in FY 2011.
- Manage vehicle maintenance costs by replacing vehicles before cost of repairs and time out of service sharply escalate.



# Goals and Objectives

## Goal 1 (continued)

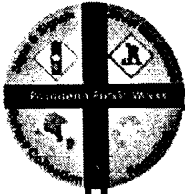
### Timeline

- Purchase four residential and one commercial refuse vehicle in FY 2011 and place in service by fourth quarter of FY 2011.

### Performance Measures

#### ***Realize program efficiencies due to purchase of new vehicles***

- Purchase five new refuse vehicles and place in service by fourth quarter of FY 2011.
- Reduce vehicle maintenance costs in FY 2012 by five percent over FY 2011 costs.



# Goals and Objectives

## Goal 2

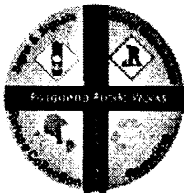
Manage personnel costs efficiently and effectively.

## Objectives

- Develop efficient collection routes that maximize the performance of the refuse drivers and reduce overtime.
- Establish productivity standards for refuse collection staff.

## Strategy

- Utilize collection routing software and GPS tracking system to ensure routes are collected efficiently and effectively.
- Assign drivers to ensure most efficient and effective use of staff and reduction of overtime costs.



# Goals and Objectives

## Goal 2 (continued)

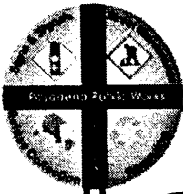
### Timeline

➤ Develop new routes and establish productivity standards by May 2010.

### Performance Measure

#### ***Increase efficiency and productivity of refuse collection program***

- Provide refuse collection service to 800 households per day, per route, per driver by July 2010.
- Reduce overtime costs in FY 2011 by 10 percent over FY 2010.



# Goals and Objectives

## Goal 3

Maximize the diversion of waste from landfills and minimize the generation of disposable products.

### **Objectives**

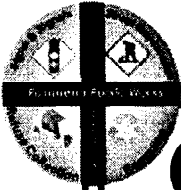
- Minimize discharges to land, water and air that threaten the environment.
- Develop strategies for the management of products and processes to reduce the volume and toxicity of waste and materials, conserve and recover, and minimize landfill or incineration.

### **Strategy**

- Prepare and implement a plan to achieve a 75 percent diversion rate of waste by 2015.
- Hire an environmental consultant to develop a Zero Waste Strategic Plan in FY 2011.
- Support legislation that advocates a reduction in disposable products.

### **Timeline**

- ✓ Provide annual performance measures that reflect the tonnage and percentage of materials diverted from landfills.



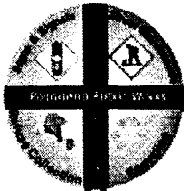
# Goals and Objectives

## Goal 3 (continued)

### Performance Measure

#### ***Increase recycling efforts and reduction of yard waste contamination***

- Collect 100,000 total tons of curbside recycling in FY 2011; 10,000 tons for City and 90,000 tons for franchisees.
- Recycle/divert 31,300 tons of material in FY 2011.
- Reduce yard waste contamination by 5 percent over FY 2010.
- Divert 66 percent of total waste stream from landfills in FY 2011.
- Support a legislative agenda that minimizes the use of disposable products (report number and type of bills support and/or opposed).



# Goals and Objectives

## Goal 4

Ensure that the City's billing system accurately reflects the level of service provided to all customers.

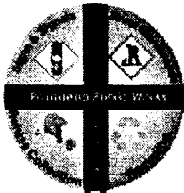
### Objectives

- Ensure revenue is collected based on the actual service level provided to residential and commercial customers.
- Maintain accurate container inventory.

### Strategy

- Perform annual residential and commercial container audits utilizing in-house personnel recording size and number of containers for each account.
- Utilize existing billing database to maintain an accurate container inventory system.
- Reconcile container audit findings with the City's billing system and make billing adjustments as necessary.
- Issue notices to customers that billing will change based on audit findings and allow them to modify their service level if desired.





# Goals and Objectives

## Goal 4 (continued)

### Timeline

- Begin residential and commercial container audit by June of 2010.
- Complete audit by April of 2011.
- Notify customers of audit findings and issue revised bills within two months after each route is audited.

### Performance Measure

***Ensure that residents are billed for the actual service level provided.***

- Complete container audit by April 2011.
- Issue notice letters and revised bills to residential and commercial customers by June 2011.



## **Goal 5**

Ensure Pasadena Municipal Code (PMC) Chapters 8.60, 8.61 and 8.62 are updated to reflect City Council adopted strategies and reflect the standards and programs adopted by the City Council.

### **Objectives**

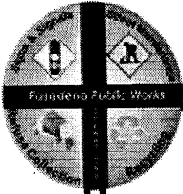
- Revise Chapters 8.60, 8.61 and 8.62 of the PMC, as necessary, to ensure consistency with City Council adopted strategies related to the bulky item pickup program and Construction and Demolition Ordinance.

### **Strategy**

- Define the amount of materials that the City will pick up free of charge as part of the bulky item program and establish a fee structure for items exceeding the set limits.
- Ensure that the PMC is consistent with strategies related to the required percentage of diversion in the Construction and Demolition Ordinance.

### **Timeline**

- Obtain Municipal Services Committee and City Council approval to revise the PMC by the fourth quarter of FY 2011.

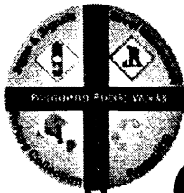


## Goal 5 (continued)

### Performance Measures

*Revise Chapter 8.60 of the Pasadena Municipal Code.*

Begin enforcement of Municipal Code revisions beginning first quarter 2012.



# Goals and Objectives

## Goal 6

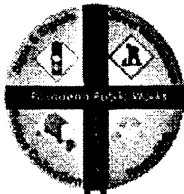
Ensure ongoing financial stability of the Refuse Fund.

### **Objectives**

- Ensure revenue is collected based on actual cost of service provided to residential and commercial customers.
- Secure City Council approval to allow for future adjustment of residential and commercial refuse rates when Scholl Canyon increases landfill disposal costs.
- Establish and maintain the City-required cash reserves by FY 2011 for the Refuse Fund (1/12 of prior year's operating budget). See Exhibit 2 for a copy of the Fund's financials.

### **Strategy**

- Hire a qualified and experienced consultant to perform a rate study and determine the appropriate rates.
- Implement findings of the rate study into the City's billing system and make billing adjustments as necessary.
- Develop a methodology to annually update the cost of services to ensure accurate residential and commercial billing rates.
- Ensure timely adjustment to City's commercial and residential refuse rates resulting from increased landfill costs from the Los Angeles County Sanitation District.
- Develop and implement a long term plan to procure vehicles in FY 2011 through FY 2015 and maintain the City-required cash reserve amount in the Refuse Fund.



# Goals and Objectives

## Goal 6 (continued)

### Timeline

- Issue RFP and hire rate study consultant by July 1, 2010 and receive completed study by August 31, 2010.
- Present findings of rate study to City Council.
- Obtain approval to adjust future rates as needed due to landfill cost increases.
- If necessary, issue new debt service for a portion of the refuse vehicle purchases in FY 2012 through 2014.

### Performance Measure

#### ***Ensure financial stability of the Refuse Fund.***

- Complete rate study by August 31, 2010.
- Per Proposition 218 requirements, notify all property owners of proposed rate adjustments and conduct public hearing.
- Seek City Council approval to adjust rates resulting from landfill costs increases by November 2010.
- Immediately after City Council approval is received, begin issuing bills with the new rates to all customers.
- Purchase replacement refuse vehicles according to the following schedule: FY 2011 – five vehicles; FY 2012 – four vehicles; FY 2013 – five vehicles; FY 2014 – six vehicles; and FY 2015 – four vehicles.

**Exhibit 1.  
Refuse Vehicle Replacement Schedule**

<b>FY 2011</b>					
<b>Eq.</b>	<b>Year Purchased</b>	<b>Type</b>	<b>Make</b>	<b>Est Replacement Costs</b>	<b>Vehicle Useful Life</b>
837	1998	Side Loader	Crane Carrier	346,500	10 Years
1800	2000	Side Loader	Crane Carrier	346,500	10 Years
1801	2000	Side Loader	Crane Carrier	346,500	10 Years
1812	2001	Front Loader	Peterbuilt	346,500	10 Years
1971	2000	Bin Truck	Ford	50,000	10 Years
<b>Total Costs</b>				<b>1,436,000</b>	

<b>FY 2012</b>					
1802	2000	Side Loader	Crane Carrier	363,825	10 Years
1803	2000	Side Loader	Crane Carrier	363,825	10 Years
1804	2000	Side Loader	Crane Carrier	363,825	10 Years
1805	2000	Side Loader	Crane Carrier	363,825	10 Years
<b>Total Costs</b>				<b>1,455,300</b>	

<b>FY 2013</b>					
1806	2000	Side Loader	Crane Carrier	382,016	10 Years
1807	2000	Side Loader	Crane Carrier	382,016	10 Years
1808	2000	Side Loader	Crane Carrier	382,016	10 Years
1809	2000	Side Loader	Crane Carrier	382,016	10 Years
1882	2003	Front Loader	Peterbuilt	357,125	10 Years
<b>Total Costs</b>				<b>1,885,189</b>	

<b>FY 2014</b>					
1810	2000	Side Loader	Crane Carrier	401,168	10 Years
1811	2000	Side Loader	Crane Carrier	401,168	10 Years
1813	2004	Side Loader	Autocar	401,168	10 Years
1816	2004	Side Loader	Autocar	401,168	10 Years
1820	2002	Dump	Izusu	81,000	10 Years
1844	2003	Dump	GMC	81,000	10 Years
<b>Total Costs</b>				<b>1,766,672</b>	

<b>FY 2015</b>					
1882	2003	Peterbuilt	Front Loader	367,839	10 years
1894	2003	Ford	Pick Up	30,450	10 years
1837	2002	Ford	Van	32,625	10 years
1971	2004	Ford	Pick Up	30,450	10 years
<b>Total Costs</b>				<b>461,364</b>	

**City of Pasadena**  
**FY 2008-2015 Budget**  
**Revenue & Expenses**

**Exhibit 2.**

**FY 2010 Budget and Estimated Actuals (April 2010)**  
**Includes Issuance of Debt Service for a portion of Vehicle Purchases in FY 2012 thru 2014**

Fund 406 Refuse Collection Fund	FY 2008		FY 2009		FY 2010		FY 2010		FY 2011		FY 2012		FY 2013		FY 2014		FY 2015	
	Actuals	Budget	Actuals	Est Actuals	Rev Budget	Est Actuals	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
<b>Amount Available for Appropriation</b>	<b>(29,832)</b>		<b>1,428,901</b>		<b>2,461,176</b>		<b>2,461,176</b>		<b>1,780,828</b>		<b>1,222,408</b>		<b>1,798,053</b>		<b>1,751,413</b>		<b>1,791,519</b>	
<b>Revenues</b>																		
6106 Franchise Solid Waste Non-Excl	2,214,588		2,127,786	2,861,762	2,495,988	2,861,762	2,703,000	2,757,060	2,650,000	2,703,000	2,757,060	2,839,772	2,924,965					
6461 Cali Waste Management Board	2,140		75,746	37,000	37,000	37,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000					
6466 Department Of Conservation	76,101		79,275	41,886	40,000	41,886	40,000	40,000	40,000	40,000	40,000	40,000	40,000					
6528 So Coast Air Quality Mgmt District	79,000		26,333	0	0	0	0	0	0	0	0	0	0					
6716 RBOC Billable Rev for Services	52,430		52,168	135,000	60,184	135,000	96,291	98,217	94,403	96,291	98,217	100,181	102,185					
6725 Administrative Review Fee	148,384		28,329	10,000	15,000	10,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000					
6807 Transfers from General Fund	85,000		85,000	85,044	85,000	85,044	85,000	85,000	85,000	85,000	85,000	85,000	85,000					
6755 Services to Sewer Fund	138,697		133,854	64,799	268,854	268,788	279,716	285,310	274,231	279,716	285,310	291,016	296,837					
6926 Investment Earnings	0		0	0	0	0	0	0	0	0	0	0	0					
6929 Investment Earnings Bonds	0		0	157	0	157	0	0	0	0	0	0	0					
6933 Gain/Loss on Pooled Investment	6,683		29,013	0	0	0	0	0	0	0	0	0	0					
7018 Salvage Sales	6,427		0	965	2,000	965	2,000	2,000	2,000	2,000	2,000	2,000	2,000					
7023 Miscellaneous Revenue	136,915		91,880	102,468	140,842	102,468	87,618	89,370	85,900	87,618	89,370	91,158	92,981					
7136 Refuse Collection Fees	7,866,455		8,338,758	8,845,043	8,845,043	8,602,180	8,602,389	9,037,597	8,686,656	8,602,389	9,037,597	9,218,349	9,402,716					
<i>Bad debt Expense</i>	(46,890)		(43,178)	(43,415)	(82,259)	(43,415)	(82,402)	(84,950)	(80,786)	(82,402)	(84,950)	(85,731)	(87,445)					
7137 Refuse Collection Municipal Bins	193,735		202,453	199,989	199,989	200,530	203,876	203,876	203,876	203,876	212,113	212,113	220,682					
7138 Special Services	0		180	0	0	0	0	0	0	0	0	0	0					
7139 Bin Collection Service	1,382,101		1,473,363	1,480,149	1,543,360	1,480,149	1,515,162	1,545,465	1,485,453	1,515,162	1,545,465	1,576,375	1,607,902					
7140 Solid Waste Appl Processing Fee	4,400		6,177	4,800	5,400	4,800	5,400	5,400	5,400	5,400	5,400	5,400	5,400					
7141 Curbside Recycling Revenue	405,961		232,415	294,373	111,500	294,373	300,000	300,000	300,000	300,000	300,000	300,000	300,000					
7209 Refuse Fee-1 Time/Mnth Arrears	7,789		10,802	16,703	0	16,703	0	0	0	0	0	0	0					
7279 Refuse Temporary Bin Service	45,881		31,329	31,062	37,000	31,062	37,000	37,000	37,000	37,000	37,000	37,000	37,000					
7280 Refuse Change Out Service	3,375		3,955	2,835	1,300	2,835	1,300	1,300	1,300	1,300	1,300	1,300	1,300					
7281 Refuse Damaged Container	225		450	675	225	675	450	450	450	450	450	450	450					
7282 Refuse Bulky Item Charge	220		70	200	100	200	0	0	0	0	0	0	0					
7304 Gain Or Loss On Capital Assets	(9,730)		(4,371)	0	0	0	0	0	0	0	0	0	0					
<b>Total Revenues</b>	<b>12,799,885</b>		<b>12,971,786</b>		<b>13,806,526</b>		<b>14,317,049</b>		<b>13,897,883</b>		<b>14,165,878</b>		<b>14,439,232</b>		<b>14,741,382</b>		<b>15,058,972</b>	

*Assumptions*  
 FY 2008 last year of three year 5% rate adjustment to refuse collection fees and bin collection - 3.1% increase in FY 2009 by CPI  
 Bad Debt Expense estimated at 0.93% beginning in FY 05  
 Street Sweeping Program transferred from General Fund to Refuse Fund beginning FY 2010  
 Transfers from the Sewer Fund to cover Street Sweeping program expenses  
 In FY 2010, Franchise Fee increased from 16% to 19.515% and implemented New Street Sweeping Surcharge of \$0.79/month to residential refuse customers

**City of Pasadena**  
**FY 2008-2015 Budget**  
**Revenue & Expenses**

**Exhibit 2.**

**FY 2010 Budget and Estimated Actuals (April 2010)**  
**Includes Issuance of Debt Service for a portion of Vehicle Purchases in FY 2012 thru 2014**

	FY 2008 Actuals	FY 2009 Actuals	FY 2010 Rev Budget	FY 2010 Est Actuals	FY 2011 Proposed	FY 2012 Proposed	FY 2013 Proposed	FY 2014 Proposed	FY 2015 Proposed
<b>Fund 406 Refuse Collection Fund</b>									
<b>Operating Expenses</b>									
(1) Personnel	4,667,509	4,614,948	4,792,079	5,104,764	5,086,385	5,238,977	5,396,146	5,558,030	5,724,771
Services And Supplies	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000,000
Debt Service on PW Bldgs @ Yards (Encls 2017)									
<b>Contract Services Costs</b>									
Landfill Charges (Comm & Res)	2,377,097	2,023,700	2,023,700	2,106,700	2,223,700	2,223,700	2,223,700	2,223,700	2,223,700
Other Misc Contracts	60,053	447,115	355,216	226,601	425,216	325,216	331,721	338,355	345,122
CNG Fuel	181,284	141,182		2,952					
All other Service & Supplies	334,439	432,347	692,563	902,217	508,328	523,578	539,285	555,464	572,128
Program Expenditures (abatements)	1,358,782	1,421,139	1,477,986	1,477,908	1,477,908	1,507,466	1,537,615	1,583,744	1,615,419
<b>Services And Supplies Total</b>	<b>4,411,654</b>	<b>4,585,483</b>	<b>4,960,111</b>	<b>4,816,379</b>	<b>4,735,152</b>	<b>4,679,960</b>	<b>4,732,321</b>	<b>4,801,262</b>	<b>4,856,368</b>
<b>Capital Outlay</b>									
Vehicles	24,717	0	1,244,000	1,244,000	1,436,000	1,455,300	1,885,189	1,766,672	461,364
Contra Capital (1)	0	0				(800,000)	(800,000)	(1,000,000)	0
<b>Capital Outlay Total</b>	<b>24,717</b>	<b>0</b>	<b>1,244,000</b>	<b>1,244,000</b>	<b>1,436,000</b>	<b>655,300</b>	<b>1,085,189</b>	<b>766,672</b>	<b>461,364</b>
Fuel/Lubricants	398,933	436,409	558,168	597,878	558,168	574,913	592,160	609,925	628,223
Equipment Maintenance	1,423,274	1,312,085	1,517,991	1,654,363	1,517,991	1,563,531	1,610,437	1,658,750	1,708,512
Remaining Internal Service	238,927	242,690	450,919	352,787	450,919	464,447	478,380	492,731	507,513
<b>Internal Services Total</b>	<b>2,061,134</b>	<b>1,991,185</b>	<b>2,527,078</b>	<b>2,605,027</b>	<b>2,527,078</b>	<b>2,602,890</b>	<b>2,680,977</b>	<b>2,761,406</b>	<b>2,844,249</b>
<b>Total</b>	<b>11,165,013</b>	<b>11,191,016</b>	<b>13,523,268</b>	<b>15,770,170</b>	<b>13,784,615</b>	<b>13,177,127</b>	<b>13,894,633</b>	<b>13,887,371</b>	<b>13,886,752</b>
<b>Principal Debt Service Interest</b>									
1999 COP Equip Purchase - Interest	5,188		45,585		45,585				
2005 Equip Lease Interest (\$1.8M Loan Fleet repay)	51,024	44,391		20,256					
2006 Equipment Lease - Interest	7,542	7,175		6,223		3,808	2,530	1,202	87
NEW Equipment Lease Interest									
<b>Debt Service Principal - 1999 COP Equip Purchase</b>									
(2) Debt Service Principal - 2005 Equipment Lease	370,012	181,738	310,646	871,999	370,891	32,924	34,202	35,530	9,096
Debt Service Principal - 2006 Equipment Lease	185,122	30,166		30,509	31,694	178,134	356,267	578,934	578,934
Debt Service Principal - Equipment Lease (NEW)									
Transfers To General Fund	198,240	291,100	198,240	198,240	198,240	198,240	198,240	198,240	198,240
Transfer to the Computing & Comm Fund					25,279				
<b>Total Expenses</b>	<b>12,003,436</b>	<b>11,746,185</b>	<b>14,107,759</b>	<b>14,897,397</b>	<b>14,456,304</b>	<b>13,590,232</b>	<b>14,485,872</b>	<b>14,701,277</b>	<b>14,673,109</b>

Notes:

(1) Beginning in FY 2010 Street Sweeping Program expenses included

(2) 2005 COP loan of \$1.8M for vehicle purchases with payments made by Fleet Fund thru 2009, in FY 2010 Refuse will assume remaining two payments and repay outstanding due to Fleet Fund of \$510,063

(3) Vehicles purchased in FY 2010 and FY 2011 will be paid from fund balance, debt may be issued beginning in FY 2012

2006 COP totaling \$404,801 with payments ending in FY 2015

2012 Equipment Lease will fund vehicle purchases by issuing debt beginning in FY 2012, payments shown are an estimate of principal and interest

FY 2011 Proposed "Add" include upgrade of Technical Specialist to Principal Ops Specialist position, \$200,000 increase for landfill expenses, \$100,000 for Zero Waste Consultant, and transfer of a portion of PW Supp FTE, S&S and IS charges



Exhibit 2.

City of Pasadena  
 FY 2008-2015 Budget  
 Revenue & Expenses

FY 2010 Budget and Estimated Actuals (April 2010)  
Includes Issuance of Debt Service for a portion of Vehicle Purchases in FY 2012 thru 2014

	FY 2008 Actuals	FY 2009 Actuals	FY 2010 Rev Budget	FY 2010 Est Actuals	FY 2011 Proposed	FY 2012 Proposed	FY 2013 Proposed	FY 2014 Proposed	FY 2015 Proposed
<b>Fund 406 Refuse Collection Fund</b>									
<b>Net Income</b>	796,439	1,225,601	(271,213)	(680,348)	(558,421)	575,645	(46,640)	40,105	385,863
<b>Non-Income Statement Items/ Adjustments:</b>									
Change in Restricted Cash	92,860								
Change in Designated for CIP	1,167	(0.48)							
Change in Fair Value of Investments	(6,683)	(29,013)							
Capital (funded with available operating \$ vs CIP)	576,439	(178,684)							
Change in LT Debt	(11,219)	14,371							
Gain/(Loss) on Capital Assets	9,730								
Other Changes in Balance Sheet/Accounts									
<b>Total Adjustments</b>	662,293	(193,326)							
<b>Ending Amount Available for Appropriation</b>	1,428,901	2,461,176	2,189,963	1,780,828	1,222,408	1,798,053	1,751,413	1,791,519	2,177,382
<b>Less: Cash Reserve (1/12 prior year's expenditures)</b>					1,147,514	1,148,718	1,098,094	1,157,886	1,157,281
<b>Ending Amount Available less Reserve Requirement</b>					74,893	649,335	653,319	633,633	1,020,101