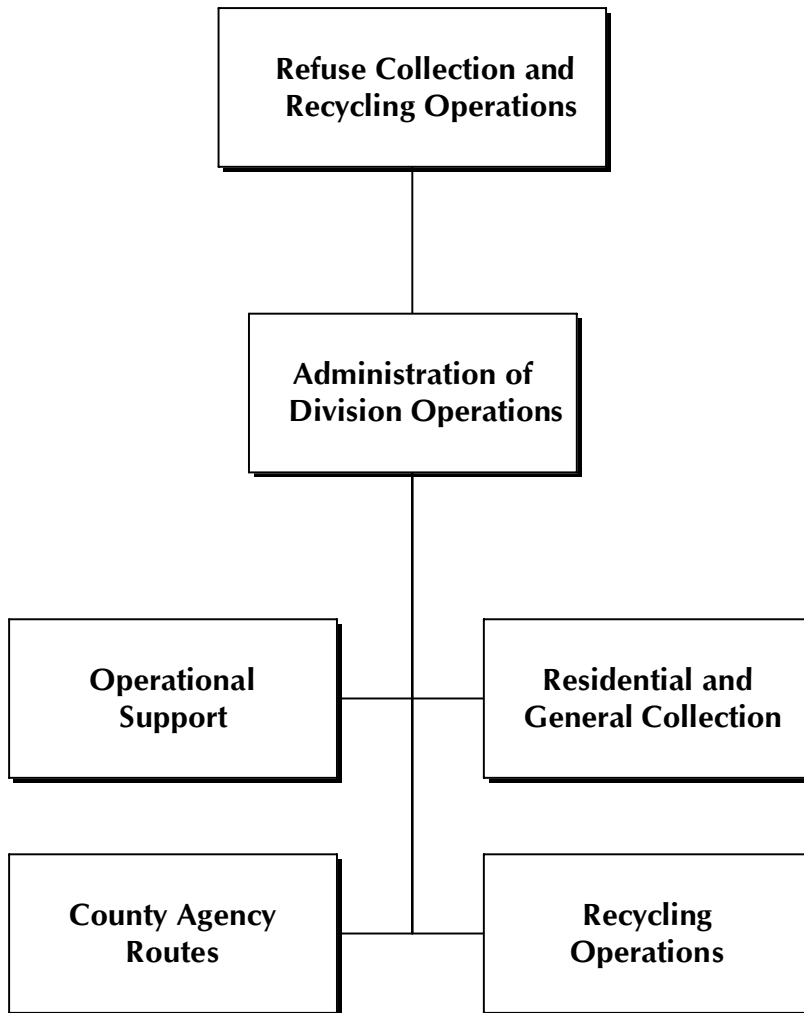


Fund 109
Refuse Collection and Recycling Operations



Fund 109

Refuse Collection and Recycling Operations

Mission

To protect Fairfax County citizens against disease, pollution, and other contamination associated with the improper disposal of refuse, by providing efficient and economical refuse collection services to citizens in 74 refuse collection sanitary districts and to Fairfax County agencies. To reduce the County's municipal solid waste stream through the effective development, implementation and management of comprehensive waste reduction and recycling programs to ensure that Fairfax County meets or exceeds the Commonwealth of Virginia's mandated goal of recycling 25.0 percent of the solid waste stream.

Focus

The Division of Solid Waste Collection and Recycling, (Fund 109, Refuse Collection and Recycling Operations) is responsible for the collection of refuse and recyclable materials within Fairfax County's sanitary districts and from County agencies. The agency coordinates the County's waste reduction and recycling program. It is also responsible for the administration and program operations of the Solid Waste General Fund Programs (e.g., Health Department Referrals, Community Cleanups, Evictions and Court-Ordered Cleanups) on behalf of the County.

Residents within sanitary refuse collection districts, which are created by the Board of Supervisors upon citizen petition, are charged an annual fee for service through the semi-annual property tax collection system. The annual fee was maintained at \$210 annual fee per unit from FY 2000 to FY 2004 in order to draw down the unreserved fund balance. During the past several years, the balance has been reduced from \$14.5 million in FY 2001 to an estimated \$2.6 million in FY 2006 (based on *FY 2006 Revised Budget Plan*).

Due to increasing disposal fees, rising personnel expenses, and lower fund balances, the annual fee was increased from \$210 to \$240 in FY 2005 and to \$270 in FY 2006. While the FY 2006 increase slowed the decline in the ending balance, this increase has not been sufficient to cover higher program operating and personnel-related costs. If the current rate of \$270 was maintained in FY 2007, the ending balance would likely be just over \$500,000, a level insufficient to meet vehicle and equipment replacement reserve requirements, which total over \$1 million. In order to cover anticipated expenditures in FY 2007 and maintain essential reserves, an increase in the annual fee to \$315 was adopted. This adjustment will increase the projected amount of revenue received from the household fee in FY 2006 to \$13.4 million, an increase of \$1.8 million, or nearly 16 percent, over the FY 2006 estimate of \$11.6 million. If operating and personnel-related costs do not increase beyond those currently projected, it may be possible to hold the fee at the \$315 level in FY 2008; however, future rate increases are anticipated.

County Agency Routes (CAR) is responsible for the collection of refuse from County agencies and a small number of organizations associated with County agencies. Revenue is derived from billings to County agencies based on the cubic yard capacity of the containers assigned to individual agencies. The cost per cubic yard is formula-driven and is based on fiscal year operating requirements. For FY 2007, the calculated rate is \$4.24 per cubic yard, an increase of \$0.11 from the FY 2006 Adopted Budget Plan rate of \$4.13 per cubic yard. In FY 2007, the number of cubic yards collected on CAR is projected to be 283,884 cubic yards.

Recycling Operations is responsible for providing the overall management of solid waste reduction and recycling programs that are required by the County and for developing plans for future recycling programs and waste reduction systems. The goal for FY 2007 is to maintain the recycling rate in the municipal solid waste stream at or above the Commonwealth of Virginia mandated goal of 25 percent. Revenue is generated from the sale of recyclable materials (aluminum cans, newspaper, cardboard, glass and scrap metal) which serves to partially offset expenditure requirements. In addition, revenue and program support is provided by Fund 110, Refuse Disposal, through billings by Fund 109 for administration and coordination of recycling operations on behalf of Fund 110.

Agency accomplishments, new initiatives and performance measures are displayed at a program-wide level. Please refer to the Solid Waste Management Program Overview in Volume 2 of the FY 2007 Adopted Budget Plan for those items.

Fund 109

Refuse Collection and Recycling Operations

Budget and Staff Resources

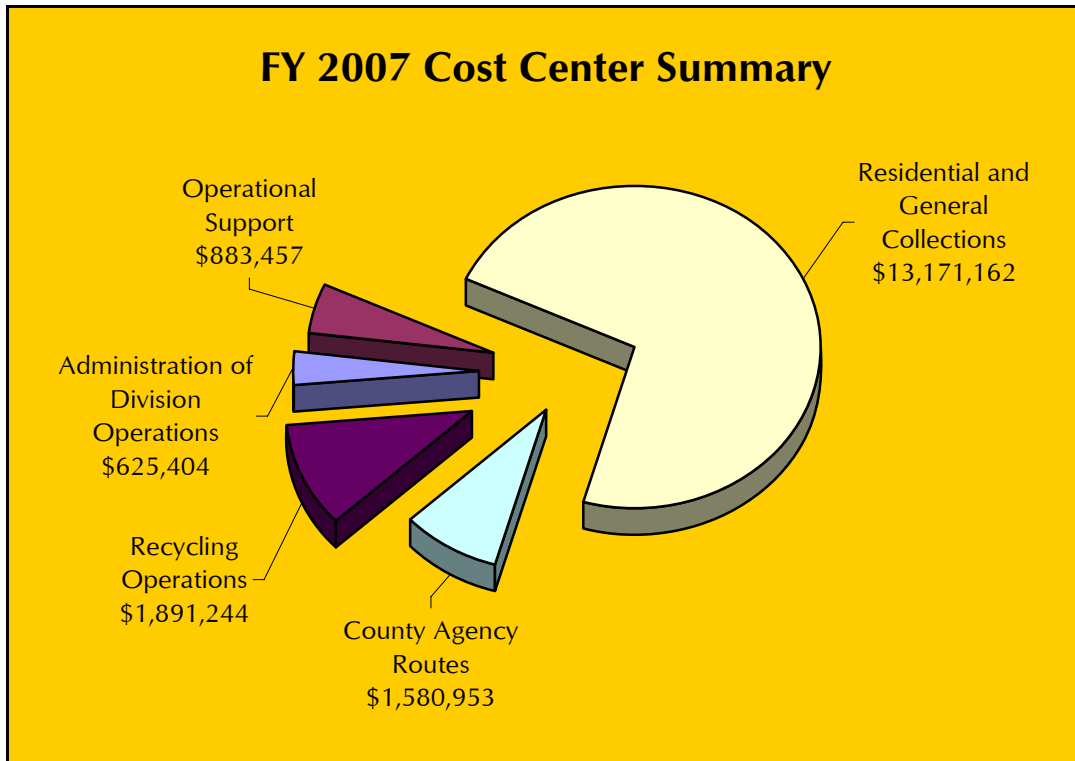
Agency Summary					
Category	FY 2005 Actual	FY 2006 Adopted Budget Plan	FY 2006 Revised Budget Plan	FY 2007 Advertised Budget Plan	FY 2007 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	137/ 137	137/ 137	137/ 137	137/ 137	137/ 137
Expenditures:					
Personnel Services	\$7,218,104	\$7,646,596	\$7,746,596	\$8,189,477	\$8,189,477
Operating Expenses	7,869,683	9,063,500	9,231,865	9,408,656	9,408,656
Capital Equipment	1,573,747	1,262,900	1,761,191	1,281,000	1,281,000
Capital Projects ¹	1,187	0	469,210	0	0
Subtotal	\$16,662,721	\$17,972,996	\$19,208,862	\$18,879,133	\$18,879,133
Less:					
Recovered Costs	(\$458,975)	(\$483,846)	(\$570,706)	(\$726,913)	(\$726,913)
Total Expenditures	\$16,203,746	\$17,489,150	\$18,638,156	\$18,152,220	\$18,152,220

Summary By Cost Center					
Category ¹	FY 2005 Actual	FY 2006 Adopted Budget Plan	FY 2006 Revised Budget Plan	FY 2007 Advertised Budget Plan	FY 2007 Adopted Budget Plan
Administration of Division					
Operations	\$597,301	\$726,037	\$639,177	\$625,404	\$625,404
Operational Support	663,848	776,235	1,281,345	883,457	883,457
Residential and General					
Collections	12,458,719	13,211,931	13,926,367	13,171,162	13,171,162
County Agency Routes	1,068,838	1,144,848	1,161,168	1,580,953	1,580,953
Recycling Operations	1,415,040	1,630,099	1,630,099	1,891,244	1,891,244
Total Expenditures	\$16,203,746	\$17,489,150	\$18,638,156	\$18,152,220	\$18,152,220

¹ Capital Projects' expenditures are shown under the Operational Support Cost Center.

Position Summary		
<u>Administration of Division</u> <u>Operations</u> 1 Director of Refuse Collection and Recycling 1 Assistant Director/Engineer IV 1 Management Analyst III 1 Safety Analyst 1 Network/Telecommunication Analyst I 3 Management Analysts II 1 Administrative Assistant IV 4 Administrative Assistants III	<u>Operational Support</u> 1 Refuse Superintendent 1 Assistant Refuse Superintendent 1 Management Analyst II 4 Administrative Assistants II 1 Welder II 1 Maintenance Trade Helper I <u>Residential and General</u> <u>Collections</u> 2 Management Analysts II 1 Senior Refuse Supervisor 4 Heavy Equipment Supervisors 9 Heavy Equipment Operators 30 Motor Equipment Operators 48 Maintenance Workers 1 Vehicle Maint. Coordinator 1 Maintenance Trade Helper I	<u>County Agency Routes</u> 4 Heavy Equipment Operators 1 Engineering Technician I 1 Maintenance Trade Helper II <u>Recycling Operations</u> 1 Management Analyst IV 3 Management Analysts II 1 Internet/Intranet Architect I 2 Management Analysts I 1 Heavy Equipment Supervisor 4 Heavy Equipment Operators 1 Maintenance Worker
TOTAL POSITIONS		
137 Positions / 137.0 Staff Years		

Fund 109 Refuse Collection and Recycling Operations



FY 2007 Funding Adjustments

The following funding adjustments from the FY 2006 Revised Budget Plan are necessary to support the FY 2007 program:

- ◆ **Employee Compensation** **\$299,814**
 An increase of \$542,881 in Personnel Services associated with salary adjustments necessary to support the County's compensation program partially offset by an increase of \$243,067 due to Recovered Costs adjustments to reflect increased recovery of salary costs.
- ◆ **Contractor and Other Operating Adjustments** **\$303,153**
 A net increase of \$303,153 in Operating Expenses increase is primarily associated with increased costs of \$308,041 for contractual requirements with private haulers providing curbside recycling collections and an increase of \$30,657 for Information Technology charges based on the agency's historic usage, partially offset by a decrease of \$35,545 for Department of Vehicle Services charges based on anticipated charges for fuel, vehicle replacement, and maintenance costs.
- ◆ **Capital Equipment** **\$1,281,000**
 Funding for \$1,281,000 in Capital Equipment has been included for replacement of items that have outlived their useful lifespan based on age, mileage and repair costs. Of this total, \$1,170,000 is for nine pieces of heavy equipment and \$111,000 for two pickup trucks, a forklift and a trailer-mounted air compressor.

Fund 109

Refuse Collection and Recycling Operations

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2007 Advertised Budget Plan, as approved by the Board of Supervisors on May 1, 2006:

- ◆ The Board of Supervisors made no adjustments to this fund.

Changes to FY 2006 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2006 Revised Budget Plan since passage of the FY 2006 Adopted Budget Plan. Included are all adjustments made as part of the FY 2005 Carryover Review and all other approved changes through December 31, 2005:

- ◆ **Carryover Adjustments** **\$583,668**
As part of the FY 2005 Carryover Review, the Board of Supervisors approved encumbered carryover of \$324,458 including \$42,003 in Operating Expenses and \$282,455 in Capital Equipment. In addition, an amount of \$259,210 in unexpended project balances carryover was approved for the completion of the Newington Expansion.

The following funding adjustments reflect all approved changes to the FY 2006 Revised Budget Plan from January 1, 2006 through April 24, 2006. Included are all adjustments made as part of the FY 2006 Third Quarter Review:

- ◆ **Third Quarter Adjustments** **\$565,338**
As part of the FY 2006 Third Quarter Review, expenditures were increased by \$565,338. This is primarily due to an increase of \$100,000 in Personnel Services for increased usage of exempt limited-term staff and increased overtime required during leaf collection season, an increase of \$126,362 for costs associated with the State Litter Grant for the Clean Fairfax Council, an increase of \$215,836 in Capital Equipment due to higher than anticipated costs for heavy equipment, partially offset by an increase of \$86,860 in Recovered Costs for higher than budgeted recoverable administrative expenses in support of recycling and leaf collection operations. In addition, an increase of \$210,000 for the Newington Facility and Operations Expansion was included in support of the Environmental Excellence 20-year Vision Plan.

A Fund Statement and a Summary of Capital Projects are provided on the following pages. The Summary of Capital Projects may include some projects without a Total Project Estimate amount. These projects are considered "continuing" projects or projects for which funding is necessary on an ongoing basis (e.g., a contingency or planning project).

Fund 109

Refuse Collection and Recycling Operations

FUND STATEMENT

Fund Type G10, Special Revenue Funds

Fund 109, Refuse Collection

	FY 2005 Actual	FY 2006 Adopted Budget Plan	FY 2006 Revised Budget Plan	FY 2007 Advertised Budget Plan	FY 2007 Adopted Budget Plan
Beginning Balance	\$6,828,348	\$3,375,603	\$5,078,149	\$2,578,561	\$2,552,861
Revenue:					
Interest on Investments	\$116,097	\$42,766	\$213,551	\$103,928	\$103,928
Residential and General Collections:					
Household Levy ¹	\$9,979,920	\$11,597,040	\$11,597,040	\$13,444,515	\$13,444,515
Miscellaneous	485,494	243,940	243,940	335,909	335,909
Sale of Equipment	112,909	78,800	78,800	89,400	89,400
Subtotal	<u>\$10,578,323</u>	<u>\$11,919,780</u>	<u>\$11,919,780</u>	<u>\$13,869,824</u>	<u>\$13,869,824</u>
County Agency Routes:					
Miscellaneous Agencies	\$1,055,109	\$1,191,154	\$1,191,154	\$1,204,756	\$1,204,756
Sale of Equipment	566	0	0	0	0
Miscellaneous	126,274	145,273	145,273	158,080	158,080
Subtotal	<u>\$1,181,949</u>	<u>\$1,336,427</u>	<u>\$1,336,427</u>	<u>\$1,362,836</u>	<u>\$1,362,836</u>
General Fund Programs:					
Community Cleanup	\$71,928	\$38,144	\$38,144	\$59,785	\$59,785
Health Department Referrals	3,191	2,329	2,329	2,341	2,341
Evictions	5,856	14,062	14,062	14,380	14,380
Court Ordered/Mandated	13,402	30,625	30,625	31,819	31,819
Subtotal	<u>\$94,377</u>	<u>\$85,160</u>	<u>\$85,160</u>	<u>\$108,325</u>	<u>\$108,325</u>
Other Collection Revenue:					
Leaf Collection	\$514,790	\$502,795	\$502,795	\$499,246	\$499,246
Miscellaneous	81,642	0	0	94,328	94,328
State Litter Funds	81,124	0	126,362	0	0
Fairfax Fair	26,207	27,099	27,099	27,876	27,876
Subtotal	<u>\$703,763</u>	<u>\$529,894</u>	<u>\$656,256</u>	<u>\$621,450</u>	<u>\$621,450</u>
Recycling Operations:					
Program Support ²	\$996,773	\$1,430,188	\$1,430,188	\$1,677,506	\$1,677,506
Sale of Materials	267,517	79,847	112,338	108,192	108,192
Miscellaneous	304,748	149,168	149,168	173,258	173,258
Subtotal	<u>\$1,569,038</u>	<u>\$1,659,203</u>	<u>\$1,691,694</u>	<u>\$1,958,956</u>	<u>\$1,958,956</u>
Total Revenue	<u>\$14,243,547</u>	<u>\$15,573,230</u>	<u>\$15,902,868</u>	<u>\$18,025,319</u>	<u>\$18,025,319</u>
Transfers In:					
General Fund (001)	\$210,000	\$0	\$210,000	\$0	\$0
Total Transfer In	<u>\$210,000</u>	<u>\$0</u>	<u>\$210,000</u>	<u>\$0</u>	<u>\$0</u>
Total Available	\$21,281,895	\$18,948,833	\$21,191,017	\$20,603,880	\$20,578,180

Fund 109

Refuse Collection and Recycling Operations

FUND STATEMENT

Fund Type G10, Special Revenue Funds

Fund 109, Refuse Collection

	FY 2005 Actual	FY 2006 Adopted Budget Plan	FY 2006 Revised Budget Plan	FY 2007 Advertised Budget Plan	FY 2007 Adopted Budget Plan
Expenditures:					
Personnel Services	\$7,218,104	\$7,646,596	\$7,746,596	\$8,189,477	\$8,189,477
Operating Expenses	7,869,683	9,063,500	9,231,865	9,408,656	9,408,656
Recovered Costs ³	(458,975)	(483,846)	(570,706)	(726,913)	(726,913)
Capital Equipment	1,573,747	1,262,900	1,761,191	1,281,000	1,281,000
Capital Projects	1,187	0	469,210	0	0
Total Expenditures	\$16,203,746	\$17,489,150	\$18,638,156	\$18,152,220	\$18,152,220
Total Disbursements	\$16,203,746	\$17,489,150	\$18,638,156	\$18,152,220	\$18,152,220
Ending Balance⁴	\$5,078,149	\$1,459,683	\$2,552,861	\$2,451,660	\$2,425,960
Collection Equipment Reserve ⁵	\$836,079	\$701,759	\$701,759	\$864,773	\$864,773
Recycling Equipment Reserve	333,551	329,931	329,931	329,931	329,931
PC Replacement Reserve ⁶	36,683	46,937	46,937	46,937	46,937
Construction and Infrastructure Reserve ⁷	0	381,056	381,056	381,056	381,056
Rate Stabilization Reserve ⁸	0	0	0	500,000	500,000
Unreserved Balance	\$3,871,836	\$0	\$1,093,178	\$328,963	\$303,263
Levy per Household Unit	\$240/unit	\$270/Unit	\$270/Unit	\$315/Unit	\$315/Unit

¹ The FY 2007 levy/collection fee per household unit is set at \$315 per unit. Although the Refuse Collection levy is separate and not a Real Estate Tax, it is included on and collected as part of the County's Real Estate Tax bill. This amount does not include approximately 448 units which will be billed directly by the agency.

² The estimate for Program Support is calculated using the projected level of expenditures for recycling operations as conducted in Fund 109, Refuse Collection and Recycling Operations, and offset by revenue received from the sale of recycled materials.

³ Recovered Costs represents billings to Fund 108, Leaf Collection, for its share of the total administrative costs for Agency 46, Division of Collection and Recycling. Also included is an amount billed to Fund 110, Refuse Disposal, for administrative costs for the recycling program which is coordinated by Fund 109, Refuse Collection and Recycling Operations.

⁴ Because expenditures exceeded the revenue received, the ending fund balance has been decreasing since FY 2001. Rather than implementing a fee increase, the fund balance was used to meet expenditure requirements. The collection fee was increased to \$240 in FY 2005 and to \$270 in FY 2006, but it was not enough to meet all expenditure requirements. The fee increase to \$315 in FY 2007 will mitigate decreases in the ending balance. Future levy increases will be required in order to maintain adequate funding for operations and reserves.

⁵ Funds reserved for equipment replacement are not encumbered based on normal accounting practices but are allocated at a future date for equipment purchases. The requirements for Collection Operations are funded through the collection revenue received in Fund 109, Refuse Collection and Recycling Operations, while requirements for Recycling Operations are provided as a component of the Program Support.

⁶ The PC Replacement Reserve was established to provide funding for the timely replacement of obsolete computer equipment.

⁷ A reserve was established to begin to fund repairs necessary at the Newington Solid Waste Facility. This 20 acre facility will soon require paving and other expensive infrastructure repairs. As a Special Revenue Fund, these expenses are the responsibility of the business area.

⁸ A reserve was established to stabilize future rates in order to avoid rate increases.

Fund 109

Refuse Collection and Recycling Operations

FY 2007 Summary of Capital Projects

Fund: 109 Refuse Collection and Recycling Operations

Project #	Description	Total Project Estimate	FY 2005 Actual Expenditures	FY 2006 Revised Budget	FY 2007 Advertised Budget Plan	FY 2007 Adopted Budget Plan
109001	Newington Facility and Operations Expansion	\$853,038	\$1,187.17	\$469,210.09	\$0	\$0
Total		\$853,038	\$1,187.17	\$469,210.09	\$0	\$0