



Sanitation Division Financial Evaluation

February 10, 2016



Historical Operating Costs

	Employees	Landfill	General Operating	Administration Cost#	Healthcare	Total Operating
2010	28	\$741,237.00	\$1,601,942.00	\$102,080.57	\$420,000.00	\$2,865,259.57
2011	31	\$775,000.00	\$1,602,005.00	\$102,080.57	\$465,000.00	\$2,944,085.57
2012	31	\$886,345.00	\$1,519,257.00	\$102,080.57	\$465,000.00	\$2,972,682.57
2013	25	\$565,844.28	\$1,538,247.50	\$103,500.00	\$465,000.00	\$2,672,591.70
2014	19	\$709,202.17	\$1,357,586.34	\$105,000.00	\$395,580.00	\$2,567,368.51
2015	19	\$687,333.97	\$1,472,617.20	\$116,655.73	\$401,280.00	\$2,677,886.90
2016*	19	\$700,000.00	\$1,367,244.03	\$126,710.77	\$420,940.00	\$2,614,894.80
2016 Scenario if the city had not instituted the automated garbage collection system.	31	\$950,000.00	\$2,037,148.74	\$126,710.77	\$687,456.00	\$3,801,315.51

* Budgeted Amount

Half of Street/Sanitation Administration Costs

2016 Pre Automation based on:

- Landfill- current tonnage with minimal recycling diversion at current rate.
- General Operating- current pay rates with 31 sanitation employees
 - Does not include increased fuel or operating costs for additional fleet
- Healthcare- current rate with 31 sanitation employees

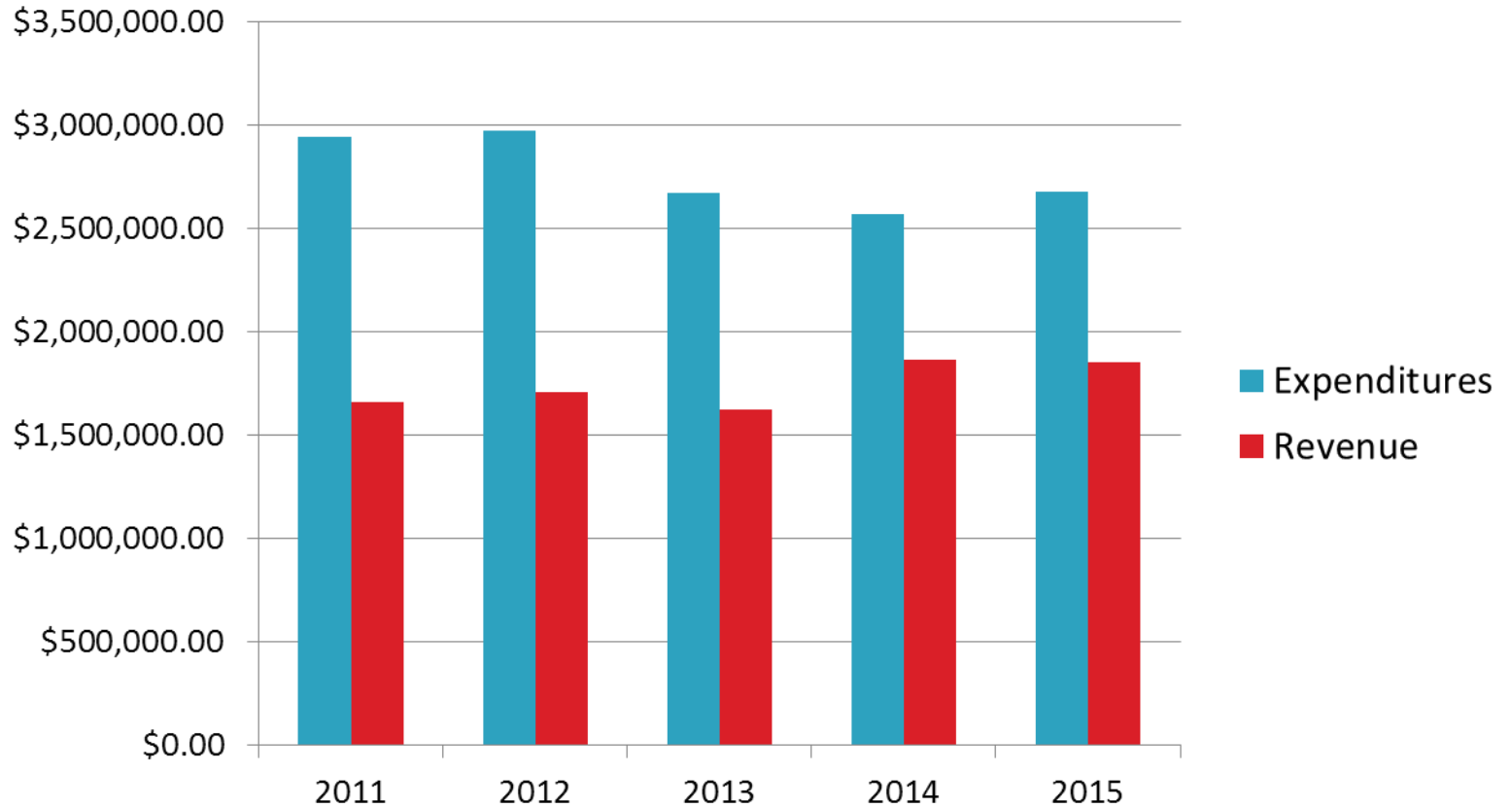


Expenditure vs Revenue

	Expenditures	Revenue
2011	\$2,944,085.57	\$1,663,144.96
2012	\$2,972,682.57	\$1,706,693.83
2013	\$2,672,591.70	\$1,623,290.70
2014	\$2,567,368.51	\$1,863,859.81
2015	\$2,677,886.90	\$1,850,913.51



Expenditure vs Revenue





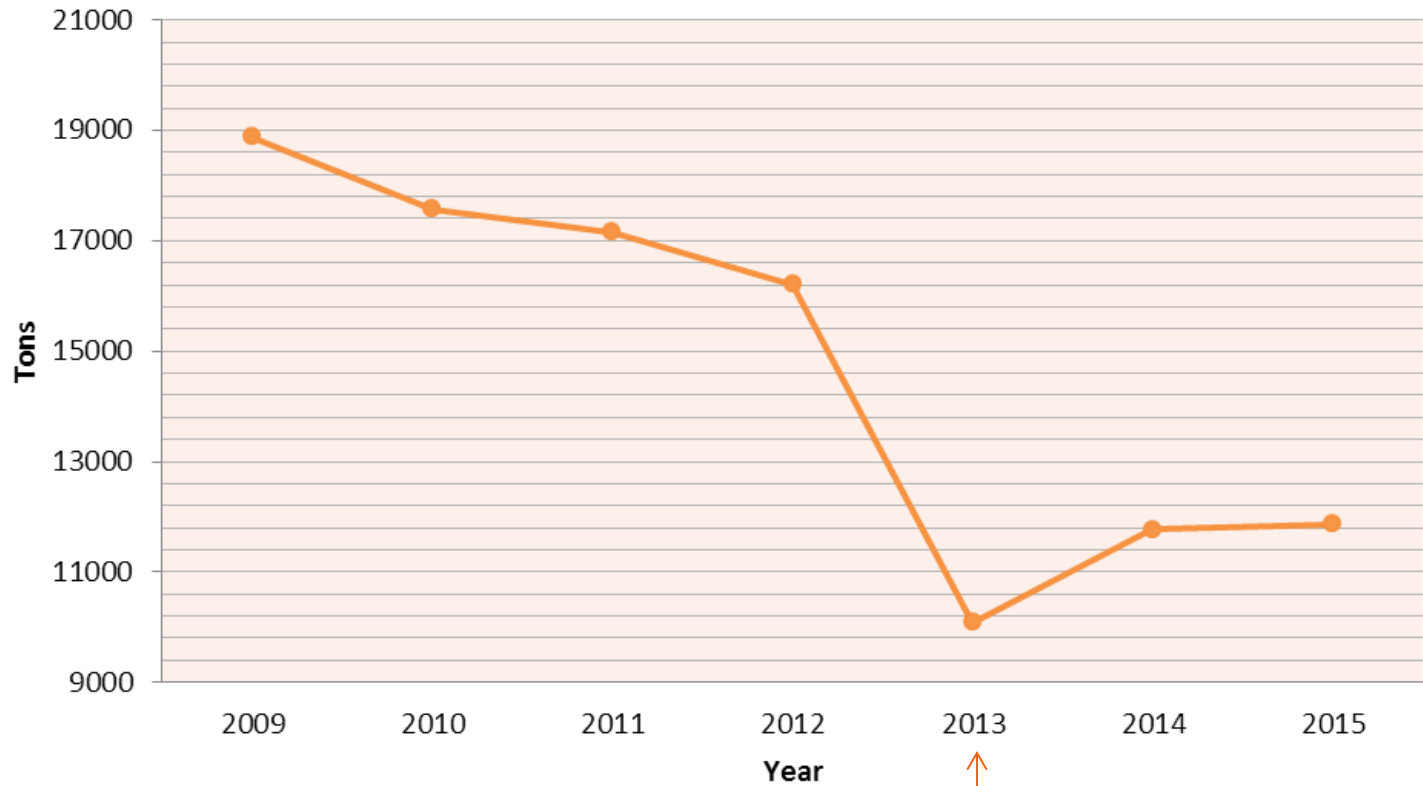
Financial Benefits to Recycling

Reducing Landfill Expenditures

- When items are recycled, they are diverted from the landfill
- Every 100 tons of recyclable material that goes to a landfill costs the City nearly \$6,000
- Currently the City saves over \$160,000 annually when residents recycle

Since the start of garbage automation in 2013, the amount of solid waste, or trash, diverted from the landfill by recycling is rising considerably in Portage.

Solid Waste Collection



↑
**First Full Year of
Automated Garbage
and Recycling Collection**



Solid Waste Collection Rates





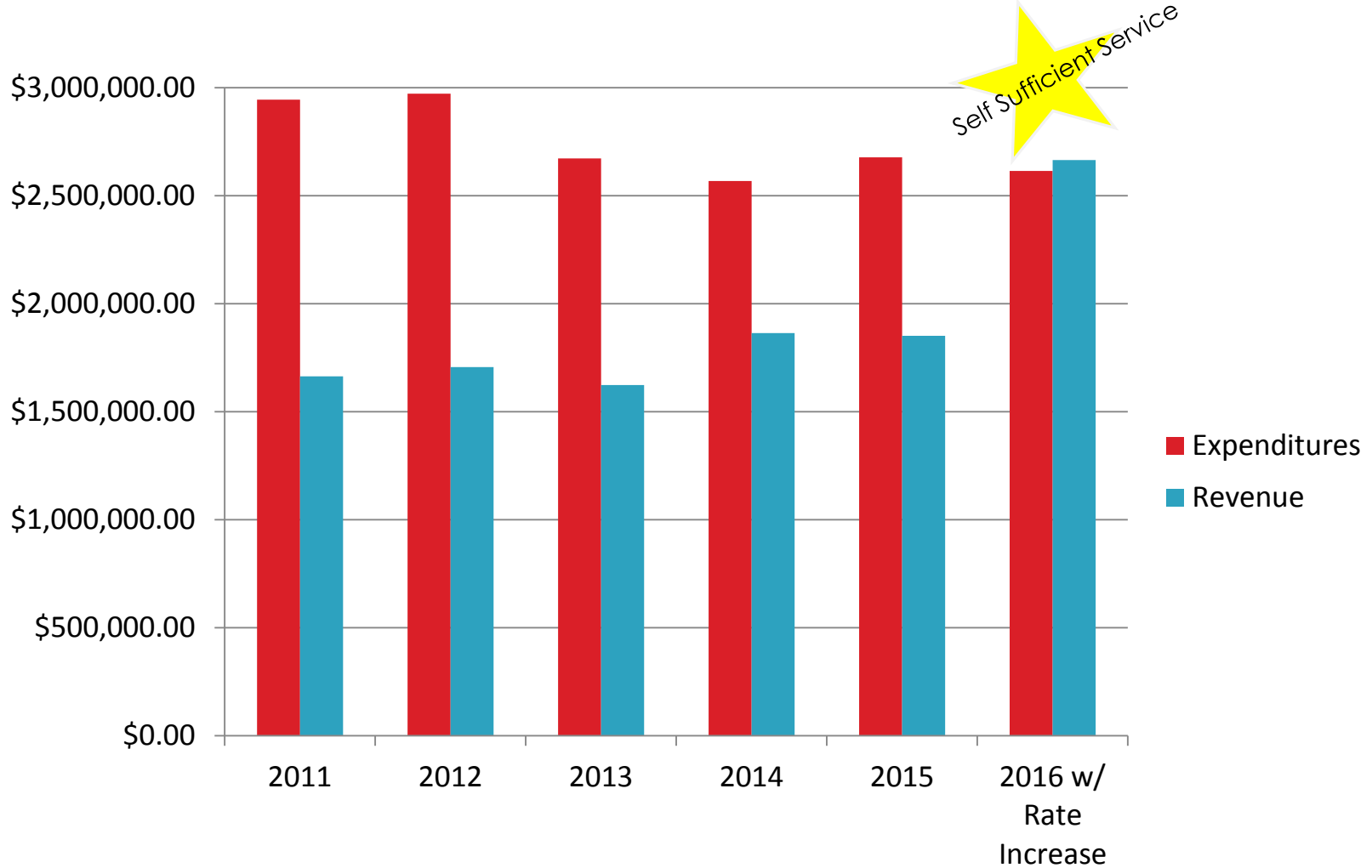
Solid Waste Collection Rates with Proposed Rate Increase

Note: Because of the property tax caps mandated by the State of Indiana, some of these communities have plans to raise their trash rates as well. The reduction in tax revenue force local governments to raise fees so that service programs, like trash collection, are financially self-sufficient outside the use of tax dollars. As a result of this practice, tax dollars can be spent on essential projects - such as paving roads and maintaining facilities - rather than subsidizing trash collection services.





Expenditure vs Revenue for Sanitation Services





Benefits to a Rate Increase

- **Sanitation services become more self sufficient**
 - At \$18 per month, the Sanitation Division can become a self-sustaining service
- **Proposed rates are more competitive with other municipal governments**
 - Portage provides an equal or higher level of service compared to other municipal sanitation services and private services
- **Includes annual inflator of \$0.25 to maintain a more constant and equal expenditure/revenue ratio**
 - Will generate additional \$35,000-40,000 each year
- **By bringing the rate up to a standard closer to other communities, we will have the funding to proactively maintain our infrastructure and vehicles, a luxury the City does not have currently**
- **Ability to continue to pay our union employees a fair, competitive wage**



Improvements Implemented

Workman's Compensation

- By automating our trash collection, we have significantly reduced our workman's compensation claims, saving thousands.
- Premiums have also decreased

4 Day Pick Up Schedule

- 5th day open allows for preventive maintenance and other projects
- Prevents need for overtime during holiday weeks

Improved Diversion of Biomaterials

- By not picking up grass clippings, the City saves significantly on transporting this material. Mulching grass is encouraged.
- Leaf and limb pickup prevents these materials from being thrown in the trash

Proactive Management

- We renegotiated our landfill rate to pay much less



Bridging the Gap

Continue to Increase the Rate of Trash Diverted to Recycling

- 2015 Diversion Rate: 18.2%
- 2014 Diversion Rate: 18.9%
- 2011 Diversion Rate: 6.1%

Increase Sanitation Service Rates

- Currently \$12 per month
- Proposed \$18 per month

Continue to Strive for Efficiency While Maintaining Excellence

- Fleet Maintenance
 - Phase out older trucks that are less fuel efficient and cost more to maintain
- Continue to evaluate daily operations for necessary adjustments and improvements