

Report on Refuse and Recycling Project Discussions

Councilor Miller – Chairman of Committee on Finance

The finance committee has met on multiple occasions to discuss refuse and recycling options for the city of Wapakoneta moving forward. The three primary paths that have been explored are:

1. Signing a contract with Waste Management or Rumpke,
2. Retrofit current trucks with capability of picking up bins, purchasing new truck with that same capability, and purchasing bins to replace current bag system in the city. Curbside recycling is retained.
3. Continue with our current system with modifications as recommended by members of the waste minimization committee

The members of the waste minimization have suggested the following comments throughout our finance committee meetings regarding the potential to update our current program rather than using a private firm:

1. Curbside recycling is essential to maintaining levels of recycling in the city
2. Pay as you throw programs incentivize recycling due to the cost per back of refuse
 - a. WM committee opinion backed by studies provided by Rachel Barber
3. Once we let go of the recycling program, the WM committee feels that we will never be able to take it back
4. There is worry about the quality of service from a 3rd party firm, and worry that they will simply increase the price once we sell all of our equipment
5. Thought of bringing back an increase in education so that people understand more about recycling in the schools and community
6. Train workers better on what is and isn't acceptable and best practices in collection
7. Increase monthly resident costs to account for transfers into the refuse and recycling accounts
8. Potentially reduce the size of bags to further incentivize recycling
9. Developing better planning to set funds aside to maintain trucks and buy new trucks
 - a. Unencumbered funds in the refuse and recycling accounts total almost \$700,000 according to the auditor
10. Concerns about the Auglaize County recycling cooperative, as the county may not qualify for as many grants from the state if Wapakoneta pulls out of their recycling program.

City Concerns from Administration:

1. **Safety of workers:** over 100 hours of sick time due to injury from workers that have worked on refuse and recycling since January of 2022
2. **Retention and Hiring of New Workers in Refuse:** administration has told us that it is very hard to retain workers and find new workers in the refuse department. Since 2022, 4 city employees with job responsibilities in refuse and recycling have separated from the city. Three of them

were within the probationary period. Three additional public works employees who could have assisted with refuse separated from the city during this time frame as well.

3. **Cost of Maintaining In-House Recycling:** the recycling program only is able to be revenue neutral due to a yearly \$150,000 transfer of funds from the refuse account into the recycling fund. Recycling does not fund itself. We have only received \$895 in Auglaize County Recycling Revenue Receipts thus far in 2023.
4. **Cost of Maintaining In-House Refuse:** new equipment will need to be purchased in order to keep the program in house. The administration suggests that we acquire refuse truck lift bin arms for the existing trucks, and in addition, the acquisition of a new truck. Administration also would be asking that we fund purchasing refuse and recycling bins that can be picked up by the truck arms. The total cost for a new refuse truck, new arms for existing trucks, and bins is estimated to total around \$1.1MM.
5. **Reliance on Carryover Amounts:** though more information is needed, administration notes that without the \$700,000 carryover amount each year, the refuse and recycling funds would not function as a “enterprise” funds, covering costs with revenues. This suggests that the funds do not currently cover current year costs with current year revenues. This carryover amount funds the \$150,000 transfer needed for recycling each year.
6. **Efficiency of Private Firms versus the City:** Administration believes that the private firms have more resources, experience, and efficiency in refuse and recycling than the city. Their ability to collect, transport, and dispose is much better than we can do in house.
7. **Refuse Workers Would be Re-assigned to Needed Positions:** Workers currently in refuse would be reassigned to needed positions in public works
8. **Increasing Expenses in Refuse Program:** administration is concerned that expenses in the refuse department could increase by 5-10% per year, thus likely requiring rate increases in order to stay in current status. Per calculations using numbers from the administration, in order to keep the program in house and solvent (i.e. enterprise fund), estimates show that each city customer would need to cover an additional \$36/year for recycling (based upon \$150,000 transfer) and an additional \$131 per year for refuse (according to the current carryover amounts, \$550,000 for refuse). This amounts to a total of \$167 per year, or an additional \$14 per month. This same type of increase would occur if we chose to fund the updates to the current program to retrofit trucks and buy bins (\$700,000 cost). This would raise monthly customer refuse costs from \$16/month to \$30/month. It is noted that questions remain about the carryover amounts, and administration noted that, if we did increase rates, we could do it on a gradual basis.

Other Notes Regarding Refuse Decision

- The private firms are able to recycle glass, which the city cannot do. It was asked if they can recycle broken glass, and least Rumpke answered “yes”, i.e. that broken glass does not contaminate the bin
- We have inquiries out to Keep Ohio Beautiful and the Ohio EPA regarding this issue. No word back as of yet per President Doll.
- Administration had a meeting with the county and Scott Cisco in which Mr. Cisco recommended retrofitting the trucks. St. Marys is taking this approach, but without curbside recycling.

Hopefully Some Answers on the Refuse and Recycling Budgets

- After reviewing the budget spreadsheet from 2022, I found the following for the refuse fund:
 - 2022 Beginning Balance Carryover: \$694,974.93
 - 2022 Revenue

650.000.44601	CUSTOMER PICKUPS	710000
650.000.44602	SPECIAL PICKUPS	
650.000.44603	DUMPSTER RENTAL	
650.000.44604	LANDFILL GATE RECEIPTS	0
650.000.44605	MATERIAL & LABOR	
650.000.44606	SALE OF GARBAGE TOTES	22000
650.000.44609	SALE OF CITY REFUSE BAGS	300000
	TOTAL CHARGES	\$1,032,000.00
650.000.46902	REFUSE TRUCK UTILITY FEE	96000
	TOTAL REFUSE RECEIPTS	\$1,128,000.00

- 2022 Costs

REFUSE FUND		
650.651.51010	SUPERVISORY SALARIES	37000
650.651.51015	OFFICE SALARIES	
650.651.51020	NONSUPERVISORY SALARIES	400000
650.651.51030	SEASONAL LABOR	18000
650.651.51110	UNEMPLOYMENT COMP	
650.651.51120	WORKMANS COMPENSATION	8000
650.651.51130	PERS	47000
650.651.51140	LIFE INSURANCE	500
650.651.51150	HEALTH INSURANCE	60000
650.651.51151	MEDICARE & FICA	5500
650.651.51170	SCHOOLING & SEMINARS	1000
650.651.51180	MILEAGE, LODGING, MEALS	200
	TOTAL PERSONNEL	\$577,200.00
650.651.52165	EPA TAX	
650.651.52166	COUNTY DISPOSAL FEES	
650.651.52260	CONTRACT SERVICES	340000
650.651.52261	CONTRACT ENGINEERING	
650.651.52262	INTERNAL ENGINEERING	
650.651.52312	CONTRACT TESTING	
650.651.52330	RADIO COMMUNICATIONS	1500
650.651.52350	FLEET & LIABILITY INS	5500
	TOTAL CONTRACTS	\$347,000.00

650.651.53010	OPERATION	6000
650.651.53015	DUES, LICENSES, ORG FEES	150
650.651.53070	JANITOR & SANITATION	10000
650.651.53071	BUILDING MAINTENANCE	1000
650.651.53140	POSTAGE & FREIGHT	1000
650.651.53160	CLERICAL & BILLING	2000
650.651.53170	COMPUTER SUPPLIES	100
650.651.53190	MISC MATERIALS	22000
650.651.53290	WASTE MINIMIZATION	1000
650.651.53325	EQUIP (UNDER \$500)	500
650.651.53453	CITY REFUSE BAGS	45000
	TOTAL MATERIALS	\$88,750.00

650.651.54010	ELECTRIC	7500
650.651.54020	TELEPHONE	450
650.651.54030	HEAT	3500
650.651.54050	REFUSE	

	TOTAL UTILITIES	\$11,450.00
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650.651.54500	TRANSPORTATION	25000
650.651.54501	INTERNAL MAINTENANCE	17000
650.651.54502	FUEL	25000

	TOTAL TRANSPORTATION	\$67,000.00
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650.651.55005	CAPITAL LEASE-REFUSE TRUCK	0
650.651.55010	EQUIP (OVER \$500)	0
650.651.55040	VEHICLES	20000
650.651.55070	COMPUTER (OVER \$500)	5000

650.651.55130	LANDFILL EXPANSION	
650.651.55250	BUILDING	

	TOTAL CAPITAL	\$25,000.00
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650.651.57010	PRINCIPAL RETIREMENT - VARIOUS	96000
650.651.57020	INTEREST EXPENSE - VARIOUS PUR	10158.12

	TOTAL DEBT SERVICE	\$106,158.12
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650.651.59040	OVERPAYMENT REFUNDS	
650.651.59090	CONTINGENCY	420,416.81

650.651.59132	TRANSFER OUT - SWR REPL	
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650.651.59133	TRANSFER OUT - CLOSURE	30000
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650.651.59135	TRANSFER OUT - RECYCLING	150000
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TOTAL OTHER	\$600,416.81
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TOTAL REFUSE EXPENSES	\$1,822,974.93
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- Carry over equalizes the revenues and expenses, and we had a 2022 contingency of \$420,416.81. According to the auditor's worksheet, the refuse fund **did not** pay for itself in 2022.

- After reviewing the budget spreadsheet from 2022, I found the following for the recycling fund:
 - 2022 Beginning Balance Carryover: \$195,711.79
 - 2022 Revenue

653.000.43410	RECYCLING GRANT	
	TOTAL INTERGOVERNMENTAL	\$0.00
653.000.44601	RECYCLING FEE	
653.000.44602	YARD WASTE SALES	8500
653.000.44606	SALE OF SCRAP	
653.000.44609	ADDITIONAL BAG FEE	
	TOTAL CHARGES	\$8,500.00
653.000.46101	INTEREST & DIVIDENDS	
653.000.46102	ACCT RECEIVABLE INTEREST	
653.000.46501	SALE OF FIXED ASSET	
653.000.46901	RECYCLING TUB SALES	1500
653.000.46902	RECYCLABLE SALES	19000
653.000.46904	MISC REVENUE	
	TOTAL MISCELLANEOUS	\$20,500.00
653.000.49101	MISC REIMB & REFUNDS	
653.000.49102	PRIOR PERIOD REIMB & REFUNDS	
653.000.49801	TRANSFER IN - GENERAL	
653.000.49810	TRANSFER IN - REFUSE	150000
	TOTAL OTHER	\$150,000.00
	TOTAL RECYCLING RECEIPTS	\$179,000.00

- 2022 Expenses

	TOTAL PERSONNEL	\$0.00
653.653.52350	FLEET & LIABILITY INS	4000
	TOTAL CONTRACTS	\$4,000.00
653.653.53010	OPERATIONS	3000
653.653.53071	BUILDING MAINTENANCE	16000
653.653.53160	CLERICAL & BILLING	300
653.653.53325	EQUIP (UNDER \$500)	2000

653.653.53451	RECYCLING TUBS	2000
	TOTAL MATERIALS	\$23,300.00
653.653.54010	ELECTRIC	17000
653.653.54020	TELEPHONE	300
653.653.54030	HEAT	
	TOTAL UTILITIES	\$17,300.00
653.653.54500	TRANSPORTATION	30000
653.653.54501	INTERNAL MAINTENANCE	10000
653.653.54502	FUEL	21000
	TOTAL TRANSPORTATION	\$61,000.00
653.653.55005	CAPITAL LEASE-RECYCLE TRUCK	59243.85
653.653.55010	EQUIP (OVER \$500)	23000
653.653.55040	VEHICLES	20000
653.653.55250	BUILDING	
	TOTAL CAPITAL	\$102,243.85
653.653.59090	CONTINGENCY	166867.94
653.653.59801	ADVANCE OUT - GENERAL FD	
	TOTAL OTHER	\$166,867.94
	TOTAL RECYLCING EXPENSES	\$374,711.79

Carry over equalizes the revenues and expenses, and we had a 2022 contingency of \$166,867.94. According to the auditor's worksheet, the recycling fund **did not** pay for itself in 2022.

Administration and the auditor need to confirm if the above were budget estimates or actuals from 2022.