

**HAMILTON COUNTY ENVIRONMENTAL SERVICES -
SOLID WASTE MANAGEMENT DISTRICT
MANAGER'S MEMORANDUM**

DATE: November 9, 2006

TO: District Policy Committee Members

FROM: Holly Christmann, Solid Waste Manager
Cory R. Chadwick, Director

I. Introduction/Opening Comments

NOTICE: This memo is for the meeting to be held on November 16, 2006. This meeting will be held at 9:30 a.m. at Hamilton County Environmental Services, 250 William Howard Taft Road, Cincinnati, Ohio 45219.

Policy Committee Information (Agendas, Manager's Memos, Minutes, etc.) now available on the District's Website at www.hamiltoncountycycles.org.

II. Clerk's Report/Additions to the Agenda

A. Approval of Minutes – Minutes from the September 14, 2006 Policy Committee Meeting are included as Attachment A.

B. Additions to the Agenda

Please contact Susan Schumacher at 513-946-7734 or at susan.schumacher@hamilton-co.org if you have items to add to the agenda.

III. District Revenue Updates/Analysis

Updates will be provided on current revenue receipts and comparisons with prior years, as included as Attachment B.

IV. Policy Items

A. Creative Outdoor Advertising

Staff has researched permanent recycling containers for high traffic areas in an effort to increase recycling awareness and tonnages. Creative Outdoor Advertising manufactures "The Concourse", a waste and recycling collection container that is placed in high traffic areas. Creative Outdoor Advertising services the containers at no cost to the municipality – the program is funded through the sale of advertisements on the container. Information on the Concourse is included as Attachment C.

Recently, Commissioner Portune, a representative from Metro and Staff met with Creative Outdoor Advertising to discuss placing the containers at bus stops. Metro has no objection to the project and will help identify locations; however, it will be the decision of the local jurisdiction whether or not the containers are placed.

Staff would like to move forward on this project by presenting the information to local jurisdictions in an effort to gain their support. Specifically, Staff would conduct an open house where local officials could hear about and see the recycling containers.

***Staff Recommendation:** Staff recommends moving forward on this project by meeting with local jurisdictions in an effort to place recycling containers at local bus stops.*

B. Wood Waste Project

At the January 12, 2006 Policy Committee meeting, the Committee requested that District staff work with Nancy Sunnenberg to develop a proposal on a wood waste recovery program. This program would utilize a portable sawmill to convert usable tree trunks into saleable lumber. The Policy Committee requested that the proposal be reviewed separately from the District Priority Grants.

The proposal is included as Attachment D which requests \$100,862.00 for the Cincinnati Park Board to implement the program. The Cincinnati Park Board will own the equipment, but will lease it to a contractor who will conduct and oversee the program.

At this point in the meeting, the Policy Committee will discuss the proposal. Ms. Sunnenberg will be available for questions.

C. Carryover Balance

As of January 1, 2007, the District's carryover balance will be \$2.4 million which is approximately \$500,000 less than one year of operating costs. The focus of the discussion is on two issues: 1. Amount of carryover the District should maintain. 2. Potential cost-cutting for District programs to both maintain a minimum amount in the carryover balance and to potentially delay a fee increase.

Carryover Balance

In the past, the Policy Committee has discussed, but never voted on, a minimum amount the District should have in reserve in case an emergency arises that would require the District to change its fee structure. In speaking with the Ohio EPA, it typically takes 6-8 months to change the funding structure outside of the Plan Update process. Listed below are the necessary operating expenses that should be held in the carryover balance for a 6, 7, and 8 month timeframe (based on the 2007 budget of \$3 million).

6 month carryover = \$1.5 million
7 month carryover = \$1.75 million
8 month carryover = \$2.0 million

Attachment E details the amount of the carryover balance available through 2012 based on different revenue and budget projections. This attachment also details the years that cost reductions will need to be made in order to maintain at least seven months of operating costs in the carryover balance.

The revenue scenarios include \$2.7 million/year and \$2.5 million/year. A \$2.5 million/year revenue scenario is included as an option because this is the minimum amount the District should expect in revenue. Over the past three years, however, the District has received approximately \$2.7 million in revenue each year.

Fee Increase

The current strategy listed in the Plan calls for a gradual reduction in the carry-over balance resulting in a fee increase in 2011. The Plan also states, “the governing principle of the District is to identify mechanisms to reduce program costs while maintaining the effectiveness of the programs *before* increasing disposal fees.”

District staff is continually researching ways to reduce spending such as converting print publications to web-based programs, stricter grant guidelines to focus on projects that do not require annual funding, and, most recently, seeking grants for the District’s advertising and outreach efforts. The District is seeking direction from the Policy Committee on whether or not to delay the 2011 fee increase through additional cost reductions.

As a reference, the largest program budgets are listed below (based on the 2007 budget):

Residential Recycling Incentive Program - \$1,050,000*

Hamilton County General Health District – \$316,470

Yardwaste Drop-Off Sites – \$230,000

Household Hazardous Waste - \$220,000

*This funding amount is stipulated in the Plan Update.

Attachment E also details the need for a fee increase based on budget and revenue projections. As shown in the attachment, a fee increase would not be needed if the District’s budget was equal to revenues of \$2.7 million. However, with the scenario, the District would need to identify budget reductions of approximately \$300,000 in order to maintain a \$2.7 million budget.

Staff Recommendation: *Staff recommends maintaining a carryover balance equal to seven months operating cost. Staff further recommends Policy Committee support in researching cost reductions in an effort to maintain this carryover balance and potentially delay the fee increase scheduled for 2011.*

D. District Priority Grants

Under the Solid Waste Management Plan Update, the District replaced the Reduction Assistance Grant with a District Priority Grant for communities and non-profit organizations. With this revised grant program, the Policy Committee will identify three key solid waste management issues that will be eligible for District Priority Grant funding. Potential grantees will submit grant applications that address these key issues.

At the May 11th Policy Committee meeting, the members approved the following priorities for the 2007 grant cycle: organics, appliance collection, and recycling drop-offs.

District staff has included, as Attachment F, recommendations relating to applications for District Priority Grant funding.

***Staff Recommendation:** District staff recommends that the Policy Committee approve the grant award recommendations for forwarding to the Board of County Commissioners.*

E. Public Member

The District received five applications for the public member position of the Policy Committee. One applicant, Dr. Gregory Schrand, withdrew his application as he is unable to make the meetings due to the time change. The selection committee met and interviewed four candidates on November 1st. As a result of those interviews, the committee is prepared to recommend that Dave Meyer be appointed to serve as the Public Member of the Policy Committee.

V. Information/Discussion Items

A. Household Hazardous Waste

The Household Hazardous Waste Collection Program closed for the season on October 31, 2006. The total cost for the 2006 program was \$223,000.00 (\$108,000 over budget). Although staff is awaiting final numbers for the program, preliminary results indicate that 10,000 households participated in the program.

B. Solid Waste Management Plan Update

The District received notification from the Ohio EPA that the Solid Waste Management Plan Update has been approved. All programs included in the Plan Update will take effect in 2007.

C. Annual District Report – 2005

The Ohio EPA has reviewed the results of the District's Annual Report. The state-mandated recycling goals include a 25% recycling rate for the residential/commercial sector and a 50% recycling rate for the industrial sector. In 2005, the District's residential/commercial recycling rate was 35% and the industrial recycling rate was 47%.

VI. Tentative Future Agenda Items

VII. Policy Committee Members' Comments

VIII. Public Comments

IX. Upcoming District Meetings

The next Policy Committee meeting is scheduled for January 18, 2007 at 9:30 a.m. The meeting will be held at Environmental Services, 250 William Howard Taft Road.

X. Adjournment (Target Time: 11:00 am)