Mayor – Sandy Sanders

City Administrator – Ray Gosack

City Clerk – Sherri Gard

**Board of Directors**

Ward 1 – Steve Tyler
Ward 2 – Andre' Good
Ward 3 – Don Hutchings
Ward 4 – George Catsavis
At Large Position 5 – Pam Weber
At Large Position 6 – Kevin Settle
At Large Position 7 – Philip H. Merry Jr.

# *AGENDA*

## Fort Smith Board of Directors

## Study Session

## August 14, 2012 ~ 12:00 Noon

## Fort Smith Public Library Community Room
## 3201 Rogers Avenue

1. Discuss residential sanitation rates for various scenarios of automated and manual service *~ Requested by Directors Merry, Tyler, Catsavis and Weber on August 9, 2012 ~*

2. Review preliminary agenda for the August 23, 2012 regular meeting

Responsible Environmental Management
Fort Smith Department of Sanitation

MEMORANDUM

August 13, 2012

To: Ray Gosack, City Administrator

From: T. Baridi Nkokheli, Director NK

Subject: Estimated Sanitation Rates and Trouble Shooter Discussion

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On August 9, 2012, department staff was notified of the Board of Directors intentions to discuss potential residential sanitation rate differentials and the Trouble Shooter program during the August 14, 2012 study session.

Residential Sanitation Rates

Analysis of the monthly residential sanitation rates was conducted to include the information provided by Resolution 145-12 of June 19, 2012, which directed staff to expand automated collection of residential solid waste to seven (7) additional neighborhoods within Fort Smith while continuing to provide manual, alleyway collection to the remaining fourteen (14) neighborhoods, which are already receiving manual services. Rate differentials are provided below for the following service levels/scenarios:

1. Citywide automation – All households citywide would receive automated refuse collections.

2. Hybrid System – The 7 additional neighborhoods would be added to our existing automated routes. The remaining 14 neighborhoods would continue to receive manual, alleyway collections. All costs would be spread equally across the citywide residential collections customer base.

3. Two Tier System – The 7 additional neighborhoods would be added to our existing automated routes. Residents would pay for either automated curbside or manual alleyway collection depending on what was offered in their neighborhood. The costs associated with automated collection would be covered by the residents receiving those services while the costs associated with manual collections would be covered by the residents receiving manual collections.

| Service Level | Monthly Rate | Diff. from Current |
|---|---|---|
| Citywide Automation | $ 13.28 | $ (1.10) |
| Hybrid System - Cost Spread Over All Rate Payers | $ 14.45 | $ 0.07 |
| Two Tier System | | |
| Tier 1 - Automated (Curbside) | $ 13.36 | $ (1.02) |
| Tier 2 - Manual (Alleyway) | $ 21.42 | $ 7.04 |
| Current Rate | $ 14.38 | |

A complete landfill rate review is necessary to reach a more accurate rate appraisal which could result in slightly different (higher or lower) residential rates. An increase or decrease in the landfill rate directly affects residential trash collection rates due to the disposal costs of the garbage collected from residents. Potential impacts to the landfill rate include contractual agreements with the Fort Chaffee military installation, the Fort Chaffee Redevelopment Authority, and Waste Management of Arkansas, unbilled landfill disposal services, projected landfill disposal volumes, costs for environmental compliance, primary landfill operations, and costs for future landfill construction and equipment.

Trouble Shooter Program

The Residential Collections Division's Troubleshooter Program is a standard service available for all 28,673 current residential sanitation collection points citywide. It was developed as a method used to address issues that may arise when residents request delivery of refuse or recycling containers or report interruption of their solid waste collection services such as missed collections from late set outs. We also utilize this program to accommodate solid waste collections for residents with no curbside access or for those that are physically unable to transport their container curbside. Our "Trouble Shooter", will move the container to the curb, collect the contents, and return it to the house for those residents that are truly unable to physically or have no other means of assistance to move their container to the curb. The cost per household is $0.44 cents per month.

**Citywide Trouble Shooter Program Information**
**July 1, 2011 - June 30, 2012**

| | |
|---|---|
| Households which utilized the Trouble Shooter service in the last 12 months* | 4,191 |
| Households w/out access to the curb which are collected by Trouble Shooter each week | 247 |
| Physically challenged residents collected by Trouble Shooter each week | 160 |
| Tons of solid waste collected by Trouble Shooter | 232 |
| Monthly residential sanitation rate | $14.38 |
| Portion of monthly residential sanitation rate attributed to the Trouble Shooter service | $0.44 |

*Does not include other assigned duties (e.g. delivering trash/recycling carts)

Please contact me should you have any questions regarding this report or would like additional information.

**City of Fort Smith, Arkansas**
**Statement of Revenues, Expenses and**
**Changes in Working Capital, on a Budgetary Basis**
**Sanitation Operating Fund**
**For the Fiscal Years Ended December 31, 2009, 2010 and 2011**
**and Projected for the Fiscal Year Ending December 31, 2012 (Unaudited)**

| | 2009 | 2010 | 2011 | Estimated 2012 |
|---|---|---|---|---|
| Revenues | | | | |
| Service Charges and Fees | | | | |
| Residential Collections | $ 3,716,401 | $ 4,049,371 | $ 4,606,134 | $ 4,666,324 |
| Commercial & Industrial Collections | 2,446,120 | 2,375,110 | 2,291,274 | 2,247,670 |
| Landfill Operations | 4,197,870 | 4,514,296 | 3,185,230 | 3,313,600 |
| Roll-Off Collections | 2,023,834 | 1,928,152 | 1,912,483 | 1,815,520 |
| Sale of Methane Gas | 119,806 | 278,266 | 228,102 | 201,254 |
| Recycling Operations | 56,065 | 101,605 | 113,963 | 100,000 |
| Miscellaneous | | | | |
| Interest Earned | 20,544 | 2,491 | 928 | 1,500 |
| Other | 50,159 | 22,701 | 93,965 | 30,000 |
| Total Revenues | $ 12,630,799 | $ 13,271,992 | $ 12,432,079 | $ 12,375,868 |
| Expenses | | | | |
| Policy and Administration Services | $ 175,426 | $ 177,192 | $ 160,715 | $ 179,282 |
| Management Services | 757,325 | 725,523 | 721,709 | 774,616 |
| Operation Services | 10,097,387 | 9,986,783 | 8,954,682 | 10,138,739 |
| Non-Departmental | 2,254,550 | 2,330,250 | 2,130,057 | 2,031,270 |
| Total Expenses | $ 13,284,688 | $ 13,219,748 | $ 11,967,163 | $ 13,123,907 |
| Excess (Deficiency) Revenues Over (Under) Expenses | $ (653,889) | $ 52,244 | $ 464,916 | $ (748,039) |
| Beginning Working Capital, January 1 | 2,830,342 | 2,176,453 | 2,228,697 | 2,693,613 |
| Ending Working Capital, December 31, | $ 2,176,453 | $ 2,228,697 | $ 2,693,613 | $ 1,945,574 |
| Ending Balance as % of Operating Expenses | 21.86% | 22.77% | 27.44% | 17.54% |