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BUDGET – 2011/12

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J. A. McKeen

SOCRRA
BUDGET - 2011/12

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Board of Trustees
SOCRRA

Subject: Proposed Budget- 2011/12 Fiscal Year

Board Members:

Attached for your review is the proposed budget for the fiscal year beginning July 1, 2011. This proposed budget will be discussed at our May Board meeting. A public hearing on the budget is scheduled for Wednesday, June 8, 2011 at 9:30 a.m. at the Southfield Public Library, 26300 Evergreen.

Proposed Rates

The proposed 2011/12 budget calls for the rates from the SOCRRA member communities to be based on the Total Service Cost that was in place for the 2009/10 fiscal year modified to reflect the increased contractor costs due to higher fuel and CPI indexes displayed in the table below. The increase for Rizzo is slightly larger than those for Car Trucking and Tringali because Rizzo has a higher percentage of their costs tied to the fuel escalator. The proposed rates also include a significant fuel and CPI cost increase for Veolia, our disposal contractor.

Community	Contractor	% Change
Berkley	Tringali	+2.2%
Beverly Hills	Car Trucking	+2.0%
Birmingham	Car Trucking	+2.0%
Clawson	Tringali	+2.2%
Ferndale	Car Trucking	+2.0%
Hazel Park	Tringali	+2.2%
Huntington Woods	Tringali	+2.2%
Lathrup Village	Tringali	+2.2%
Pleasant Ridge	Tringali	+2.2%
Oak Park	Tringali	+2.2%
Royal Oak	Rizzo	+3.6%
Troy	Tringali	+2.2%

The proposed rates for the member communities are contained in the table below and result in rates that are slightly less than those communicated to the Board in January of 2011. The rates outlined below continue to place an incremental charge in addition to our base rate. In previous years, this incremental charge was implemented in order to build the Board required level of working capital. I anticipate that we will need to continue building our working capital in 2011/12. In addition, I am proposing to continue this surcharge after we reach our working capital goal in order to begin to accumulate funds for modifications to our facilities in the

future. SOCRRA staff is investigating a number of facility projects, all of which will require capital expenditures significantly larger than our typical annual capital expenditures, which have been funded out of our rates.

We are proposing to again bill each community a constant amount for the 2011/12 fiscal year, on a twice monthly basis, that would account for the projected collection and disposal costs for that community. The proposed cost per billing for each community is listed in the table below. This cost includes all of the services provided by SOCRRA, which will include collection of recyclables, refuse and yard waste, as well as brush chipping for selected member communities.

Community	2011/12 Total Service Cost	Working Capital Cost	Total 2011/12 Cost	Cost per Billing
Berkley	\$814,697	\$25,429	\$840,126	\$35,005
Beverly Hills	575,436	21,129	596,565	24,857
Birmingham	1,284,893	49,531	1,334,424	55,601
Clawson	668,489	26,597	695,086	28,962
Ferndale	1,503,474	48,841	1,552,315	64,680
Hazel Park	1,009,204	29,941	1,039,145	43,298
Huntington Woods	324,381	13,060	337,441	14,060
Lathrup Village	255,658	7,963	263,621	10,984
Oak Park	1,431,963	44,063	1,476,026	61,501
Pleasant Ridge	158,039	7,220	165,259	6,886
Royal Oak	3,952,004	122,314	4,074,318	169,763
Troy	3,682,598	134,790	3,817,388	159,058
	\$15,660,836	\$530,878	\$16,191,714	\$674,655

The following rates are embedded in the Total Service Costs:

		Rate Per Ton	
		2010/11	2011/12
Municipal Solid Waste		\$26.00	\$26.00
Yard Waste	Leaves & Grass	\$24.00	\$24.00
	Wood Chips	\$10.00	\$10.00
Household Hazardous Waste		\$19/appt.	\$19/appt.

Recyclables Credit	Credit Per Ton	
	2010/11	2011/12
Dual Stream Recyclables	\$30.00	\$37.50
	combined rate	combined rate
Separated Office Paper	\$55.00	\$55.00
Separated Cardboard	\$55.00	\$55.00

The following rate structure, unchanged from last year, is proposed for non-members:

NON-MEMBERS			
		Rate Per Ton	
		2010/11	2011/12
Municipal Solid Waste & Bulky Waste		\$60.00	\$60.00
Yard Waste	Leaves & Grass	54.00	54.00
Minimum Charge (1,000 lbs.)		35.00	35.00
Dual Stream Recyclables Credit (current contractors)		20.00	20.00
Municipal Solid Waste (with signed contract)		28.00	28.00

Basis for the Budget

The proposed 2011/12 budget is prepared assuming that sufficient total revenue will be generated to pay for the operating costs, capital expenditure costs, retiree health care funding and landfill maintenance costs incurred during the fiscal year. In addition, the working capital surcharge is being continued to generate the Board approved level of working capital and then to begin to accumulate funds to address SOCRRA's long term facility needs. The proposed budget generates a net income of \$736,756.

Landfill Maintenance Expenses Post-closure monitoring and maintenance expenses are not included in the operating budget, but are included in the landfill, capital and retiree health care funding budget. The total liability to handle these expenses over the 30 year post-closure period has been included each year in our annual audit. Our auditors update this liability as part of their annual audit process. However, we do need to generate enough cash from operations to pay these expenses. Madison Heights and Royal Oak Twp. will contribute to the costs of the landfill maintenance expenses through previously established mechanisms, thereby reducing these expenses by about 10%.

Budget Assumptions

The following assumptions were used to develop the proposed budget:

1. Union wages and MRF temporary labor costs were unchanged. Our current union contracts expire on June 30, 2012.
2. Health care insurance costs were estimated to increase by 15% from their current level.
3. Salaried wages were increased by 0%.
4. The number of full time salaried employees was reduced by two to recognize the retirement of Kathy Hyde and the consolidation of the positions held by Mike Czuprenski and John Schandavel. The budget does include a part time office position which should be filled before the beginning of the fiscal year and a part time position to work on commercial recycling. The number of SOCRRA union employees remains unchanged from the level of the 2010/11 budget but I have assumed that we will fill the Supervisor, Mechanics position that has been open for several years.
5. Tonnages contributed by the member communities were estimated as follows:
 - a. Refuse tonnage was reduced by 2% from the estimated 2010/11 level. The reduction in refuse tonnages recognizes the continuing decline in the amount of refuse that we are receiving.

- b. Recyclables tonnage was unchanged from the estimated 2010/11 level.
 - c. Yard waste tonnage was estimated as the five year average after removal of the excess Rizzo tonnage from Royal Oak's tonnage.
6. Tonnages contributed by non-members was estimated as follows:
 - a. Refuse tonnage was reduced by 50% from the estimated 2010/11 level due to the reduced tonnage from Rizzo Services and Tringali Sanitation.
 - b. Recyclables tonnage was reduced by 50% from the estimated 2010/11 level due to a reduction in the anticipated recycling provided by Rizzo Services.
 - c. Yard waste tonnage was estimated as the five year average.
 7. Prices for the sale of recycled commodities were estimated as follows and are approximately 70% of current market prices:
 - a. Newspaper \$100/ton
 - b. Cardboard \$100/ton
 - c. Boxboard \$60 per ton
 - d. High Density Polyethylene, natural \$600/ton
 - e. High Density Polyethylene, mixed color \$600/ton
 - f. PETE \$370/ton
 - g. Scrap Metal \$220/.
 8. Insurance premiums were estimated as follows:
 - a. Property and Liability decreased by 5%
 - b. Worker's Compensation increased by 2%
 9. Veolia's rates for MSW disposal are based on our contract with the appropriate fuel and CPI escalators for 2011/12.
 10. Brush chipping rates are based on our contract with J. H. Hart Forestry with the appropriate fuel and CPI escalators for 2011/12.
 11. Collection rates for Car Trucking, Rizzo Services and Tringali Sanitation are based on our contracts with the appropriate fuel and CPI escalators for 2011/12.
 12. No changes were made to the services provided to the member communities. Both Beverly Hills and Huntington Woods are evaluating the provision of single stream recycling to all of their residents during 2011/12. Any incremental contractor and SOCRRRA costs resulting from single stream recycling will be billed to those communities through a surcharge to their rates.
 13. An additional \$50,000 was added to our post-employment health care account, which should be sufficient to maintain a small OPEB asset on our Statement of Net Assets.
 14. No changes were assumed to our currently restricted landfill security account.

Proposed Budget - 2011/12

Pages 8 through 10 outline the proposed Budget for the fiscal year beginning July 1, 2011. The Budget proposal sets forth the detailed estimates of all anticipated income and expenditures. For each cost and revenue category, the proposed budget for 2011/12, the estimated actual expenses or revenues for 2010/11 and the 2010/11 budget are presented. Detailed month-by-month expenditure and revenue plans have been developed for each line item in the budget. These schedules are not included in this package.

On page 11 of the Budget is a list of proposed capital, landfill and retiree health care funding expenditures for 2011/12 in the amount of \$497,200.

Page 12 gives a comparative statement of revenues and expenditures by major category for 2011/12 and the prior four fiscal years.

Page 13 displays the estimated tonnages, by type of material and by community, that were used to develop the 2011/12 budget.

Page 14 summarizes the projected tonnage and revenue from each member community.

The charts on pages 15, 16 and 17 show the source of revenue and expenses by major category for 2011/12 and the total tonnage handled for the last 8 years with estimates for 2010/11 and 2011/12.

Finally, pages 18 through 20 describe how the operations of SOCRRA will take place for 2011/12.

Following is a comparison of the proposed 2011/12 Budget with figures for the past eight fiscal years:

Fiscal Year	Total Tons	Total Revenues	Total Operating Expenditures	Capital Expense	Net Income
Budget 2011/12	176,621	\$19,218,714	\$17,984,758	\$497,200	\$736,756
Projected 2010/11	190,877	\$19,076,000	\$18,235,000	\$490,000	\$351,000
Actual 2009/10	187,700	18,534,165	17,906,831	249,719	377,615
Actual 2008/09	181,603	18,532,297	18,159,876	175,824	196,597
Actual 2007/08	186,210	18,034,028	17,683,265	342,831	7,932
Actual 2006/07	187,408	8,360,686	7,710,263	399,902	250,521
Actual 2005/06	196,606	7,892,992	8,016,683	305,702	-429,393
Actual 2004/05	198,880	8,380,629	7,753,059	437,550	190,020
Actual 2003/04	208,937	8,005,067	7,491,974	436,753	76,340
Actual 2002/03	209,691	8,127,601	7,079,867	323,628	724,106

Employees' Retirement Plan

SOCRRA is a member of the Michigan Municipal Employees' Retirement System (MERS). As of December 31, 2009 (the most recent data available), the plan covering the Authority union employees is 86% funded. SOCRRA will contribute 10.4% of union payroll to fund the retirement plan for the fiscal year 2011/12 and the union employees will contribute 2.5% of salary, which reduces the amount of the SOCRRA contribution. The salaried employees of SOCRRA are covered under a MERS retirement plan administered through the Southeastern Oakland County Water Authority.

Organizational Structure

Page 21 shows the organizational structure of SOCRRA, listing the number of personnel involved in each of the operations of SOCRRA.

Respectfully Submitted,

Jeffrey A. McKeen, P.E.
General Manager

SOCRRA

PROPOSED BUDGET

2011/12

<u>ESTIMATED REVENUES</u>	2011/12	2010/11	2010/11
	Budget	Estimate	Budget
<u>Municipal Refuse</u>			
Member MSW	\$16,191,714	\$15,838,000	\$15,775,221
Non-Member MSW	690,000	984,000	590,000
Non-Member Yard Waste	<u>64,000</u>	<u>64,000</u>	<u>75,000</u>
sub-total	\$16,945,714	\$16,886,000	\$16,440,221
<u>Sale of Recycled Materials</u>			
Paper	\$1,112,000	\$1,057,000	\$1,150,000
Plastics	435,000	383,000	358,000
Scrap Metal	92,000	90,000	89,000
Tin Cans	138,000	139,000	120,000
Cardboard	277,000	254,000	190,000
Non-Ferrous Metal	13,000	16,000	25,000
Glass	11,000	17,000	21,000
Batteries	4,000	3,000	5,000
Electronics	<u>6,000</u>	<u>0</u>	<u>0</u>
sub-total	\$2,088,000	\$1,959,000	\$1,958,000
<u>Others</u>			
Compost	\$40,000	\$50,000	\$40,000
Interest on Investments	15,000	13,000	15,000
Rental Income	95,000	95,000	95,800
Grant Funds	10,000	43,000	0
Miscellaneous Income	<u>25,000</u>	<u>30,000</u>	<u>25,000</u>
sub-total	\$185,000	\$231,000	\$175,800
TOTAL ESTIMATED REVENUES:	\$19,218,714	\$19,076,000	\$18,574,021

SOCRRA

PROPOSED BUDGET

2011/12

<u>ESTIMATED EXPENDITURES</u>			
<u>Madison Heights Transfer Station</u>	2011/12	2010/11	2010/11
	Budget	Estimate	Budget
Labor and Supervision	\$19,090	\$44,000	\$17,225
Utilities	23,850	33,000	25,000
Maintenance of Equipment	11,200	5,000	5,000
Maintenance of Building	1,000	1,000	1,000
Maintenance of Property & Grounds	1,000	1,000	2,000
Supplies	3,000	3,000	5,000
Environmental Testing	300	1,000	1,000
Hauling Yard Waste	52,000	48,000	70,000
Contractual MSW	<u>0</u>	<u>0</u>	<u>0</u>
sub-total	\$111,440	\$136,000	\$126,225
<u>Troy Transfer Station</u>			
Labor and Supervision	\$288,000	\$266,000	\$279,772
Utilities	38,050	34,000	30,000
Maintenance of Equipment	121,500	128,000	75,000
Maintenance of Building	6,880	4,000	6,000
Maintenance of Property and Grounds	6,130	7,000	9,000
Supplies	5,280	4,000	5,000
Hauling Yard Waste	3,300	48,000	62,000
Contractual MSW	<u>2,402,000</u>	<u>2,450,000</u>	<u>2,295,500</u>
sub-total	\$2,871,140	\$2,941,000	\$2,762,272
<u>Material Recovery Facility</u>			
Labor and Supervision	\$422,500	\$412,000	\$388,946
Temporary Labor	\$355,200	\$372,000	\$321,819
Utilities	89,250	78,000	62,000
Maintenance of Equipment	127,600	124,000	85,000
Maintenance of Building	7,700	9,000	8,000
Maintenance of Property & Grounds	7,140	7,000	4,000
Telephone	0	0	2,000
Supplies	52,700	57,000	55,000
Glass Recycling	22,900	0	0
Plastic Recycling	4,910	0	0
Emptying Rolloff Containers	<u>11,250</u>	<u>26,000</u>	<u>14,000</u>
sub-total	\$1,101,150	\$1,085,000	\$940,765
<u>Household Hazardous Waste</u>			
Labor and Supervision	\$32,900	\$46,000	\$43,206
HH Waste Disposal	155,400	183,000	165,000
Used Electronic Recycling	0	47,000	60,000
Disposal of Batteries	<u>1,800</u>	<u>7,000</u>	<u>8,000</u>
sub-total	\$190,100	\$283,000	\$276,206

SOCRRA

PROPOSED BUDGET

2011/12

<u>ESTIMATED EXPENDITURES</u>			
<u>Compost Operations</u>	2011/12	2010/11	2010/11
	Budget	Estimate	Budget
Labor and Supervision	\$177,350	\$199,000	\$179,970
Utilities	5,565	5,000	4,000
Maintenance of Equipment	188,360	180,000	137,000
Maintenance of Building	2,000	2,000	2,000
Maintenance of Property and Grounds	30,298	33,000	37,000
Supplies	15,000	13,000	21,000
Delivery of Compost	20,400	18,000	17,500
Compost Reject	4,415	3,000	5,000
Environmental Testing	2,000	1,000	2,000
sub-total	\$445,388	\$454,000	\$405,470
<u>Administrative and General</u>			
Salaries	\$260,000	\$301,000	\$307,900
Administrative and Office	15,000	17,000	20,000
Office Space Rental	40,000	40,000	40,000
Personnel Improvement	1,000	1,000	1,000
Travel and Conference	3,000	5,000	3,000
Legal	24,000	28,000	40,000
Audit	15,700	16,000	15,700
Other Accounting	0	0	0
Unemployment	0	0	0
Social Security	86,800	97,000	94,300
Retirement Plan	146,000	167,000	175,300
Property and Liability Insurance	90,200	64,000	99,000
Workers Comp Insurance	21,500	21,000	30,000
Health Care Insurance	359,000	364,000	426,400
Life Insurance	3,340	4,000	3,800
Permits and Bonds	0	0	0
Property Taxes	30,000	30,000	33,000
Host Community Fee - Madison Heights	10,000	6,000	6,000
Grant Expenses	10,000	43,000	0
Recycling Education	10,000	10,000	10,000
Miscellaneous Recycling	10,000	18,000	3,000
Consulting	60,000	60,000	60,000
Rental Houses	25,000	53,000	25,000
Miscellaneous	10,000	11,000	10,000
sub-total	\$1,230,540	\$1,356,000	\$1,403,400
<u>Collection Contract Expenses</u>	\$12,035,000	\$11,980,000	\$11,735,213
TOTAL OPERATING EXPENSES:	\$17,984,758	\$18,235,000	\$17,649,551
Revenues - Expenses	\$1,233,956	\$841,000	\$924,470
Capital, Landfill and Retiree Health Funding Expenditures	\$497,200	\$490,000	\$489,280
Net Income	\$736,756	\$351,000	\$435,190

SOCRRA

CAPITAL AND LANDFILL EXPENDITURES

2010/11

CAPITAL EXPENDITURES		
<u>Project</u>	<u>Location</u>	<u>Expense</u>
Horizontal Grinder	Compost Site	\$21,000
Replace Front End Loader	Compost Site	78,000
Replace Front End Loader	Troy Transfer	75,000
Scale	Compost Site	70,000
Replace Screener	Compost Site	50,000
Styrofoam Recycling	Drop-Off Center	20,000
Used Rolloff Truck	MRF	15,000
Replace 2005 Jeep Liberty	All	20,000
Replace Lawn Mower	Madison Heights	<u>10,000</u>
Total Capital Expenditures		\$359,000
LANDFILL EXPENDITURES		
<u>Project</u>		
Replace School Road Fencing	Landfill	\$12,000
Semi-Annual Monitoring	Landfill	\$21,200
Leachate Disposal	Landfill	35,000
Required Deposit to Landfill End Use Account	Landfill	10,000
Maintenance	Landfill	<u>10,000</u>
Total Landfill Expenditures		\$88,200
RETIREE HEALTH CARE FUNDING		\$50,000
TOTAL CAPITAL AND LANDFILL EXPENDITURES		\$497,200

SOCRRA

COMPARATIVE STATEMENT - REVENUES AND EXPENDITURES

<u>REVENUE</u>	<u>2011/12</u>	<u>2010/11</u>	<u>2009/10</u>	<u>2008/09</u>	<u>2007/08</u>
	Budget	Estimate			
MSW and Bulky Waste					
Members	\$16,191,714	\$15,838,000	\$15,526,230	\$15,799,848	\$15,184,954
Others	690,000	984,000	687,738	519,328	548,168
	\$16,881,714	\$16,822,000	\$16,213,968	\$16,319,176	\$15,733,122
Yard Waste					
Others	64,000	64,000	63,403	72,582	72,117
	\$64,000	\$64,000	\$63,403	\$72,582	\$72,117
Recyclables					
Sale of Recyclables	\$2,088,000	\$1,959,000	\$1,915,054	\$1,864,481	\$2,001,453
Other Income					
Rental Income	\$95,000	\$95,000	\$92,435	\$84,138	\$98,377
Interest on Investments	15,000	13,000	19,956	27,940	37,351
Compost Sales	40,000	50,000	51,401	51,441	45,141
Grant Income	10,000	43,000	0	0	0
Miscellaneous	25,000	30,000	165,919	112,539	46,467
	\$185,000	\$231,000	\$329,711	\$276,058	\$227,336
TOTAL REVENUES	\$19,218,714	\$19,076,000	\$18,522,136	\$18,532,297	\$18,034,028
Average Income Per Ton	\$108.81	\$99.94	\$98.68	\$102.05	\$96.85
TOTAL TONS	176,621	190,877	187,700	181,603	186,210
EXPENDITURES					
Madison Heights Facility	\$111,440	\$136,000	\$124,219	\$92,774	\$130,116
Troy Transfer Station	2,871,140	2,941,000	2,749,175	2,819,018	3,061,410
Material Recovery Facility	1,291,250	1,368,000	1,458,002	1,350,883	1,097,833
Landfill-Compost Operation	445,388	454,000	597,092	590,331	546,462
Collection Costs	12,035,000	11,980,000	11,436,804	11,870,761	11,268,540
Administrative and General	1,230,540	1,356,000	1,541,539	1,436,109	1,578,904
	\$17,984,758	\$18,235,000	\$17,906,831	\$18,159,876	\$17,683,265
AVERAGE COST PER TON	\$101.83	\$95.53	\$95.40	\$100.00	\$94.96

SOCRRA

ESTIMATED TONNAGES

2011/12

City	MSW	Yard Waste	Recyclables	Total
Berkley	5,440	1,320	1,023	7,783
Beverly Hills	3,910	2,018	1,120	7,048
Birmingham	8,856	4,083	1,904	14,843
Clawson	5,300	2,210	721	8,231
Ferndale	10,003	2,893	1,186	14,082
Hazel Park	6,698	1,699	496	8,893
Huntington Woods	2,078	1,414	813	4,305
Lathrup Village	1,720	939	249	2,908
Oak Park	9,504	3,501	797	13,802
Pleasant Ridge	967	1,032	292	2,291
Royal Oak	22,520	10,340	3,907	36,767
Troy	<u>26,567</u>	<u>10,378</u>	<u>4,439</u>	<u>41,384</u>
Member Totals	103,563	41,827	16,947	162,337
Non-member	<u>12,269</u>	<u>984</u>	<u>1,031</u>	<u>14,284</u>
Total	115,832	42,811	17,978	176,621

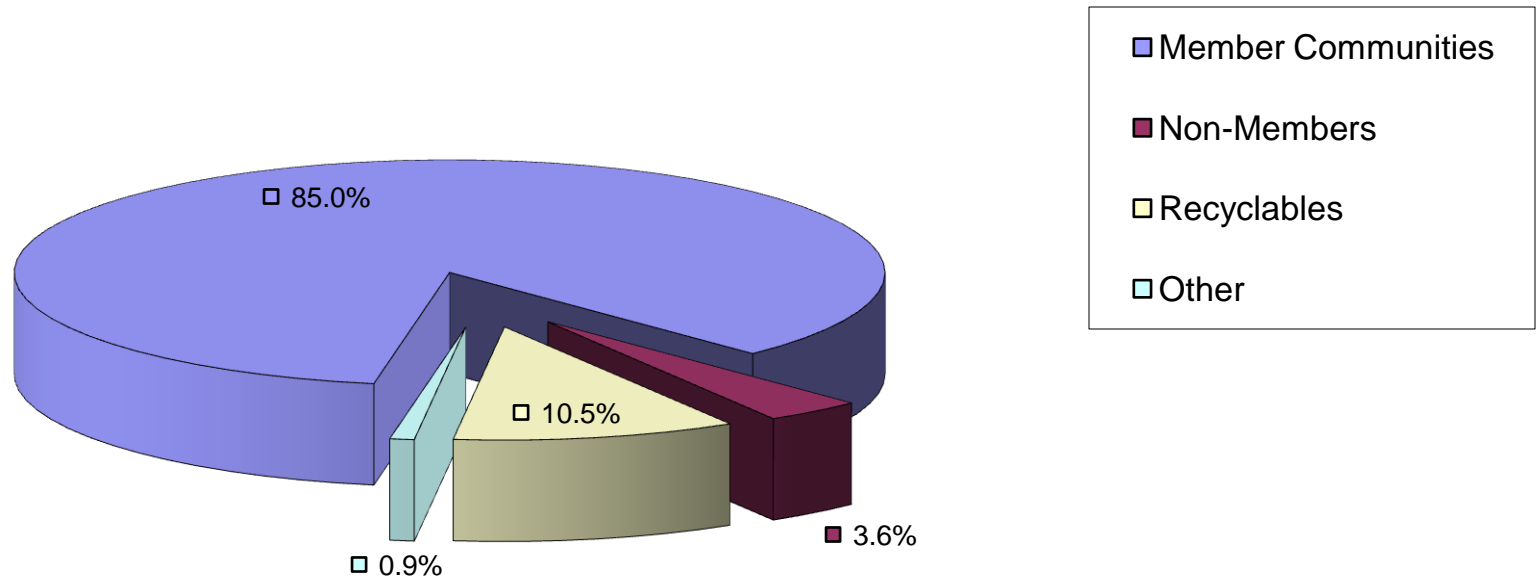
SOCRRA

ESTIMATED TONNAGE AND REVENUES

	2011/12 Proposed	2010/11*	2009/10	2008/09
BERKLEY				
Total Tons	7,783	8,410	7,693	7,957
Revenue	\$840,126	\$823,500	\$798,204	\$806,544
BEVERLY HILLS				
Total Tons	7,048	7,056	7,010	7,078
Revenue	\$596,565	\$583,400	\$566,712	\$572,784
BIRMINGHAM				
Total Tons	14,843	14,663	15,499	15,150
Revenue	\$1,334,424	\$1,309,900	\$1,273,043	\$1,281,312
CLAWSON				
Total Tons	8,231	8,105	9,034	9,152
Revenue	\$695,086	\$688,900	\$665,614	\$667,536
FERNDALE				
Total Tons	14,082	14,097	14,412	13,941
Revenue	\$1,552,315	\$1,546,700	\$1,498,582	\$1,490,184
HAZEL PARK				
Total Tons	8,893	8,987	9,056	9,426
Revenue	\$1,039,145	\$1,014,500	\$984,060	\$997,536
HUNTINGTON WOODS				
Total Tons	4,305	4,315	4,439	4,593
Revenue	\$337,441	\$329,500	\$320,100	\$324,072
LATHRUP VILLAGE				
Total Tons	2,908	3,018	3,177	2,462
Revenue	\$263,621	\$257,400	\$250,503	\$253,080
OAK PARK				
Total Tons	13,802	13,744	13,896	14,209
Revenue	\$1,476,026	\$1,454,900	\$1,418,558	\$1,417,008
PLEASANT RIDGE				
Total Tons	2,291	2,120	2,633	2,346
Revenue	\$165,259	\$162,600	\$159,147	\$158,736
ROYAL OAK				
Total Tons	36,767	37,089	37,912	42,145
Revenue	\$4,074,318	\$3,947,900	\$3,923,692	\$4,039,752
TROY				
Total Tons	41,384	41,857	43,162	43,561
Revenue	\$3,817,388	\$3,758,100	\$3,667,331	\$3,665,592
OTHER CUSTOMERS				
Total Tons	14,284	27,415	17,014	9,583
Revenue	\$754,000	\$1,047,900	\$752,008	\$590,950
TOTAL				
Total Tons	176,621	190,876	184,937	181,603
Revenue	\$16,945,714	\$16,925,200	\$16,277,554	\$16,265,086

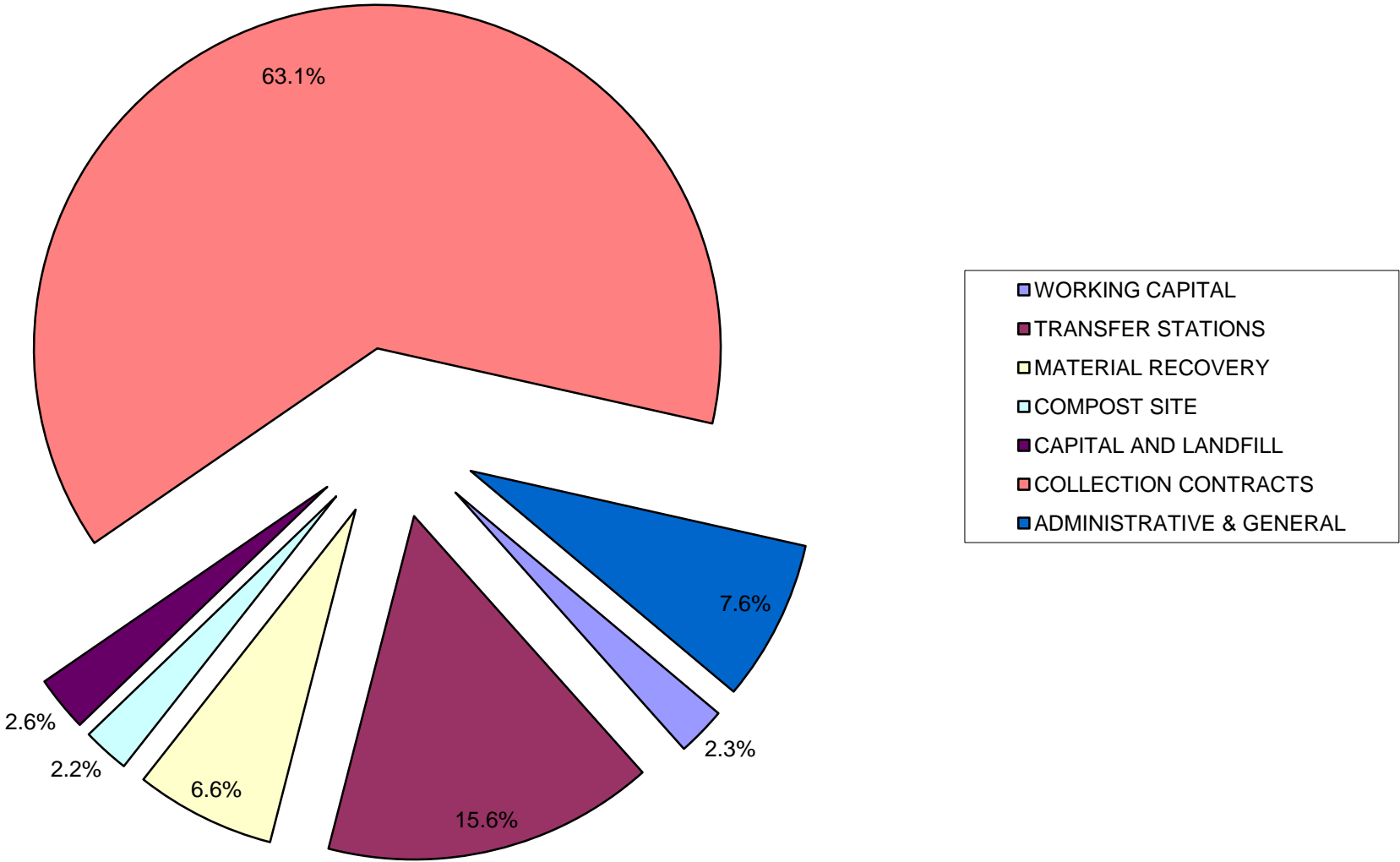
SOCRRA

SOURCE OF REVENUE - 2011/12 BUDGET*



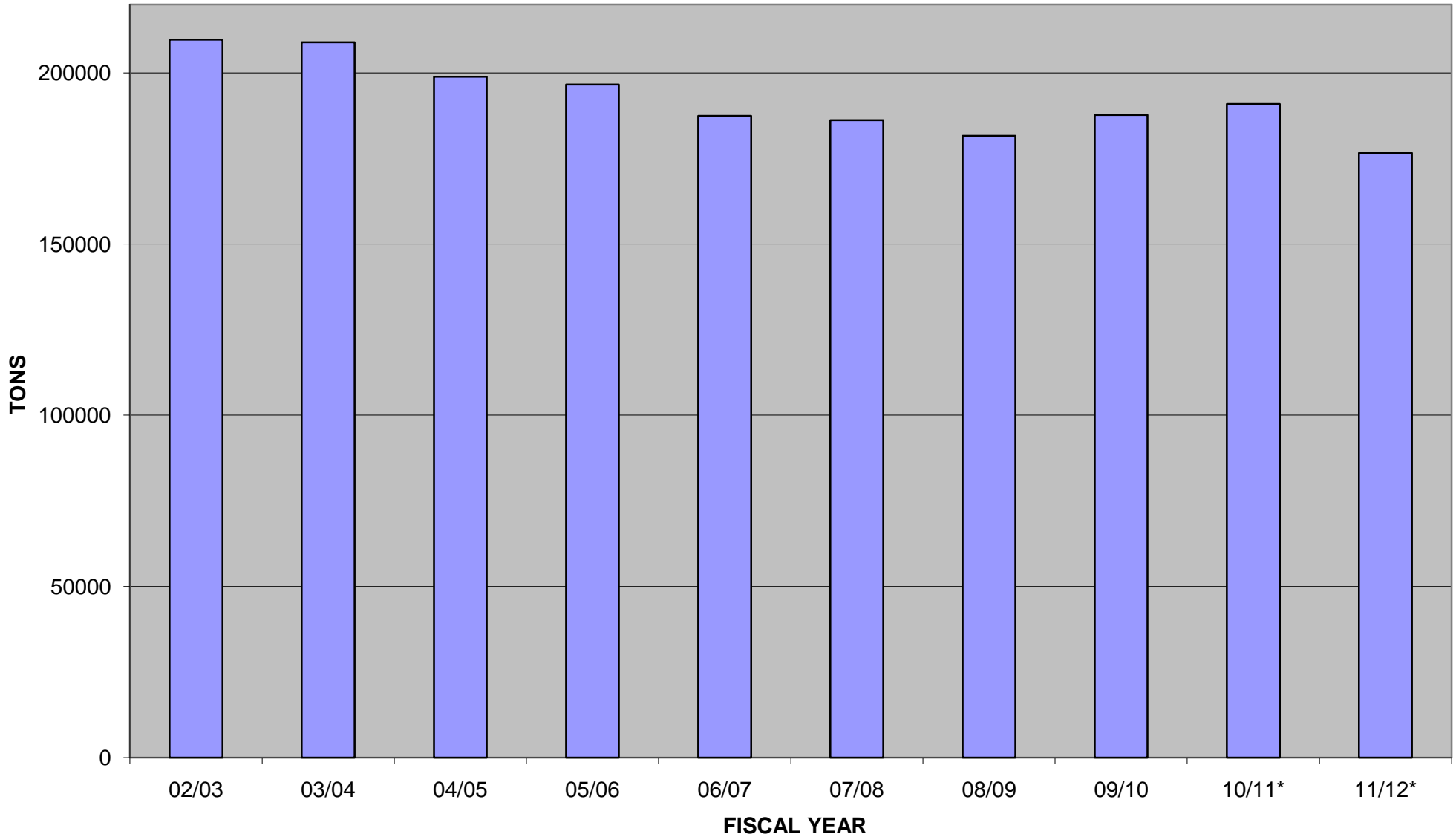
*Estimated

SOCRRA DISTRIBUTION OF EXPENSES-2011/12*



*Estimated

SOCRRA TOTAL TONNAGE HANDLED - 2011/12 BUDGET*



*Estimated

2011/2012 Operating Narrative

The most significant operational changes planned for this fiscal year are as follows:

- Responsibility for budgeting and monitoring of budgets has been assigned to the MRF & Transfer Station and Compost Site Supervisors.
- We have budgeted to replace the Maintenance Supervisor position, which has been vacant for several years. We are evaluating whether this position should be filled.
- We have reduced the staffing at the compost site to two full time employees with one employee loaned from the Troy Transfer Station during the summer and fall months. We anticipate that this will be sufficient staffing to operate the Compost Site without producing nuisance odors.
- We are now being paid for the computer and miscellaneous electronic equipment being recycled and we are able to recycle televisions and CRTs at no cost. This results in a modest revenue stream and a substantial reduction in operating expenses for the Household Hazardous Waste Program.

Troy Transfer Station

Approximately 115,800 tons of municipal solid waste (MSW) from member communities and small private contractors are expected to be transferred at the Troy facility. Five Utility Operators will be needed to operate the facility on split shifts to cover core hours of operation of 7 a.m. to 6 p.m. They will also perform daily equipment inspections and limited preventative maintenance, janitorial clean-up and other non-major building and equipment repair work, remove cash customer trash from the garage behind the MRF for disposal in the Transfer Station, and load out bulky scrap metal and cash customer yard waste. The following is a description of normal activities:

- a) Arriving packer trucks will be weighed in on the computerized scale, given a printed ticket listing their net weight and then directed by SOCRRA staff to deposit the material into either of the two compactors.
- b) SOCRRA staff keep 120 cubic yard rear-load compact trailers hooked to each of the trash compactors, determine when the trailers are filled, and switch an empty trailer for the full trailer. Roughly 15 trailer loads per day are expected to leave the SOCRRA facility for disposal at Veolia's Arbor Hills Landfill, via a subcontracted trucking firm hired by Veolia.
- c) Trucks picking up bulky white goods/scrap metal dump adjacent to the building, which allows SOCRRA staff to load the material into a rolloff box spotted by the scrap metal dealer. Refrigerators are staged at the Transfer Station and Freon is removed by a private contractor before being loaded into the scrap rolloffs.

Oversight is provided on a daily basis by SOCRRA's MRF & Transfer Station Supervisor, supplemented by Veolia's Field Supervisor who has direct responsibility for the subcontracted fleet of trucks and trailers.

Compost Operations

The operation at the Compost Site is expected to consist of the following sequential activities, beginning in July:

- a) Roughly 10 packer trucks are expected to direct-haul grass clippings to the site each day. They will dump their contents next to a row of leaves and have the weight of grass estimated by SOCRRA staff.
- b) Two Heavy Equipment Operators and a Supervisor will work from 8 a.m. to 4 p.m. and Saturdays only as needed (since Rochester Hills is no longer paying for us to be open on Saturdays).
- c) Beginning in the middle of October and continuing thru mid-December, leaves will be brought out to the site for shredding by the Bandit Beast horizontal grinder. During peak season, the haulers will utilize packer trucks, rollofs and semi-trailers to deposit their leaves on the compost pad.
- d) Over winter and into spring, one Heavy Equipment Operator and the Supervisor will grind all of the leaves, and then construct large windrow stockpiles on the compost pad. They will also perform equipment maintenance with our Maintenance Mechanics and screen the finished compost.
- e) Once grass season begins in 2012, loads of grass will be delivered each day and the equipment operators will mix grass and leaves in a 1:2 ratio, moving along the leaf windrow stockpiles on the pad. These windrow stockpiles will be periodically assessed using suitable decomposition parameters and turned by front end loader until the material is sufficiently decomposed.
- f) Once the composting/decomposition process has proceeded sufficiently and the material screened, the humus will be re-located and re-formed into "curing" stockpiles, for delivery to DPW yards after roughly 3 months of curing.

MRF Operations

Approximately 18,000 tons of recyclables are expected to be delivered to the Authority's MRF for processing in 2011/12, with another 1,000 tons from the dropoff center. Four Utility Recyclers, four Recyclers and one SOCRRA Sorter work with sorters provided by a temp agency from 7:30 a.m. to 4 p.m., year-round. Occasionally, two Utility Recyclers and a Sorter will work the afternoon shift to curtail overtime and to increase production efficiency. Dual-stream recyclables will be processed as follows:

- a) Recycling trucks that arrive are weighed in on a computerized scale, given a printed ticket, and then proceed to the tipping areas.
- b) Mixed containers (plastic bottles, clear and colored glass bottles, aseptic containers, metal cans/scrap, and miscellaneous plastic containers) are tipped inside the MRF for processing thru the dual stream line. Six Sorters and one Recycler are utilized (in conjunction with the conveyor magnet) to sort the various containers into the following categories: aseptics & paper, natural HDPE (milk jugs), mixed-color HDPE, PETE, miscellaneous plastic containers & plastic bags, large pieces of glass bottles, small pieces of glass bottles, ferrous cans, non-ferrous cans, and non-acceptable reject.
- c) Mixed paper products are tipped in a different area within the MRF. Seven Sorters and one Recycler are utilized to sort the fiber materials into the following three categories: a) #8 grade

newspaper with magazines, office paper, junk mail and telephone books; b) cardboard, boxboard, aseptic containers & brown paper grocery bags, and c) reject.

d) A Utility Recycler operates a small loader and the sorted recyclables silo discharge system to feed individual items into the baler, another operates the baler and another operates a fork lift to load the trailers delivering product to the vendors.

Supervision is provided by the MRF & Transfer Stations Supervisor who also oversees the adjoining Transfer Station, the Household Hazardous Waste program and the recycling drop-off center.

Special Household Waste and Electronics Recycling Programs

A SOCRRA Recycler has been instructed on safe techniques for accepting the household hazardous waste chemicals and used electronic equipment brought in by the residents of the member communities on an appointment basis. This person will also work with the public who utilize the dropoff center at the MRF. A major change for 2011/12 is that SOCRRA is being paid for all of the electronics being recycled except for televisions and CRTs. This is a significant change from previous years, in which we had to pay to have these materials recycled. We have budgeted a modest amount of revenue in 2011/12 for electronics recycling and eliminated the expense contained in previous budgets.

Maintenance

Two Maintenance Mechanics are responsible for carrying out equipment maintenance and for overseeing contractual work at all of the Authority facilities. Major items needing their attention include: Madison Heights Facility (limited preventative maintenance on the compactor so the facility can remain in stand-by mode); Troy Transfer Station (Cat 236 skid-steer loader, Cat 950 loader, Cat 960 loader, Hitachi excavator, three used shuttle trucks, two compactors, trommel screen); Landfill/Compost Site (two Volvo L120 loaders, MCB screener, D5 dozer, Moxy dump truck, Bandit Beast grinder); MRF (Cat 906H loader, Komatsu forklift, fiber sorting conveyor system, container sorting conveyor system, baler feed conveyor, baler & wire strapper). We have budgeted to fill the Mechanics Supervisor position, which has been vacant for several years, but we are still evaluating whether this position should be filled.

Madison Heights Transfer Station

This facility will remain unattended except during the fall leaf season. It will be used one day every six months to handle refuse to ensure that the compactor is operable for backup purposes. Grounds maintenance will be performed by SOCRRA's maintenance mechanics and part-time help.

Landfill Operations

The landfill has been closed. Only limited expenses related to routine inspections, erosion control and methane/groundwater monitoring have been budgeted.

SOCWA/SOCRRA ORGANIZATIONAL STRUCTURE

