

# **Update: Solid Waste and Environmental Protection Funds**

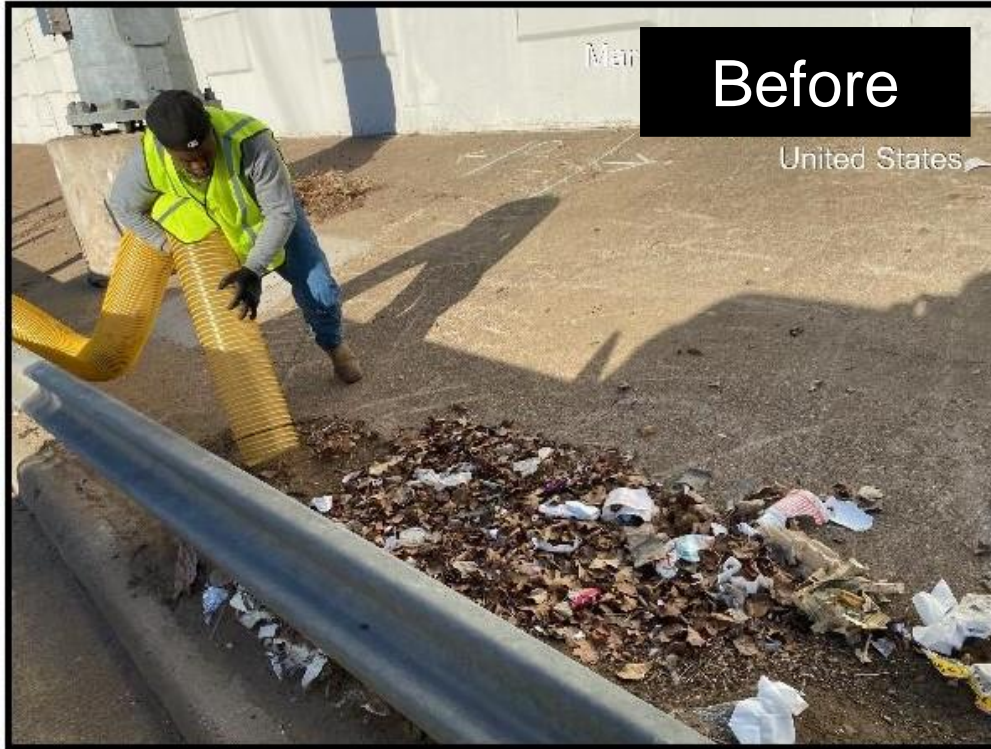
Valerie Washington, Assistant City Manager  
City Council FY23 Budget Workshop

Friday, August 12, 2022

## FY23 Budget Strategic Priorities

- **Safe and clean community**
- **Infrastructure stewardship**
- **Supporting growth**
- Workforce recruitment and retention
- Tax rate reduction

# Safe and Clean Community



# Presentation Overview

1. Overview of rates
2. Solid Waste Fund
3. Environmental Protection Fund
4. FY23 Budget Recommendation to provide a noticeably cleaner city

# Rates Over Time

## ENVIRONMENTAL

1995 ORIGINAL RATES



2022

**NO CHANGES  
IN 27 YEARS**

## SOLID WASTE

1982 ORIGINAL RATES

1984 +\$0.60

1986 +\$0.35

1989 + \$0.50

1990 + \$2.00

1992 + \$1.15

1994 + \$0.50

1997 + \$0.70

1998 + \$0.50

1999 + \$0.25

2001 + \$0.75

2002 + \$1.25

2003 - VARIABLE RATES

2004 +\$3.45

2006 +\$1.30

2014 **-\$0.25**

2022

**15 RATE CHANGES  
IN 37 YEARS**

## STORMWATER UTILITY

2006 ORIGINAL RATES

2008 +\$0.30

2009 +\$0.55

2010 +\$1.00

2012 +\$0.65

2020 +\$0.35

2022

**5 RATE CHANGES  
IN 16 YEARS**

# Solid Waste Fund

# Solid Waste Fund Guiding Principles



**Revenue/Expense Balance**: Build service-fund alignment and equity across all landfill uses (e.g., residential/commercial accounts, construction/demolition waste, non-city waste).



**Landfill Preservation**: Maximize life of the landfill (project less than 15 years).



**Residential Rate Protection**: Exhaust potential revenue options before pursuing residential rate adjustments.



**Fund Solvency**: Solid Waste Fund long term sustainability and fiscal stewardship to ensure programmatic and funding structures are in place for future needs (i.e., capital reserve for future landfill, future costs of disposal).

# Current Solid Waste Major Services

## Residential Collection Services

- **Over 248,000 households are serviced**
- Residents receive four curbside services:
  - **Garbage Collection** – once a week
  - **Recycling Collection** – once a week
  - **Yard Waste Collection** – once a week
  - **Bulk Collection** – once a month
- 4 Drop-Off Stations & Environmental Collection Center

## Community-Wide Services

- **Landfill:** Disposal of residential and commercial waste
- **Illegal Dump Investigation & Abatement**
- **Litter Control Field Services**
  - Collection and disposal of litter
  - Homeless camp abatement
  - Street sweeping
- **Street Can Collection and Disposal**



# Solid Waste Fund Challenges

1. Services expanded to meet community demands without revenue increase (e.g., litter & illegal dumping control, street sweeping, homeless camp abatement).
2. Residential fees (99% of rate payers) provide 90% of the total fund revenue and do not fully cover residential collection costs.
3. Landfill revenues need to be modified to include a capital reserve: fund balance for future disposal costs, future landfill closure, and future landfill needs.
4. Ability to meet Solid Waste Fund reserve requirements.

# Solid Waste Fund Cost Drivers

## Continued Growth of City and Service Demands (2006-2018)

- Population Change: 662,346 to 895,008 = **+232,662 / 35%**
- Carts In-Service: 315,694 to 475,904 = **+160,210 / 51%**
- Inflation: + **49%**
- Contractual CPI Adjustments
- Global Recycle Market & Economy Transformation
- Increased service demands/delivery:
  - Homeless camp abatement
  - Litter abatement
- Weather



## Solid Waste Fund (Burns & McDonnell Review)

Completed a comprehensive financial cost of service and rate analysis for all solid waste, recycling and environmental operations.

- **Developed strategies to meet and maintain fund reserve requirements to include:**
  - Increase revenue with broad range of options.
  - Transfer identified programs to other funding sources (i.e., Environmental Protection Fund)
  - Distribute costs of services to include non-residential sectors, where appropriate.
- **Minimize impact to landfill life with waste diversion considerations.**

# Service Realignment Opportunities

## Solid Waste Revenue covers:

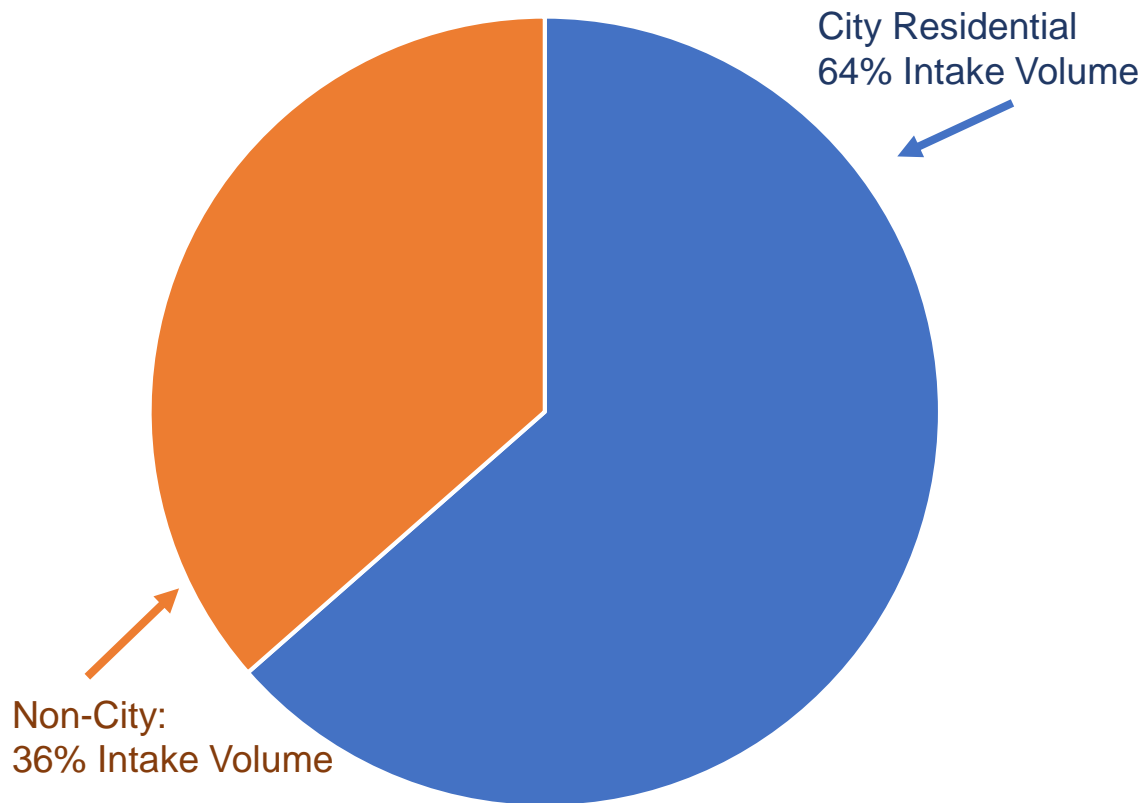
-  Residential Collection & Disposal (garbage, recycling, yard waste)
-  Recycling & Mulching Processing
-  Bulk Item Collection & Disposal
-  Four (4) Drop off Centers + Environmental Collection Center
-  15 Code Officers (Collection/Set-Out Enforcement)
-  Call Center Support
-  Program Administration

## Revenue does not cover:

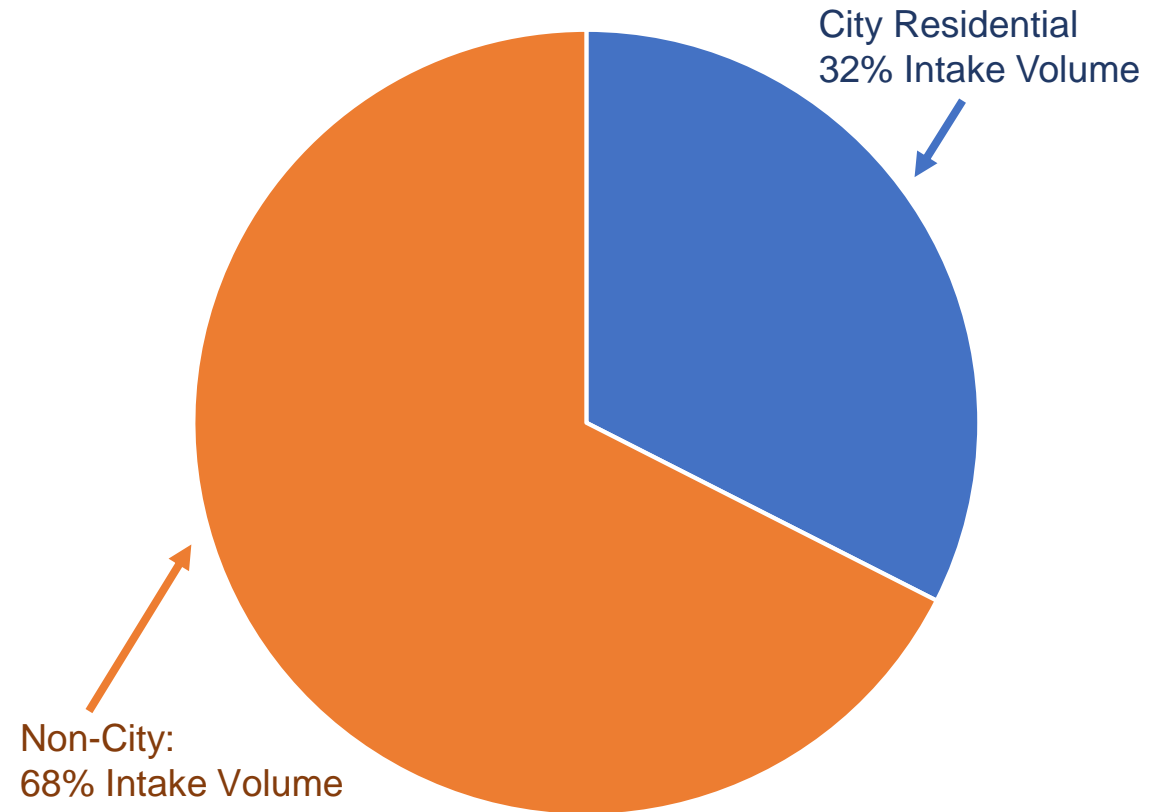
-  Illegal Dumping Enforcement
-  Litter & Illegal Dump Abatement
-  Street Sweeping
-  Pedestrian Trash

# Landfill Intake Comparison

**FY 2009:** Landfill **City**  
Residential Customer Focus



**FY 2021:** Landfill **Non-City**  
Customer Focus



# Solid Waste Fund Revenue Enhancements

- **Recent Revenue Enhancements**

- Landfill Environmental Surcharge Increase: \$5.00/Ton for Non-Grant of Privilege Haulers
- Grant of Privilege Fee Increase: 5% to 10%
- Commercial Cart Rate Increase: \$15/cart
- Non-Compliant Brush and Bulk penalties
- Stronger recycle markets (2021 – 2022)

- **Possible Future Revenue Enhancements**

- Landfill Gas Collection and Sale
- Environmental Collection Fee (Household Hazardous Waste) – Cost of Service Study
- Expansion of Landfill Environmental Surcharge to GOP Haulers
- Solid Waste Collection Penalties (Smart Truck technology for compliance: loose bags, overfilled, too much brush, etc.)

## Future of the Solid Waste Fund

- Continue exploring options that will support preserving landfill life, and equitably distribute the cost of related services:
  - Transfer litter/illegal dumping related expenses to the Environmental Protection Fund
  - Landfill gas collection/sale revenues
  - Landfill environmental surcharge for GOP haulers
- Establish forums for discussions with policy makers on future landfill options:
  - Analysis with North Central Texas Council of Governments (regional issue)
  - Discussions with local jurisdictions
  - Options for transfer stations & strategies for preserving landfill life

# Environmental Protection Fund



## Where We Left Off with City Council

- Distribute current litter control costs more equitably (e.g., residential, commercial and industrial accounts)
- Reduce existing litter control expenses on the Solid Waste Fund by \$4.4M annually
- Increase revenue to:
  - Expand litter control services
  - Expand environmental service capacity
  - Build fund solvency and security
- Seek innovative strategies for handling environmental and stormwater issues



## Environmental Fund Goals

- Solvent, sustainable Environmental Protection Fund
- Sufficient resources for compliance with environmental laws & mandates
- Existing and future environmental capital projects resources
- Service alignment with the most appropriate fund
- Equitable and proportional across all account types (e.g., residential, commercial, industrial)
- Reserve (savings) for unforeseen future environmental projects or environmental emergencies

## Recommended Prioritization & Costs

**Priority #1:** Move existing \$4.4M/year for litter/illegal dump expenses from Solid Waste Fund.

**Priority #2:** Expand litter/illegal dumping services by \$6M/year.

**Priority #3:** Expand capacity for other environmental projects and services.

**Additional Revenue Target: \$10.4M**

## Priority #1: Move existing \$4.4M/year for litter/illegal dump expenses from Solid Waste Fund.

Program Element	Description	FY2023 Value
<b>Priority 1: Transfer litter and illegal dumping from Solid Waste Fund to another funding source.</b>	Litter Abatement	\$1,639,167
	Illegal Dump	\$1,454,744
	Street Sweeping	\$235,912
	Environmental Investigation Unit	\$574,336
	Keep Fort Worth Beautiful	\$476,538
	<b>Total</b>	<b>\$4,380,697</b>



Annual expenses projected in FY2023 budget.  
See excel sheet for details.

## Priority #2: Expand litter/illegal dumping services by \$6M/year.

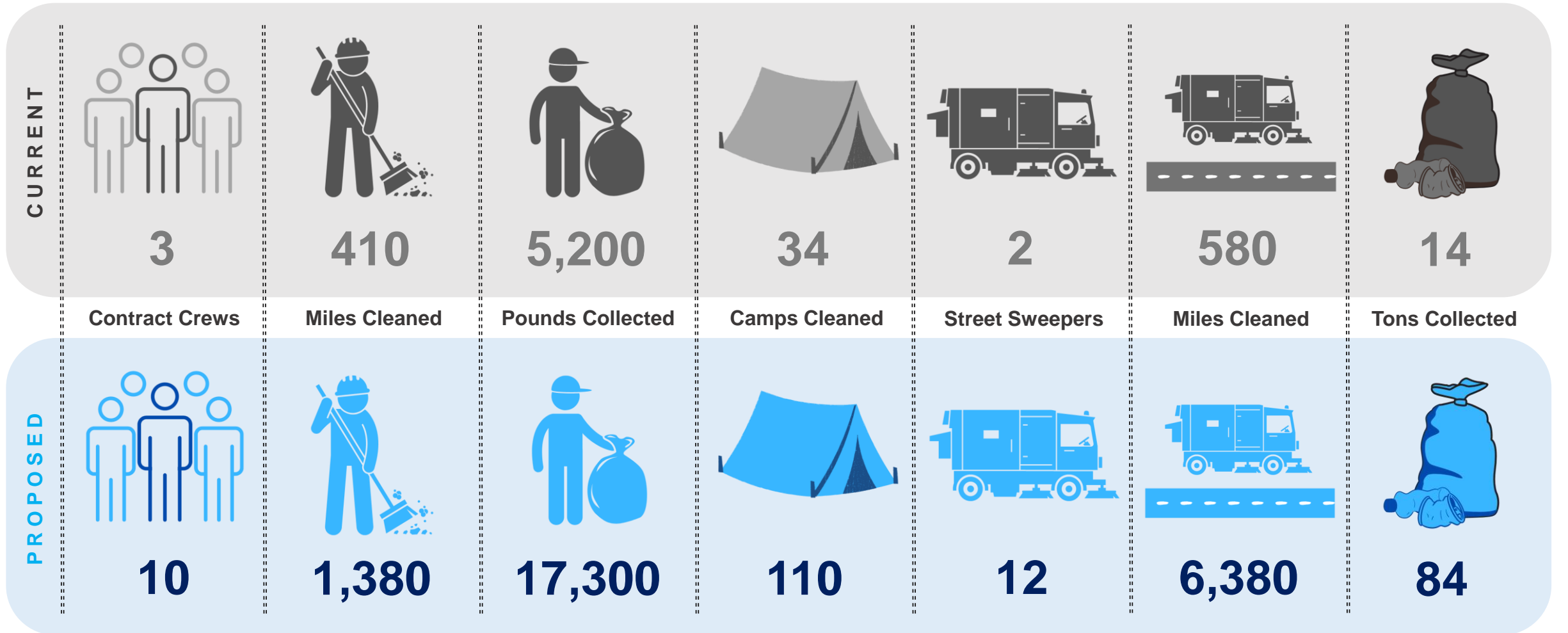
Program Element	Description	Avg. Annual Expense
Priority 2: Significantly increase litter and illegal dumping control services.	Litter Program Improvements	\$2,000,000
	Street Sweeper Program Improvements	\$4,000,000
	<b>Total</b>	<b>\$6,000,000</b>



Average Annual Expense is based on a ten-year projection.  
See excel sheet for details.

- **These additions will result in a noticeably cleaner city.**
- **Expect to see improvements as early as January 2023.**

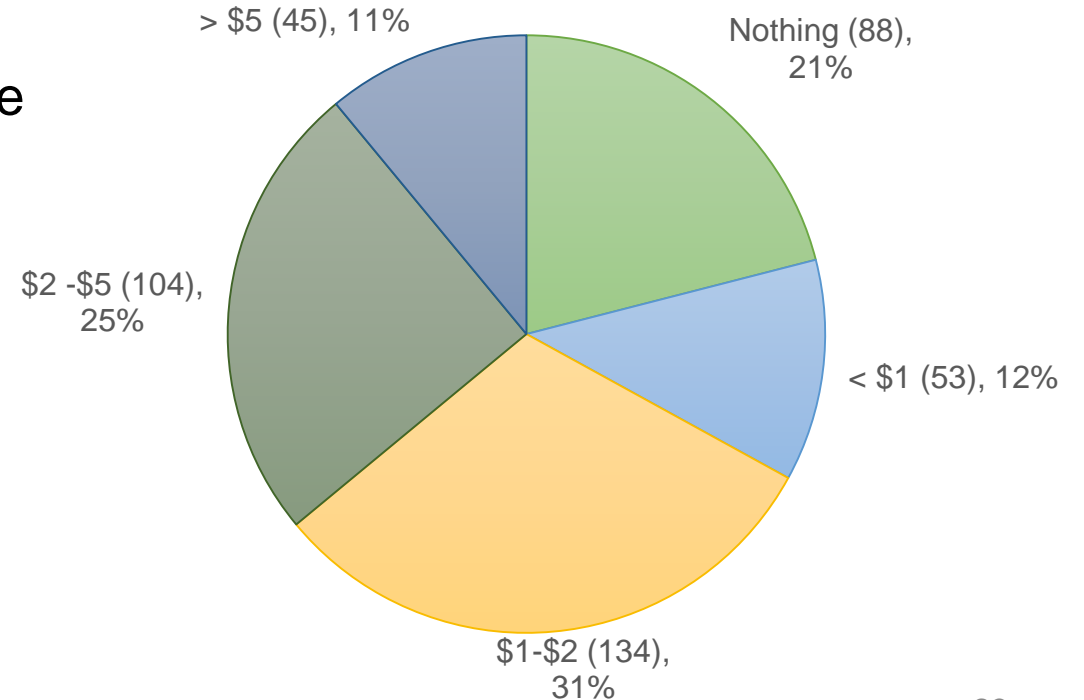
# Overview of Projected Monthly Impact



# Community Litter Survey (2022)

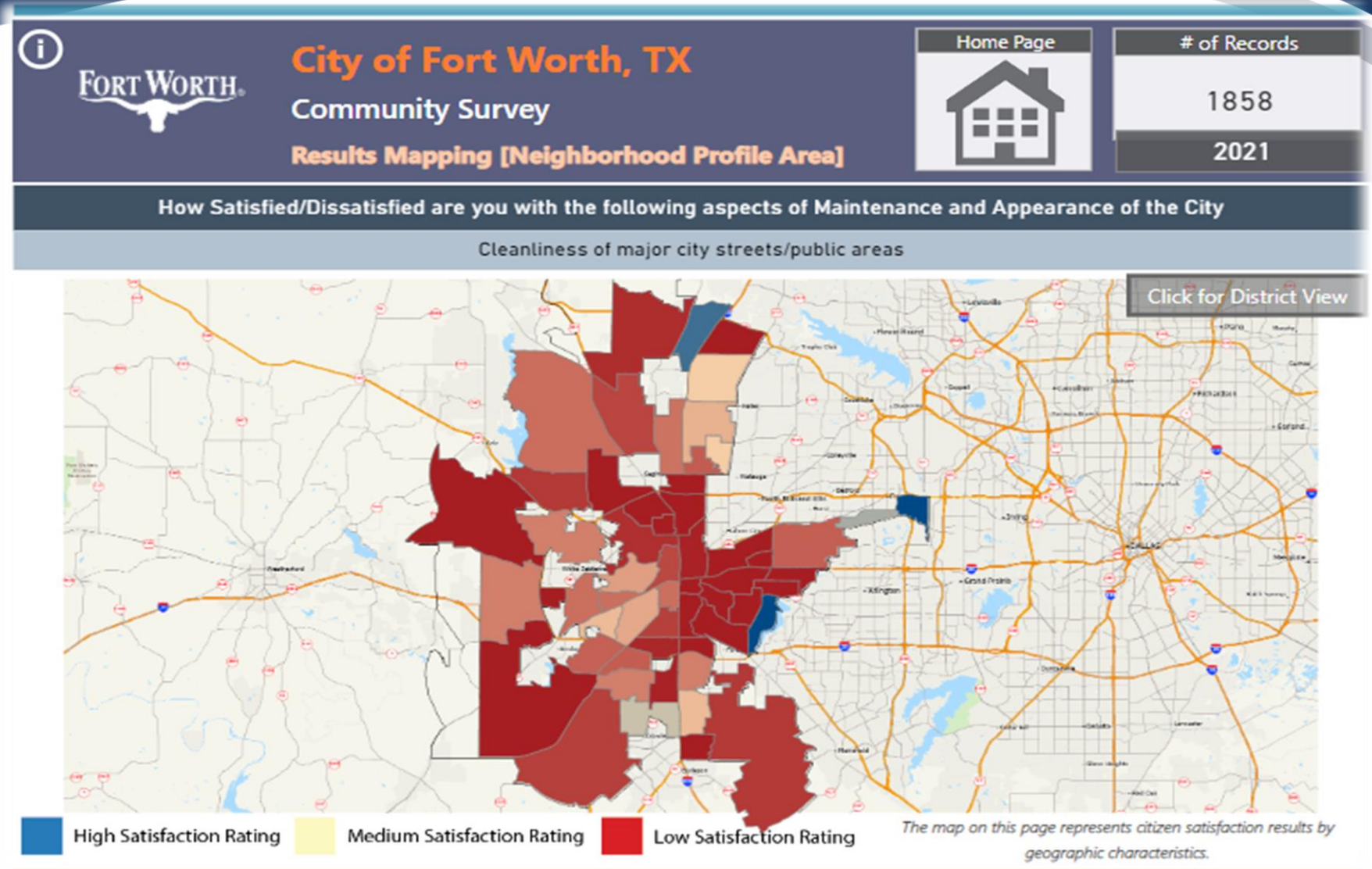
- Survey ran from **June 1 – July 5, 2022** with **430 responses**
- **Highways and streets/medians** are among the places where respondents most often see litter.
- **67%** of respondents report seeing litter along highways **“a few times/day”**
- **67%** respondents are willing to pay **over \$1 more** per month to increase programs and services to reduce litter in the community

Survey Responses:  
Willingness to Pay Per Month  
for Litter Control



# Public Feedback Community Survey (2021)

- Respondents have low satisfaction with maintenance and appearance of the City
- We have room for improvement!





# Recommended Actions to Support a Clean City

- Add key field staff – 7 contracted crews, 20 equipment operators, 2 litter auditors, 1 contract compliance specialist and 4 water quality environmental specialists
- Increase street sweepers fleet with 10 new sweepers (from 2 to 12) and add new shift
- Establish goal of measureable and noticeable results at least by 2nd quarter
- Increase monthly Environmental Fee to support the proposed enhancements to clean city programs, as noted below:

Rate Type	Current Monthly Rate	New Monthly Rate (January 1, 2023)
SF Residential / Residential Unit	\$ 0.50	\$ 1.50
Commercial	\$ 10.00	\$ 30.00
Industrial	\$ 35.00	\$ 105.00
Non-profit/Municipal	\$ 0.75	\$ 2.25

# Timeline

- **August 12<sup>th</sup>**: Budget Workshop Briefing to outline Environmental Fee proposal
- **August 15<sup>th</sup>**: Active outreach and communication campaign
- **September 2022**: Continue discussions with Mayor, City Council and stakeholders on proposed recommendations, including public hearings
- **September 27<sup>th</sup>** – Adopt FY2023 Budget to include new rate structure
- **January 1, 2023** – New rate structure goes into effect

Questions?

