

SPECIAL PURPOSE FUND SCHEDULES

SCHEDULE 2

SOLID WASTE RESOURCES REVENUE FUND

Actual Expenditures 2013-14	Estimated Expenditures 2014-15		Total Budget 2015-16
12,582,493	11,878,000	Debt Service - Interest	9,817,351
32,625,000	33,055,000	Debt Service - Principal	30,140,000
1,315,200	1,315,000	Department of Water and Power - Fees	1,315,200
67,412	-	Engineering Special Service Fund	-
-	798,000	Landfill Maintenance Special Fund	526,431
11,012,283	38,000,000	Liability Claims	10,000,000
55,646,349	90,028,000	PW-Sanitation Expense and Equipment	72,182,590
-	-	Rate Stabilization Reserve	33,334,709
38,870,826	46,499,000	Reimbursement of General Fund Costs	81,248,911
<hr/> 283,480,981	<hr/> 362,374,000	Total Appropriations	<hr/> 429,718,847
<hr/> 204,339,848	<hr/> 134,765,848	Ending Balance, June 30	<hr/> -

Date: 2-24-16
 Submitted in HIP Committee
 Council File No. 15-0727-52
 Item No.: 4
 Deputy: _____

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SOLID WASTE RESOURCES REVENUE FUND

The Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee (formerly Sanitation Equipment Charge) is imposed on all single family dwellings in the City and upon multiple unit dwellings for which the City provides refuse collection services. All receipts from the Fee are deposited in the Solid Waste Resources Revenue Fund. Funds are used for all costs of the City's solid waste collection, recycling, and disposal activities including, but not limited to: salaries; direct and indirect overhead costs; principal and interest payments; lease payments; landfill costs, including disposal, resource recovery facilities or refuse to energy and fuel facilities and closure of City owned landfill facilities; the development, acquisition, construction, operation and maintenance of equipment, alternative fuel infrastructure, recycling, greenwaste processing, transfer facilities, or resource recovery facilities used in the collection, recycling, or recovery of solid waste resources; and storage of solid waste related equipment.

Actual Expenditures 2013-14	Estimated Expenditures 2014-15		Total Budget 2015-16
REVENUE			
198,568,987	204,339,848	Cash Balance, July 1	134,765,848
		Less:	
-	-	Prior Years' Unexpended Appropriations	10,026,591
198,568,987	204,339,848	Balance Available, July 1	124,739,257
-	523,000	California Beverage Reimbursement	50,000
264,612	265,000	Contamination Reduction Contributions	265,000
174,000	3,000,000	General Fund	-
-	6,175,000	Solid Waste Fee Lifeline Rate Program	6,075,000
-	1,381,000	Multi-Family Bulky Item Fee	2,164,590
4,232,230	4,000,000	Reimbursement from Proprietary Departments	4,000,000
12,038,221	9,117,000	Reimbursement from Other Agencies	4,050,000
225,407	200,000	Sale of Salvage Property	200,000
267,594,618	265,000,000	Solid Waste Fee	285,000,000
599,047	326,000	State Grants	350,000
1,237,102	975,000	Other Receipts	975,000
-	338,000	Interest/Credits from Debt Service	350,000
2,886,605	1,500,000	Interest	1,500,000
487,820,829	497,139,848	Total Revenue	429,718,847
EXPENDITURES		APPROPRIATIONS	
59,130	59,000	City Administrative Officer	66,717
153,475	250,000	City Attorney	247,404
30,782	32,000	City Clerk	31,861
41,364	43,000	Emergency Management	54,196
42,451,365	45,233,000	General Services	47,453,017
726,893	670,000	Information Technology Agency	807,072
103,045	30,000	Mayor	30,045
503,997	485,000	Personnel	531,203
404,184	333,000	Board of Public Works	316,764
80,222,132	87,116,000	Bureau of Sanitation	87,440,376
30,000	30,000	General City Purposes	3,655,000
Special Purpose Fund Appropriations:			
7,100	40,000	Arbitrage	40,000
6,153,051	6,000,000	Capital Infrastructure	20,000,000
468,000	468,000	CLARTS Community Amenities	468,000
-	-	Clean Fuel Collection Fleet Replacement	30,000,000
6,900	12,000	Debt Administration	12,000

4. FUNDING CLEAN-UPS PROGRAMS

- **Recommendation:** Develop improvements in bulky item pick-up and illegal dumping clean-ups instructing the Bureau of Sanitation and City Administrative Office to conduct needs assessment and propose financing options.
- **Opportunity/Benefit:**
 - Maximize financing tools for clean street services, including the Multi-Family Bulky Item program and residential alley clean-up.
 - Connecting performance metrics, customer service expectations, and financing tools.

CONTEXT:

As a core principle, financing of public services drives the available resources to deliver them. California Proposition 218 restricts the use of City-levied fees for property-related services to the cost of providing that service.⁵⁰ By law, the way programs must be structured and services delivered, essentially divvies the City's urban neighborhoods into collections of independent private properties. Historical interpretation has left the maintenance and cleaning the City's public sidewalks, streets, and alleys without special-allocated funding. Ensuring the bulky item and clean-up programs are cost-recovery—and the scopes of service delivery operate under an appropriate "urban" interpretation—would improve the cleanliness of the City's streets and the fundamental fluidity of the City's patchwork of neighborhoods.

Funding the Bulky Item Program:

The City created the Bulky Item Pick-Up Program in 2007 to manage and oversee the removal of furniture, appliances, and oversized items off residential streets and sidewalks. Currently, residents can contact the City's 311-center or call centers and schedule pick-up of bulky items from the Bureau of Sanitation. This service is financed by the residents in the City's apartment buildings, who contribute \$1.28 each month (per unit) to the Multi-Family Bulky Item Fund. The City has 880,581 multifamily units.⁵¹ As outlined in the 2007 municipal ordinance, which established the Multi-Family Bulky Item Fund, the City can adjust the monthly assessment fee to ensure cost-recovery of the service.⁵²

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The fund covers the transactional and administrative costs related to removing bulky items directly in front of the City's multi-family unit buildings ("*attributed bulky items*"). This includes apartments managed by both private waste-management companies and serviced by the City. For the City's single-family homes—which make up 78% of the City's housing land space—bulky item pick-up is included in their monthly solid waste bill of \$36.32.

For bulky items that appear on the public right of way (ex: sidewalk or alley along rate paying properties), the City currently classifies them as an illegally dumped item. The City receives roughly 390,000 annual complaints and notices about abandoned ("*unattributed*") items on the streets.⁵³ This is more than 19 times the number received by San Francisco.⁵⁴ San Francisco operates a similar call-to-schedule approach to bulky item pick-up and its 17,000 unattributed complaints were more than twice those of Washington D.C., Seattle, San Jose, and Chicago.⁵⁵ Although the City is unique in having a special fund established for bulky item pick-up, unattributed items are currently not charged to the Multi-Family Bulky Item Fund or Solid Waste Resource Fund. They are charged back to the City's General Fund and special allocations for clean-ups.

This clean-up service has a special benefit to the City's rate payers because their private properties are blighted by the visible presence of both attributed and unattributed items. Clean-ups on public-right of ways adjacent to the city's rate-payers can be covered by the City's solid waste and bulky item funds. This is consistent with other County and California municipalities—governed by the same laws—and fulfills one of the purposes of the program. The Bureau of Sanitation's SANSTATS program will provide data behind the unknowns of the City's bulky item volume and this data will help inform allocation of resources. Councilman Gil Cedillo (CD1) piloted a bulky item scheduled pick-up within resident's homes and units, as an expanded service option. Exploration of a city-wide service should be incorporated into this city-wide analysis.

Funding Alley Cleaning and Residential Illegal Dumping:

The City has the nation's second largest alley network; 914 miles mostly concentrated in the south and southeastern parts of the City. Residential alleys in the City have been particularly vulnerable for illegal dumping and criminal activity. Decades of efforts have had limited impact in curbing one of the City's greatest livability challenges. The Bureau of