

ORANGE COUNTY
BOARD OF COMMISSIONERS

ACTION AGENDA ITEM ABSTRACT
Meeting Date: December 15, 2009

Action Agenda
Item No. 6-a

SUBJECT: Bradshaw Quarry Road Solid Waste Convenience Center: Scenarios and Strategies to Maintain Operations for Remainder Fiscal Year 2009-10

DEPARTMENT: Solid Waste Management

PUBLIC HEARING: (Y/N)

No X

ATTACHMENT(S):
Staff Analysis

INFORMATION CONTACT:
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Manager, 245-2307

PURPOSE: To provide the BOCC with operating scenarios and funding strategies for continuing the Bradshaw Quarry Solid Waste County Convenience Center (BQR SWCC) for the remainder of FY 2009-10 (January-June 2010).

BACKGROUND: A BOCC decision was made during the FY 2009 -10 budget process to close the BQR SWCC (including the elimination of one Center Operator position) effective September 20, 2009. The BQR SWCC was recommended for closure due in part to its lowest statistical use. At its September 15th meeting, the BOCC rescinded the closure and stated its intent to maintain BQR SWCC operations through the calendar year.

The BOCC adopted a budget amendment on October 20th in the amount of \$23,517 from the County's undesignated fund balance to fund BQR SWCC operations until January 2, 2010. The BOCC also requested a report on December 15th with options for funding the BQR SWCC, within the current Sanitation budget, for the remainder of the fiscal year. Under the current format for operations/schedule, the projected cost to maintain BQR SWCC operations for the remaining six-month period, January – June 2010, is \$42,996, of which \$24,490 are personnel costs and \$18,507 are operational costs. It should be noted that one full time Solid Waste Convenience Center Operator position has already been vacated in anticipation of the BQR SWCC closing.

Solid Waste Management has reviewed and considered a variety of operating scenarios and funding strategies to keep the BQR SWCC open within budgetary constraints. Four different models are depicted below for BOCC discussion. **A staff analysis with additional details on how the recommended scenarios and strategies were derived is attached as background.**

Considerable discussion on this issue also occurred at the November 17th Solid Waste Plan Work Group (Work Group) meeting. Suggestions were received from both the public and Work Group on both short and long term solutions to maintain BQR SWCC operations. It was

suggested at the Work Group meeting that providing both short and long term options to the BOCC for consideration on December 15 would be useful. However, given the Thanksgiving holiday, the Solid Waste Management Department's focus on the Board's December 7th solid waste transfer station agenda item, preparation for a December 3rd SWAB meeting and other workload, time did not allow a substantive discussion of longer term options for inclusion in this report to the BOCC.

Operating Scenarios and Funding Strategies to Maintain BQR SWCC for the Remainder of FY2009-10

Scenario I: Continue all current BQR SWCC operations

Funding Strategy: Allocate County General Fund Balance:

- If one FTE is utilized for staffing \$ 42,996
- If non-permanent employees are utilized for staffing \$ 37,506

The remaining scenarios assume a two day a week operation at BQR SWCC only versus the current four day a week operation with requisite funding achieved through a combination of service reductions to create savings for reallocation and/or allocation of County General Fund Balance.

- A savings of \$16,536 is projected if one FTE is utilized for staffing or \$21,996 if non-permanent employees are utilized.
- The funding needed for a two day operation utilizing one FTE would decrease to \$26,490 or \$21,000 if non-permanent employees are utilized

	Utilizing One FTE	Utilizing Non- Permanent Employees
Scenario II. Convert to a two day a week operation at only the BQR SWCC, close on remaining holidays and eliminate yard waste acceptance at four Solid Waste Convenience Centers		
Funding Strategy:		
1. Reallocate \$10,000 earmarked for BQR SWCC closure costs	\$ 10,000	\$10,000
2. Close on the remaining holidays	\$ 5,700	\$ 5,700
3. Eliminate the acceptance of yard waste	\$ 7,083	\$ 7,083
4. Allocate County General Fund Balance	<u>\$ 3,707</u>	<u>\$ 0</u>
	\$26,490	\$22,783

Scenario II (a). Convert to a two day a week operation at only the BQR SWCC, close on remaining observed holidays and not eliminate yard waste acceptance at four Solid Waste Convenience Centers

Funding Strategy:

1. Reallocate \$10,000 earmarked for BQR SWCC closure costs	\$ 10,000	\$ 10,000
2. Close on the remaining holidays	\$ 5,700	\$ 5,700
3. Allocate County General Fund Balance	<u>\$ 10,790</u>	<u>\$ 5,300</u>
	\$ 26,490	\$ 21,000

Scenario II (b). Convert to a two day a week operation at only the BQR SWCC, do not close on all remaining holidays and eliminate yard waste acceptance at four Solid Waste Convenience Centers

Funding Strategy:

1. Reallocate \$10,000 earmarked for BQR closure costs	\$ 10,000	\$ 10,000
2. Eliminate the acceptance of yard waste	\$ 7,083	\$ 7,083
3. Allocate County General Fund Balance	<u>\$ 9,407</u>	<u>\$ 3,917</u>
	\$ 26,490	\$ 21,000

Long Term Funding Options Under Consideration for all Orange County Solid Waste Convenience Centers

- Reduce hours/days of service at some or all sites
- Reduce services at some or all sites
- Initiate Solid Waste Fee County wide for selected group or all residents to partially or fully fund Convenience Center operations
- Initiate fee for Bulky item disposal
- Pay as you throw for Municipal Solid Waste (MSW)

FINANCIAL IMPACT: There will be a financial impact for keeping the BQR SWCC open beyond January 2, 2010. Specific impacts will depend upon which operating scenario and funding strategy is determined by the BOCC.

RECOMMENDATION(S): The Manager recommends the Board receive and consider the operating scenarios and funding strategies presented by Solid Waste Management, request any additional information necessary to aid discussion, and provide direction to the Manager regarding funding Bradshaw Quarry Road SWCC operations for the remainder of Fiscal Year 2009-2010. Ultimately, a more formalized and sustainable arrangement to the funding of solid waste convenience centers is necessary and appropriate going forward. Alternatives are under active review and will be presented for consideration at a future point in time, possibly within the FY 2010-11 budget process.

**Bradshaw Quarry Road Solid Waste Convenience Center
Solid Waste Management Staff Analysis**

The table below reflects the current users by Solid Waste Convenience Center since the conversion to the current four-day schedule.

Actual User Volumes Averages Per Day- October 2009					
Center	Monday	Tuesday	Friday	Saturday	TOTAL
BQ	103	55	117	67	342
ER	466	465	527	554	2012
FR	295	274	296	445	1310
HR	222	252	268	328	1070
WG	619	563	746	895	2823

Estimated cost to maintain existing 4-day/week service at the BQR SWCC for the full six months is \$42,996 or \$7,166 per month.

SWM staff has developed an array of options and funding sources for maintaining some level of service at BQR SWCC for the current fiscal year. These options represent various modifications in days, hours, and services possible in order to provide funding from the existing Fiscal 2009/10 budget.

Funding Alternatives that do not include Service Impacts

1. Reallocate \$10,000 earmarked for the BQR SWCC closure.

In the current Sanitation budget, \$10,000 is earmarked for the restoration of the BQR SWCC site. If the BOCC approves the continuation of BQR SWCC operations, staff recommends these funds be reallocated to offset BQR SWCC operational and personnel costs. However, if the BOCC elects to close BQR SWCC on June 30, 2010, this \$10,000 would be needed in the next fiscal year.

2. Use the County's General Fund Balance to provide all or a portion of maintaining the BQR SWCC for the remainder of the fiscal year.

Funding Alternatives that do include Service Impacts

Given the typical requirement to publicize and promote any changes to residents it would be difficult to make any of these changes until February 1, 2010 allowing one month to plan, execute and advertise any changes the BOCC may ultimately decide.

1. Decrease days of operations to two days only at the BQR SWCC
Current hours of operations at all centers are from 7 a.m. to 6 p.m. on Monday, Tuesday, and Friday; 7 a.m. until 5 p.m. on Saturday; closed Wednesday, Thursday and Sunday. A decrease in hours would result in decreased personnel costs. Changing to only two days of operation would result in a savings of \$16,536 if a FTE was utilized or \$21,996 utilizing temporary staff. In this scenario changing to a

temporary employee does provide savings of slightly over \$5,000. The Board may consider the two days the BQR SWWC operates from the usage table above.

2. Close all Solid Waste Convenience Centers on County Holidays.

SWCC will open the following County observed holidays through January 2, November 27 (day after Thanksgiving), and December 28 (normal workday following the Christmas day holiday) By closing the remaining 3 holidays through June 30, 2010, it is anticipated that \$5,700 may be saved.

3. Eliminate the acceptance of yard waste at the four remaining centers.

Yard waste is accepted at the four largest Convenience Centers. It has never been accepted at the BQR SWCC. A total of 399 tons of yard waste were accepted at the centers during 2008-09 FY. Currently the same tons are projected for this FY. If yard waste acceptance was eliminated effective February 1, 2010, it is projected that 170 tons would not be received for disposal. The average number of loads per week by Centers is: Ferguson Road ~ 2; High Rock ~ .75; Walnut Grove ~ 2.75; Eubanks Road ~ 2.75. The elimination of yard waste acceptance for 5 months, February 1 thru June 30, at the four other centers is projected to save approximately \$7,083. This savings includes tip fees and collection costs.

Various Approaches Available

1. Change to a two-day operation utilizing a FTE with a projected cost of \$26,490 or utilize a temporary employee at a projected cost of \$21,000 to operate the BQR SWCC for the remaining FY.
2. Reallocate the \$10,000 earmarked for the BQR SWCC site restoration in this year's budget and apply to any anticipated cost reduction.
3. Close all SWCCs on the remaining County Holidays, January 1- June 30, 2010, resulting in an anticipated savings of \$ 5,700.
4. Eliminate the acceptance of yard waste at the four remaining centers for the remaining part of the FY would result in an anticipated savings of \$7,083. (This option affects a larger population of the county and will require a considerable education and outreach campaign for this option to be utilized. Projected starting date February 1, 2010.)
5. Use the County's General Fund Balance.