

Sanitation Department

Of course they take in more revenue than their payroll. Duh!

Once again, the WT-E strikes a blow for the *ignorance is bliss* devotees.

They at the WT-E are either completely ignorant of the reality of the costs to operate the City Sanitation Department or deliberately want to mislead their few remaining readers.

The October 20, 2009 had so many inaccuracies that it's hard to know where to start.

Let's start with the general premise that the Sanitation Department takes in more revenue than its payroll costs.

It does and thank God for that.

What the WT-E used as the bases for their inflammatory accusations about the Sanitation Department generating more revenue than it costs to operate is the annual executive budget figures. And, because the City does not assign cost allocation of general expenses, and there is no depreciation or equipment costs included in the Department's expenses, the picture looks much better than it really is.

But, the WT-E does not understand financial documents and, once again, take a cursory look and conclude things that are just plain wrong.

In the editorial: *"It is here that one of City Hall's dirty little secrets come to the surface: It already is charging residents well above what it costs to handle their trash. Look at these figures: ..."* then they proceed to deceive readers to bolster their argument and serve their own purposes.

The FY2005 figures they used are:

Garbage fees -	\$6,118,568
Fees to general fund -	\$3,354,897

That suggests that the operating costs of the Sanitation Department for FY2005 were \$2,763,671.

That understates reality by a considerable amount. But that was the purpose of the WT-E editorial - to inflame readers against the best run, most efficient and hardest working department of the City.

Once again, the WT-E reporter / editorial writer did not look into the breakdown of the \$2,763,671 they are reporting it costs to operate the Sanitation Department.

Of the \$2,763,671, \$2,511,505 are payroll costs, including salaries, wages, and benefits. Almost 91% (90.9%) of the total costs are cost of labor. That is because other costs are not included. For example, there are no fuel costs, no equipment costs, no shared cost to operate the City like the mayor's salary, city council salaries, attorneys, treasurer's office, clerk's office, etc. - there are no costs allocated for the billing or collection of garbage fees or those associated with the landfill, special pickups, roll off containers, etc.

There are no costs assessed for overhead at City Hall. Basically, just payroll.

And, it is no "dirty little secret" that the dullards at the WT-E have suddenly unearthed. Every year, sanitation fees increase. It is part of the budgeting process - public input is sought and given. A former mayor treks to the podium to lament that sanitation fees are profitable for that Department, generating funds for the general fund and that should not be.

Because it is a higher fee assessed to each resident, every year, residents turn out to challenge or criticize the increase in garbage pickup fees and other fees of the Sanitation Department.

Dirty little secret? If the donut munchers at 702 W. Lincolnway would leave their offices, they would know that the revenue generated by the Sanitation Department is not only well-known but critical to the operation of the City.

When the WT-E, or other critics, assert that \$3,354,897 (which is an overstatement by a couple million or so) went to the general fund in FY2005, and they lament that the fees are too high and that should not occur - as though the Sanitation Department should operate at what they would calculate to be a break-even level, they are saying that the City should come up with that \$3.35 million from another source. The WT-E knows full well that, without the excess revenue generated by the Sanitation Department, beyond what it takes to make payroll and pay employee benefits, the City would not reduce their spending.

So, where would that money come from?

The FY2009 figures used by the WT-E:

Garbage fees -	\$8,041,735
Fees to general fund -	\$5,131,372

If their numbers were valid, that would mean that the cost to operate the Sanitation Department in FY2009 were \$2,910,363.

From FY2005 to FY2009, general fund spending increased nearly 30%. During the same period, Sanitation Department spending increased 5.3%.

Using the WT-E's bogus comparisons, "Garbage fees" from FY2005 to FY2009 increased 31.4%. "Fees to [the] general fund" during the same period increased by 53%. That's a pretty good result.

This same group of overseers at 702 W. Lincolnway have never uttered a peep when the Civic Center continues to drain the City treasury by \$300,000 - \$350,000 every year. But, a department that is providing the money to the general fund to keep the doors open to the Civic Center is criticized for doing so?

And, by the way, the Sanitation Department is not really a "department," it is a "division" within the Public Works Department. And if you single out a division or even a department that does or does not generate sufficient revenue to operate itself, that could lead to several closures.

For example, the mayor's office generates no revenue. It would have to be eliminated based on the WT-E's formula of every department being cost neutral. Ditto City Council and the City Attorney's office. In fact, the City Attorney's office not only *doesn't* generate revenue, it has cost residents hundreds of thousands of dollars for outside attorneys to handle losing litigation that was avoidable.

Municipal courts do not retain any funds - fines, forfeitures, etc. go the police department. The fire department does not generate fees sufficient to operate. The clerk's office, with IT and purchasing, would have to shut down because it does not generate adequate revenue. Public works, parks and rec, gone. There isn't any department other than the Sanitation Department that generates funds that can be used for general fund spending.

Engineering, the Treasurer's office, Planning - no department apart from Sanitation (within Public Works) is financially self-sufficient.

So, where does the \$50 million now spent through the general fund come from?

Franchise fees produce ~\$5.0 million a year. Property and motor vehicle taxes bring in another ~\$5.0 million a year. Building permits may bring in another \$1.5 million (without county fees and during this economic slowdown). Business licenses maybe \$500,000. Parking not nearly enough to make the bond principal and interest payments - about \$425,000. Recreation, maybe \$650,000. Fines, etc. \$1.5 million. Leases, \$225,000. Interest and investment income, \$350,000 and declining. Miscellaneous, say \$900,000. Grants, etc., \$450,000.

Spending is at ~\$50.0 million.

The sources of revenue above would bring in \$16.5 million, leaving a shortfall of \$33.5 million. That is filled with \$25.0 million from the State (sales, gas and cigarette taxes, mineral royalties, severance tax and State handouts) and \$8.0+ million from the Sanitation Department.

So, without the Sanitation Department revenue, what cuts would the WT-E and critics propose? Or from where would they get the missing \$5.1 million?

Blue lid containers

Delivery of the blue lid containers to hold residents' recyclables has created quite a stir. U-Haul trucks recently drove through neighborhoods south of Pershing and placed a bin in every driveway.

Unfortunately, many homes just don't have adequate room in their garages for yet another 90 gallon container and you can see these bins outdoors everywhere you drive in that area of Cheyenne.

Obviously, there were going to be problems to deal with. The Sanitation Department will have to make some tough rulings, based on calls made to the Cheyenne Herald.

This writer spent much of one Saturday rearranging things in our garage at Chateau de Herald so the second container could be inside, close at hand for the recyclables. It is impossible to store the container in the back yard where the yard waste container is because a person would either have to drag it through the snow like a sled in wintertime or shovel a path through deep snow out of the backyard - which would be a major project.

A disabled resident said he neither needed nor could deal with this container. He has a dumpster for all of his trash and has a hard time getting to it - and he doesn't have to push it into the street every other week. The Sanitation Department told me they'd make accommodations, under such circumstances, to come to retrieve the container so those in wheelchairs or on crutches or otherwise nonambulatory do not have to push the 90 gallon container to the street.

Some residents just feel they don't have enough volume of recyclables to make it worth \$5.00 more a month to dispose of them. In reality, if the City had put a new landfill at the Belvoir Ranch, it would have added probably \$15 - \$25 a month just for regular trash so avoiding that investment makes the \$5.00 seem small.

A resident e-mailed me that their subdivision has covenants against outside storage units like these blue lid containers. Subdivisions of twin homes have dozens, if not hundreds of the containers outside garages and beside houses. From where they will get blown over and up and down the streets - just as empty regular containers do now on windy days.

There are many problems to be solved. Dennis Pino is on vacation. More in the next issue after he returns.

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