



AGENDA
VILLAGE OF GLENCOE
BOARD OF TRUSTEES
COMMITTEE OF THE WHOLE

Village Hall Conference Room
675 Village Court
Thursday, November 17, 2016 – 5:00 PM

I. CALL TO ORDER AND ROLL CALL

Honorable Lawrence Levin, Village President
Trent Cornell, Trustee
Barbara Miller, Trustee
Peter Mulvaney, Trustee
Scott Pearce, Trustee
Dale Thomas, Trustee
Jonathan Vree, Trustee

II. PUBLIC COMMENT

Individuals interested in addressing the Village Board on non-agenda items may do so during this time.

III. REPORT ON GARBAGE COLLECTION PROGRAM ANALYSIS

IV. DISCUSSION OF LOCAL GOVERNMENT TRAVEL EXPENSES

V. ADJOURN

The Village of Glencoe is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the facilities, are requested to contact the Village of Glencoe at least 72 hours in advance of the meeting at (847) 835-4114, or the Illinois Relay Center at (800) 526-0844, to allow the Village of Glencoe to make reasonable accommodations for those persons.



MEMORANDUM

DATE: November 17, 2016

STAFF CONTACT: David Mau, Director of Public Works, Public Works

SUBJECT: Staff Report on Initial Garbage Collection Program Analysis

Garbage collection service is a vital public service provided by the Village to residents and businesses, and is among the highest priority services provided by the Public Works Department. The Village's core garbage collection services include once-weekly residential garbage collection (with the option for twice-weekly collection for an additional fee), residential yard waste collection, residential recycling, commercial garbage collection; and special garbage collection services include parkway leaf collection and the annual spring clean-up program. The cost of garbage collection services and special garbage collection programs are funded by user fees, and has also historically been funded in part by a subsidy from the General Fund.

The Village's strategic work plan includes an action item to evaluate the Village's current service levels and costs associated with providing garbage and recycling collection services. In support of this objective, staff completed an initial analysis of the garbage collection program, and will present this analysis to the Village Board at the November 17, 2016 Committee of the Whole meeting. The initial analysis is intended to provide a comprehensive summary of the garbage collection program, including operational costs, service levels and long-term capital costs. As a comprehensive summary, the initial analysis is intended to provide high-level information regarding the program, and should the Village Board wish to further study any aspect of the garbage collection program (including any possible service delivery alternatives), staff will conduct additional research to provide more information on specific elements of the program.

Staff's presentation to the Village Board at the Committee of the Whole meeting will include a summary of the initial garbage collection analysis, and staff will request the Village Board's preliminary questions and feedback regarding aspects of the program to research in greater detail, including whether the Board wishes to receive additional information regarding alternative methods of providing garbage collection services in a future discussion, including continuing the present service model, implementing a standardized once-weekly curbside garbage collection program with optional backdoor collection and/or second collections (for an additional fee), and/or considering an outsourced garbage collection model. However, it is important to note that at the November 17 Committee of the Whole meeting, the Board will not be asked to direct any changes to the current garbage collection program, but rather, will receive an initial presentation and provide preliminary feedback and questions regarding the program. The Village Board may direct that staff complete additional analysis, including stakeholder input and further cost analysis of various options.

Public Works Department staff will be present at the Committee of the Whole meeting to provide a comprehensive presentation and answer questions regarding the garbage collection program analysis.



GARBAGE COLLECTION ANALYSIS

Village of Glencoe

Initial Report

November 11, 2016

Executive Summary

As part of the Village of Glencoe's three-year Strategic Work Plan, and under the Strategic Priorities of Operational Effectiveness and Financial Sustainability, the Village Board requested that staff review and analyze the current in-house residential and commercial garbage collection program. Staff has initiated this comprehensive program analysis, including a review of all operational costs, service levels, long-term capital costs and program efficiencies in an effort to provide the Board with a clear understanding of the range and scope of services currently being provided to the community. This analysis is expected to assist and serve as a baseline of information for future discussions regarding the garbage collection service model within the Village.

The Garbage Division of the Public Works Department is responsible for the administration and operation of the Village's comprehensive garbage collection services program. This program includes the collection and disposal of residential garbage, commercial garbage and yard waste. Special services provided under the Village's garbage collection services program include the annual spring clean-up program and the annual fall parkway leaf collection program, as well as periodic special collections requested by residents. The Division also manages the Village's residential and commercial recycling program which is currently provided by a private contractor.

The Village is a founding member of the Solid Waste Agency of Northern Cook County (SWANCC). All of the Village's garbage is delivered to the SWANCC transfer station facility located in Glenview. In a survey of the 23 SWANCC member communities and review of the residential garbage services that these communities provide, only three SWANCC communities (Glencoe, Winnetka and Kenilworth) provide backdoor residential garbage collection as the base level of service.

An analysis and review of the Village's garbage collection services program should ultimately lead to a discussion and consideration of the following alternatives for providing garbage collection services in the Village:

- **Status Quo** – Continue to provide garbage collection under the present service model.
- **Curbside Program** – Implement a curbside garbage collection program as the base service (utilizing either a contract service or Village employees) with alternates (i.e., backdoor collection, second collection) available for an additional fee.
- **Outsourced Service** – Outsourcing garbage collection services to a private contractor.

Garbage collection service is the highest priority operation in the Public Works Department, after its responsibility to produce and distribute safe drinking water. Because of its high priority, the cost of the garbage program based on the level of service being provided is significant. Any cost analysis review of the garbage program must include the direct and indirect costs, as well as opportunity costs.

The alternatives listed above will require future review, analysis and discussion with the Village Board, including gathering appropriate input from residents and other stakeholders in the community. The purpose of this initial evaluation is to provide a high-level overview of the garbage collection program, its major components and costs as foundational information prior to evaluating alternatives.

Historical Overview

Residential Garbage Collection

In the 1970s, residential garbage service was collected four days per week by a total of 10 operators, grouped into two man crews, assigned to five separate collection routes. These routes were collected twice per week at the back door. Each crew collected approximately 155 stops per day, and the program utilized a total of seven garbage trucks. In 1989, one collection route was eliminated, decreasing the routes from five to four, and adding roughly 45 stops per day, per crew. In addition, one garbage truck was removed from the fleet. In 1991, the residential garbage collection program made significant operational changes. The daily collection routes were reduced from four to two, and the route change also resulted in a reduction in manpower, from eight operators to six. Operators collected approximately 260 stops per day, per crew. In addition, two garbage trucks were eliminated from the fleet, and were offset by the addition of four garbage haulers (which are also referred to as “scooters”).

In 2007, following extensive review and discussion with the Village Board and a detailed community survey, the base residential service of twice-weekly backdoor collection was reduced to once-weekly backdoor collection with an option for residents to pay extra for a second collection. As a result of this reduction, the labor required to collect the garbage from the routes was reduced from six full-time employees to three full-time operators and two seasonal employees. The garbage fleet was further reduced to four garbage packers and three garbage haulers, and the Village also first introduced the option for residents to purchase 95-gallon containers for curbside garbage disposal.

Recycling

In the 1980’s the Village provided a recycling drop-off center for glass, aluminum and metals in the Commuter Parking lots east of the railroad tracks. In 1992, the Village launched a pilot curbside recycling collection program and collected the recyclables in-house. Given the significant challenges with the collection and sorting of recyclable materials, the Village competitively bid out and awarded its first residential curbside recycling collection contract in 1993. Groot Recycling provided contract services to the Village from 1993 to 2016, with a new contract beginning with Lakeshore Recycling Systems in February 2016. Curbside recycling collection service was modified in 2003 with the change from 18-gallon bins to 65-gallon recycling carts, and the introduction of single-stream recycling which allowed residents to place all recyclables co-mingled into the cart.

Yard Waste

Prior to 1990, yard waste was collected by the Public Works Department with regular household garbage. On January 1, 1990, a landscape waste ban went into effect in the State of Illinois, mandating that all yard waste material be diverted from landfills; consequently, municipalities were required to implement a yard waste collection program. Since that time, the Village has maintained a separate yard waste collection and disposal program, providing the service without any additional fees until 2008. In 2008, the Village implemented the current yard waste collection program, which requires residents to purchase yard waste stickers or a seasonal yard waste subscription.

Parkway Leaf Collection

In 1993, the Village began a fall parkway leaf collection program. For the pilot year, the Village contracted the curbside leaf collection service, but poor contractor performance resulted in the Village taking over the collection in-house the next year, and the Village has provided the service since that time. The Village’s annual fall curbside leaf collection is provided to residents as a no-fee program.

Residential Collection

The Village currently collects residential garbage once per week either curbside or at the top of the driveway (backdoor service). The standard collection offered to all single family residential units is once-weekly backdoor collection. Residents may purchase standardized 95-gallon wheeled carts from the Village, or may use their own garbage cans. Residents may choose weekly curbside collection (which requires the 95-gallon carts), weekly backdoor collection or twice-weekly collection (an additional fee applies). Additionally, residents in need of a special/supplemental garbage collection for a single collection of a large volume of materials (for example, materials from a household project, moving, etc.). Currently, 1,475 households use these standardized carts and the curbside collection service, nearly half of the 2,966 residential households in Glencoe, and there are 194 households (7%) that subscribe to the second day collection service, and pay an additional \$82.42 per quarter. Chart 1, below, summarizes the staffing and equipment used to provide residential garbage collection.

The Department reviewed and reorganized collection routes in 2007 when the base service level was changed to once-weekly collection, and periodically reviews collection routes to determine whether minor modifications may improve route efficiency. Outside of the layout of routes, the Village may be able to gain efficiency by utilizing a standardized curbside collection. According to Dave VanVooren, Executive Director of SWANCC, the industry standard for a community similar to Glencoe is to complete 600 to 800 residential pickups per day, using a single operator in a single, fully-automated garbage truck. A fully-automated truck is a truck with a mechanical dump extension (articulating arm) capable of picking up standardized carts. This equipment requires minimal physical labor, as the operator is seldom required to leave the cab of the truck. The Village currently meets the industry standard number of residential collections per day, however, the Village does not have fully-automated garbage trucks in its fleet and instead uses three-person crew with one rear-loading garbage packer and two garbage haulers. In order to optimize a back-door collection and curbside container service, the Village utilizes garbage packers equipped with rear load tippers and haulers that are used to travel up driveways to collect garbage, and then return to the packer truck to transfer garbage from the hauler to the packer truck.

Chart 1: Residential Garbage Collection Staffing and Equipment

Personnel	Vehicles/Equipment	Frequency and Staff Hours
<ul style="list-style-type: none"> •1 full-time Maintenance Equipment Operator (MEO) in refuse packer •1 MEO in hauler •1 part-time employee in hauler 	<ul style="list-style-type: none"> •1 Garbage Packer •2 Garbage Haulers •Garbage packer is swapped mid-day to prevent capacity/over load issues 	<ul style="list-style-type: none"> •4 days residential collection •Monday: 710 stops •Tuesday: 819 stops •Thursday: 705 stops •Friday: 732 stops •7,216 total staff hours per year/3.47 FTE (approx. 38% of hours are part-time staff)

Commercial/Multi-Family Collection

The Village currently collects commercial garbage five days per week year-round and expands the downtown commercial collection to include the weekends from March through December. Commercial garbage service is provided to 43 locations in the downtown central business district and 21 multi-family buildings, as well as West and South Schools and all but one of the houses of worship (Central School and one house of worship have chosen to utilize private haulers). Additional operational duties performed by the commercial garbage collection crew include second day collections, special pickups, and garbage cans in Park District parks, bus shelters and the Green Bay Trail. The commercial garbage crew also provides assistance to the residential routes on an as-needed basis. Chart 2, below, summarizes the staffing and equipment used to provide commercial and multi-family garbage collection.

In addition to the commercial and multi-family collection, the commercial crew is responsible for the second day residential collection for those residents who elected to receive that service.

Chart 2: Commercial Garbage Collection Staffing and Equipment

Personnel	Vehicles/Equipment	Frequency/Staff Hours
<ul style="list-style-type: none"> •1 full-time MEO in refuse packer •1 part-time employee in hauler 	<ul style="list-style-type: none"> •1 garbage packer •1 garbage hauler •Hauler vehicles and equipment are rotated daily for cleaning and maintenance. 	<ul style="list-style-type: none"> •5 days per week •Weekends - March to Dec. •2,128 staff total hours per year/1.02 FTE (50% of hours are part-time staff)

Yard Waste Collection

Yard waste, including leaves, grass cuttings, twigs, small shrubbery clippings, dead plants and flowers, is collected from April 1 through December 15 of each year. Curbside collection occurs Village-wide on Wednesdays, with residents placing their waste in biodegradable paper bags or containers affixed with a \$2 yard waste sticker. The Village also collects stickered, bundled brush and tree branches of 4-inch maximum diameter and 4-foot maximum length. Alternatively, residents may purchase an annual yard waste collection subscription that allows them to place unlimited bags, cans or bundles at the curb throughout the season without a sticker.

Chart 3: Yard Waste Collection Staffing and Equipment

Personnel	Vehicles/Equipment	Frequency and Staff Hours
<ul style="list-style-type: none"> •2 full-time MEOs in garbage packer •1 part-time employee in hauler 	<ul style="list-style-type: none"> •1 garbage packer •1 garbage hauler •Vehicles and equipment are rotated 	<ul style="list-style-type: none"> •1 day per week (Apr. 1 - Dec. 15) •888 total staff hours per year/0.42 FTE (33% of hours are part-time staff)

Parkway Fall Leaf Collection Program

The Village’s annual parkway leaf collection program provides residents with an opportunity to dispose of leaves placed on the parkway. Leaf collection is a seven-week program, typically extending from the middle of October through the end of November. The Village is divided into five collection zones and leaf crews follow a continuous collection route, permitting residents to follow the collection schedule through daily information posted on the website. Over the course of the seven-week program, collection crews typically complete eight to 10 passes through the Village. Chart 4, below, summarizes the staffing and equipment used to provide leaf collection services.

Certain specialized equipment, including industrial leaf vacuum machines, is used to collect leaves from parkway areas. Despite the extensive labor required to complete the curbside leaf collection, the Village has virtually no disposal costs, as the Chicago Botanic Garden, through an agreement with the Village, accepts the entire volume of leaves collected within Glencoe at its landscape waste disposal site on Dundee Road. This disposal location eliminates the need to acquire and designate an IEPA-permitted transfer station for the temporary storage of leaves and the extensive hauling and disposal costs. In addition, the disposal of the Village’s entire leaf collection volume at the Garden provides a benefit to the local eco-system because the Garden utilizes 100% of the ground leaf mulch material on its property. In a survey of 29 other communities in the Northwest Municipal Conference, more than half provide some form of leaf collection either requiring leaves to be bagged and placed on the parkway, or placement in the right-of-way in a similar loose fashion.

Although the fall leaf collection program is under the umbrella of garbage collection services, a significant portion of the cost of the program is covered by the General Fund, due to the fact that 50% of the equipment and 90% of the personnel that are budgeted and used in other divisions of the Public Works Department (namely, the Forestry and Streets Divisions) are used in a support service role for the leaf collection program. In FY2016, 7,660 cubic yards of leaves were collected and delivered to the Chicago Botanic Garden

Chart 4: Parkway Fall Leaf Collection Staffing and Equipment

Personnel	Vehicles/Equipment	Frequency and Staff Hours
<ul style="list-style-type: none"> •4 full-time MEOs on a rotational basis •8 part-time employees on a rotational basis 	<ul style="list-style-type: none"> •4 1-ton dump trucks •4 leaf vacuum units •Vehicles and equipment are rotated 	<ul style="list-style-type: none"> •Daily - Oct. 15- Nov. 30 •2,620 total staff hours per year/1.25 FTE (66% are part-time staff)

Spring Clean-Up Program

For over 20 years, the Village has provided a spring clean-up program to offer residents the opportunity to dispose of large household items and large volumes of household waste at the curb at no additional cost during a one-day collection program in May. Similar to leaf collection, a significant portion of the cost of the spring clean-up program is covered by the General Fund due to the fact that 30% of the equipment and 60% of the personnel that are budgeted in the General Fund are utilized for the program. Chart 5, below, summarizes the staff and equipment used to provide the spring clean-up program.

In FY 2016:

- 125 tons of general household waste was collected.

- 40 cubic yards of electronics was collected and recycled.
- 2 cubic yards of metal was collected and recycled.

Chart 5: Spring Clean-Up Program

Personnel	Vehicles/Equipment	Frequency/Staff Hours
<ul style="list-style-type: none"> •13 full-time MEOs •3 part-time employees 	<ul style="list-style-type: none"> •4 garbage packers •4 garbage haulers •2 1-ton dump trucks 	<ul style="list-style-type: none"> •Two days in May •304 total staff hours per year/0.14 FTE (14% are part-time staff)

Recycling Services

Recycling services is a component of the Village’s garbage collection program. In an effort to test the market and seek competitive pricing for recycling services, the Village partnered with the Village of Winnetka in a joint request for proposals in 2015 resulting in both Villages selecting Lakeshore Recycling Systems (LRS) as their recycling collection services provider. The new contract pricing with LRS has resulted in an annual savings to Glencoe of \$21,840, and a projected minimum savings over the five-year term of the agreement of \$110,000. Major components/enhancements of the LRS agreement include:

- Five-year agreement with one-year extension and two-year termination clause.
- Annual price increase determined by change in CPI-U, and capped at 2.5%.
- Recycling revenue sharing rebate program with minimum of \$7.50/ton of recyclables.
- New 95-gallon recycling carts for all single-family, multi-family and commercial customers equipped with radio frequency identification (RFID) technology to record container collection data; carts become property of the Village at conclusion of Agreement.
- Recycling collection services for all municipal sites, recycling cans along sidewalks in the downtown and designated community special events at no cost.
- Expanded electronics recycling drop-off program at no cost.
- Bulb, ballast and battery recycling drop-off program at no cost.

In FY 2016

- 1,700 tons of recyclable materials were collected curbside.

Garbage Program Cost Summary

Staff used program cost evaluation methods utilized by the International City/County Management Association (ICMA) and area municipalities, and determined that total annual cost of the garbage collection services program is \$1,793,651, inclusive of the General Fund subsidy. These program costs are outlined below in detail.

Chart 6: Garbage Program Cost Summary

Revenues: Garbage Collection		
Residential Garbage Fees	\$	584,627
Recycling Fees (Curbside and Commercial)	\$	198,590
Commercial Garbage Fees	\$	54,394
Optional Second Pickup Fees	\$	69,554
Special Refuse Pick-up Fees	\$	33,264
Recycling Incentive Program Rebate	\$	7,589
IRMA Surplus Credit	\$	19,473
Other Revenue (Interest, Sundry, Personal Property Replacement Tax, SWANCC Fee)	\$	8,308
Residential and Commercial Revenue Subtotal	\$	975,798

Expenses: Garbage Collection		
Labor	\$	324,809
Support and Management Services (69.82%) ¹	\$	136,317
Equipment (Operating/Maintenance, Parts, Labor)	\$	59,646
Recycling Fees (Curbside and Commercial)	\$	217,723
Overhead (Supplies, Tools, Uniforms, Bond Payment, Ins. Deductibles) (69.82%) ¹	\$	57,248
Annualized Capital (69.82%) ²	\$	98,945
Dumping Fees (90%) ³	\$	161,983
Residential and Commercial Expenses Subtotal	\$	1,056,671

Revenues: Yard Waste Collection		
Sale of Yard Waste Stickers	\$	21,190
Yard Waste Subscription Service	\$	5,280
Yard Waste Revenue Subtotal	\$	26,470

Expenses: Yard Waste Collection		
Labor	\$	32,250
Support and Management Services (6.54%) ¹	\$	12,769
Equipment (Operating/Maintenance, Parts, Labor)	\$	3,933
Overhead (Supplies, Tools, Uniforms, Bond Payment, Ins. Deductibles) (6.54%) ¹	\$	5,363
Annualized Capital (6.54%) ²	\$	9,268
Dumping Fees (8%) ³	\$	15,154
Yard Waste Expenses Subtotal	\$	78,736

Attachment: Final Garbage Study (1165 : Report on Garbage Collection Program Analysis)

Revenues: Parkway Leaf Collection Program

N/A - Included in Cost of Residential Collection	\$	-
Parkway Leaf Collection Program Revenues Subtotal	\$	-

Expenses: Parkway Leaf Collection Program

Labor	\$	75,234
Support and Management Services (20.48%) ¹	\$	39,985
Equipment (Operating/Maintenance, Parts, Labor)	\$	25,326
Overhead (Supplies, Tools, Uniforms, Bond Payment, Ins. Deductibles) (20.48%) ²	\$	16,793
Annualized Capital (20.48%) ²	\$	29,023
Dumping Fees (Delivered to Chicago Botanic Garden)	\$	-
Parkway Leaf Collection Program Expenses Subtotal	\$	186,362

Revenues: Spring Clean-Up

N/A-Included in the Cost of Residential Collection	\$	-
Spring Clean-Up Revenues Subtotal	\$	-

Expenses: Spring Clean-Up

Labor	\$	18,077
Support and Management Services (3.07%) ¹	\$	5,994
Equipment (Operating/Maintenance, Parts, Labor)	\$	1,674
Overhead (Supplies, Tools, Uniforms, Bond Payment, Ins. Deductibles) (3.07%) ¹	\$	2,517
Annualized Capital (3.07%) ²	\$	4,351
Dumping Fees ⁴	\$	5,900
Spring Clean-Up Expenses Subtotal	\$	38,513

Garbage Program Cost Summary

Total Garbage Collection Service Revenues	\$	1,002,268
Total Garbage Collection Service Expenditures	\$	1,360,282
Net Gain (Loss) without General Fund Subsidy	\$	(365,015)
General Fund Subsidy	\$	433,369
Net Gain (Loss)	\$	68,354

Notes:

1. Pro-rated based on percentage of total garbage program hours attributed to individual program.
2. Pro-rated based on percentage of total garbage program hours attributed to individual program. Average annual capital equipment replacement cost is \$141,715; however, actual amount varies based on equipment purchased.
3. Pro-rated based on percentage of total residential garbage, commercial garbage and yard waste hours.
4. Dumping fee specific to spring clean-up program.

Labor

Staff calculated the total number of labor hours required to complete the garbage, yard waste, and special collection services, using a fully-loaded hourly rate that includes all base wages, applicable bonuses, FICA, pension costs, and health insurance. FY 2016 actual expenditures for salaries in the Garbage Fund was \$543,983. The full cost for labor required for staff from all divisions and departments that support the garbage program was \$650,647. The difference between these two figures is due to the cost of support staff and management staff that spend a portion of their time supporting garbage collection services, but are budgeted in the General Fund rather than the Garbage Fund. Generally, support and management staff spend between 8% and 15% supporting the garbage collection program, with the exception of a Public Works supervisor and administrative assistant, who spend approximately 50% of their time supporting the garbage collection program. Village recaptures a portion of this cost through the application of a management fee charged to the Garbage Fund through an inter-fund charge. Although the garbage fund is charged a management fee, it does not recoup the full amount of support staff time needed to complete the management services for garbage collection.

Equipment, Services and Commodities

The fleet used exclusively in the Village garbage collection program includes four 25-yard garbage packers, six garbage haulers, five leaf vacuum trailer units, and one half ton truck assigned to the Garbage Division supervisor. Based on the Department’s vehicle replacement schedule, and the age and performance of the specific equipment fleet, the total capital replacement costs over the next 10 years is anticipated to be \$1,417,150, or an annual average capital cost of \$141,715 (due to the Village’s method of budgeting the full capital equipment replacement cost in the fiscal year in which equipment is purchased, the actual capital equipment replacement costs vary from year to year). The FY 2016 cost for the garbage service fleet (fuel, lubricants, parts, tires and labor) is \$83,166. Chart 7, below, summarizes the capital equipment scheduled for replacement in the next 10 years.

Chart 7: Scheduled Capital Equipment Replacement

Equipment to be Replaced (Within 10 Years)	Projected Cost
4 Packers	\$1,042,500
3 Leaf Vacuums	\$151,350
4 Garbage Haulers	\$182,300
1 Supervisor Vehicle	\$41,000
TOTAL	\$1,417,150
10 Year Annualized Capital (Per year)	\$141,715

The total cost of services and commodities in the Garbage Division in FY 2016 was \$482,121. Service and commodities costs include garbage and landscape waste disposal fees at SWANCC, liability insurance, insurance deductibles, recycling program, uniforms and supplies. If the Village were to consider an outsourced garbage collection model in the future, the Village would continue to pay SWANCC disposal fees.

Opportunity Costs

The Public Works Department is responsible for a number of important operational services to the Village including maintenance of the water distribution system, sanitary and storm sewer systems, streets and forestry and garbage collection. Garbage collection is among the Department’s most vital services. When staff who are assigned to the Garbage Division are absent, another employee is temporarily reassigned to

the Garbage Division to complete garbage collection duties. This reassignment draws staff away from other divisions and maintenance activities, thereby reducing the available staff to complete other Public Works operations. The three full-time MEOs that currently provide garbage collection services collectively used more than 609 hours of paid leave (vacation, holiday, and sick) last fiscal year. Similarly, part-time employees assigned to garbage operations who are absent require a full-time or part-time employee to be reassigned into the Garbage Division to fill that vacant position. Temporarily backfilling Garbage Division staff with other Public Works staff impacts the efficiency and productivity of the remainder of the Public Works Department, and costs the General Fund an estimated \$26,000 last fiscal year. These costs are not included in the program costs detailed above, however, it is important to note this indirect subsidy of the garbage collection program by the General Fund.

The total number of all staff hours dedicated to the garbage collection services from all departments and divisions in FY 2016 was 16,967 hours. If the Village were to consider changes to the garbage service delivery model in the future, it would be necessary to evaluate the impact of staffing and productivity in other areas of the Public Works Department, in order to determine whether staff time currently dedicated to the Garbage Division could be reallocated to other Public Works operations.

General Fund Subsidy

The Village subsidizes the Garbage Fund through a transfer from the General Fund to offset costs incurred by the garbage collection program that are not recouped through fees. The Village Board annually considers this transfer as part of its review of the Fund Balance Policy and Service Fee Policy during the budget development process. The transfer from the General Fund to the Garbage Fund has ranged from \$340,000 to \$590,000 over the past five years, and \$450,000 has been allocated in the FY 2017 budget. Chart 8, below, summarizes the revenues, expenditures and changes in fund balance from FY 2012 to FY 2016, as documented in the Village's Comprehensive Annual Financial Report.

Chart 8: Summary of Garbage Fund Activity

Fiscal Year	Total Expenditures	Deficiency of Revenues Under Expenditures	Transfer from General Fund to Garbage Fund	Net Change in Fund Balance	Fund Balance Beginning	Fund Balance Ending
FY2016	\$ 1,163,858	\$ (124,592)	\$ 433,369	\$ 308,777	\$ 401,292	\$ 710,069
FY2015	\$ 1,344,068	\$ (359,244)	\$ 437,983	\$ 78,739	\$ 322,559	\$ 401,292
FY2014	\$ 1,407,218	\$ (518,197)	\$ 586,182	\$ 67,985	\$ 254,569	\$ 322,553
FY2013	\$ 1,337,218	\$ (325,846)	\$ 450,000	\$ 124,154	\$ 130,414	\$ 254,568
FY2012	\$ 1,522,183	\$ (487,000)	\$ 343,267	\$ (143,733)	\$ 274,147	\$ 130,141

Cost Comparison

Recent garbage collection contracts that have been negotiated within SWANCC communities have ranged from \$11.50 to \$18.68 per month per household for both garbage and recycling collection. The most recent contracts in Highland Park (2015), Hoffman Estates (2015) and Park Ridge (2016) for once-weekly curbside collection are within this range. The Village of Kenilworth contracted with Republic Services in 2013 for once-weekly backdoor garbage and recycling collection, and its current cost is \$33.62 per month per household. In addition, residents in each of the SWANCC communities pay for disposal costs on top of the collection fees, and that amount varies by community. The Village of Winnetka, which utilizes its own staff to provide garbage collection services (in a fashion similar to Glencoe), is not included in the comparison below, as garbage and recycling collection costs are fully included in the property tax levy and are monthly fees are not assessed.

Chart 9: Garbage and Recycling Collection Cost Comparison

Municipality	Per Month/Per Household (Excluding Disposal Fees)	Service Model
Glencoe	\$41.18	Backdoor
Arlington Heights	\$11.50	Curbside
Barrington ¹	\$18.68	Curbside
Hoffman Estates	\$13.25	Curbside
Kenilworth ²	\$36.99	Backdoor
Park Ridge	\$13.88	Curbside

Notes:

1. Barrington has mandatory 95-gallon three cart service for garbage, recycling and yard waste.
2. Kenilworth recycling service is 95-gallon cart serviced at back door every other week.

The garbage collection cost included in the rates listed in Chart 9 for Arlington Heights, Barrington, Hoffman Estates and Park Ridge is \$8 to \$9 of the total monthly collection cost.

Conclusion

Garbage collection is a critical Public Works operational service to the residents of Glencoe. As outlined in this study, costs for this critical service are significant, but are matched to a service level that is highly responsive and focused on customer satisfaction. That said, opportunities to reduce costs while maintaining service levels do exist, as seen in other communities. As the Village Board continues to review this program and current service delivery model, consideration should be given to the following key alternatives:

- 1) **Status Quo** – Continue to provide garbage collection under the present service model.
- 2) **Curbside Program** – Implement to a curbside garbage collection program model (utilizing either a contract service or Village employees) as the base service with alternates (i.e., backdoor collection, second collection) available for an additional fee.
- 3) **Outsource Service** – Consider outsourcing garbage collection services to a private contractor.

If the Village Board believes that both Options 2 and 3 warrant further review, additional steps to refine these options should be undertaken. Staff recommends that we begin to gather appropriate input from residents and other stakeholders in the community, as well as more fully vet costs and service delivery options of these two alternatives. Staff is prepared to begin this process at the direction of the Village Board.

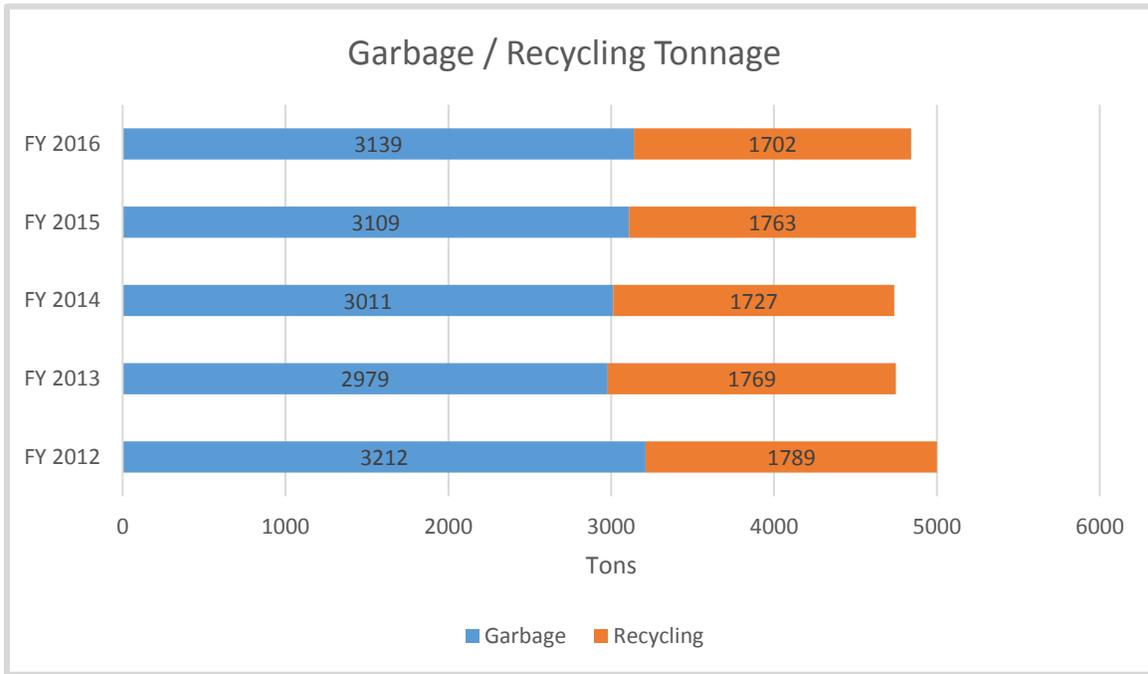
APPENDIX A – SURVEY RESULTS

SWANCC Communities Residential Refuse and Recycling Services						
	Curb		Back Door		Hauler	
Municipality	Waste	Recycling	Waste	Recycling	Garbage	Recycling
Arlington Heights	x	x			Groot	Groot
Barrington	x	x			Groot	Groot
Buffalo Grove	x	x			WM	WM
Elk Grove Village	x	x			WM	WM
Evanston	x	x			Groot	In-house
Glencoe		x	x		In-house	Lakeshore
Glenview	x	x			Groot	Groot
Hoffman Estates	x	x			Groot	Groot
Inverness	x	x			Groot	Groot
Kenilworth			x	x	Republic	Republic
Lincolnwood	x	x			Groot	Groot
Morton Grove	x	x			Groot	Groot
Mount Prospect	x	x			Republic	Republic
Niles	x	x			Groot	Groot
Palatine	x	x			Groot	Groot
Park Ridge	x	x			Groot	Groot
Prospect Heights	x	x			Republic	Republic
Rolling Meadows	x	x			In-house	Advanced
Skokie	x	x			In-house	Groot
South Barrington	x	x			Groot	Groot
Wheeling	x	x			WM	WM
Wilmette	x	x			Veolia	Veolia
Winnetka		x	x		In-house	Lakeshore
Total:	20	22	3	1		
SWALCO Municipality						
Highland Park	x	x	x	x	Lakeshore	Lakeshore
Lake Forest		x	x		In-house	In-house

The above survey reflects base services provided by each municipality. Highland Park's program offers a cafeteria plan, allowing residents to select their base service and a fee is charged according to whichever service is selected.

APPENDIX B– COLLECTION STATISTICS

To offer context into the Village’s garbage collection program and current services provided, Village staff conducted a review of the 2014 Solid Waste Management Plan Update (SWMPU) issued by the Solid Waste Agency of Northern Cook County (SWANCC). SWANCC’s 2014 report provides updated information on demographics and waste generation within the SWANCC service area. This service area is comprised of the 26 member communities, including Glencoe, and all garbage is delivered to the Glenview Transfer Station. Glencoe has consistently maintained the highest recycling diversion rate of the SWANCC member communities.



APPENDIX C– GARBAGE INFOGRAPHIC

VILLAGE OF GLENCOE GARBAGE COLLECTION 101



OVERVIEW

\$1,360,282

Total Annual Garbage Program Cost

\$1,002,268

Total Program Revenues including fees, rebates and credits, FY2016

Net Loss Balanced with a **\$433,369** General Fund Subsidy

QUARTERLY FEES ASSESSED TO RESIDENTS

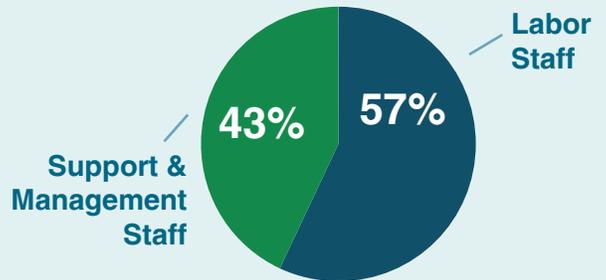
Garbage \$40.82	Recycling \$15.60	Yard Waste \$5.00	Disposal \$3.75
Total Quarterly Fees: \$65.91			

LABOR

HOURS DEDICATED TO GARBAGE COLLECTION



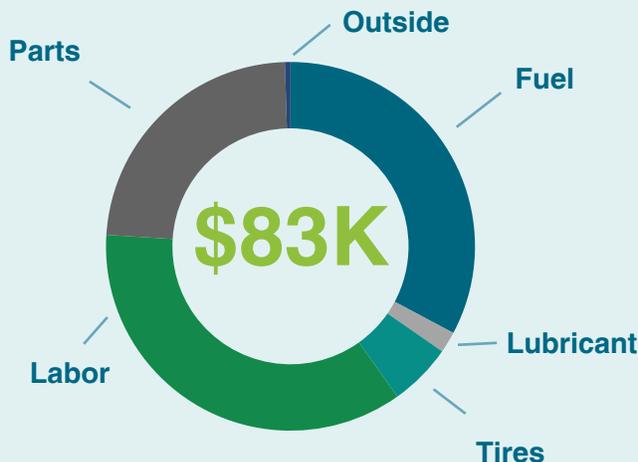
TOTAL COSTS OF LABOR



Labor costs for FY 2016 totaled **\$650,647**, or approx. **36.3%** of total garbage costs, with nearly **43%** of those labor costs coming from support staff.

EQUIPMENT

GARBAGE EQUIPMENT OPERATING COSTS, FY 2016



EQUIPMENT TO BE REPLACED WITHIN 10 YEARS



4 Packers - \$1.1 M



3 Leaf Vacuums - \$150 K



4 Garbage Haulers - \$180 K



1 Front Line Supervisor Vehicle - \$40K



MEMORANDUM

DATE: November 17, 2016

STAFF CONTACT: Laura Boll, Management Analyst/Deputy Village Clerk, Village Manager's Office

SUBJECT: Local Government Travel Expense

BACKGROUND AND INTRODUCTION:

The State of Illinois recently enacted the Local Government Travel Expense Control Act (the "**Act**"), requiring certain public agencies to regulate travel, meal and lodging expenses ("**travel expenses**") of its employees and officers by enacting an ordinance or resolution that establishes a policy for allowable travel reimbursements for specific business travel expenses. The law goes into effect January 1, 2017 and applies to municipalities, school districts, community colleges and other non-home rule units of government. The Village is required to comply with the law as a non-home rule municipality, and must adopt an ordinance or resolution regulating the reimbursement of travel expenses no later than June 30, 2017.

ANALYSIS:

The regulations must identify the types of business that reimbursement for travel expenses is allowed. The law prohibits reimbursement of entertainment expenses, unless such entertainment is ancillary to the purpose of the program or event requiring travel; however, it is not common for Village travel expenses to include entertainment and it is the Village's current practice that entertainment expenses associated with travel are not paid by the Village (for example, if an employee participates in a recreational event offered in conjunction with a conference, the employee pays for the recreational event out of pocket). While the law requires the ordinance to identify the types of business that qualify for reimbursement, it does not set forth specific requirements for doing so. Currently, the Village reimburses employees for travel expenses such as transportation (rental vehicle, air, employee vehicle mileage, bus, train, subway, taxi, tolls and parking), lodging, meals, registration fees and other miscellaneous expenses while on official Village business which can include attendance at professional conferences, legislative sessions, luncheons and other and other events relating to official Village business.

The law also requires the Village to establish maximum reimbursement amounts allowed for travel expenses; however, the law does not set these maximum reimbursement amounts. Rather, it is the responsibility of the entity's governing boards and councils to determine an appropriate maximum reimbursement amount. The Village's current personnel policy manual provides that reimbursements will be given for reasonable and necessary expenditures while on authorized Village business; however,

there is not a maximum reimbursement amount established. The attached draft policy includes maximum amounts recommended by the Village Attorney's office.

The Act requires the Village's policy to include a standard form that is used for requesting reimbursement for travel expenses. The form must include an estimate of the travel expenses if not already incurred, receipts for the travel expenses, name of the individual, job title or office of the individual, dates when the travel expenses will be or were incurred and the nature of the official business. The Village has historically utilized a travel expense form and most recently, a memo to document and submit for reimbursements for employees and officers of the Village. Both the form and memo require approval from the employee's department head and the Finance Department before being submitted to the Village Board. The Village Attorney's office has supplied staff with a new draft form to comply with the new legislation and is attached in the draft ordinance.

After the Village enacts a travel expense ordinance, Village staff will be trained on the new travel expense procedures. Pursuant to the law, on or after March 2, 2017, travel expenses of any Village officer or employee that exceed the maximum amounts set by ordinance or the travel expenses of any member of the governing board or corporate authority (i.e., the Village President and Village Board) must be approved by roll-call vote in an open public meeting. The Village Attorney advised that the law does not require that such travel expenses be approved separately from approval of other payments, such as the list of bills, and therefore, it may be permissible to include travel expense reimbursement with the list of bills as is currently done at Village Board meetings.

RECOMMENDATION:

In order to ensure the Village complies with the law, staff recommends consideration of an ordinance (attached) outlining the types of business that reimbursement for travel expenses is allowed, the maximum reimbursement amount allowed for travel expenses and the form that must be used for requesting reimbursement for travel expenses. Following discussion at the November Committee of the Whole meeting, staff will request Village Board action to adopt an ordinance at the December Village Board meeting.

VILLAGE OF GLENCOE

ORDINANCE NO.

AN ORDINANCE ESTABLISHING A POLICY FOR REIMBURSEMENT OF TRAVEL, MEAL, AND LODGING EXPENSES

WHEREAS, the Illinois General Assembly enacted the "Local Government Travel Expense Control Act," 50 ILCS 150/1 et seq., (the "Act") which becomes effective on January 1, 2017; and

WHEREAS, pursuant to the Act, non-home rule units of local government are required to establish regulations with respect to work-related travel, meal, and lodging expenses;

NOW, THEREFORE, be it ordained by the President and Board of Trustees of the Village of Glencoe, Cook County and State of Illinois, as follows:

Section 1. Recitals. The foregoing recitals are incorporated into this Ordinance as findings of the President and Board of Trustees.

Section 2. Travel Expense Reimbursement Policy. The President and Board of Trustees hereby approve the "Travel Expenses Reimbursement Policy" attached to and by this reference incorporated into this Ordinance as Exhibit A.

Section 3. Effective Date. This Ordinance will be in full force and effect from and after its passage, approval, and publication in pamphlet form in the manner provided by law.

PASSED this ____ day of _____ 2016.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED this ____ day _____ 2016.

Village President

ATTEST:

Village Clerk

Attachment: Draft Travel Expenses Reimbursement Policy (1137 : Local Government Travel Expense)

Village of Glencoe

Policy For Reimbursement of Travel, Meal, and Lodging Expenses

1. Applicability. This Policy applies to all officers, whether elected or appointed, and employees of the Village.
2. Definitions. For the purposes of this Policy, the following terms have the meaning ascribed to them in this Paragraph 2.
 - (a) *Approved Activity* means (i) a conference, program, seminar, or event relating to the Village or (ii) official business of the Village. See Paragraph 3 of this Policy.
 - (b) *Entertainment* means shows, amusements, theaters, circuses, sporting events, or any other place of public or private entertainment or amusement, unless the entertainment is ancillary to an Approved Activity. For purposes of this Policy, “ancillary” means an element of a program or activity that is supportive of the primary element of that program or activity, but is not itself the primary element.
 - (c) *Miscellaneous Charges* means reasonable costs for Wi-Fi access, telephone service, photocopying, and other miscellaneous expenses (such as, for example, the cost of a meal for a guest) as determined by the Village Manager based on the particular Approved Activity.
 - (d) *Travel Expenses* means expenditures related to transportation, meals, lodging, related services, and Miscellaneous Charges, directly incident to an Approved Activity. Travel Expenses do not include the registration fee for a conference, program, seminar, or event, which registration fee must be approved separately.
3. Approved Activities Eligible For Reimbursement. Travel Expenses are eligible for reimbursement for the following Approved Activities:
 - (a) Continuing education and professional development relating to the officer’s or employee’s office or duties.
 - (b) Conferences, seminars, and similar events relating to the officer’s or employee’s office or duties.
 - (c) Offsite meetings related to Village business.
4. Expense Reimbursement Request Form. An officer or employee seeking reimbursement of Travel Expenses related to an Approved Activity must complete and submit the Village’s “Travel Expense Reimbursement Request” form. See Attachment A to this Policy.

5. Maximum Reimbursements. The following limits on reimbursements of Travel Expenses apply to a each officer or employee for a single Approved Activity. The Village Manager may approve exceptions to these limits, subject to approval by the Board of Trustees (see Subparagraph 6(d) of this Policy).
- (a) Maximum Total Expenses. The total reimbursement may not exceed \$_____.
 - (b) Maximum Individual Expenses. No reimbursement for a single Travel Expense related to an Approved Activity may exceed the following amounts:
 - (i) Meals: \$60 per day.
 - (ii) Overnight lodging: \$250 per night.
 - (iii) Car rental or other surface transportation: \$80 per day.
 - (iv) Air fare (round trip total): \$500
 - (v) Miscellaneous Charges: \$30 per day.
 - (c) Travel Expenses Anticipated to Exceed Limits. Any Approved Activity that is anticipated to exceed the maximum Travel Expense limit under Subparagraph (a) of this Paragraph 5, or any single Travel Expense limit under Subparagraph (b) of this Paragraph 5, must be approved by the Village Manager in advance of the Approved Activity.
6. General Standards. The following general standards apply to reimbursements:
- (a) Mileage. Mileage reimbursement will be based on the current rate set by the IRS in IRS Publication 463 "Travel, Entertainment, Gift, and Car Expenses" at the time the miles are driven.
 - (b) Cost Estimate for Advanced Approval. If reimbursement funds will be provided to the officer or employee in advance of the Approved Activity, then the Village Manager must approve an estimate of the reimbursable Travel Expenses related to that Approved Activity. The estimate must be submitted by the officer or employee to the Village Manager using the Village's "Advancement of Reimbursement Funds Request" form. See Attachment B to this Policy. After the conclusion of the Approved Activity, the officer or employee must complete and submit the Travel Expense Reimbursement Request in accordance with Paragraph 4 of this Policy.
 - (c) Receipts. The officer or employee must provide a receipt or other reasonable proof of each Travel Expense for which the officer or employee seeks reimbursement, unless the Village Manager determines that, for good cause, no receipt or other proof is necessary for a particular Travel Expense. If a Travel Expense includes a Miscellaneous Charge for the benefit of a person

other than the officer or employee, such as, for example, the cost of a meal for a guest, then the officer or employee must identify the person for whom the Miscellaneous Charge was incurred.

- (d) Board of Trustees Approval. A Travel Expense for an Approved Activity for (i) any officer or employee that exceeds the maximum allowed under this Policy or (ii) any member of the Board of Trustees must be included in the Village's accounts payable report to the Board of Trustees and approved by roll call vote at an open meeting.
- (e) Emergencies. The Village Manager may approve reimbursements for Travel Expenses exceeding maximum limits or otherwise not in conformance with the standards of this Policy in the case of an emergency or other extraordinary circumstance. That approval must be in writing, stating the nature or the emergency or other extraordinary circumstance.
- (f) No Reimbursement for Entertainment. The Village will not reimburse any Travel Expense incurred for Entertainment.
- (g) Village Credit Card Charges. Charges in payment of Travel Expenses made by an officer or employee on a Village credit card are subject the terms and standards of this Policy.

ATTACHMENT A

TRAVEL EXPENSE REIMBURSEMENT REQUEST FORM

Instructions: This Travel Expense Reimbursement Request Form must be submitted no later than 10 business days after the conclusion of the Approved Activity for which reimbursement is requested. This form must be submitted to the appropriate Department Director or to the Village Manager if his or her approval is required.

(1) _____
Name of officer or employee making request

Title

(2) _____ _____
Name of Approved Activity Date(s)

Location Purpose

(3) Attach receipts or other reasonable proof of travel, meals, lodging, and other Travel Expenses to this form. List all expenses for which reimbursement is requested in the table below and include the name of any other person who received the benefit of a particular expense.

Expense Report	Date and Expenses	Date and Expenses	Date and Expenses	Date and Expenses	Total Expenses
Transportation (air, car rental, mileage, bus, train, taxi, subway, tolls, parking)					
Lodging					
Meals (breakfast, lunch, dinner)					
Miscellaneous					
Total					

[signatures and approvals on next page]

Officer / Employee Certification: I certify that the expenses listed above were incurred exclusively while I was engaged in an Approved Activity.

Signature of officer or employee

Date

Printed name

For Department Head or Village Manager Use

Total amount to be reimbursed by Village:

\$ _____

Total amount officer or employee must reimburse to the Village from reimbursement funds provided in advance, if any:

\$ _____

Department Head

Date

Village Manager

Date

ATTACHMENT B

ADVANCEMENT OF REIMBURSEMENT FUNDS REQUEST FORM

Instructions: This Advancement of Reimbursement Funds Request Form must be submitted to the Village Manager no later than five business days prior to the Approved Activity.

Proposed activity: _____

Estimate of expenses:

Number of Meals: _____

Lodging expense: \$ _____

Car rental: \$ _____

Airfare: \$ _____

Miscellaneous Charges: \$ _____

Other: _____

NOTE: After the conclusion of the Approved Activity, the officer or employee must complete the Travel Expense Reimburse Form as provided in Paragraph 4 of the Policy For Reimbursement of Travel, Meal, and Lodging Expenses. All funds provided in advance that are in excess of the actual approved Travel Expenses must be returned to the Director of Finance.

Attachment: Draft Travel Expenses Reimbursement Policy (1137 : Local Government Travel Expense)

NOTES:

1. If this model is revised for a home rule unit, then the second recital can be removed and this recital may be added:

WHEREAS, although the Act does not preempt home rule units like the Village, the President and Board of Trustees have determined that it is in the best interest of the Village and its residents to adopt a reimbursement policy in compliance with the Act for work-related travel, meal, and lodging expenses; and

2. Some clients may wish to codify the policy.
3. Some clients may prefer to adopt the policy by resolution.
4. Each client should determine its own limits on expenses.
5. We have seen models and existing reimbursement policies that are less detailed than this model.
6. The number of questions and hypotheticals that can be raised about a policy like this are endless. This model strikes a reasonable balance between addressing commonplace situations and letting the Village Manager deal with unusual circumstances.