

SALT LAKE CITY COUNCIL STAFF REPORT

BUDGET ANALYSIS – FISCAL YEAR 2004

DATE: December 31, 2003

BUDGET FOR: Salt Lake Valley Solid Waste Management Facility -
Proposed 2004 Calendar Year Budget

STAFF REPORT BY: Michael Sears, Budget & Policy Analyst

cc: Cindy Gust-Jenson, Rocky Fluhart, Rick Graham, Steve Fawcett, Kevin Bergstrom, Greg Davis, Romney Stewart and Stuart Palmer

The Council did not raise any questions with regard to the adoption of the calendar year 2004 Solid Waste Management Facility budget. The Council held a public hearing and adopted this budget on December 9, 2003. The Council also expressed its intention to ratify the vote on January 6, 2003 and allow additional time for public comment to be received by the Council. No additional comments or issues have come up since the December 9, 2003 public hearing. The following motion will allow for the ratification of the vote adopting the calendar year 2004 Solid Waste Management Facility budget.

OPTIONS AND MOTIONS

1. ["I move that the Council"] **Ratify the December 9, 2003 vote of the City Council that adopted an ordinance adopting the calendar year 2004 Solid Waste Management Facility budget.**

Note: The following information was provided to the Council for the 11/20/03 briefing and 12/09/03 hearing. It is provided again for your reference.

The Solid Waste Management Council has forwarded the proposed 2004 calendar year Solid Waste Management Facility budget for the City Council's review. Members of the Solid Waste Management Facility's Administration will be present at the November 20th briefing to answer Council questions.

The Salt Lake County Council will hold a public hearing and consider adopting this budget on December 9, 2003. On that same day the Salt Lake City Council could hold its public hearing and consider adopting this budget.

ANALYSIS

The Administration's paperwork outlines in detail the proposed changes to the Solid Waste Management Facility's budget. Calendar year 2004 revenues are estimated at \$15,764,000; expenditures are estimated at \$15,559,849. Excess revenues over expenditures of \$204,151 are proposed to accumulate in fund balance to be used for future capital costs.

The most significant changes to the budget as compared to the amended 2003 budget are as follows:

1. Landfill tonnage is down. As a result of less waste being deposited into the landfill, revenue will be down by \$923,964, \$750,000 of which is attributable to tipping fee revenue. Other revenue sources include compost sales, salvage sales, interfund charges and other sources.
2. Sale of vehicle revenue will decrease by \$227,291. This reduction is due to higher than anticipated vehicle sale prices in 2003, which are not expected to be replicated this year.
3. The total expense budget reduction will be \$923,964. The major components are capital expenditures will be reduced by \$965,603 and contract hauling costs which will be \$140,000. There are offsetting increases of \$235,000 in contract labor, regulatory fees and other professional / intergovernmental costs.

BACKGROUND

The Salt Lake City/County Solid Waste Management Facility is jointly owned and operated by Salt Lake City and Salt Lake County. The Solid Waste Management Facility's operation is based on an Interlocal agreement entered into by Salt Lake City and Salt Lake County in 2000 (this agreement replaced an earlier agreement which was effective from 1980-2000). The Interlocal agreement establishes a Salt Lake Valley Solid Waste Management Council. The Management Council appoints the Director of the Solid Waste Management Facility, who supervises and manages the day-to-day activities of the Facility. Information on the facility and its programs has been provided by the Administration.

The Salt Lake Valley Solid Waste Management Council worked with the Facility's Director to develop a proposed 2004 calendar year operating and capital improvement budget for the Facility. The Management Council reviewed and approved the proposed budget on September 15, 2003.

According to the agreement both the City Council and the County Council must approve a budget for Facility. Any changes the City Council makes to the proposed budget will be forwarded to the County Council for consideration.