City of Minneapolis
FY 2010
Financial Plan
Solid Waste and Recycling Fund

Background

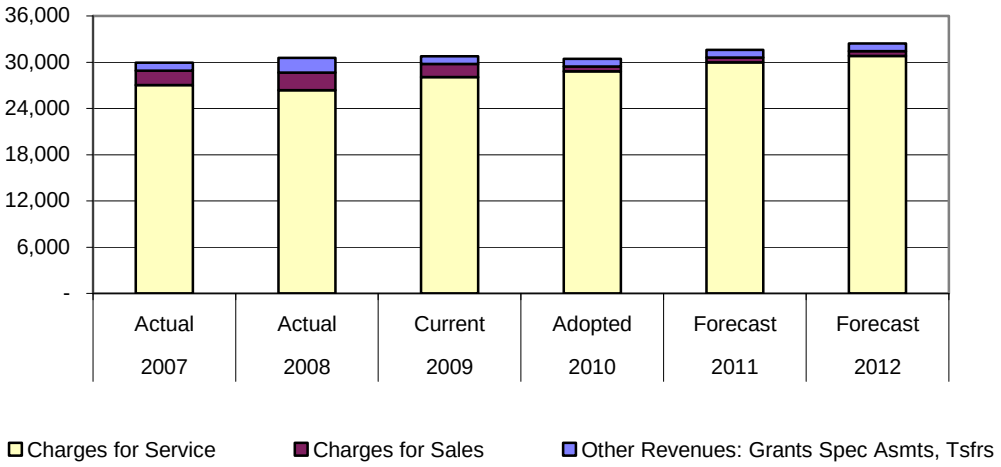
The Solid Waste and Recycling Fund account for solid waste collection, graffiti removal, disposal, and recycling activities of the City. The Solid Waste Division of Public Works provides weekly and bi-weekly trash, yard-waste, and recycling pickups. It also operates a solid waste transfer station providing service to over 100,000 households. City crews provide approximately one-half of the solid waste collection service and the other half of the service is provided through a contract with a consortium of companies specializing in waste collection.

Funding for Solid Waste and Recycling activities are primarily generated from solid waste fees. The Fund also receives grants from Hennepin County. Revenue is also generated through recyclable sales, miscellaneous services, and organic programs.

Historical Financial Performance

The overall financial condition of the Solid Waste Fund has remained sound. Revenues in the past years have surpassed budgeted amounts. Total revenues for 2008 were at $30.5 million. The year-end cash balance for this fund increased from $17.4 million in 2007 to $20.7 million in 2008.

Solid Waste Fund Revenues
(in thousands of dollars)



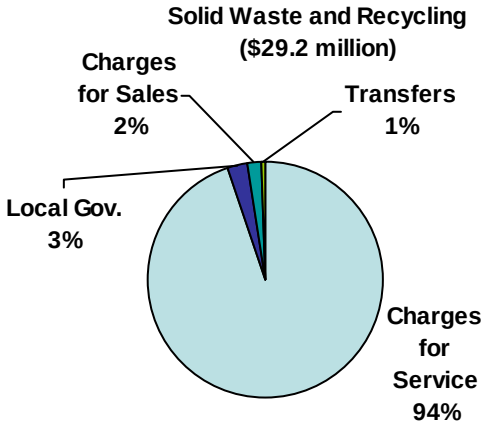
Revenue Assumptions (2010)	
Number of dwelling units	104,582
Number of recycling customers	100,928

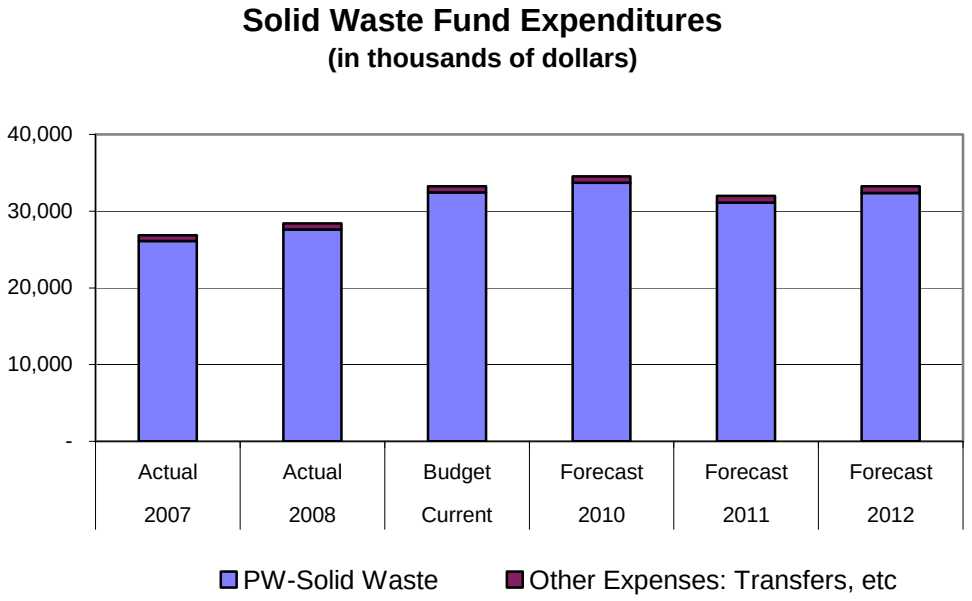
The Solid Waste division has invested over $8 million in equipment in 2005 through 2008. Some of the equipment in the Division's list include recycling trailers, loading packer bodies, zoeller lifters, recycling cab chassis's, recycling bodies, and garbage collection cab chassis.

For 2009, year-end revenues from charges for services are projected to reach $27 million and the total revenues for the fund are projected to reach $29 million. Expenses for the Solid Waste and Recycling are projected at $29 million, compared to 2009 budgeted amount of $33 million.

2010 Budget

Revenues
Total revenue budget for 2010 amounts to $29.2 million compared to $30.8 million for 2009. This is a decrease of 5.2% in revenue forecast. This decrease is due to anticipated drop in scrap metal sales and because there will be no rate increase. The 2010 Hennepin County Recycling Grant will continue at $800,000.





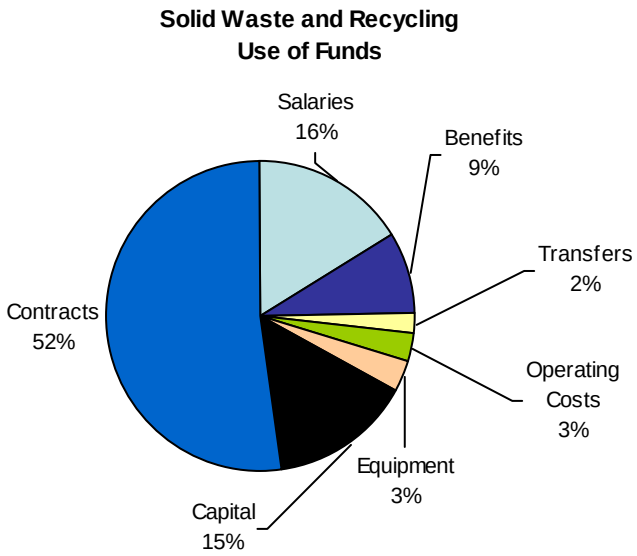
Expenditures
The total expenditure budget for 2010 amounts to $34.4 million compared to $33.3 million for 2009. This is an increase of 3.4% from 2009.

Transfers
The 2010 budget includes a $700,000 transfer from Solid Waste and Recycling to General Fund to pay for snow plowing which will ensure delivery of solid waste and recycling services in the alleys. This transfer is projected to continue at $700,000 in coming years.

The budget also includes a transfer of $151,000 to the Debt Service Fund for pension obligations related to the Minneapolis Employees Retirement Fund (MERF).

The Solid Waste and Recycling Fund will continue to receive $146,000 from the Parking Fund for litter container pick-ups in downtown area. Since 2004, the Fund has been receiving $50,000 as annual transfer from General Fund for graffiti removals.

Debt Service
This fund does not have any capital debt service payments.



Original Budget
The Mayor recommended no increase to these rates. Graffiti strategies are funded at $1.2 million from the division's fund balance. The Mayor also recommended $50,000 from Community Development Block Grant funds for graffiti microgrants.

The Council approved the Mayor's recommendations but reduces funding by $50,000 from Community Development Block Grants funds for graffiti micro-grants.

The budget for this fund includes a reduction of BIS charges of $18,600 due to the Council's actions to reduce the BIS budget. This reduction in BIS charges will subsequently reduce the fund's appropriation by the same amount. Additionally, the budget for this fund includes a $7,501 increase to General Fund Overhead charges due to the Council's actions to fund two internal audit positions.

Mayor's Revised Budget
The Mayor recommended no changes to this fund.

Council Revised Budget
The Council approves the Mayor's recommendations.

City of Minneapolis
FY 2010 Budget
Financial Plan (in thousands of dollars)

Solid Waste Fund - 7700

	2007 Actual	2008 Actual	2009 Current Budget	2009 Projected	2010 Budget	% Chg From 2009 Budget	2011 Forecast	2012 Forecast	2013 Forecast
Sources of Funds:									
Local Government	784	872	800	819	800		800	800	800
Charges for Service	27,029	26,385	28,079	27,098	27,582	-1.8%	28,733	29,567	29,567
Charges for Sales	1,876	2,284	1,699	920	600	-64.7%	600	600	600
Special Assessments		573							
Other Misc Revenues, Rents	32	85			-				
Operating Transfers In:									
From Grants									
From Parking Fund	146	146	146	146	146		146	146	146
From General Fund	50	200	50	50	50		50	50	50
Total	29,917	30,545	30,774	29,033	29,178	-5.2%	30,329	31,163	31,163
Use of Funds:									
PW-Solid Waste	26,094	27,594	32,433	28,261	33,546	3.4%	31,127	32,372	33,667
Transfers									
To General Fund	700	700	700	700	700	0.1%	700	700	700
To BIS Fund									
To Self Insuance Fund									
To MERF Fund	78	109	121	121	151	24.8%	148	164	136
Finance Department									
Human Resources									
Total	26,872	28,403	33,254	29,082	34,398	3.4%	31,975	33,236	34,503
Fund Margin	3,046	2,143	(2,480)	(49)	(5,219)	110.4%	(1,647)	(2,073)	(3,340)
Fund Balance	24,735	26,878	24,398	26,829	21,611	-11.4%	19,964	17,891	14,551
Cash Balance	17,373	20,667	18,187	20,619	15,400	-15.3%	13,753	11,680	8,340