




**PUBLIC WORKS DEPARTMENT
MEMORANDUM #2011 – 23**

DATE: May 12, 2011
TO: Honorable Mayor Joyce Downing and City Council Members
FROM: William A. Simmons, City Manager 
David H. Willett, Director of Public Works 
Shawn Cordsen, Director of Finance 
SUBJECT: CB – 1752; Sanitation Fund – Appropriation Amendment

BACKGROUND

During the spring/summer of 2010, the Sanitation Division of the Public Works Department successfully implemented the conversion process to fully automated residential trash collection. City staff and residents have worked together during this transitional period and have achieved 99.5% compliance. The resulting benefits have been a reduction of three full time positions in the Sanitation Division, reduced overtime, an expanded green waste recycling program and an aesthetically improved look in residential neighborhoods.

In March and April 2011, all residential trash customers were mailed a survey soliciting their interest in the curbside recycling program. The survey concluded on May 2, 2011 with over 30% participation requests from our customers. Staff had previously estimated that a participation rate of 20% or greater would provide enough customer support for a viable program.

BUDGET/TIME IMPLICATIONS:

Polycarts usually require 6 to 8 weeks of lead time prior to delivery. In the mean time prior to the delivery of recycle carts, plans for cart distribution and routing will be determined. Once the carts are received, it is estimated to take approximately 30 days for cart assembly, distribution, and program startup. A pro forma has been attached which illustrates the anticipated financial impacts of curbside recycling on the Sanitation Fund.

The estimated ending fund balance in the Sanitation Fund per the 2011 adopted budget is \$1,732,628. Staff is requesting an additional appropriation in the amount of \$182,050 for the purchase of 3,500 polycarts (\$175,000) and additional fuel and maintenance costs (\$7,050). The appropriation amendment if approved would increase the 2011 Public Works Department/Sanitation Division/Supplies account and decrease unassigned fund balance. 500 recycling carts are currently in inventory at the Maintenance and Operations Facility. Carts not allocated at first will be available for the additional orders received after the initial program implementation. Staff anticipates that this projection will be sufficient to meet the demand for the remainder of calendar year 2011.

RECOMMENDATION:

Staff is seeking approval of the enclosed authorizing appropriation amendment ordinance.

STAFF REFERENCE

David H. Willett, P.E., Director of Public Works
Norman Bell, Public Works Superintendent

dwillett@northglenn.org or 303.450.8783
nbell@northglenn.org or 303.450.4005

Sanitation Fund Summary

	2010 Audited Amounts	2011 Adopted Budget	Estimated Revisions	Proposed 2011 Revised Budget	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
Revenue:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-	-	-
User Charges & Fees	1,508,397	1,414,611	14,381 a.	1,428,992	1,449,126	1,450,575	1,452,026	1,453,478
Fines & Forfeitures	-	-	-	-	-	-	-	-
Other Revenue	11,279	29,827	-	29,827	18,271	18,316	19,758	20,471
Total Revenue	1,519,676	1,444,438	14,381	1,458,819	1,467,397	1,468,891	1,471,784	1,473,949
Expenditures:								
Personnel	\$ 731,210	\$ 739,878	\$ -	\$ 739,878	\$ 762,074	\$ 784,936	\$ 808,484	\$ 832,739
Purchased Services	353,386	345,675	(6,289) b.	339,386	340,764	350,987	361,517	415,745
Supplies/Non-Capital Equipment	96,392	125,836	182,050 c.	307,886	96,392	50,000	51,500	53,045
Capital Outlay	580,446	-	-	-	250,000	175,000	265,000	272,000
Miscellaneous	181	3,683	-	3,683	3,683	3,793	3,907	4,024
Contingency	-	11,884	-	11,884	-	-	-	-
Total Expenditures	1,761,615	1,226,956	175,761	1,402,717	1,452,913	1,364,716	1,490,408	1,577,553
Excess/(Deficiency) of Revenues Over Expenditures	(241,939)	217,482	(161,380)	56,102	14,484	104,175	(18,624)	(103,604)
Other Financing Sources/(Uses):								
Transfers In/(Out)	-	-	-	-	-	-	-	-
Debt Issuance/(Payments)	(275,512)	-	-	-	-	-	-	-
Sale of Assets	496,050	-	-	-	-	50,000	100,000	103,000
Insurance Recovery/(Claims)	-	-	-	-	-	-	-	-
Economic Incentives	-	-	-	-	-	-	-	-
Claims/Awards	(9,652)	(25,000)	-	(25,000)	(10,000)	(10,000)	(10,000)	(10,000)
Total Other Financing Sources/(Uses)	210,886	(25,000)	-	(25,000)	(10,000)	40,000	90,000	93,000
Net Change In Fund Balance:	(31,053)	192,482	(161,380)	31,102	4,484	144,175	71,376	(10,604)
Cumulative Fund Balance								
Beginning Fund Balance	1,827,062	1,714,646	81,363 d.	1,796,009	1,827,111	1,831,595	1,975,770	2,047,146
Ending Fund Balance	1,796,009	1,907,128	(80,017)	1,827,111	1,831,595	1,975,770	2,047,146	2,036,542
Less Restrictions, Commitments, & Assignments:								
Capital Equipment Replacement Assignment	-	174,500	-	174,500	-	-	-	-
Unassigned Fund Balance	\$ 1,796,009	\$ 1,732,628	\$ (80,017)	\$ 1,652,611	\$ 1,831,595	\$ 1,975,770	\$ 2,047,146	\$ 2,036,542

2011 Estimated Budget Revisions:

- a. Increase in anticipated recycling revenue for the months of August - December.
- b. Decrease in anticipated landfill tipping charges for the months of August - December.
- c. Initial purchase of 3,500 polycarts (\$175,000) estimated additional fuel & maintenance costs (\$7,050) of providing the service for the months of August - December.
- d. Update budgeted beginning fund balance with audited prior year ending fund balance.

2012-15 Forecasting Assumptions:

- User Charges & Fee revenue increased approximately \$1,500 annually to conservatively account for increased recycling material revenue as participation increases.
- Expenditures increased by a general inflationary rate of 3%
- Purchased Services decreased in 2012 due to a reduction in tipping charges, then slowly climb in 2013 & 2014 due to inflation with a significant increase in 2015 for the contract renew
- Supplies/Non-Capital Equipment decrease to represent a static number of polycart replacements/additions.
- Automated trash truck purchase added to fiscal year 2012 to automate the curbside recycling program.
- Roll-off truck replacement in fiscal year 2013 with associated sale of current asset.
- Automated trash truck replacement in fiscal years 2014 and 2015 with associated sale of current assets.

SPONSORED BY: MAYOR DOWNING

COUNCILMAN'S BILL

ORDINANCE NO.

No. CB-1752
Series of 2011

Series of 2011

A BILL FOR A SPECIAL ORDINANCE AMENDING THE 2011 BUDGET RECOGNIZING REVENUES AND APPROPRIATING EXPENDITURES BY APPROPRIATION AMENDMENT, FOR THE PAYMENT OF THE COSTS AND EXPENSES OF THE MUNICIPAL GOVERNMENT, AGENCIES AND OFFICES OF THE CITY OF NORTHGLENN, COLORADO, FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2011

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT THE 2011 BUDGET SHALL BE AMENDED AS FOLLOWS:

Section 1. Appropriation amendment.

(a) Sanitation Fund. Amend the 2011 Sanitation Fund budget to increase appropriations in the amount of \$182,050 as follows:

- (Item 1) \$175,000 increase to account for the purchase of 3,500 polycarts in association with the implementation of the automated curbside recycling program.
- (Item 2) \$7,050 increase to account for the additional fuel and maintenance costs in association with the implementation of the automated curbside recycling program.

Recognize a decrease in the 2011 Sanitation Fund unassigned fund balance in the amount of \$182,050 represented by the above descriptions.

Section 2. The City Council of the City of Northglenn, Colorado, hereby finds and declares that in making appropriations provided by this ordinance:

- (a) No appropriation for debt service has been reduced or transferred.
- (b) No appropriation has been reduced below any amount required by law to be appropriated.
- (c) No appropriation has been reduced by more than the unencumbered balance thereof.
- (d) In the case of each transfer of all or part of any unencumbered appropriation, such transfer has been requested and approved by the City Manager.
- (e) In the case of each reduction of an appropriation, the City Manager has rendered his report and recommendations thereon and has requested and approved such reduction.
- (f) In the case of the appropriation amendment, the City Manager has certified that there are funds available for appropriation.

INTRODUCED, READ AND ORDERED POSTED this _____ day of _____,
2011.

JOYCE DOWNING
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

PASSED ON SECOND AND FINAL READING this _____ day of _____,
2011.

JOYCE DOWNING
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

APPROVED AS TO FORM:

COREY Y. HOFFMANN
City Attorney