

Operations Fund

DESCRIPTION OF MAJOR SERVICES

The Solid Waste Management Division (SWMD) is responsible for the operation and management of the County of San Bernardino's solid waste disposal system, which consists of 6 regional landfills, 8 transfer stations, oversight and/or post-closure maintenance at 28 inactive or closed landfills and waste disposal sites throughout the County. SWMD provides scale operations and maintenance; accounts payable/receivable; engineering, design, and construction management; and education and waste diversion. SWMD provides oversight, direction, guidance and control of the contractor, Burrtec Waste Industries, Inc. (Burrtec), for the daily operations of the county's active landfills, transfer stations, and maintenance of the inactive and closed landfills. In its contract administrative role, SWMD provides both general and specific direction to Burrtec in implementing county policies and procedures pertaining to the operations of the county's solid waste system. SWMD also monitors Burrtec's performance under the contract. SWMD maintains direct coordination with all regulatory agencies and liaison activities with customers, including cities, refuse haulers, and citizens. SWMD receives state grant monies, county and private industry matching funds to be used to further the education and outreach for waste reduction, reuse and recycling programs.

On November 12, 2003, the Board of Supervisors approved the termination of two existing agreements for the investment of certain solid waste funds. As a result of this action, the County's Treasurer-Tax Collector deposited approximately \$88 million from the investment agreements into the SWMD's separate Financial Assurance Fund. Approximately \$62 million of these funds are restricted to provide mandated financial assurance for the closure of landfills. The remaining \$26 million is being budgeted in FY 2004-05 as follows: \$13,068,255 in Fund EAB for closure projects; \$3,815,053 in Fund EAC for landfill expansion; and \$9,069,463 in Fund EAL for groundwater remediation projects.

BUDGET AND WORKLOAD HISTORY

	Actual 2002-03	Budget 2003-04	Estimate 2003-04	Proposed 2004-05
Total Operating Expense	42,272,333	46,985,412	53,140,959	56,353,012
Total Financing Services	49,767,433	46,015,356	54,038,429	56,580,789
Revenue Over/(Under) Expense	7,495,100	(970,056)	897,470	227,777
Budgeted Staffing		74.4		84.8
Fixed Assets	265,067	-	418,338	353,000

Workload Indicators

Total Revenue-Generating Tonnage	1,484,693	1,432,600	1,427,444	1,714,800
Single Family Residences	81,755	81,755	81,014	81,104
Active Facilities	14	14	14	14
Inactive Facilities	28	28	28	28

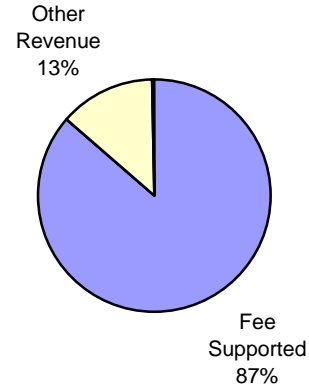
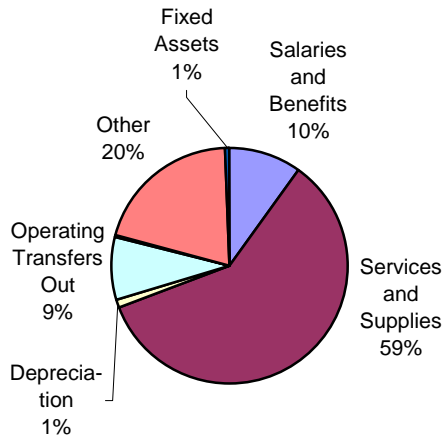
The estimated expenditures and revenues for 2003-04 are \$6,155,547 and \$8,023,073 greater than budgeted respectively. The increase in expenditures is due to the anticipated costs resulting from the Bark Beetle Program (\$3,595,563), Debris Removal Program (\$4,100,940), perchlorate investigation (\$1,663,184), and the listing of unbudgeted depreciation expense (\$592,147). These additional costs were partially offset by a \$3,611,688 reduction in debt service payments created by refinancing an outstanding bond issue. The increase in revenue is largely due to the following: State and Federal reimbursements of \$2,793,658 for the Debris Removal Program in response to the Old and Grand Prix fires; additional revenues/reimbursements of \$1,642,165 associated with the Bark Beetle Program; an additional \$1,594,500 due to the Board approving the acceptance of an extra 75,000 tons of Article 19 waste into the County's landfill system; receipt of \$737,694 from property owners for the Debris Removal Program; and \$931,000 from the Environmental Mitigation Fund.

The Workload Indicator for Total Revenue-Generating Tonnage is increasing by approximately 282,000 tons in 2004-05 due to the Bark Beetle Infestation Program and the Board-approved addition of an extra 75,000 tons of Article 19 waste into the County's landfill system.



2004-05 BREAKDOWN BY EXPENSE AUTHORITY

2004-05 BREAKDOWN BY FINANCING SOURCE



GROUP: Econ Dev/Public Svc
DEPARTMENT: Public Works - Solid Waste Mgmt
FUND: Operations Fund

BUDGET UNIT: EAA, EWE, EWC
FUNCTION: Health and Sanitation
ACTIVITY: Sanitation

ANALYSIS OF 2004-05 BUDGET

	A	B	C	D	E	B+C+D+E F	G	F+G H
	2003-04 Year-End Estimates	2003-04 Final Budget	Cost to Maintain Current Program Services (Schedule A)	Board Approved Adjustments (Schedule A)	Impacts Due to State Budget Cuts (Schedule B)	Board Approved Base Budget	Department Recommended Funded Adjustments (Schedule C)	2004-05 Proposed Budget
Appropriation								
Salaries and Benefits	4,541,478	4,726,577	333,520	122,370	-	5,182,467	544,543	5,727,010
Services and Supplies	32,950,826	29,045,546	352,059	-	-	29,397,605	4,084,185	33,481,790
Central Computer	20,665	20,665	15,601	-	-	36,266	-	36,266
Other Charges	9,750,420	7,907,701	-	-	-	7,907,701	3,280,645	11,188,346
Transfers	285,423	284,923	-	-	-	284,923	42,530	327,453
Total Appropriation	47,548,812	41,985,412	701,180	122,370	-	42,808,962	7,951,903	50,760,865
Depreciation	592,147	-	-	-	-	-	592,147	592,147
Oper Trans Out	5,000,000	5,000,000	-	-	-	5,000,000	-	5,000,000
Total Operating Expense	53,140,959	46,985,412	701,180	122,370	-	47,808,962	8,544,050	56,353,012
Departmental Revenue								
Taxes	7,062,583	7,164,436	-	-	-	7,164,436	(111,403)	7,053,033
Licenses and Permits	1,578,765	900,000	-	-	-	900,000	459,128	1,359,128
Use of Money & Prop	226,288	246,679	-	-	-	246,679	8,821	255,500
State, Fed or Gov't Aid	3,956,150	779,790	-	-	-	779,790	(697,729)	82,061
Current Services	39,915,135	36,786,137	701,180	122,370	-	37,609,687	9,961,359	47,571,046
Other Revenue	748,008	10,314	-	-	-	10,314	(293)	10,021
Other Financing Sources	-	128,000	-	-	-	128,000	(78,000)	50,000
Total Revenue	53,486,929	46,015,356	701,180	122,370	-	46,838,906	9,541,883	56,380,789
Operating Transfers In	551,500	-	-	-	-	-	200,000	200,000
Total Financing Sources	54,038,429	46,015,356	701,180	122,370	-	46,838,906	9,741,883	56,580,789
Revenue Over/(Under) Exp	897,470	(970,056)	-	-	-	(970,056)	1,197,833	227,777
Budgeted Staffing		74.4	-	3.0	-	77.4	7.4	84.8
Fixed Asset								
Improvement to Land	-	-	-	-	-	-	100,000	100,000
Equipment	418,338	-	-	-	-	-	253,000	253,000
Total Fixed Assets	418,338	-	-	-	-	-	353,000	353,000



DEPARTMENT: Public Works - Solid Waste Mgmt
 FUND: Operations Fund
 BUDGET UNIT: EAA, EWE, EWC

SCHEDULE A

MAJOR CHANGES TO THE BUDGET

	Budgeted Staffing	Appropriation	Departmental Revenue	Revenue Over/ (Under) Exp
2003-04 FINAL BUDGET	74.4	46,985,412	46,015,356	(970,056)
Cost to Maintain Current Program Services				
Salaries and Benefits Adjustments	-	333,520	333,520	-
Internal Service Fund Adjustments	-	367,660	367,660	-
Prop 172	-	-	-	-
Other Required Adjustments	-	-	-	-
Subtotal	-	701,180	701,180	-
Board Approved Adjustments During 2003-04				
30% Spend Down Plan	-	-	-	-
Mid-Year Board Items	3.0	122,370	122,370	-
Subtotal	3.0	122,370	122,370	-
Impacts Due to State Budget Cuts	-	-	-	-
TOTAL BASE BUDGET	77.4	47,808,962	46,838,906	(970,056)
Department Recommended Funded Adjustments	7.4	8,544,050	9,741,883	1,197,833
TOTAL 2004-05 PROPOSED BUDGET	84.8	56,353,012	56,580,789	227,777
2003-04 FINAL FIXED ASSETS		-		
Board Approved Adjustments During 2003-04				
Mid-Year Board Items		-		
Impacts to Fixed Assets Due to State Budget Cuts		-		
Department Recommended Changes in Fixed Assets		353,000		
TOTAL 2004-05 PROPOSED FIXED ASSETS BUDGET		353,000		

SCHEDULE C

DEPARTMENT: Public Works - Solid Waste Mgmt
 FUND: Operations Fund
 BUDGET UNIT: EAA, EWE, EWC

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENTS

Brief Description of Program Adjustment	Budgeted Staffing	Appropriation	Departmental Revenue	Revenue Over/ (Under) Exp
1. SALARIES AND BENEFITS	7.4	544,543	-	(544,543)
SWMD is proposing a 7.4 net increase in budgeted staff. This increase includes the addition of the following 7.0 new positions: * 1.0 Public Works Engineer II for closure construction project management. * 1.0 Engineering Technician V for inspection of landfill gas and groundwater monitoring operations and maintenance contracted construction. * 1.0 Landfill Operations Inspector for daily observation of operations and diversion activity at landfills and transfer stations throughout the County, and oversight of the numerous Bark Beetle timber harvesters. * 1.0 Planner II to research and develop alternatives to wood waste disposal, research funding opportunities, and a variety of other duties. * 2.0 Fiscal Clerk II positions for daily scale transaction monitoring and tonnage corrections, payments to contractors, receipts from haulers, and job cost accounting. * 1.0 Staff Analyst I for contract and program monitoring, financial and statistical analysis/reporting, and responding to day-to-day inquiries for information. These new positions are needed to assist SWMD with its increased workload demands resulting from additional tonnage being delivered to the County's landfill system, as well as the \$26 million of landfill closure and expansion projects that are scheduled for FY 2004-05. In addition to the above increases, 1.0 Public Service Employee is being added to offset a 0.8 decrease for an Engineering Technician III who is on military service leave, and budgeted staff is increasing by 0.2 for overtime of various field personnel.				



SCHEDULE C

DEPARTMENT: Public Works - Solid Waste Mgmt
 FUND: Operations Fund
 BUDGET UNIT: EAA, EWE, EWC

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENTS

Brief Description of Program Adjustment	Budgeted Staffing	Appropriation	Departmental Revenue	Revenue Over/ (Under) Exp
2. SERVICES AND SUPPLIES				
Bark Beetle Program		5,791,141	-	(5,791,141)
Full year costs to continue the Bark Beetle Program at maximum capacity including full operations of the burners at Burnt Flats and chipping operations at Heaps Peak and Big Bear.				
Waste Reduction Programs		399,000	-	(399,000)
Expanded and new waste reduction programs to reach the AB 939 requirement of diverting 50% of waste generated in the County. These programs are aimed at increasing the recycling and reuse of waste.				
Capital Projects Technical Support		1,203,522	-	(1,203,522)
This program provides for Landfill Gas and Groundwater well construction and monitoring at all active landfills, and for corrective actions required by the various water and air quality control boards. In addition, this program provides for construction design of closure and expansion projects and other engineering consultant projects. The additional appropriations for 2004-05 are needed for projects that have been deferred in previous years. These projects were pending completion of a study regarding the final cover materials at the landfills. Projects were also deferred until sufficient funding became available.				
Operations Contract		1,097,927	-	(1,097,927)
This program provides for the day-to-day operations of all of the active landfills and transfer stations, and for the repair of storm damaged inactive and closed landfill facilities. This increase is due to additional tons projected to be brought to the county solid waste facilities during 2004-05.				
Debt service		(4,900,000)	-	4,900,000
Debt service principal costs have been reclassified to the Other Charges category per the Auditor/Controller-Recorder.				
Other services and supplies costs		492,595	-	(492,595)
Increased appropriations for the following: software/hardware purchases (\$122,997), non-inventorial equipment (\$46,584), remodel of office space for new employees (\$144,215), communication charges (\$90,247), COWCAP (\$60,452), and various minor adjustments that result in a \$28,100 net increase.				
3. OTHER CHARGES				
Debt Service - Principal		4,900,000	-	(4,900,000)
The budget for outstanding debt service principal payments have been reclassified from the Services and Supplies account per direction from the Auditor/Controller-Recorder's Office.				
Debt Service - Interest		(2,093,115)	-	2,093,115
The Debt Service interest is reduced due to the pay-off of one bond in the previous fiscal year.				
Payments to other government entities		473,760	-	(473,760)
Increased payments to the Board of Equalization due to additional tonnage at the landfills (\$174,321), to the WDA Cities for the increased Article 19 tonnage (\$297,424), and to the City of Ontario for the Milliken Landfill property taxes (\$2,015).				
4. TRANSFERS		42,530	-	(42,530)
Increased payments for the administrative charges related to the operations of the Economic Development and Public Services Group.				
5. DEPRECIATION		592,147	-	(592,147)
SWMD now reflecting depreciation expense in the County budget book per direction from the County Administrative Office.				
6. TAXES		-	(111,403)	(111,403)
Reduction to Estimated Single Family Refuse rate paid on Property Tax Assessment due to the October 2003 Old Waterman Canyon and Grand Prix Fires destroying homes and businesses.				
7. LICENSES AND PERMITS		-	459,128	459,128
Increased revenues from additional franchised areas.				
8. USE OF MONEY AND PROPERTY		-	8,821	8,821
Increased interest earned due to a greater cash balance for this fund.				
9. STATE, FEDERAL, AND OTHER GOVERNMENTAL AID		-	(697,729)	(697,729)
Decrease principally due to reduced federal aid for the Bark Beetle Program.				
10. CURRENT SERVICES		-	9,961,359	9,961,359
* Increase of \$7,409,350 due to charging for Bark Beetle wood waste.				
* Increase of \$1,577,000 from the additional Article 19 tonnage received.				
* An additional \$676,000 for WDA cost-of-living adjustment of \$1.00 per ton.				
* An additional \$299,009 due to under-estimating the amount of revenue during the 2003-04 budget process.				
11. OTHER REVENUE		-	(293)	(293)
Minimal decrease in other revenue anticipated for 2004-05.				
12. OTHER FINANCING SOURCES		-	(78,000)	(78,000)
Reduction in proceeds from the sale of fixed assets.				



DEPARTMENT: Public Works - Solid Waste Mgmt
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 BUDGET UNIT: EAA, EWE, EWC

SCHEDULE C

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENTS

Brief Description of Program Adjustment	Budgeted Staffing	Appropriation	Departmental Revenue	Revenue Over/ (Under) Exp
13. OPERATING TRANSFERS IN		-	200,000	200,000
Transfers from the Environmental Mitigation Fund to assist with the cost of the Bark Beetle Infestation Program.				
Total	<u>7.4</u>	<u>8,544,050</u>	<u>9,741,883</u>	<u>1,197,833</u>

DEPARTMENT RECOMMENDED CHANGES IN FIXED ASSETS

Brief Description of Change	Appropriation
1. Scale	100,000
Purchase and installation of additional scale at the Colton landfill for traffic mitigation.	
2. Office Equipment	25,000
Purchase of a copier to replace a model having excessive down time for repairs for \$15,000. Purchase of a wide-format copier for engineering design and topographical copies for \$10,000.	
3. Field Equipment	228,000
Replace excavator at burnt flats for \$200,000. Purchase of an Organic Vapor Analyzer/Monitor for landfill gas inspections for \$18,000. Purchase of two (2) landfill gas detectors for over night detection of gas leaks for \$5,000 each or \$10,000.	
Total	<u>353,000</u>

SCHEDULE E

DEPARTMENT: Public Works - Solid Waste Mgmt
 FUND: Operations Fund
 BUDGET UNIT: EAA, EWE, EWC

FEE REQUEST SUMMARY

Brief Description of Fee Request	Budgeted Staffing	Appropriation	Departmental Revenue	Revenue Over/ (Under) Exp
Ordinary Refuse Fee	-	588,800	588,800	-
This fee increase is "inflationary" in nature. The Waste Delivery Agreements (WDA) require an annual fiscal year cost-of-living adjustment be made to the WDA Refuse fee. When this fee was implemented, a per ton spread was established between the WDA refuse fee and the Ordinary refuse fee. Each year, the County maintains the original \$4.50/ton parity between these two fees by adjusting the Ordinary Refuse fee as necessary. If this fee increase is approved, additional revenue of \$588,800 would be generated in 2004-05. SWMD proposes to set this revenue aside to fund any potential costs resulting from the continuing perchlorate investigation at the Mid-Valley landfill.				
Hard to Handle, Special Handling, Non-compacted, and Compacted Refuse	-	100	100	-
These fee increases are "inflationary" in nature and are being recommended to preserve a link with the above Ordinary Refuse Fee.				
Uncovered/Unsecured Loads (minimum load)	-	148,560	148,560	-
State and local laws prohibit transportation of waste in an uncovered or unsecured manner. Nearly 50% of all loads received at County waste facilities are in violation of such laws that result in additional litter cleanup costs for SWMD. This new fee will give the County a method for encouraging public compliance with the laws and provide additional funds to finance litter cleanup activities. Without this new fee, the County will continue to experience excessive waste spillage from uncovered and unsecured loads, and have to fund the related cleanup from existing operating funds.				
Uncovered/Unsecured Loads (per ton loads)	-	61,923	61,923	-
State and local laws prohibit transportation of waste in an uncovered or unsecured manner. Nearly 50% of all loads received at County waste facilities are in violation of such laws that result in additional litter cleanup costs for SWMD. This new fee will give the County a method for encouraging public compliance with the laws and provide additional funds to finance litter cleanup activities. Without this new fee, the County will continue to experience excessive waste spillage from uncovered and unsecured loads, and have to fund the related cleanup from existing operating funds.				
Uniform Handling Exemption Application Fee	-	60,000	60,000	-
Some customers who self-haul their waste wish to be exempted from mandatory trash pickup. An application process is being developed, but there is no revenue source to fund its costs. This new fee would fund the program costs. Without this new fee, existing operational revenues will be used to fund these costs. This program is optional to the customers.				
Total	<u>-</u>	<u>859,383</u>	<u>859,383</u>	<u>0</u>

