

# Memorandum



CITY OF DALLAS

DATE June 21, 2024

TO Honorable Members of the Quality of Life, Arts & Culture Committee

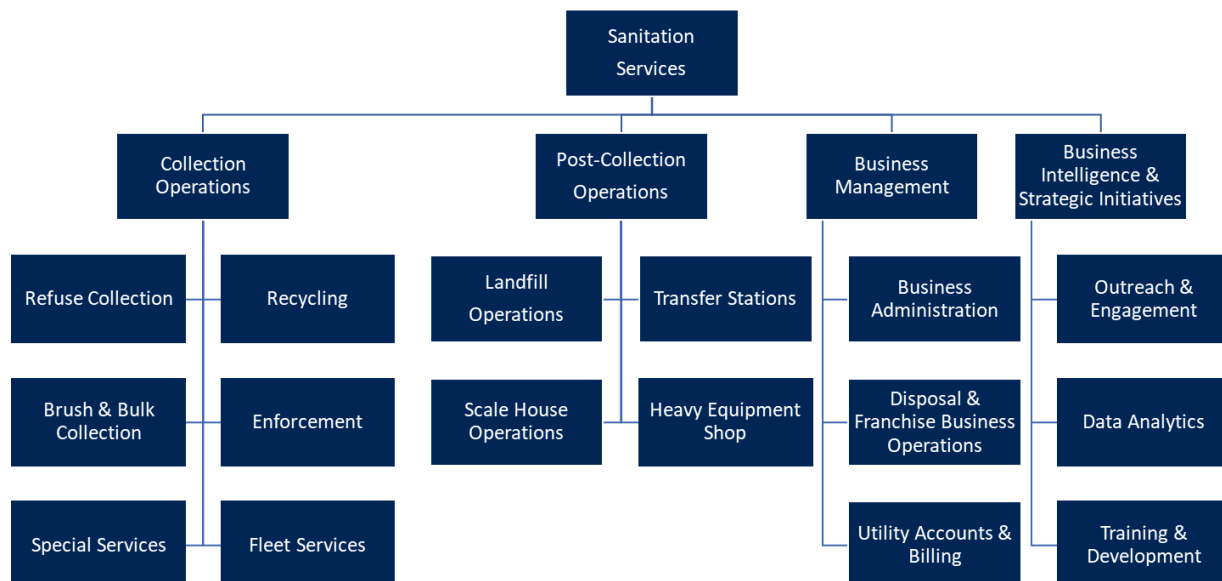
SUBJECT **Department of Sanitation Services FY 2024-25 Biennial Budget**

The proposed FY 2024-25 and planned FY 2025-26 budgets are designed to further the mission of Sanitation Services to operate a clean, green, and efficient integrated solid waste management system for the residents of Dallas, while supporting the City’s vision to achieve a sustainable future. Sanitation Services aims to achieve this mission through the following goals:

- Empower residents and businesses to reduce the amount of discarded material generated through proactive education, outreach, and compliance efforts
- Establish and implement innovative operational best practices to provide efficient, cost effective, and environmentally responsible service
- Provide excellent customer service and support to residents and businesses to maximize diversion from the landfill
- Operate a clean, green, and efficient waste system that seeks to generate energy from organics
- Sustain Post Closure and Environmental Protection Reserve Fund to provide financial assurance for future liabilities related to the city’s landfill

## Department Overview

Sanitation Services provides a myriad of services through its four major service groups: Collections, Post-Collections, Business Management, and Business Intelligence and Strategic Initiatives.



These service units support the following services, programs, and activities:

- Weekly collection of refuse, recycling, and monthly brush and bulky item collection for over 250,000 Dallas homes and businesses
- Solid waste disposal services, including operation of the McCommas Bluff Landfill, its heavy equipment shop and weigh stations, administration of landfill gas recovery and material recycling facility contracts, post-closure monitoring of Deepwood and Loop 12 landfills, and operation of three transfer stations across Dallas
- Waste and recycle collection services for City facilities and neighborhood recycling drop-off sites
- Regulation of private solid waste companies operating in Dallas through administration of approximately 130 solid waste franchise ordinances
- Funding and support for the Animal Recovery Collection (ARC) services managed by Dallas Animal Services
- Outreach, engagement, and enforcement related to solid waste regulations in order to keep our Dallas neighborhoods clean and clutter free

**FY 2024-25 Biennial Budget Summary**

The proposed FY 2024-25 and planned FY 2025-26 budgets are designed to maintain current service levels while staying within the base bid target of \$158.8 million. Increases in FY 2024-25 planned budget are primarily due to:

- Personnel cost (including compensation study adjustments, merits, pension, & health insurance)
- Equipment purchases for Collections fleet and Landfill equipment
- Contract increases (including temporary day labor and equipment and fleet maintenance)
- Additional funding for the Landfill Closure/Post-Closure fund
- Additional \$500,000 for the development of a composting facility

The following charts illustrate the department’s biennial budget by service, revenue and expense categories.

***Budget Summary by Service***

Service	FY 2022-23 Actual	FY 2023-24 Adopted Budget	FY 2023-24 Forecast*	FY 2024-25 Planned Budget
Animal Remains Collection	\$423,282	\$528,156	\$528,156	\$552,315
Brush & Bulk Waste Removal Services	24,668,555	28,567,218	28,525,756	29,284,193
City Facility Services	853,876	832,212	832,212	836,772
Landfill Services	38,125,657	43,892,747	41,381,546	46,783,872
Recycling Collection & Waste Diversion	17,854,641	19,463,821	19,486,664	20,224,005
Residential Refuse Collection	64,773,820	60,405,377	62,935,197	61,081,570
<b>Expense Total</b>	<b>\$146,699,831</b>	<b>\$153,689,531</b>	<b>\$153,689,531</b>	<b>\$158,762,727</b>

**Operating Expenses & Revenue**

Service/Division	FY 2022-23 Actual	FY 2023-24 Adopted Budget	FY 2023-24 Forecast*	FY 2024-25 Planned Budget
Personnel Services	\$47,272,492	\$53,048,134	\$53,013,892	\$54,941,487
Supplies - Materials	9,398,677	9,244,548	9,409,297	9,604,792
Contractual – Other Services	85,957,461	91,618,201	90,876,657	94,437,800
Capital Outlay	4,292,553	0	611,037	0
Reimbursements	(221,352)	(221,352)	(221,352)	(221,352)
<b>Department Expense Total</b>	<b>\$146,699,831</b>	<b>\$153,689,531</b>	<b>\$153,689,531</b>	<b>\$158,762,727</b>
<b>Department Revenue Total</b>	<b>\$151,940,056</b>	<b>\$152,709,535</b>	<b>\$157,240,853</b>	<b>\$159,986,180</b>
<b>Department Position Total</b>		<b>628</b>	<b>628</b>	<b>634</b>

To address projected cost increases, Sanitation Services proposes two fee increases, both of which will be subject to adjustments based on updated information gathered during the budget development process.

- A residential service fee increase from \$37.98/month to \$39.38/month in FY 2024-25, representing a 3.7% increase.
- A gate rate increase for the McCommas Bluff Landfill, adjusting the gate rate from \$38.80/ton to \$39.96/ton in FY 2024-25.

Additional service fees include:

- Environmental Fee (\$2/ton) committed to landfill post-closure/closure fund
- Cash Customer Premium (\$2/ton) – applied to all point-of-sale transactions
- Tipper & Load Pull Fees at the landfill
- Revenues from landfill gas and recycling operations

**Position Overview**

Positions	FY 2023-24 Budget	FY 2024-25 Planned	Change
Enterprise Fund	628	634	6
Grant, Trust, and Other Funds	0	0	0
<b>Total</b>	<b>628</b>	<b>634</b>	<b>6</b>

In addition to departmental staff, Sanitation Services utilizes approximately 220 temporary contract laborers daily, for refuse, recycling, and landfill support.

**Performance Measures**

By monitoring the performance measures below, Sanitation Services can assess its progress towards achieving its mission, supporting the City's goals, and promoting equity and sustainability within the community. Adjustments and improvements can then be made based on the insights

gained from these metrics to continuously enhance service delivery and meet the evolving needs of Dallas residents.

Measure	FY 2022-23 Actual	FY 2023-24 Target	FY 2023-24 Forecast*	FY 2024-25 Target
Percentage of on-time bulk & brush collection	100%	96%	100%	96%
Percentage of targeted outreach efforts in areas with highest bulk & brush pickup violations	86%	50%	76%	50%
Tons of CH4 (methane) captured by McCommas Bluff Landfill Gas System	40,061	47,000	39,622	47,000
Residential recycling tons collected	53,052	58,000	53,646	58,000
Residential recycling diversion rate	18%	21%	18%	21%
Percentage of garbage & recycling routes completed on time	NA	95%	100%	95%

**Budget Initiatives**

Sanitation Services is working to advance the FY 2024 budget initiatives, including:

- Implementing electronic route management system to optimize collection routes, streamlining route planning and improving service quality
- Enhanced equipment replacement plan to improve equipment availability, reduce downtime and enhance service delivery
- Established the Post Closure & Environmental Protection Fund to ensure the City meets future liabilities for the landfill
- Initiating construction of new McCommas Landfill disposal cells
- Siting study underway for regionally accessible composting facility at the McCommas Bluff Landfill

The proposed biennial budget aims to sustain the provision of vital sanitation services to Dallas residents while ensuring financial stability and responsiveness to anticipated financial initiatives, mandates and contract increases, and service level challenges outlined above.

If you have any questions or require additional information, please contact Clifton Gillespie, Director of Sanitation at (214) 671-5345.



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