

RESIDENTIAL SOLID WASTE FUND BUDGET FOOTNOTES – FY 10/11

1. **State Grant Revenue: (FY09/10 Estimated Actual - \$60,000)** The Village received a grant from the Illinois Department of Commerce and Economic Opportunity to assist with the purchase of 65 gallon recycling carts for all residential refuse customers.
2. **Trash Disposal Revenue: (\$1,250,000)** This figure is based on weekly solid waste disposal service for approximately 7,200 residential addresses (single-family and 2-family duplex housing units) and also includes charges to pay for the once-a-month, no-sticker, branch and brush pick-up program which runs from May through October each year. These revenues are collected on the Village's monthly utility bill.

User fees collected to pay for solid waste disposal services are determined based on the costs of various contract service providers and other costs of administering the program (account maintenance, customer service and billing). Also factored into rate determination is the availability of revenues from other sources such as recycling rebates the Village receives through its current waste hauling contract.

On August 1, 2005 the Village began a 5-year waste hauling contract with Allied Waste Services which introduced for the first time, standardized wheeled refuse carts. At that time, the base rate charged to Glen Ellyn customers was decreased by 17% compared to the previous contract. Due to the availability of recycling rebates to offset contract cost increases, rates charged to Glen Ellyn residents were not increased for the first 4 years of the contract.

In December 2008, the Village was notified that due to extreme volatility in the recyclable materials market, rebates previously received would no longer be available. Absent these rebates, a rate increase of 5% was adopted beginning August 1, 2009 to partially offset the loss of these revenues. Accumulated reserve balances were used to make up the remaining deficiency between operating revenues and expenses.

Proposed for August 1, 2010 is an additional 5% increase in monthly customer charges which will continue to help bridge the gap between the cost of providing service which exceeds revenues generated from monthly customer billings. As in FY09/10, additional reserve balances will be drawn upon to fund difference between program costs and billed revenues. Based on current projections, an additional 5% rate increase will be needed in August, 2011 to balance operating revenues and expenditures. We will reexamine the need for this additional rate increase following the completion of FY10/11 and, to what extent, if any, we have seen a return in recycling rebates.

3. **Miscellaneous Revenue: (\$20,000)** The market and price received from the sale of recyclable materials fluctuates greatly. In past years the Village received between

\$100,000 and \$200,000 for the sale of these materials. In late 2008 the recycling market plummeted, resulting in the elimination of any recycling rebates during calendar year 2009. Beginning in 2010, we have begun to see some weak indications of recovery and that recycling rebates may be on the rebound, however, not nearly at levels we have seen over the last several years. We have included \$20,000 as our early estimate of possible rebates to be received in FY10/11.

4. **Banking Services: (\$5,000)** This Village prepares monthly billings for solid waste services. The Solid Waste Fund will now assume a portion of the retail lockbox services the Village utilizes in collecting and processing monthly remittances.
5. **Postage: (\$23,000)** Included in this line item are postage costs for mailing of monthly solid waste billings to our 7,200 residential customers (split 50/50 with the Water and Sanitary Sewer Fund) and postage costs for the mailing of one annual "special edition" solid waste publication.
6. **Professional Services / Other: (\$18,000)** The Village uses a third-party vendor to process, print, and mail the monthly Village utility bills (This cost is split 50/50 between the Solid Waste and Water and Sanitary Sewer Funds).

7. **Waste Removal Services: (\$1,095,000)**

Weekly waste disposal contract*	\$1,010,000
Unlimited Collection Day	<u>85,000</u>
Total Budget	<u>\$1,095,000</u>

* The Village's solid waste and recycling contract extension with Allied Waste states no price increase to occur in the first year of contract (FY10/11). A 2% contract increase will be effective on August 1, 2011.

8. **Professional Services / Branch Removal: (\$150,000)** This line includes funds for the six month branch and brush collection program (May – October) undertaken by a separate vendor, not our weekly solid waste hauling contractor.
9. **Disposal Costs: (\$15,000)** This line was transferred from the General Fund in FY 09/10 and is associated with the street sweeping and catch basin cleaning program.
10. **Service Charge: (\$77,100)** This service charge represents a transfer to the General Fund as a reimbursement for staff and other support services provided in connection with the solid waste program.
11. **Equipment / Capital Outlay: (FY09/10 Estimated Actual - \$300,000)** In FY09/10, the Village purchased recycling carts for all residential solid waste customers. These carts

replace the smaller recycling bins previously used and can be emptied by our contract solid waste vendor more quickly and efficiently. Reserve balances (primarily from accumulated recycling rebates) were sufficient to complete this purchase without supplemental charges to customers.

12. **Fund Increase / (Decrease): (\$110,000)** Despite a proposed 5% customer rate increase scheduled for August 1, 2010, the Solid Waste Fund remains in a deficit position for FY10/11 and will use approximately \$110,000 in cash reserves. An additional rate increase of 5% is proposed for August 1, 2011 which will further shrink the gap between the cost of operating the solid waste collection program and user fees generated to pay for it. The extent to which recycling rebates are received will be used to buffer the impact of rate increases to our customers.