



SOLID WASTE IMPROVEMENT PLAN

DS-17-115

November 28, 2017

Executive Summary

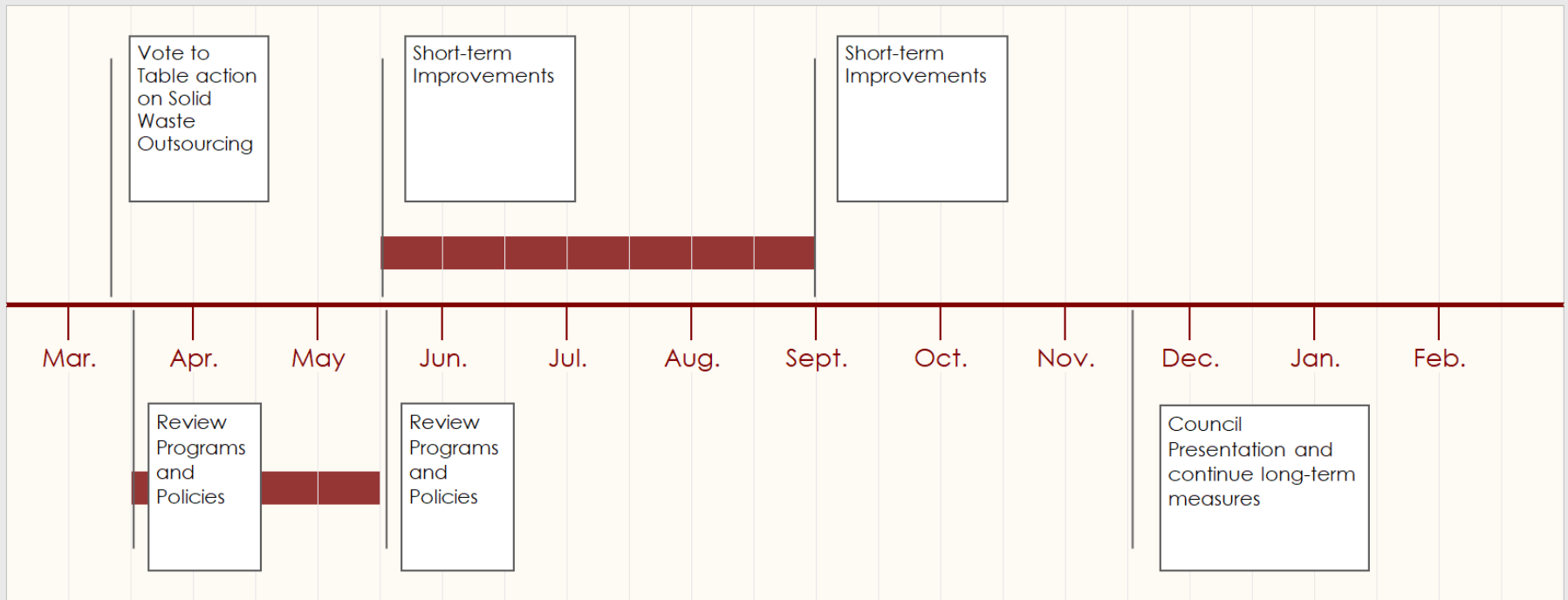
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- ❑ Over the last 6 months we analyzed services and operations.
- ❑ We modified operations to increase efficiencies.
- ❑ We evaluated improved operations against private and public benchmark cities.
- ❑ Results show that Killeen Solid Waste is competitive with the market for comparable services.

Timeline

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Solid Waste Timeline



Budget - Revenues

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	Actual 2016	Budget 2017	Estimated Actual 2017	Budget 2018
Residential Fees	\$ 10,978,590	\$ 10,885,015	\$ 11,265,131	\$ 11,279,403
Commercial Fees	\$ 5,970,732	\$ 6,151,871	\$ 6,126,568	\$ 6,134,330
Transfer Station Fees	\$ 431,249	\$ 430,500	\$ 442,504	\$ 443,065
Other	\$ 196,542	\$ 164,149	\$ 181,999	\$ 201,927
Recycling Fees	\$ 158,933	\$ 159,250	\$ 75,841	\$ -
Transfer In	\$ -	\$ 491,826	\$ 491,826	\$ -
Total Revenues	\$ 17,736,046	\$ 18,282,611	\$ 18,583,869	\$ 18,058,725

Budget – Expenses

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	Actual 2016	Budget 2017	Estimated Actual 2017	Budget 2018
Transfer Station	\$ 4,931,251	\$ 5,122,721	\$ 4,264,286	\$ 5,221,301
Residential Services	\$ 3,170,176	\$ 2,763,052	\$ 3,015,323	\$ 2,791,049
Transfer Out	\$ -	\$ 1,677,216	\$ 1,677,216	\$ 2,673,150
Commercial Services	\$ 1,661,328	\$ 1,752,314	\$ 1,945,231	\$ 1,793,784
Franchise Fees	\$ 1,504,485	\$ 1,603,869	\$ 1,603,869	\$ 1,616,789
Indirect Cost	\$ 1,166,830	\$ 1,373,305	\$ 1,373,305	\$ 1,097,985
Mowing	\$ 809,534	\$ 902,271	\$ 830,775	\$ 782,120
Debt Service	\$ 723,984	\$ 719,960	\$ 719,960	\$ 719,643
Recycling Program	\$ 341,921	\$ 325,451	\$ 338,940	\$ 365,537
Accounting	\$ 201,793	\$ 212,135	\$ 194,474	\$ 210,967
Public Works	\$ 64,687	\$ 64,074	\$ 46,811	\$ 106,715
Non-departmental	\$ 283,459	\$ 176,046	\$ 176,046	\$ 34,956
Fleet & Fleet Services	\$ 3,080,099	\$ 682,485	\$ 682,485	\$ -
Information Technology	\$ 67,311	\$ 129,790	\$ 129,790	\$ -
Building Maintenance	\$ 21,358	\$ 19,500	\$ 10,966	\$ -
Human Resources	\$ 5,479	\$ 14,000	\$ 16,435	\$ -
Total Revenues	\$ 18,033,695	\$ 17,538,189	\$ 17,025,912	\$ 17,413,996

Methods and Strategies

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- Process considered two types of strategies: short-range improvements and long-range strategies.
- Short-range improvements were those that could be implemented and have noticeable impact within 90 days.
 - ▣ Intended to improve efficiency, economics, morale, and overall image of the division.
- Long-range strategies are those that will have significant impact on operations beyond the 90-day measurable period.
- All short-range improvements should be continuously monitored as part of the long-range strategy.

Service Charges

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- Review service charges for all customers to ensure accuracy.
- No issues noted for residential accounts.
- In general no issues were found in commercial accounts
- We noted that city facilities and particular non-profits were not paying monthly collection fees.
 - ▣ Increased Revenues
 - City Facilities \$109,938 per year
 - Non-Profit Facilities \$ 27,917 per year

Fleet Services

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- Division experienced three issues with Fleet Service support
 - ▣ Unnecessary labor charges for in house repairs.
 - ▣ No compensation for tire disposal fees.
 - ▣ Excessive vehicle downtime.
- These issues were addressed by increasing management interface with fleet services and prioritizing repairs.
- Adjustments created fleet expense savings:
 - ▣ FY 17 - \$191,000 (19%).
 - ▣ FY 18 - \$387,000 (39%).

Overtime

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- ❑ Overtime has been a historical challenge due to
 - ▣ Holiday collections
 - ▣ Route inefficiencies
 - ▣ Annual spring clean up event/free services
- ❑ Established overtime reduction standards.
 - ▣ Established routes are to be picked up within scheduled day.
 - ▣ Increased justification standards for overtime.
- ❑ Holiday time is flexed to the extent possible.
- ❑ Spring clean up will occur during regularly scheduled pick up.
- ❑ Overtime adjustments created savings of:
 - ▣ FY 17 - \$14,500 (7%).
 - ▣ FY 18 - \$15,000 (7%).
- ❑ Internal goal to reduce overtime by an additional \$9,400 (5%).

Employee Morale

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- Key component in the success of the division is the attitude and morale of the staff.
 - ▣ Increased management communications.
 - ▣ Proper tools for the job.
 - ▣ Sense of pride in work.

Residential Cart Sizes

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- COK currently offers three cart sizes.
 - ▣ 96 gal. – 90.8%
 - ▣ 64 gal. – 7.4%
 - ▣ 32 gal. – 1.8%
- Reducing to a single cart size will reduce operating costs (estimated \$15,000 annually).
- Initial capital outlay estimated \$30,000 (additional carts).
- Moving to a single cart size aids in the addition of services such as curbside recycling.
- Staff recommends specific discussion, debate, and decision surrounding this topic.

Other System Improvements

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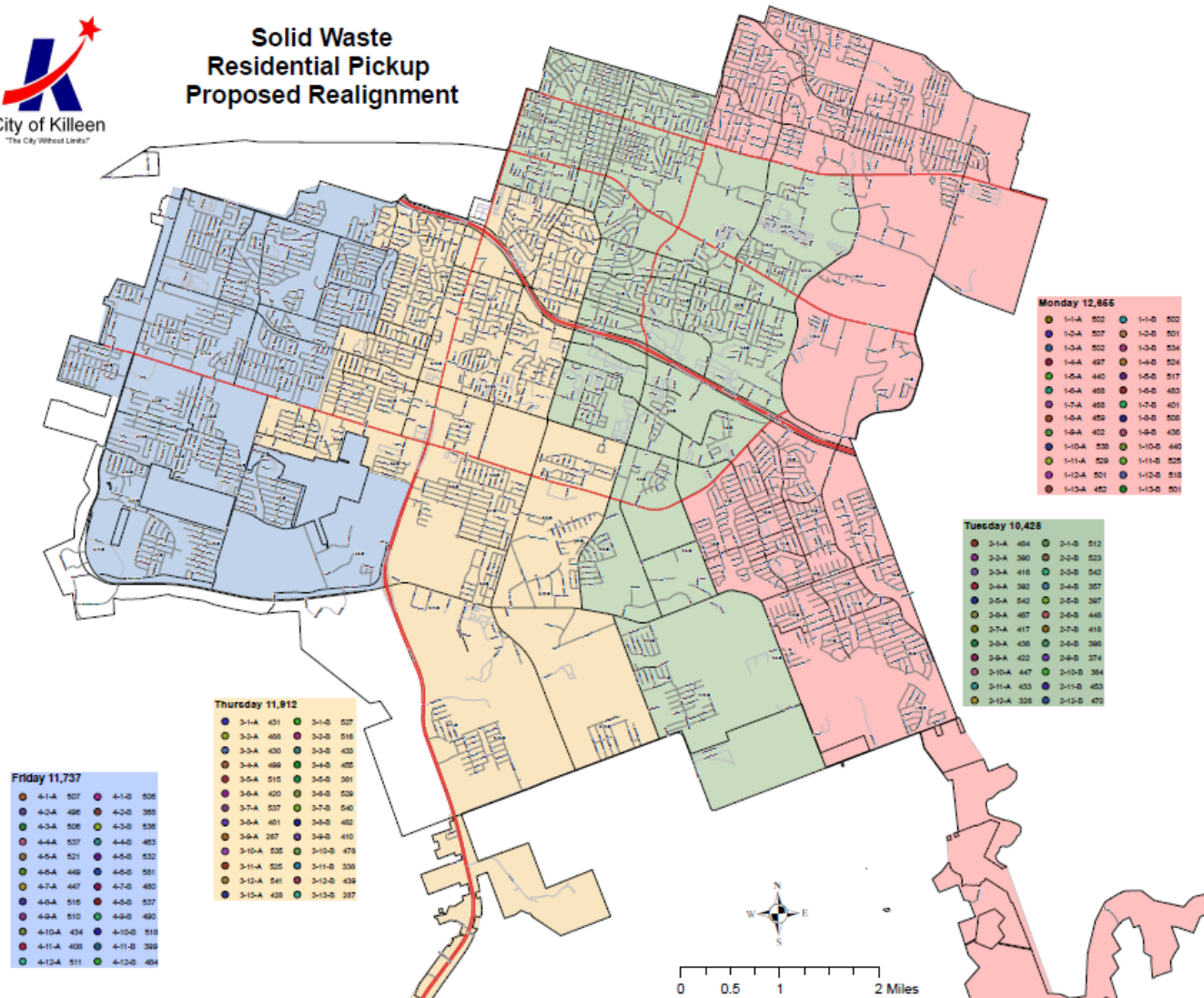
- Transfer Station Floor (complete)
 - ▣ Total cost to replace - \$121,000
 - Expected annual savings - \$15,000 minimum.
- Route Evaluation (ongoing)
 - ▣ Proposed north to south routes
 - ▣ Existing routes sporadic.

Route Realignment

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Solid Waste Residential Pickup Proposed Realignment



Residential Cost of Services

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Residential Cost of Services					
Type	FY 17 Budget	FY 18 Budget	FY 17 Cost of Service*		FY 18 Cost of Service*
Residential Core Mission	\$8,446,534	\$7,013,535	\$15.11	Month	\$11.63 Month
Residential Free Services	\$117,523	\$100,000	\$0.21	Month	\$0.17 Month
ROW Mowing Residential	\$902,271	\$761,698	\$1.61	Month	\$1.26 Month
Franchise Fee	\$962,322	\$970,074	\$1.72	Month	\$1.61 Month
Total			\$18.65	Month	\$14.67 Month

*These are average cost of services per month per customer. The base rate would be tiered based on cart size.

Residential Rate Comparison

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City	Service	Monthly Fee	Free Brush Pick Up	Free Bulk Pick Up	Free Annual Collection	Free Disposal Site	Curbside Recycling
		\$16.25					
		\$17.63					
Killeen	Public	\$19.78	Y	Y	Y	Y	N
Harker Heights	Private	\$18.33	N	N	N	N	Y
Temple	Public	\$16.20	Y	Y	N	N	Y
Copperas Cove	Public	\$16.75	Y	Y	N	N	Y

Commercial Cost of Services

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Commercial Cost of Services

Type	FY 17 Budget	FY 18 Budget	FY 17 Avg. Charge*	FY 18 Avg. Charge*
Commercial Core Mission	\$5,542,563	\$4,608,768	\$262.88	\$221.11
Franchise Fee Commercial	\$641,547	\$646,715	\$36.32	\$35.34
Total:			\$299.20	\$256.45

*Represents the average monthly charge for commercial solid waste services. This charge does not account for size of dumpster, pick up frequency, or overloading fees.

Killeen Commercial Rates

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Container	Collections Per Week						
	1	2	3	4	5	6	7
96-gal.	\$ 21.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
300-gal.	\$ 57.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 cu yd	\$ 78.72	\$120.06	\$167.91	\$215.76	\$ 264.93	\$ 311.46	\$ 359.31
3 cu yd	\$ 96.07	\$149.04	\$209.89	\$270.77	\$ 331.65	\$ 392.50	\$ 453.40
4 cu yd	\$112.37	\$177.00	\$250.89	\$324.77	\$ 398.70	\$ 472.61	\$ 546.50
6 cu yd	\$147.77	\$234.92	\$334.87	\$434.81	\$ 534.76	\$ 634.70	\$ 734.65
8 cu yd	\$181.85	\$292.63	\$418.81	\$544.82	\$ 670.81	\$ 796.83	\$ 922.82
4 cu yd (com.)	\$149.03	\$292.59	\$436.15	\$579.67	\$ 723.26	\$ 866.82	\$1,010.38
6 cu yd (com.)	\$199.95	\$395.15	\$588.21	\$782.35	\$ 976.47	\$1,170.60	\$1,364.72
8 cu yd (com.)	\$250.92	\$495.54	\$739.95	\$985.19	\$1,229.94	\$1,474.70	\$1,719.45

Commercial Rate Comparison

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City	Service	4 cu yd	4 cu yd	8 cu yd	8 cu yd
		1x per wk.	5x per wk.	1x per wk.	5x per wk.
Killeen	Public	\$ 112.37	\$ 398.70	\$ 181.85	\$ 670.81
Harker Heights	Private	\$ 127.55	\$ 391.74	\$ 195.93	\$ 665.27
Temple	Private	\$ 90.50	\$ 323.20	\$ 139.80	\$ 503.00
Copperas Cove	Public	\$ 98.21	\$ 374.07	\$ 151.89	\$ 621.74

Long-Range Strategic Issues

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- Continued capital/fleet investment
- Software upgrades for more efficient collection routes.
- Regional partnerships
 - ▣ Recycling
 - ▣ Transfer Station
- Recycling
 - ▣ Environmentally responsible, and economically feasible
 - Reduce waste stream, and generate revenues.
 - ▣ Expand curbside and commercial recycling collections
 - ▣ Explore Material Recovery Facility (MRF)

Conclusion

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- Residential SW collections are very competitive with private sector rates when comparing the City of Killeen true cost to collect to the private sector base rates.
 - To keep the same level of service additional charges would be required in excess of any base bid provided by a private sector company (i.e. franchise fees, mowing, free disposal services).
- Commercial SW collections are difficult to compare due to the number of variables. The evaluation shows that given the same level of service and circumstances, our rates are competitive with rates within the private sector.
- Continuous evaluation and process improvement will yield additional efficiencies and improved services.