
CITY COUNCIL AGENDA MEMO

TO: Mayor Jordan and City Council

THRU: Don Marr, Chief of Staff
Terry Gulley, Transportation Services Director *T.G.*

FROM: John Nelson, Management Accounting Coordinator

DATE: August 16, 2012

SUBJECT: Solid Waste Hauling and Disposal Fees

PROPOSAL:

The Solid Waste & Recycling Division assumed operating the transfer station floor in October 2009. A contract was awarded to Waste Management of Arkansas for hauling and disposing of municipal solid waste with a provision allowing rate adjustments by using the difference in the United States Department of Labor Index For Goods and Services annually each December which is currently near 2%.

Since the last quarter of 2009, continued steady growth in tonnage processed by the transfer station has occurred. There was 5,320 tons of waste processed in 2010 which compared to the 7,701 tons processed in 2011 equates to a 45% increase. When comparing the 2,932 tons processed the first six months of 2011 to the 5,709 tons handled the first six months of 2012, the increase is even larger at 95%.

The overall percentage of increased materials handling since Solid Waste resumed operations of the transfer station is 115%. This has resulted in a large increase in the hauling and disposal fees for the division.

RECOMMENDATION:

Staff recommends approval of a budget adjustment in the amount of \$303,598 to provide funding for solid waste hauling and disposal fees for the remainder of 2012.

These funds will be offset by the increased revenue collected for disposal fees from outside customers that deliver directly to the transfer station.

BUDGET IMPACT:

The increase in expenditures will be directly offset by revenues.

RESOLUTION NO. _____

A RESOLUTION APPROVING A BUDGET ADJUSTMENT IN THE AMOUNT OF \$303,598.00 TO PROVIDE FUNDING FOR SOLID WASTE HAULING AND DISPOSAL FEES

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby approves a budget adjustment, a copy of which is attached as Exhibit "A", in the amount of \$303,598.00 to provide funding for solid waste hauling and disposal fees.

PASSED and APPROVED this 4th day of September, 2012.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer

**City of Fayetteville, Arkansas
Budget Adjustment Form**

V12.0724

A. 7
Solid Waste Hauling and Disposal Fees
Adjustment Number

Budget Year 2012	Division: Solid Waste & Recycling Department: Transportation Services	Request Date 9/4/2012	Adjustment Number
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BUDGET ADJUSTMENT DESCRIPTION / JUSTIFICATION

\$303,598 is requested in the solid waste disposal and contract services accounts.

Due to increased volumes of solid waste handled at the transfer station, additional funding is needed for hauling and disposal. The contracted rates for hauling and disposal will be offset by increased revenue collected.

<i>Tom Gully</i> Division Head	8-17-12 Date	Prepared By: John Nelson <i>jnelson</i>
<i>[Signature]</i> Budget Director	8-22-12 Date	Reference: _____
<i>Tom Gully</i> Department Director	8-17-12 Date	Budget & Research Use Only
<i>Maria Hernandez</i> Finance Director	8/20/12 Date	Type: A B C D E P
<i>[Signature]</i> Chief of Staff	8/21/12 Date	General Ledger Date _____
<i>[Signature]</i> Mayor	8/22/12 Date	Posted to General Ledger Initial _____ Date _____
		Checked / Verified Initial _____ Date _____

TOTAL BUDGET ADJUSTMENT 303,598 303,598

Account Name	Account Number	Increase / (Decrease)		Project.Sub Number
		Expense	Revenue	
Solid waste disposal	5500.5010.5316.00	3> 20,842	-	.
Solid waste disposal	5500.5020.5316.00	3> 11,550		.
Solid waste disposal	5500.5030.5316.00	3> 42,394		.
Solid waste disposal	5500.5040.5316.00	3> 163,617		.
Contract services	5500.5040.5315.00	3> 65,195		.
Use of fund balance	5500.0950.4999.99	RI	303,598	.

