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**MEMORANDUM**

TO: Mohammed Nuru, Director  
FROM: Julia Dawson, Deputy Director, Finance and Administration  
SUBJECT: Public Works Funding Included in Recology’s 2017 Refuse Rate Application  
DATE: March 21, 2017

Recology’s 2017 refuse rate application includes about \$8.5 million in annual funding for refuse-related services provided annually by San Francisco Public Works (Public Works): \$3.5 million for refuse-related cleaning services; \$2.5 million for education, compliance and outreach; \$840,000 for public litter can replacement; \$1.5 million for public litter can cleaning; and \$150,000 that will be set aside to cover analytical support services for the next rate review process. Recology does not earn a profit on the value of these programs as they are funded through the Impound Account. This memorandum describes the basis for the funding of these programs in the refuse rates.

**Refuse-Related Cleaning Services**

In FY 2015-16, Public Works spent about \$18.6 million on activities directly related to collection and disposal of refuse and recyclables on San Francisco city streets and properties.

Activity	FY 2015-16 Expenditures	Full Time Equivalents
Litter Patrol & Block Sweeping	17,828,413	120.2
Abandoned Materials	737,132	3.9
<b>Total</b>	<b>\$18,565,545</b>	<b>124.1</b>

Litter patrols and block sweepers responded to over 60,000 service requests for cleaning services from the public in FY 2015-16, and regularly clean 546 city blocks. These services are provided seven days-a-week, 24-hours-a-day. These costs include picking-up and/or sweeping-up litter and other materials on City streets and sidewalks and delivering loads to the transfer station at Tunnel Road. In FY 2015-16, Public Works picked up more than 24,140 tons of refuse that was transported to the transfer station.

Since July 2013, Recology is responsible for many of the calls for service related to the routine pick-up and disposal of abandoned materials. Public Works retained responsibility for collecting and disposing of loose litter and abandoned materials related to homeless activity. Public Works responded to 2,982 of these service calls in FY 2015-16.

The proposed funding of \$3.5 million for refuse-related cleaning services is less than 20 percent of the \$18.6 million in annual expenditures in FY 2015-16. Public Works also received funds from a fee assessed to cigarette sales worth \$1.6 million in FY 2015-16 to support the cost of Litter Patrol and Block Sweeping services. The remaining support comes from the City's General Fund and a portion of the state's gas tax revenue allocated to street cleaning. Partial funding for street cleaning services has been included in the refuse rates since 2005; the Refuse Collection and Disposal Rate Board affirmed the eligibility of these costs in the 2013 refuse rate proceedings.

### **Outreach and Enforcement Team (OnE Team)**

In 2013, the refuse rates funded a new eight-member team within Public Works to combat illegal dumping and address inadequate refuse service through outreach, education and enforcement. Illegal dumping and inadequate refuse services have posed serious challenges in San Francisco, leading to dirty streets, public health risks and more street cleaning requests for service. Many people responsible for illegal dumping do not have adequate refuse service; by reducing Recology's revenue base, rate payers and taxpayers are forced to cover the additional street cleaning costs.

Started in February 2014, the Outreach and Enforcement Team (OnE Team) has logged 19,000 outreach contacts with property owners, managers, business owners, and residents; sent 15,000 Notices of Violations, issued 3,500 administrative violations to 21,000 locations, collected \$450,000 in citation revenues for the impound account, and ensured that 1,000 properties have adequate refuse collection services. An update on the OnE Team's work is attached to this memorandum.

In this rate application, Public Works is requesting to add two additional public information officers that will be dedicated to the swing and/or night shift. By dedicating these employees to evening and nighttime work, they will be able to work more closely with Street and Environmental Services and Recology staff to focus on improving behavior for regular refuse collection set outs, identify overflow violators, and ensure a transition to an appropriate level of refuse service.

### **Public Litter Can Replacement**

The City has approximately 3,300 public litter cans. These cans are public property, placed and maintained by Public Works and emptied by Recology. Beginning in 2013, the rates included \$840,000 annually for Public Works to replace the old concrete public litter cans with a new can design. In 2013, Public Works estimated a cost of \$1,680 per can (the cost of installation is assumed to be ten percent of

the material cost) and was planning to replace and install 450 receptacles annually. At this rate, it would take Public Works about seven years to replace all of the public litter cans.

Since July 2013, Public Works has collected \$3.36 million for can replacement and installed 1,220 new public litter cans with an average cost of \$1,600 per can installed. Based on experience in the field with the new litter can design, Public Works is planning to install a sturdier heavy duty can for at least 800 locations for an estimated cost of \$4,000 per can installed. Continuing the annual allocation over an estimated four year period would probably complete the public litter can replacement program.

The budget detail for existing programs is included as Attachment 1.

### **New Proposed Program for Public Litter Can Cleaning**

Public Works has been responsible for the steam cleaning of public litter cans. With the growth in service calls for street cleaning services, public can cleaning has become a lower priority task, so the public litter cans are not being cleaned on a regular schedule. Since routine scheduled cleaning of these cans is important for preserving public health and safety, Public Works is proposing to issue a grant for this routine cleaning to a non-profit community partner so that public litter cans will receive routine and scheduled cleaning. The proposed plan is to clean 567 cans every other week, 1,742 cans monthly, and 991 cans annually. Each cleaning is estimated to take an average of 30 minutes.

Public Works will set the program guidelines and outcomes for this proposed grant and has included a detailed budget summary for this proposed new program as Attachment 2.

### **History of Impound Account Funding**

Since Fiscal Year 2004-2005, Public Works has received funds from the Impound Account as follows:

<b>Fiscal Year</b>	<b>Amount</b>
2004-2005	\$1,400,000
2005-2006	\$707,500
2006-2007	\$1,099,061
2007-2008	\$1,148,321
2008-2009	\$1,195,613
2009-2010	\$1,247,024
2010-2011	\$3,800,646
2011-2012	\$3,900,646
2012-2013	\$3,800,646
2013-2014	\$5,204,060
2014-2015	\$5,800,646
2015-2016	\$6,018,250



# Attachment 1: Public Works Programs

Bureau: **SES**  
 FY 2017-18

Proposal submitted by: **J. Dawson**  
 Bureau Priority #: **-**

Proposal Title:

**Impound Account - Refuse Rate Application**

Proposal Description:

**Proposed Operations (budget values)**

Proposal Sources	Funding	Index Code	Character	Object	Subject	Amount
Impound Account Revenue	2S-XXX-XXX	-	-	-	60148	6,991,940
-	-	-	-	-	-	-
<b>Sources</b>						<b>\$ 6,991,940</b>

Job Class & Title	Funding	FTE/ Units	Hr. Rate/ Cost	Hr. Premium	Overhead	FY 2017-18
7514 General Laborer	1G-AGF-AAA	8.50	\$ 33.54	0%	160.65%	\$ 1,545,761
7355 Truck Driver	1G-AGF-AAA	8.50	\$ 43.04	0%	160.65%	\$ 1,983,588
-	-	-	\$ -	0%	160.65%	\$ -
1312 Public Information Officer	1G-AGF-AAA	6.00	\$ 42.40	0%	160.65%	\$ 1,379,213
1312 Public Information Officer	1G-AGF-AAA	2.00	\$ 42.40	8%	160.65%	\$ 496,517
2917 Program Support Analyst	1G-AGF-AAA	2.00	\$ 55.05	0%	160.65%	\$ 596,862
9922 Public Service Aide - Associate To Profe	1G-AGF-AAA	0.00	\$ 21.71	0%	160.65%	\$ -
-	-	-	\$ -	0%	160.65%	\$ -
<i>Labor subtotal</i>		27.00				\$ 6,001,940
Litter Can Replacement - standard cans	1G-AGF-AAA	325.00	\$ 1,460			\$ 474,500
Litter Can Replacement Installation - standard cans	1G-AGF-AAA	325.00	\$ 140			\$ 45,500
Litter Can Replacement - heavy duty can	1G-AGF-AAA	80.00	\$ 3,600			\$ 288,000
Litter Can Replacement - heavy duty can	1G-AGF-AAA	80.00	\$ 400			\$ 32,000
-	-	-				\$ -
-	-	-				\$ -
<i>Materials/ Equipment subtotal</i>		810.00				\$ 840,000
Professional Consulting Services: Rate Review	1G-AGF-AAA	1.00	\$ 150,000			\$ 150,000
-	-	-				\$ -
-	-	-				\$ -
-	-	-				\$ -
-	-	-				\$ -
-	-	-				\$ -
<i>Services subtotal</i>		1.00				\$ 150,000
<b>Uses</b>						<b>\$ 6,991,940</b>

Proposal Estimate Cost/ (Savings) \$ (0)

Additional Detail/ Justification:



# Attachment 2: Proposed Program

Bureau:  
FY 2017-18

**SES**

Proposal submitted by:  
Bureau Priority #:

Proposal Title:

**Trash Can Clean & Steam Service**

Proposal Description:

A non-profit community partner provide cleaning services for trash cans throughout the City. This proposal includes cleaning can on schedule based on use. There are approximately 3,300 trash cans in the City. Approximately 567 will be cleaned bi-weekly, 1,742 will be cleaned monthly, and the remaining 991 will be cleaned annually. Each cleaning required about 30 minutes to clean, although some will take longer. The initial year include procurement of equipment required for the program and these costs may be reduced in subsequent years.

Proposal Sources	Funding	Index Code	Character	Object	Subject	Amount
Impound Account						\$ 1,500,000.00
						\$ -
						\$ -
						\$ -
						\$ -
<b>Sources</b>						<b>\$ 1,500,000.00</b>

Please itemize proposal costs; Labor, Materials/ Equipment, Services of other departments, etc.

Job Class & Title	Hours/ YR	FTE/ Units	Hr. Rate/ Cost	Hr. Premium	MFB	FY Cost
Laborers	2080	12.00	\$ 16.00	0%	35.15%	\$ 539,735
Laborer Supervisor	2080	2.00	\$ 26.00	0%	35.15%	\$ 146,178
Executive Director	2080	0.20	\$ 45.00	0%	27.15%	\$ 23,802
Project Manager	2080	0.20	\$ 36.00	0%	27.15%	\$ 19,042
Workforce Development Analyst	2080	0.20	\$ 21.00	0%	27.15%	\$ 11,108
Administrative Assistant	2080	0.05	\$ 19.00	0%	27.15%	\$ 2,512
			\$ -	0%	0.00%	\$ -
<i>Labor subtotal</i>		<i>14.65</i>				<i>\$ 742,378</i>
Pickup - Crew Cab Truck		4.00	\$ 70,000			\$ 280,000
Pickup - Truck		1.00	\$ 50,000			\$ 50,000
Steamers		4.00	\$ 15,500			\$ 62,000
Materials & Supplies		1.00	\$ 50,000			\$ 50,000
Fleet Expense - Fuel/ Maintenance		1.00	\$ 52,500			\$ 52,500
<i>Materials/ Equipment subtotal</i>		<i>11.00</i>				<i>\$ 494,500</i>
Storage/ Rent (Monthly)		12.00	\$ 9,583			\$ 115,000
Overhead Allowance				12%		\$ 148,122
						\$ -
						\$ -
						\$ -
						\$ -
<i>Services subtotal</i>		<i>12.00</i>				<i>\$ 263,122</i>
<b>Uses</b>						<b>\$ 1,500,000</b>

Proposal Estimate Cost/ (Savings) \$ 0

Additional Detail/ Justification:

Illegal dumping has been a significant and problematic issue in San Francisco. Starting in July 2013, the refuse rates funded a new team to bridge the gap between Public Works' cleanup efforts and the residents, merchants, and property owners who are both affected by and sometimes contributing to abandoned waste and illegal dumping in the City.



Night inspection with Supervisor Peskin and Recology

Called the Outreach and Enforcement (OnE) Team, this group of six public information officers and two program managers officially started in February 2014. Each Public Information Officer is assigned a geographic zone that covers one or two supervisorial districts, corresponding with Public Works Division of Street Environmental Service zones. The public information officers have a strong community presence, educating merchants, property owners, and residents of their rights and responsibilities regarding street and sidewalk cleanliness and enforcing the City sanitation standards.

The OnE Team responds to 311 service requests, interacts regularly with the community, attends public meetings, distributes multi-language informational packets, and performs inspections at all times of the day, 7 days-a-week throughout the year. The team supports Public Works' street cleaning programs, such as Giant Sweep, Community Clean Team, and Community Corridors, serving as a liaison between the public and other Public Works Divisions. The OnE Team also works with Recology to ensure that San Franciscans have sufficient refuse collection service for their residence or business, and works closely with the abandoned waste program at Recology to discourage illegal dumping.

OnE Team members use mobile tablet technology to review property owner and refuse service account holder information in the field. Public information officers can look at the history of outreach contacts and violations at any property and determine how best to proceed. Team members are able to log verbal outreach contacts in the field and issue warning letters, Notices of Violation, and citations with accompanying photos. Public information officers schedule future re-inspections to determine if properties are now in compliance. The tablet



Using tablet to enforce city codes

provides a user-friendly interface with mapping features to enhance efficiency and productivity. Program managers review the production and accuracy of the work of the public information officers, guide the team's approach and higher-level strategy, collaborate with other agencies and community partners, and work with management to ensure the team's work is aligned with Public Works' Strategic Plan.



Promoting Public Works at Sunday Streets community event

Since the start of the program 3 years ago, the OnE Team has attended hundreds of community meetings, logged about 19,000 outreach contacts on specific properties, sent nearly 15,000 Notices of Violation, and issued over 3,500 administrative citations to nearly 21,000 locations citywide. The City has collected \$450,000 in citation payments from notices issued by the OnE Team; this revenue is returned to the impound account, helping to offset some of the program's costs. And thanks to the work of the Public information officers, nearly 1,000 properties that had insufficient refuse collection service have increased their service or improved refuse management practices and been deemed compliant by Department of the Environment.

The focus on educating the public and enforcing City codes has resulted in improved administrative citation hearing results and helped the Department improve its code enforcement practices. The program managers have completed a comprehensive code enforcement manual and created and distributed a presentation and citation narrative templates to improve the efficiency and accuracy of the public information officers and managers who issue citations.

In addition, the OnE Team has made the Community Corridors program more effective by targeting its outreach and enforcement efforts. When the program first started, public information officers needed to assess conditions in every neighborhood. Now, public information officers have now added targeted inspections and staggered re-inspections on the most impacted corridors. This more focused approach has successfully resolved persistent issues and connected residents to resources at Recology, Public Health, Supervisor's Offices, and more.

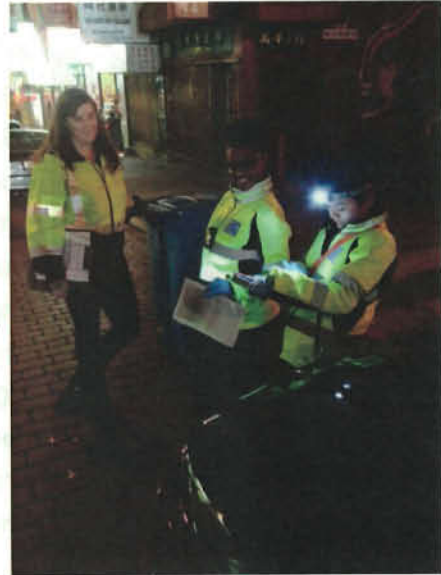


PIO at community meeting with former District 1 Supervisor Eric Mar

## Expanding Coverage of Evening and Nighttime Hours

The OnE Team members has helped property owners and residents who are victims of illegal dumping and garbage scavenging by suggesting solutions such as locking refuse bins, inside collection service, lighting improvements, space activation, and camera installation

While a daytime community presence is important, much of the illegal dumping and scavenging activity happens after dark. In addition, trash collection generally happens in the early morning hours, it is difficult for current public information officers to observe the regular set-out methods and identify refuse overflow violators in their areas. Public Works is requesting to add two new public information officers dedicated to the swing and/or night shift to provide dedicated personnel to partner with Street and Environmental Services Division management and Recology's refuse collectors. Adding two Public information officers for night work will supplement the current efforts and provide a more comprehensive assessment of citywide collection need, ensuring sufficient refuse collection service and supporting the City's Zero Waste goal. The new Public information officers will assist in OnE Team's regular *Night Walk* and *Spruce Up By Sun Up* scheduled inspection efforts. The OnE Team will also be more able to address the more difficult issues, such as city can abuse, insufficient residential service from over occupancy, and scavenging-related nuisances.



Auditing refuse collection service with Recology



OnE Team Night Walk inspection