



REPORT TO COUNCIL

City of Sacramento

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915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

STAFF REPORT
October 5, 2010

**Honorable Mayor and
Members of the City Council**

Title: Illegal Dumping Program

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) transferring the Illegal Dumping Program from the Department of Utilities (DOU) to the Community Development Department (CDD); and 2) amending the Fiscal Year (FY)2010/11 Operating Budget to add 1.0 FTE Code Enforcement Officer in the Community Development Department, and to adjust the labor budgets for this change.

Contact: Marty Hanneman, Director of Utilities, 808-7508; Max Fernandez, Director of Community Development, 808-7940

Presenters: Marty Hanneman, Director of Utilities, 808-7508; Max Fernandez, Director of Community Development, 808-7940

Department: Utilities/Community Development

Division: Solid Waste/Code Compliance

Organization No: 14001851/21001313

Description/Analysis

Issue: Illegal dumping has been an ongoing problem in all areas of the City of Sacramento. The Solid Waste Division (SWD) of the Department of Utilities (DOU) was assigned the illegal dumping program to address this problem, with the cost of the program funded through garbage collection rate revenues. However, the City Attorney's Office (CAO) has determined that under Proposition 218 rate revenues may not be used to fund the City-wide collection and disposal of illegal dumping. On June 22, 2010, DOU staff advised the Mayor and the City Council that DOU would work with Code Enforcement staff to develop recommendations to continue funding the illegal dumping program. Staff recommends transferring the illegal dumping program from DOU to the Code Compliance Division (CCD) of the Community Development Department (CDD).

Policy Considerations: Because this service can no longer be funded by utility rate revenues, it is necessary to identify an alternate funding source or sources if the service is to continue.

Environmental Considerations:

California Environmental Quality Act (CEQA): Under the CEQA guidelines, continuing administrative activities do not constitute a “project” as defined in Section 15378 of the CEQA Guidelines and are therefore exempt from review.

Sustainability Considerations: It is important that responsibility for the collection of illegally dumped material be transferred from SWD to CCD to ensure the continuation of this critical function and to further promote the City’s sustainability and livability goals. A failure to collect will result in significant blight throughout the City.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Illegal dumping has been an ongoing problem in all areas of the City. The CAO has determined that under Proposition 218, garbage rate revenues may not be used to fund the City-wide collection and disposal of illegal dumping. Transferring the illegal dumping program from SWD to CCD ensures the continuation of this critical City program.

Financial Considerations: The funding for the illegal dumping program in Solid Waste was eliminated as part of the FY 2010/11 budget and resulted in a reduction of approximately \$794,000 in the Solid Waste Fund (Fund 6007). Pending the transfer of the illegal dumping program to CCD, DOU positions that had been previously associated with the Illegal Dumping program will be reassigned within Solid Waste to enforce the containerized green waste program and will be paid by identified savings within the Solid Waste Fund.

The estimated annual operating cost for the Illegal Dumping program in CDD is \$600,000. This includes the addition of 1.0 FTE Code Enforcement Officer to respond to complaints citywide. The annual cost for the position including related service and supplies is \$96,880. The remaining costs will include contract services to remove illegally dumped material. The Citywide Landscaping and Lighting Fund has \$250,000 available in one-time contingency funds for funding the Illegal Dumping program for FY 2010/11. The balance of the funding will be provided by existing CDD operating budget. Staff will analyze operations to determine actual annual costs to be addressed as part of FY 2011/12 budget development. Staff will explore additional funding sources, including but not limited to the ongoing use of Citywide Landscaping and Lighting District funds and the collection of fines and penalties for illegal dumping, to support the program.

Emerging Small Business Development (ESBD): No goods or services are being purchased under this report.

Respectfully Submitted by: David R. Sen Goe
Edison Hicks
Integrated Waste General Manager

Respectfully Submitted by: Dennis Kubo
Dennis Kubo
Code Enforcement Manager

Approved by: Marty Hanneman
Marty Hanneman
Director of Utilities

Approved by: Max Fernandez
Max Fernandez
Director of Community Development

Recommendation Approved:

Gus Vina
Gus Vina
Interim City Manager

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BACKGROUND

In November 2001, Mayor Heather Fargo established an Ad Hoc Committee to address the issue of illegal dumping in the City of Sacramento. The Sacramento City Council recognized that illegal dumping was a pervasive problem in the City, and assigned the Solid Waste Division (SWD) to address this issue. Since 2001, the SWD has collected illegally dumped material in the public right of way and funded the program with revenues collected from garbage collection rates.

The SWD assigned two crews (4.00 FTE Sanitation Worker II's) to collect this material: one crew to collect illegal dumping north of the river and downtown and the other crew to collect illegal dumping in the south part of the City. Additionally, the SWD utilized 1.0 FTE Code Enforcement Officer exclusively to respond to calls involving illegal dumping where witness or other information may be available in regards to the dumping. Due to FY2009/10 budget reductions, the SWD reduced its collection program to one crew to collect illegal dumping throughout the City.

The City Attorney's Office (CAO) has determined that under Proposition 218, garbage rate revenues may not be used to fund the City-wide collection and disposal of illegal dumping, because this does not constitute a "cost of service" for garbage collection customers.

On June 22, 2010, DOU staff advised the Mayor and the City Council they would work with Code Enforcement staff to develop recommendations to continue City collection of illegal dumping materials. Staff is recommending the transfer of the illegal dumping program from SWD to the Code Compliance Division (CCD) of the Community Development Department (CDD) for FY2010/11.

The estimated annual operating cost for the Illegal Dumping program in CDD is \$600,000. This includes the addition of 1.0 FTE Code Enforcement Officer to respond to complaints citywide. The annual cost for the position is \$96,880. The remaining costs will include contract services to remove illegally dumped material. The Citywide Landscaping and Lighting Fund has \$250,000 available in one-time contingency funds for funding the Illegal Dumping program for FY 2010/11. The balance of the funding will be provided by existing CDD operating budget. Staff will analyze operations to determine actual annual costs to be addressed as part of FY 2011/12 budget development.



RESOLUTION NO.

Adopted by the Sacramento City Council

October 5, 2010

ILLEGAL DUMPING PROGRAM

BACKGROUND

- A. The Sacramento City Council recognized that illegal dumping was a pervasive problem in the City, and in 2001 assigned the Solid Waste Division to address this issue.
- B. Since its inception, the Illegal Dumping Program operated by the Solid Waste Division has been funded by garbage collection rate revenues.
- C. To comply with legal limitations governing the use of such rate revenues, it is necessary to fund the Illegal Dumping Program through a different funding source or sources.
- D. In order to maintain this critical City program, staff is recommending that the Illegal Dumping Program be transferred from the Department of Utilities (DOU) to the Community Development Department (CDD).
- E. The elimination of this program in DOU was included as a Fiscal Year (FY) 2010/11 budget adjustment resulting in a reduction of \$793,754 in the Solid Waste Fund (Fund 6007).

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The Illegal Dumping Program is transferred from DOU to CDD.
- Section 2. The FY2010/11 Operating Budget is amended to:
 - (a) Add 1.0 FTE Code Enforcement Officer in Dept ID 21001313 in CDD, funded through the General Fund (Fund 1001); and
 - (b) Adjust the CDD labor budget to reflect this change.
- Section 3. The City Manager is authorized to appropriate \$250,000 in one-time Landscaping and Lighting Funds (Fund 2232) from its contingency to Dept ID 21001313 for the purpose of funding the Illegal Dumping Program in CDD.