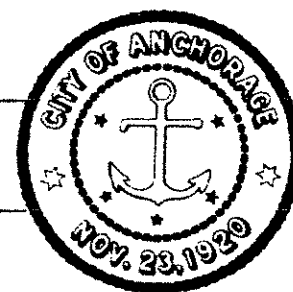


ANNUAL BUDGET

REFUSE



DEPARTMENT

DEPARTMENT SUMMARY

PAGE

PUBLIC WORKS - REFUSE

I-1

CLASSIFICATION	1966 ACTUAL	1967 ACTUAL	1968 ACTUAL	1969 REVISED BUDGET	1970		
					REQUEST	RECOMMEND	APPROVED
<u>REVENUE</u>							
5751.0000 Refuse Collections	502,534	534,279	676,916	724,450	910,000	910,000	741,000
5753.0000 Dump Collections	20,520	19,947	21,165	22,500	35,000	35,000	35,000
5755.0000 Dumpster Rental	14,451	8,407	19,076	15,000	16,000	16,000	16,000
5757.0000 Spl. Pickup & Waste Oil				1,500			
5758.0000 Miscellaneous	7,464	6,243	7,236	1,500	6,000	6,000	6,000
Total Revenue	544,969	568,876	724,393	764,950	967,000	967,000	798,000
<u>EXPENSES</u>	579,915	628,748	759,444	764,950	842,420	844,680	845,460
Net Income (Loss)	(34,946)	(59,872)	(35,051)	-0-	124,580	122,320	(47,460)
<u>ANALYSIS OF RETAINED EARNINGS</u>							
Balance, January 1	(95,318)	(130,264)	-0-	(33,326)	(33,326)	(33,326)	(33,326)
Net Income (Loss)	(34,946)	(59,872)	(35,051)	-0-	91,254	122,320	(47,460)
Correction Prior Year			1,725				
Contribution from General Fund		190,136					
Balance, December 31	(130,264)	-0-	(33,326)	(33,326)	91,254	88,994	(80,786)

PUBLIC WORKS

REFUSE UTILITY DIVISION

5780

PAGE

I-2

Table below shows steady rise in costs since 1969

	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Salaries	275,559	297,897	345,953	341,200	
Equipment Rental	76,135	87,590	119,315	107,000	121,830
-Contractual	228,221	243,261	294,176	316,750	
a. Landfill	97,450	103,318	106,050	108,000	111,000
b. Other Dept. Costs	130,771	139,943	188,126	208,750	

DEPARTMENT	ACCOUNT TITLE	ACCOUNT NUMBER	SUMMARY	A	PAGE
PUBLIC WORKS	REFUSE UTILITY	5780.1			I-3

ACCOUNT SUMMARY

EXPENDITURE CLASSIFICATION	1966 ACTUAL	1967 ACTUAL	1968 ACTUAL	1969 REVISED BUDGET	1970		
					REQUEST	RECOMMEND	APPROVED
Personal Services	275,559	297,897	345,953	341,200	360,220	357,200	357,200
Contractual	272,879	287,721	319,819	358,520	401,150	406,430	407,210
Supplies	4,548	3,934	2,977	3,600	4,950	4,950	4,950
Other Costs	26,529	37,228	89,079	60,630	67,850	67,850	67,850
Capital Outlay	400	1,968	1,616	1,000	8,250	8,250	8,250
	579,915	628,748	759,444	764,950	842,420	844,680	845,460
Less Interfund Charges	()	()	()	()	()	()	()
TOTAL	579,915	628,748	759,444	764,950	842,420	844,680	845,460

PROGRAM OUTLINE

Program will be basically the same as 1969, with possible cost rise due to annexations.

PROGRAM HIGHLIGHTS

	<u>Refuse Collected by City</u>	<u>Deposited in Landfill</u>	<u>No. of Customers</u>
1966	277,993 cubic yds.	440,789 cubic yds.	13,980
1967	265,831 " "	431,884 " "	14,490
1968 Est.	343,587 " "	438,558 " "	14,990
1969 Est.	398,000 " "	450,000 " "	15,500
1970 Est.	403,000 " "	462,000 " "	16,000

CITY OF ANCHORAGE

CITY OF ANCHORAGE						
DEPARTMENT		ACCOUNT TITLE	ACCOUNT NUMBER	DETAIL	B	PAGE
PUBLIC WORKS		REFUSE UTILITY	5780.1			I-4
CODE NO.	EXPENDITURE CLASSIFICATION	1968	1969	1970		
		ACTUAL	REVISED BUDGET	REQUEST	RECOMMEND	APPROVED
	<u>PERSONAL SERVICES</u>					
110	Salaries	328,865	326,200	342,220	342,220	342,220
120	Overtime	17,088	15,000	18,000	15,000	15,000
	Total	345,953	341,200	360,220	357,200	357,200
	<u>CONTRACTUAL</u>					
210	Advertising	310	300	300	300	300
221	Duplicating			300	300	300
222	Contracted Labor and Equipment	172,544	189,020	203,890	209,170	209,950
223	Independent Audit Fees		500	880	880	880
241	Telephone, telegraph, Switchboard		2,500	2,500	2,500	2,500
242	Light - ML&P		400	500	500	500
243	Heat	3,097				
244	Water		600	300	300	300
253	Liability & Workmen's Compensation		3,200	3,400	3,400	3,400
254	Retirement Plans		8,700	16,700	16,700	16,700
255	Life Insurance	23,846	800	1,000	1,000	1,000
256	Medical Insurance		2,300	3,000	3,000	3,000
257	Social Security		12,500	15,500	15,500	15,500
258	Tuition Refunds		200	200	200	200
259	School & Training		100	1,200	1,200	1,200
271	City Owned Vehicles or Equipment	119,315	107,000	121,830	121,830	121,830
273	Private Vehicle Mileage			650	650	650
275	Land & Buildings Leased		29,400	28,000	28,000	28,000
281	Repairs & Maintenance		100	100	100	100
291	Travel	684	800	800	800	800
292	Dues & Subscriptions	23	100	100	100	100
	Total	319,819	358,520	401,150	406,430	407,210
	<u>SUPPLIES</u>					
311	Materials	2,130	2,000	3,000	3,000	3,000
312	Janitorial Supplies		500	250	250	250
313	Office Supplies, Postage	845	1,000	1,500	1,500	1,500
314	Small Tools	2	100	200	200	200
	Total	2,977	3,600	4,950	4,950	4,950

CITY OF ANCHORAGE

CITY OF ANCHORAGE							
DEPARTMENT		ACCOUNT TITLE		ACCOUNT NUMBER	DETAIL	B	PAGE
PUBLIC WORKS		REFUSE UTILITY		5780.1			I-5
CODE NO.	EXPENDITURE CLASSIFICATION	1968	1969	1970			
		ACTUAL	REVISED BUDGET	REQUEST	RECOMMEND	APPROVED	
	<u>OTHER CHARGES</u>						
411	Depreciation Vehicle & Equipment			600	600	600	
423	Due T/F Accts. Interest	2,420	2,400	3,000	3,000	3,000	
432	Contributions to Garage Fund			4,400	4,400	4,400	
444	Uncollectible Expense	4,073	2,000	2,000	2,000	2,000	
461	Data Processing Charges	17,538	31,030	21,750	21,750	21,750	
462	Data Processing Development			5,500	5,500	5,500	
493	Payment in Lieu of Taxes	64,849	25,200	30,600	30,600	30,600	
494	Inventory Adjustments	199					
	Total	89,079	60,630	67,850	67,850	67,850	
	<u>CAPITAL</u>						
603	Improvements			5,000	5,000	5,000	
605	Machinery & Equipment	1,616	1,000	3,250	3,250	3,250	
	Total	1,616	1,000	8,250	8,250	8,250	
	Total Operating Budget	759,444	764,950	842,420	844,680	845,460	

DEPARTMENT		ACCOUNT TITLE		ACCOUNT NUMBER		PERSONNEL		C	PAGE
PUBLIC WORKS		REFUSE UTILITY		5780					I-6
CLASSIFICATION	RANGE AND STEP	SALARY RATE	EMPLOYEES CURRENT *BUDGET	1970					
				* REQUEST	* RECOMMEND		* APPROVED		
Refuse Utility Manager	33	1187-1443	1	1	18,182	1	18,182	1	18,182
Refuse Supervisor	27	938-1141	1	1	15,061	1	15,061	1	15,061
Administrative Assistant	23	802-976	1	1	11,256	1	11,256	1	11,256
Field Survey Rep.	21	742-902	2	2	19,077	2	19,077	2	19,077
Clerk III	13	542-659	2	2	14,148	2	14,148	2	14,148
Clerk II	10	481-585	1	1	5,846	1	5,846	1	5,846
Heavy Equipment Operator	23	802-976	3	3	36,424	3	36,424	3	36,424
Sanitation Truck Drivers	22	771-938	6	6	69,085	6	69,085	6	69,085
Welder/Driver	22	771-938	1	1	11,667	1	11,667	1	11,667
Sanitation Relief Truck Driver	21	742-902	2	2	20,494	2	20,494	2	20,494
Maintenance Man I	17	633-771	12	12	102,978	12	102,978	12	102,978
					324,218		324,218		324,218
Temp. (Leave Replacement)	17	633-771			18,000		18,000		18,000
TOTAL			32	32	342,218	32	342,218	32	342,218
* This column used for number of employees in each class.									
COMMENTARY									

CITY OF ANCHORAGE

DEPARTMENT	ACCOUNT TITLE	ACCOUNT NUMBER	COMMENTARY	D	PAGE
PUBLIC WORKS	REFUSE UTILITY	5780			I-7
			<u>Department Request</u>	<u>Manager Recommended</u>	<u>Council Approved</u>
.110	<u>SALARIES</u>				
	Salaries up due to normal step increases and also includes leave replacements.	342,220	342,220	342,220	
.120	<u>OVERTIME</u>				
	This is higher due to Union agreement.	18,000	15,000	15,000	
.210	<u>ADVERTISING</u>				
	Advertisement of paper bags and containers.	300	300	300	
.222	<u>CONTRACTED LABOR AND EQUIPMENT</u>				
	Payment to contractor for operation of Sanitary Landfill higher due to anticipated increase in yardage.	111,000	111,340	111,340	
	<u>City Charges from Other Departments</u>				
	Mayor - Council	2,340	2,680	3,290	
	City Manager	4,860	6,570	6,730	
	Personnel	5,150	3,640	3,640	
	Internal Audit	1,750	1,730	1,730	
	Community Promotion	50	300	620	
	Finance Administration		560	560	
	Controller Division	12,090	12,690	12,640	
	Treasury	28,350	28,230	28,120	
	Utility Customer Service	26,300	23,650	23,770	
	Courier - Stockroom	340	350	350	
	Utility Bill Mailing	3,660	3,700	3,700	
	Duplicating		270	-0-	
	Public Works Administration	4,000	7,970	7,970	
	Switchboard		180	180	
	Financial Management System	4,000	5,310	5,310	
	Totals	203,890	209,170	209,950	

CITY OF ANCHORAGE

DEPARTMENT	ACCOUNT TITLE	ACCOUNT NUMBER	COMMENTARY	D	PAGE
PUBLIC WORKS	REFUSE UTILITY	5780			I-8
			<u>Department Request</u>	<u>Manager Recommended</u>	<u>Council Approved</u>
.241	<u>TELEPHONE, TELEGRAPH AND SWITCHBOARD</u>				
	Switchboard	180	180	180	
	Telephone and Tolls	<u>2,320</u>	<u>2,320</u>	<u>2,320</u>	
		2,500	2,500	2,500	
.254	<u>RETIREMENT PLANS</u>				
	Increase due to added employer cost and additional personnel admitted to the plan	16,700	16,700	16,700	
.258	<u>TUITION REFUNDS</u>				
	For schooling of existing personnel	200	200	200	
.259	<u>SCHOOLS AND TRAINING PROGRAMS</u>				
	For films and training required by Union agreement.	1,200	1,200	1,200	
.271	<u>EQUIPMENT RENTAL</u>				
	Increased as a result of equipment rental changes.	121,830	121,830	121,830	
.273	<u>PRIVATE VEHICLE MILEAGE</u>				
	Refuse Utility Manager required to use own vehicle.	650	650	650	
.275	<u>LAND AND BUILDINGS LEASED</u>				
	Lease money required for 40 acres leased from State for Sanitary Landfill	28,000	28,000	28,000	
.291	<u>TRAVEL</u>				
	For attending APWA Convention	800	800	800	

CITY OF ANCHORAGE

DEPARTMENT	ACCOUNT TITLE	ACCOUNT NUMBER	COMMENTARY	D	PAGE
PUBLIC WORKS	REFUSE UTILITY	5780			I-9
			<u>Department Request</u>	<u>Manager Recommended</u>	<u>Council Approved</u>
.311	<u>MATERIALS</u>				
	For Dumpster repair	3,000	3,000	3,000	
.432	<u>CONTRIBUTION TO GARAGE</u>				
	Refuse scooters	4,400	4,400	4,400	
.603	<u>IMPROVEMENTS</u>				
	To Sanitary Landfill to make lease lots available for Merrill Field	5,000	5,000	5,000	
.605	<u>MACHINERY AND EQUIPMENT</u>				
	File Cabinet	130	130	130	
	Office Machinery, Adding Machine	500	500	500	
	Litter Containers	2,620	2,620	2,620	
		<u>3,250</u>	<u>3,250</u>	<u>3,250</u>	

DEPARTMENT	ACCOUNT TITLE	ACCOUNT NUMBER	COMMENTARY	D	PAGE
PUBLIC WORKS	REFUSE UTILITY	5780	RATE RAISE		I-10

During the 1969 budget presentation, the Administration advised Council that a review of the refuse rates would be made in 1969. This review would include a review of costs and operations since the financial position of the Refuse Utility fund was marginal for 1968.

The Refuse Utility established a rate increase of approximately 25% to be effective calendar year 1968, with the concurrence of City Council in December 1967. The Council's approval also stipulated a franchise fee of 9% gross revenue. There was no consideration for a franchise fee in the 1967 rate study and the actual balance for December 31, 1968 resulted in a deficit of \$33,326. For 1969 the franchise fee was reduced to \$25,200 (3.2%); however, expenses through September, 1969 indicate a deficit of approximately \$12,000 for calendar year 1969.

The 1970 budget estimate of \$845,460 includes a 3% increased cost in "Personnel" for normal step increases and overtime rates from Union Agreement; a 2% increased cost in "Contractual" for charges from other departments and the Sanitary Landfill Contractor; a 5% increased cost in "Other Costs and Capital Outlay"; for Data Processing, a franchise fee of 4%, and for improvements to the Sanitary Landfill.

Unless the Refuse Utility fees are increased, the revenue for 1970 is estimated to be:

<u>a. General Domestic</u>		Average	
<u>Type</u>	<u>Customers</u>	<u>Rate</u>	<u>Annual Revenue</u>
Regular	7315	\$ 3.50	\$ 307,224
Pack-Out	389	4.75	22,164
Pack-out Extra	154	6.00	11,088
Apartments 2 times week	175	5.25	11,028
Govt. Hill Apartments	862	3.75	38,784
TOTAL	8895		\$ 390,288
<u>b. Commercial</u>			
Pick-up by Volume	885	7.94	84,216
Container 3 CY	423	26.8	136,044
Container 2 CY	425	19.8	101,172
TOTAL	1733		\$ 321,432
<u>c. Total Domestic & Commercial & Other</u>			
Refuse Collections			711,000
Dump Collections			35,000
Dumpster Rentals			16,000
Miscellaneous			6,000
Estimated Customer Increase			30,000
1970 Estimated Revenue			\$ 798,000

DEPARTMENT	ACCOUNT TITLE	ACCOUNT NUMBER	COMMENTARY	D	PAGE
PUBLIC WORKS	REFUSE UTILITY	5780.1	RATE RAISE		I-11

A 1970 revenue of \$798,000 would also result in a year end deficit of approximately \$47,000 therefore the following rate increases are recommended:

<u>Classification</u>	<u>Customers</u>	<u>Estimated 1969 Revenue</u>	<u>Recommended Rate Increase</u>	<u>Estimated 1970 Revenue</u>
General Domestic	8,895	\$ 390,000	10%	\$ 430,000
Commercial	6,605*	321,000	40%	450,000
Domestic & Commercial	15,500	711,000	24%	880,000
Estimated 1970 Increase	500			30,000
Refuse Collections	16,000			910,000
Dump Collections		26,800	40%**	35,000
Dumpster Rental		16,000		16,000
Miscellaneous		5,800		6,000
Total Revenue		\$ 759,600		\$ 967,000

* Equivalent number of customers, since billing is based upon containers and frequency of pick-up.

** Approved by Council, August 1, 1969.

With the new Refuse Utility fees, the retained earnings for 1970 would be approximately \$122,000. This amount would offset prior years deficits and provide for monthly cash flow requirements since accounts receivable balance averages \$70,000 per month. The recommended refuse rate increase also considered the Utility Fund requirements for the next four years, through 1974. The following annual operating cost increases are anticipated for the period 1971-74:

DEPARTMENT	ACCOUNT TITLE	ACCOUNT NUMBER	COMMENTARY	D	PAGE
PUBLIC WORKS	REFUSE UTILITY	5780	RATE RAISE		I-12

Expenditure ClassificationAnnual Cost Increase

1. Personnel Services (1.5% of total expenditures) Nominal annual step increases and/or cost of living from Union negotiations.		\$ 13,000
2. Contractual (2% of total expenditures)		17,000
a. Labor and Materials, equipment rental	\$ 5,000	
b. Personnel from other departmental services	4,000	
c. Lease payment and additional contractor yardage at Sanitary Landfill	8,000	
3. Other Costs (4.8% in 1971) (0.4% 1972-74)		3,000
a. Onetime cost increase 1971 to change annual franchise fee to 8% gross revenue	39,000	
b. Annual increase with 8% gross revenue change	3,000	
4. Capital Outlay (1.1%)		11,000
a. Purchase of additional containers	1,000	
b. Sinking Fund to improve Sanitary Landfill Operations and to purchase additional refuse trucks and support equipment 1972-74 period.		
5. Total (Approximately 5%)		\$ 44,000

As indicated on the Revenue-Operating Expense Projection graph, it is not anticipated that another rate raise will be necessary before 1974. The recommended refuse utility fees are considered reasonable when compared to rates charged by others:

<u>Type</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Rate by Others</u>
Domestic			
Regular	\$ 3.50	\$ 3.85	\$ 4.00
Pack-out	4.75	5.25	6.00
Commercial			
Volume Pick-up daily 1-32 gal. can	12.50	11.00	11.00
2 or 3 cu.yd. containers daily	28.00	45.00	99.00

DEPARTMENT
Public Works

ACCOUNT TITLE
Refuse Division

ACCOUNT NUMBER
5780

COMMENTARY

D

PAGE
I-12a

REVENUE - OPERATING EXPENSE PROJECTIONS

BUDGET (\$1000)

