FY 18 Budget Work Session
Public Works/Solid Waste program

May 9, 2017
Purpose

• Provide the Board of County Commissioners an update of the Solid Waste Program and proposed FY 18 budget.
Presentation Outline

• **Overview of the Solid Waste Program**
  - Mission
  - Organizational Chart
  - Levels of Service
  - Accomplishments
  - Efficiencies
  - Benchmarks

• **Proposed Budget**
• Mandated/required expenditures
• Unfunded Challenges
• Summary
• Hauler Requests
The Environmental Services Division provides for the planning, design, and construction of water quality related stormwater improvements. The Division protects public health through effective and environmentally safe methods of mosquito and aquatic plant control. The Division also includes the Solid Waste collection and disposal programs, hazardous waste collection, and partnering with local law enforcement for the collection of unwanted prescription medication.
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Environmental Services Division Organizational Chart

Public Works Department Director

Environmental Services Division Manager

- Stormwater/ Water Lab (8 FTE)(1 PTE)
- Mosquito and Aquatic Plant Management (11 FTE, 12 PTE)
- Fiscal / Administrative Services (3 FTE)
- Solid Waste (32 FTE)

Environmental Services (55 FTE, 13 PTE)
Solid Waste Organizational Chart

Environmental Services Manager

Solid Waste Program Manager

Administration (5)  Assessments (1)  Operations (10)  Convenience Centers (10)  Hazardous Waste (5)

Solid Waste Operations (32 FTE)
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Levels of Service

• Provides curbside collection and disposal services
• Operates the Central Facility
• Provides household hazardous waste collection
• Operates six countywide convenience centers
• Manages the solid waste assessments
Levels of Service

- Solid Waste provides collection and disposal services to 69,155 unincorporated residential units.
- Curbside collection includes once a week trash, recycling and yard waste collection. Construction material and bulk items are collected as well.
- Solid Waste disposed of 50,869 tons of trash, processed 14,458 tons of recyclable materials and mulched 11,995 tons of yard waste in FY16.
Central Facility
Operations

- Administrative functions
- Scale house
- Maintenance of Central Facility
- Processing yard waste
- Special waste hauling
- Long term care obligations
Levels of Service
Hazardous Waste

- Host 26 Hazardous Waste Collection Events throughout the County
- Household products such as drain cleaners (corrosive), fertilizers (toxic), petroleum products or any reactive ingredients considered to be household hazardous waste
- Products such as oil base paints, 12 volt batteries and pesticides
## Levels of Service Hazardous Waste FY 16

<table>
<thead>
<tr>
<th>Collection Center</th>
<th>Pounds Collected</th>
<th>Percentage Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Facility</td>
<td>216,560</td>
<td>46%</td>
</tr>
<tr>
<td>Convenience Centers</td>
<td>199,940</td>
<td>42%</td>
</tr>
<tr>
<td>Mobile Unit</td>
<td>58,440</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>474,940</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Division also collected 635 pounds of medication*
Levels of Service
Convenience Centers

Paisley
Convenience Center
(Wed 9a.m. – 5 p.m./Sat 8 a.m. - 4 p.m.)

Lady Lake
Convenience Center
(Tues 9a.m. – 5p.m./Sat 8 a.m. - 5 p.m.)

Central Facility
Convenience Center
(M,T,Th,F 9a.m.-5p.m./W,S 8 a.m. - 4p.m.)

Loghouse
Convenience Center
(Wed 9a.m.-5p.m./Sat 8 a.m. – 4 p.m.)

Astor
Convenience Center
(Tues 9a.m.-5p.m./Sat 8 a.m. – 4 p.m.)

Pine Lakes
Convenience Center
(Thurs 9a.m.-5p.m./Sat 8 a.m. – 4 p.m.)

Lady Lake
Convenience Center
(Tues 9a.m. – 5p.m./Sat 8 a.m. - 4 p.m.)
## Levels of Service
Convenience Centers FY 16 Customers

<table>
<thead>
<tr>
<th>Locations</th>
<th>County Residents</th>
<th>City Residents</th>
<th>Total Visits</th>
<th>City Usage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Facility</td>
<td>5,824</td>
<td>26,534</td>
<td>32,358</td>
<td>82%</td>
</tr>
<tr>
<td>Loghouse</td>
<td>2,442</td>
<td>24,696</td>
<td>27,138</td>
<td>91%</td>
</tr>
<tr>
<td>Pine Lakes</td>
<td>12,828</td>
<td>0</td>
<td>12,828</td>
<td>0%</td>
</tr>
<tr>
<td>Lady Lake</td>
<td>11,475</td>
<td>2,692</td>
<td>14,167</td>
<td>19%</td>
</tr>
<tr>
<td>Paisley</td>
<td>12,235</td>
<td>124</td>
<td>12,359</td>
<td>1%</td>
</tr>
<tr>
<td>Astor</td>
<td>6,819</td>
<td>0</td>
<td>6,819</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>51,623</strong></td>
<td><strong>54,046</strong></td>
<td><strong>105,669</strong></td>
<td><strong>52%</strong></td>
</tr>
</tbody>
</table>
## Levels of Service
Convenience Centers FY 16 Disposal Costs

<table>
<thead>
<tr>
<th>Locations</th>
<th>MSW Tons</th>
<th>Class III Tons</th>
<th>Yard Waste Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Facility</td>
<td>320.12</td>
<td>5,153.51</td>
<td>9,897.15</td>
</tr>
<tr>
<td>Loghouse</td>
<td>531.45</td>
<td>212.33</td>
<td>895.69</td>
</tr>
<tr>
<td>Pine Lakes</td>
<td>304.32</td>
<td>58.63</td>
<td>152.86</td>
</tr>
<tr>
<td>Lady Lake</td>
<td>234.55</td>
<td>85.49</td>
<td>255.47</td>
</tr>
<tr>
<td>Paisley</td>
<td>274.96</td>
<td>71.09</td>
<td>190.68</td>
</tr>
<tr>
<td>Astor</td>
<td>122.2</td>
<td>67.27</td>
<td>65.22</td>
</tr>
<tr>
<td><strong>Total Tonnage</strong></td>
<td>1,787.6</td>
<td>5,648.32</td>
<td>11,457.07</td>
</tr>
<tr>
<td><strong>Total Cost</strong></td>
<td>N/A</td>
<td>$19,319</td>
<td>$189,136</td>
</tr>
</tbody>
</table>
## Levels of Service
Convenience Centers Disposal Cost Comparison

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017 (Oct – March 15)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MSW</td>
<td>Class III</td>
</tr>
<tr>
<td><strong>Total Tonnage</strong></td>
<td>1,787.6</td>
<td>5,648.3</td>
</tr>
<tr>
<td><strong>Total Cost</strong></td>
<td>Disposed in Phase III</td>
<td>Partial Cell and Outside Disposal $19,319</td>
</tr>
</tbody>
</table>

*Includes Hurricane Matthew*
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  ▪ Levels of Service
    ▪ Accomplishments
  ▪ Efficiencies
  ▪ Benchmarks

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Accomplishments
Bear-Resistant Cart Program History

- BCC approved FWC grant application June 7, 2016
- FWC grant funds requested to purchase bear resistant carts
  - Cart cost approximately $230 each
  - Grant request for $200,000 to purchase approximately 800 carts
  - Carts must be compatible with auto/semi-automatic collection equipment
  - At time of grant application only aware of one supplier with capability for automatic collection equipment
Accomplishments
Bear-Resistant Cart Program
FWC Grant Award

- FWC awarded Lake County $200,000 to purchase carts
  - Sent three vendors that have automated equipment capabilities
  - Contracts will not be sent since requested funds up front
  - Quotes will be sent to FWC for direct payment to vendor
  - All funds must be spent and equipment purchased by September 15, 2017
  - Deployment plan will be brought back to BCC
Accomplishments

Coastal Conservation Association Oyster Shell program

- First load of shells delivered to Central Facility February 2017
- 6.64 tons received to date
Accomplishments

• FY 16 participated in three Keep Lake Beautiful (KLB) Events
  – Collected 6.08 tons of Household Hazardous Waste (HHW)
  – Haulers provided collection and disposal service

• FY 17 to date participated in two KLB Events
  – Collected 2.10 tons of HHW
  – Haulers provided collection and disposal service
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Efficiencies

• Closure of Phase III Cell has required alternative disposal locations
  – Evaluated outside hauling
  – Currently using in house hauling to multiple locations based on lowest cost and closest distance
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Residential Units

2017 Estimated Unincorporated Assessed Residential Units

- Lake: 69,155
- Marion: 138,000
- Orange: 203,000
- Osceola: 58,000
- Polk: 140,000
- Seminole: 67,000
- Sumter: n/a
- Volusia: 45,000
Average Solid Waste Assessment Per Residential Unit FY 17

*Marion is Disposal Only

- Lake: $178.00 (1-1-1)
- Marion: $87.00
- Orange: $200.00 (1-1-1)
- Osceola: $203.47 (1-1-1)
- Polk: $153.80 (1-1-1)
- Seminole: $220.00 (2-1-1)
- Sumter: n/a
- Volusia: $190.00 (1-1-1)
Waste Composition Analysis

2016 Surrounding Counties Trash/Recycling Tonnages

- Orange: 250,800
- Lake: 22%
- Seminole: 13%
- Osceola: 5%
- Polk: 12%
- Sumter: N/A
- Marion: 6%
- Volusia: 9%

Trash
Recycling
Presentation Outline

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# Solid Waste Budget

## Estimated Revenue FY 2018

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid Waste Assessment</td>
<td>$11,983,752</td>
</tr>
<tr>
<td>General Fund Transfer</td>
<td>$3,033,861</td>
</tr>
<tr>
<td>Charges for Services/Fees</td>
<td>$372,400</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>$102,437</td>
</tr>
</tbody>
</table>

**Total Operating Revenue** $15,492,450

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid Waste Assessment</td>
<td>72.4%</td>
</tr>
<tr>
<td>General Fund Transfer</td>
<td>18.3%</td>
</tr>
<tr>
<td>Charges for Services/Fees</td>
<td>2.3%</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>0.6%</td>
</tr>
<tr>
<td>Fund Balance</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

**Estimated Fund Balance** $1,052,155

**Total Revenue** $16,544,605
Environmental Svcs/Solid Waste
Revenue Summary

- BFB reduction of $391,210 or 37% decrease from FY 17
- Increase of $100,000 or 33% in tipping fees anticipated FY 18
- General Fund transfer in increased $35,486 or 1.2% from FY 17
## Solid Waste Budget
### Assessment Expenses

<table>
<thead>
<tr>
<th></th>
<th>FY 2017 Adopted Budget</th>
<th>FY 2018 Proposed Budget</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services</td>
<td>$338,798</td>
<td>$340,342</td>
<td>.5%</td>
</tr>
<tr>
<td>Curbside Collection</td>
<td>$10,520,835</td>
<td>$10,665,941</td>
<td>1.4%</td>
</tr>
<tr>
<td>Curbside Disposal</td>
<td>$964,500</td>
<td>$964,500</td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$280,297</td>
<td>$257,438</td>
<td>-8.9%</td>
</tr>
<tr>
<td>Transfers</td>
<td>$250,571</td>
<td>$252,290</td>
<td>.7%</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$12,355,001</strong></td>
<td><strong>$12,480,511</strong></td>
<td><strong>1%</strong></td>
</tr>
</tbody>
</table>

- Covers collection and disposal costs
- Maintains the current operational levels of service
- Balanced budget – does not include additional funding for haulers
## Solid Waste Budget Countywide Services

<table>
<thead>
<tr>
<th></th>
<th>FY 2017 Adopted Budget</th>
<th>FY 2018 Proposed Budget</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$166,874</td>
<td>$168,916</td>
<td>1.2%</td>
</tr>
<tr>
<td>Convenience Centers</td>
<td>$850,999</td>
<td>$855,359</td>
<td>.5%</td>
</tr>
<tr>
<td>Hazardous Waste</td>
<td>$479,244</td>
<td>$579,731</td>
<td>20.9%</td>
</tr>
<tr>
<td>Operations</td>
<td>$2,123,873</td>
<td>$1,808,014</td>
<td>-17.5%</td>
</tr>
<tr>
<td>Other Uses</td>
<td>$643,432</td>
<td>$652,074</td>
<td>1.3%</td>
</tr>
<tr>
<td>Reserves</td>
<td>$101,685</td>
<td>$0</td>
<td>-100%</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$4,366,107</strong></td>
<td><strong>$4,064,094</strong></td>
<td><strong>-7.4%</strong></td>
</tr>
</tbody>
</table>

- Maintains all areas of operations
- Maintains operating hours
  - Consistent with five year outlook
- Funding Source: General Fund Transfer is $3,033,861 which is an increase of $35,486 from FY 17
  - Increase necessary to maintain current level of service for Countywide Convenience Centers and HHW
### Solid Waste Proposed Budget

<table>
<thead>
<tr>
<th></th>
<th>FY 2017 Adopted Budget</th>
<th>FY 2018 Proposed Budget</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services</td>
<td>$1,692,942</td>
<td>$1,688,455</td>
<td>-.3%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$13,862,478</td>
<td>$13,951,786</td>
<td>.6%</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>$170,000</td>
<td>$0</td>
<td>-100%</td>
</tr>
<tr>
<td>Grants &amp; Aids</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Other Uses</td>
<td>$894,003</td>
<td>$904,364</td>
<td>1.2%</td>
</tr>
<tr>
<td>Reserves</td>
<td>$101,685</td>
<td>$0</td>
<td>-100%</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$16,721,108</td>
<td>$16,544,605</td>
<td>-1.1%</td>
</tr>
</tbody>
</table>

- Status quo budget maintaining the current levels of service
- No Reserve or Capital replacement in FY 2018
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Mandated/required activities

• Chapter 62-701 Florida Administrative Code
  – Waste disposal
  – Leachate disposal

• Land Development Regulations Chapter 23 Solid Waste Collection and Disposal and Litter
  – Collection and Disposal
  – HHW and Convenience Centers
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Unfunded Challenges

• Deferring claw truck purchase
• Phase III Cell Closure
  – These needs will be addressed through the Infrastructure Sales Tax Reauthorization
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Summary

- Solid Waste balanced status quo budget maintaining existing levels of service
- Reserves have been exhausted
- Will come back with bear container deployment plan
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Hauler Contract History

- Currently in third of seven year contract
- Three contract haulers each cover one zone
- Residents receive 1-1-1 collection service
  - Garbage disposed at HOF
  - Recyclables owned by haulers and processed as they determine
  - Yard Waste disposed at Central facility
- Section 44 of the contract authorizes the County to assess administrative charges due to failure or circumstances such as unsatisfactory or defective work
- Hauler rates receive annual CPI adjustment
- Contract provision for extraordinary increase in costs
Hauler Annual CPI Adjustment

<table>
<thead>
<tr>
<th></th>
<th>BID</th>
<th>FY 14-15</th>
<th>FY 15-16</th>
<th>FY 16-17</th>
<th>FY 17-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>WCA</td>
<td>$12.12</td>
<td>$12.33</td>
<td>$12.22</td>
<td>$12.27</td>
<td>$12.49</td>
</tr>
<tr>
<td>Progressive</td>
<td>$11.47</td>
<td>$11.67</td>
<td>$11.57</td>
<td>$11.62</td>
<td>$11.83</td>
</tr>
</tbody>
</table>

- The collection rate is per unit per month
Request for Extraordinary Rate Adjustment Procedure

- Procedure provided in all three contracts
- Contractor has to demonstrate they have incurred an extraordinary increase in costs due to factors beyond their control
- An audited statement of historical and current expenses is required to demonstrate the extraordinary increase
- The hauler must request this procedure and provide the audit information on or before April 1st of each year
- County Manager renders a decision that can be appealed to the County Commission
Hauler Requests

- Progressive did not submit a request
- Waste Pro submitted a request
- WCA submitted a request
Hauler Requests

• Waste Pro
  – Request reviewed by Moore Stevens Lovelace for contract compliance
  – No specific dollar amount requested
  – Expenditure increases in a number of categories including recycling
  – Still reflects positive net income for 2016
  – Requested several contract amendments
Hauler Requests

- Waste Pro requested contract amendments
  - Ban plastic bags for yard waste
  - Change CPI to Water Sewer Trash Collection Services and remove 3% cap
  - Eliminate the performance bond
  - Eliminate annual service and holiday notice to customers
  - Allow scheduled bulk pick up in zones and combining of white goods and bulk
  - Eliminate the RFID program
Hauler Requests

- Staff analysis of Waste Pro request
- County Manager denied request for the following reasons
  - Request did not qualify as an extraordinary rate increase
  - Removal of CPI 3% cap would necessitate a future assessment increase
  - Contract modification would be required for all requested items
  - County assumes the risk or customer service may be compromised with contract amendment request
  - Contract amendment may result in different level of service for this area
  - Provision for extraordinary rate increase is not intended to be contract modification
Hauler Requests

- **WCA**
  - Request reviewed by Moore Stevens Lovelace for contract compliance
  - Additional information requested and deadline extended to April 21st
  - Requesting reimbursement of $134,955 for 2016 recycling disposal
  - Requesting annual reimbursement or payment from the County based on cost/commodity pricing
Hauler Requests

• Staff Analysis of WCA request
• County Manager denied request for the following reasons
  – Request did not qualify as an extraordinary rate increase
  – Solid Waste assessment increase would be required to provide reimbursement
    • Assessment increase $6.46 per residential unit
  – Contract modification would be required to address the annual reimbursement
Next Steps

• Proposed adoption of status quo Assessment TRIM rates at the July 11th BCC meeting
Requested Action

- Deny Waste Pro request for extraordinary rate increase and contract amendment
- Deny WCA request for extraordinary rate increase