



AFSCME LOCAL 1733 BUDGET PRESENTATION SUMMARY

In an effort to increase revenue, efficiencies and partner with the City of Memphis in implementing strategies to make Memphis a greener and cleaner City of Choice; AFSCME Local 1733 recommends the following initiatives, including but not limited to.

ADDITIONAL REVENUES and SAVINGS

Increase Recycle tonnage

- Extend recycling to all commercial customers receiving City solid waste services.
- Establish and mandate all City of Memphis service departments recycle at all service centers and/or offices.
- Strategically place 2-3 more recycle drop offs in new and old annexed areas.
- Establish recycle services for Downtown Memphis refuse customers.

The City of Memphis realizes the majority of its recycle revenues disposal savings from curbside and drop off center pickup. A three (3) year average has shown that the revenues generated ranges between \$250,000 and \$400,000. Also in totaling the City of Memphis's revenue and disposal savings average over the same three (3) year period, the average total was 3 million dollars. In instituting the above measures the City of Memphis could realize a minimum of \$200,000 to \$400,000 in additional recycle revenue and disposal savings in conjunction with the Public Works Director's designed and/or redesigned Pay as You Throw plan.

RECYCLE REVENUE AND DISPOSAL SAVINGS IMPLEMENTATION

In order to increase recycle revenue and disposal savings the City of Memphis has to invoke an aggressive Internal and External Education and Marketing Campaign. AFSCME Local 1733 will be joining in on this initiative.

- AFSCME sanitation members in their efforts to work alongside the City of Memphis in promoting an increase in the use of recycle services by the citizens of Memphis will be purchasing and occupying a booth at the Shelby Farms Down to Earth Festival.
- AFSCME Local 1733 is forming partnerships with Eco-friendly organizations that operate within the Memphis and Shelby County area to come up with future recycle initiatives that positively helps the City of Memphis.
- Informational Hang tags quarterly but more aggressively between months of June to October (loss of recycle revenue and savings declines).
- Formulate a Public awareness campaign by way of media and print concerning City wide benefits of recycling.
- Policy/Mandate created and forwarded to all City of Memphis facilities and/or offices announcing the rule change of mandatory recycle program participation

Personnel Savings

The Public Works administration has noted that they have 101 unfilled positions in the Solid Waste department that do not include management personnel. The filling of fifty (50) of those positions and eliminating the remaining fifty-one (51) will initiate savings. The department has combined two sanitation installations into one functioning installation. This consolidation presented the opportunity to eliminate two (2) unfilled Area manager positions and those duties to be assumed by the reassigned Area manager. The Solid Waste department also has had an unfilled sector administrator position for over one (1) year, eliminating this position would further increase savings. Lastly, additional savings can be had with the combining of the compost and recycle manager positions. Combining the compost and recycle manager positions would make it unnecessary to fill the position of compost manager after it is vacated by the current manager in FY13.

SUMMARY

The City of Memphis has a great opportunity to save \$3,295,325 in the Solid Waste department with the elimination and combining of positions, the sale of equipment and increasing the tons of recycle collected for FY 2013. Along with the \$3,295,325 of identified revenue and savings, the City of Memphis could gain additional revenue through the implementation of the Public Works Director's formed Pay As You Throw program for FY 2013.

SOLID WASTE FUND Trends REVIEW FY'05 – FY'11

Summary

The Solid Waste Department depends on its special revenue generated from the fees it collects via MLGW billing. In the years leading up to this fiscal year those fees have come in below the expected (budgeted) amount. This decline can be linked to the high rate of foreclosures in Memphis service areas, which calls for the need of a service area audit as it relates to Solid Waste services. The other contributing factor is the loss of service fee monies through administrative errors in billing accurately the responsible parties. While there has been a net (budgeted) savings of \$3,068,642 in personnel services over a 6 year period, the steady rise in material and supply expenditures at a yearly average of \$922,003 over the same period has decreased any opportunity to realize the personnel savings. The Solid Waste department has saved a combined \$3,790,406 below the expected (budgeted) amount in service charges. Given all of the stated issues coupled with others, it is the best opportunity for the department along with the bargaining unit agent to create a plan that addresses future needs, revenue, and savings.

PILOTS

The following is a chart that AFSCME will be providing to the City Council today with a request that a letter be sent to the corporations asking for them to pay 2011 property taxes. If all paid it would bring in \$41.6 million, the city shortage is \$45. If top ten would pay it would bring in \$24 million.

- In FY2011, the City of Memphis and Shelby County lost **\$41.6 million** on property tax abatements (properties in-lieu) with the aim of stimulating economic development.
- The top ten tax abatements were granted to the following corporations in 2011:

Parent Corporation	2011 Tax Abatement	FY2011 Net Income
Fedex	10,410,026	1.45 Billion
Valero Energy Corporation	2,697,116	2.09 Billion
Nucor Corporation	2,658,199	778.2 Million
Nike	1,902,877	2.13 Billion
Smith & Nephew Inc.	1,277,779	582 Million
Cargill Inc.	1,190,167	4.24 Billion
Brother Industries	1,127,447	326.8 Million
Thompson Inc.	1,111,245	N/A
International Paper Company	829,012	1.34 Billion
Belz Enterprises	799,843	N/A
TOTAL	24,003,712	

- Together, these ten companies received a total of **\$24 million** in tax abatements.
- A number of these are multinational companies that see millions and even billions of profits each year.