



FY 2016 Recommended Budget Budget Question

Board Question #: 20

BUDGET QUESTIONS:

How much are we subsidizing the landfill and convenience sites out of the general fund? Is there a rate, higher or lower, that we think will allow them to pay for themselves? What action can be taken to reduce the taxpayer subsidy associated with the operation of the Refuse Collection/Recycle functions?

RESPONSE:

Solid Waste Management in Spotsylvania County is divided into two main functions Refuse Disposal and Refuse Collections/Recycle. The goal of the Department is to set tipping rates for commercial disposal that will allow for full cost recovery for the Disposal operations.

Refuse Disposal

The table below shows the funding and associated revenues for the Refuse Disposal operations. A conservative estimate of commercial tipping revenue is estimated at \$1.5 million in FY16; however, current FY 2015 revenue trends indicate that the revenue estimate for FY 2016 could be increased to \$1.9 million. When the revised revenue estimate of \$1.9 million is assumed, fee revenue is slightly (\$36,961) short of fully supporting the Refuse Disposal operations. It must be noted that the facility handles all waste from County Collection Centers, County Schools, and County Buildings at no cost; meaning approximately 40,000 tons of material are disposed of without a tip fee being charged. In FY10 the disposal cost associated with the material was approximately \$23.00 per ton; with increased disposal revenues the current disposal cost per ton is approximately \$1.00.

Refuse Disposal Operations	
Revenues:	
Refuse Disposal Fees (revised estimate)	\$1,900,000
Weed & Debris	\$10,000
Commercial Hauler Fees	<u>\$12,000</u>
	\$1,922,000
Expenditures:	
Refuse Division Operations	\$1,905,271
Associated General Fund Debt Service	<u>\$53,690</u>
	\$1,958,961
Net Tax-Supported Expenditures:	\$36,961

Based on the County population and the commercial refuse services available, staff believes that nearly all waste being generated in the County is being diverted to the Livingston Landfill.

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Therefore, further reduction in the tipping fee would not result in additional refuse volume and would result in revenue loss. In addition, based on current market conditions, any increase in tipping rates would potentially result in an 80% reduction in revenue with the loss of major haulers diverting Spotsylvania waste stream to other facilities.

Note: Based on the current tonnage acceptance at the Livingston Landfill of approximately 120,000 and 130,000 tons, the total landfill property is anticipated to have between 150 and 200 years of landfill capacity.

Refuse Collection/Recycling

The table below shows the funding and associated revenues for the Refuse Collection and Recycling operations. The tax-supported expenditures associated with these programs totals \$2,413,149. The only anticipated way to reduce this subsidy is a reduction in the level of service or initiating a fee-based system for residents disposing at the collection centers.

Refuse Collection/Recycling Operations	
Revenues:	
Recycling Revenue	\$325,000
Litter Control Grant	\$20,766
Camp Fees	<u>\$17,000</u>
	\$362,766
Expenditures:	
Refuse Collection Operations	\$2,245,058
Recycling Operations	\$454,493
Associated General Fund Debt Service	<u>\$76,364</u>
	\$2,775,915
Net Tax-Supported Expenditures:	\$2,413,149

In response to the request to review subsidized services associated with the operation of County collection centers the Utilities/Public Works Department submits the following options:

Option 1: Fee Structure

The current collection and recycle program allows for facility use by Spotsylvania County residents at no charge beyond taxes paid to the County. The Board of Supervisors could request a formal study to establish a fee structure that would allow for a percentage of cost recovery desired by the Board.

- Operational Impact: Dependent on fee structure implementation this may result in the need to add additional gate attendant staff at the major centers to collect the associated fees or verify fees have been paid.

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- **Customer Impacts:** The Spotsylvania Residential customer will be impacted by having to pay a user fee for a service that has historically been provided at no charge beyond taxes paid to the County.

Current Level of Service (Figure 1)

Generally the current level of service is based on a 10 minute or less commute for residential trash disposal at a County convenience center. Figure 1 attached indicates the current level of service with each site encircled by a 5 mile radius; general commute times within that circle should be 10 minutes or less.

Option 2: Limited Site Consolidation (Figure 2)

Upon inspection of Figure 1 it can be determined that several sites are placed within the County that create double coverage areas. Those sites include Mine Road, Todd's Tavern, Post Oak, and Cole Hill Creek. Closure of these four sites would produce a subsidy reduction of around \$130,000 (\$32,500 per site) annually in part time salaries and operational costs.

Implementation of option 2 would result in a general one way commute time to dispose of refuse in the range of 10 to 20 minutes and additional wait time at each site.

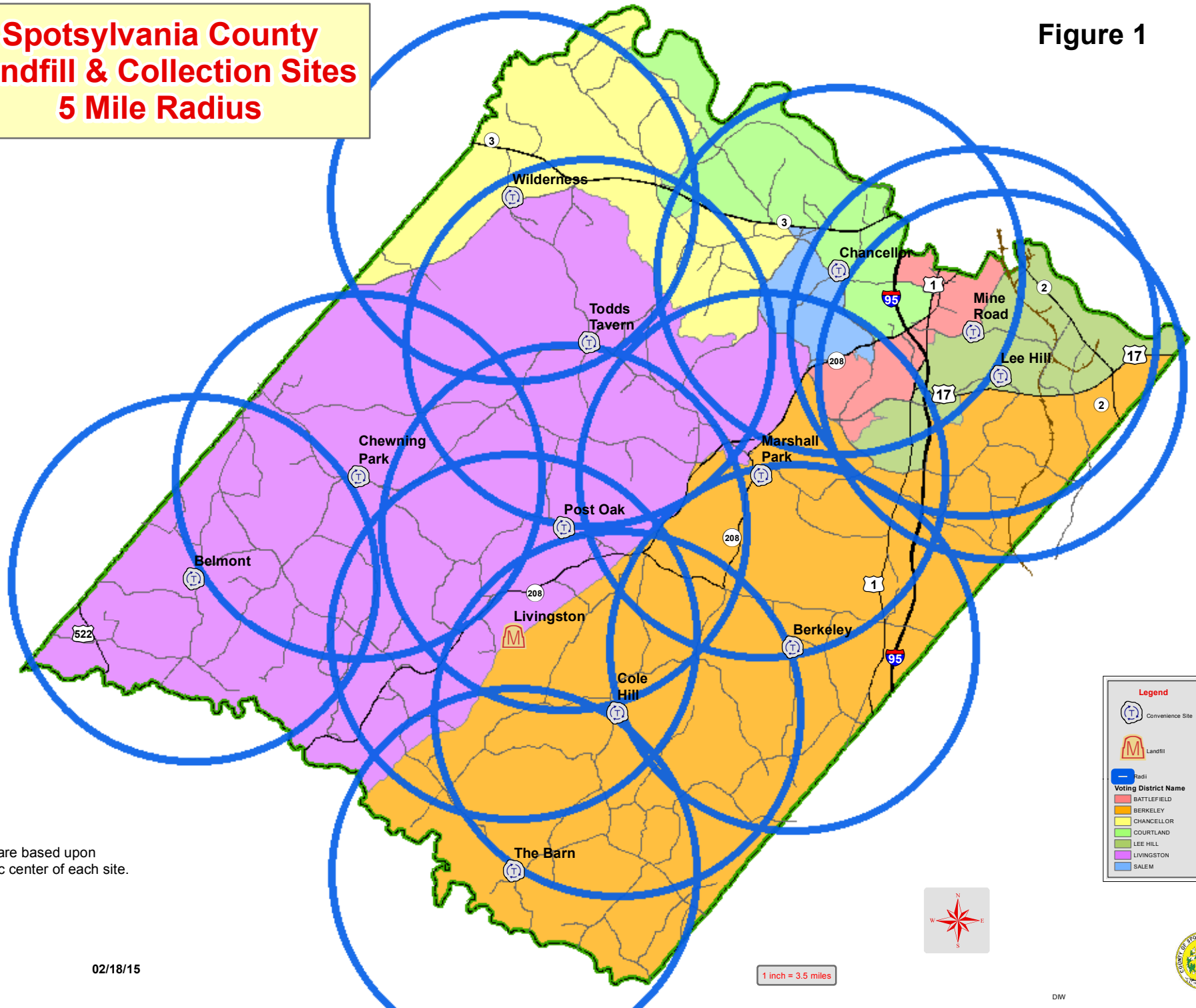
Option 3: Overall Site Consolidation (Figure 3)

The largest potential reduction in subsidy would involve the consolidation of thirteen convenience centers into four (4) main centers. The four main centers would be Chancellor, Livingston, Wilderness, and Marshall Park (pending FY16 planned improvements). Closure of all sites with the exception of these 4 main centers would allow for the collection program to reduce subsidies by approximately \$290,000 in part time salaries and operational cost.

Implementation of option 3 would result in a general one way commute time to dispose of refuse in the range of 20 to 40 minutes and additional wait time at each site.

Spotsylvania County Landfill & Collection Sites 5 Mile Radius

Figure 1



Note:
1. All radii are based upon geographic center of each site.



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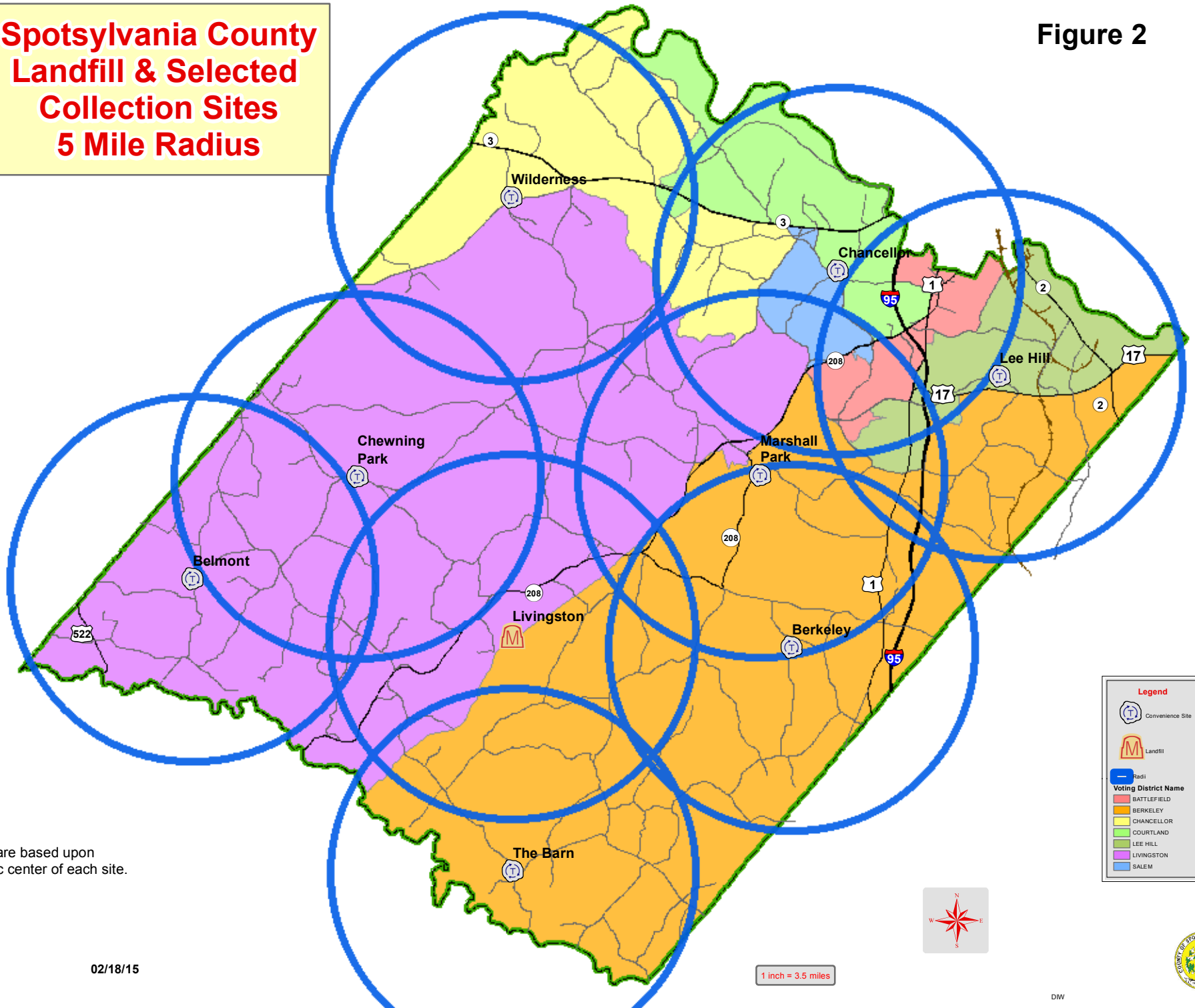
1 inch = 3.5 miles



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Spotsylvania County Landfill & Selected Collection Sites 5 Mile Radius

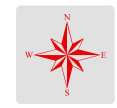
Figure 2



Note:
1. All radii are based upon
geographic center of each site.

Legend

- Convenience Site
- Landfill
- Radii
- Voting District Name**
- BATTLEFIELD
- BERKELEY
- CHANCELLOR
- COURTLAND
- LEE HILL
- LIVINGSTON
- SALEM



1 inch = 3.5 miles



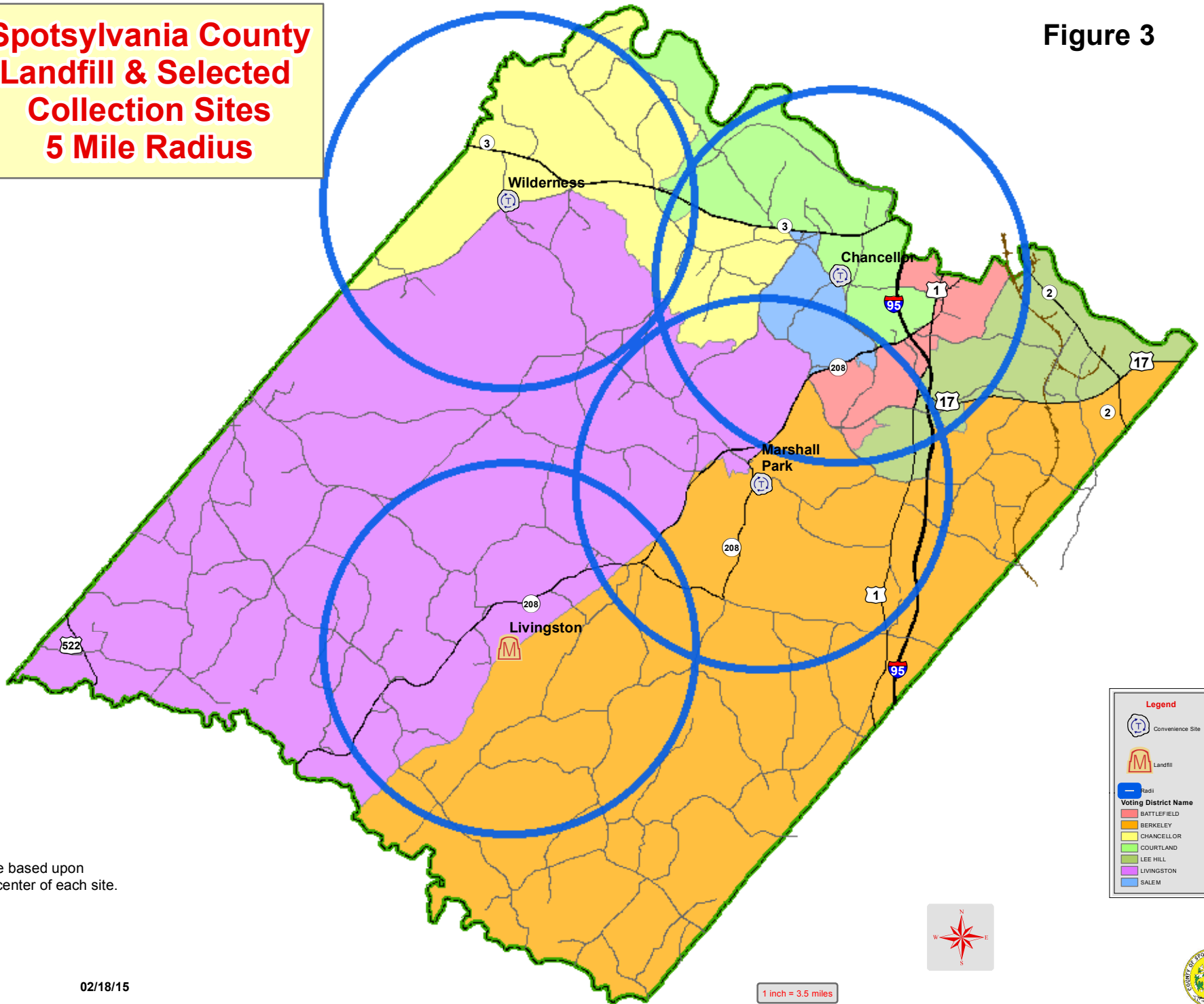
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Spotsylvania County Landfill & Selected Collection Sites 5 Mile Radius

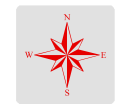
Figure 3



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