

GARY SANITARY DISTRICT

Schedule of Garbage Collection and Recycling Fees Calculation for Proposed Fees

Estimated Costs for Garbage Pick-up and Disposal

23,000 households at \$21 per unit times 12 months		\$ 5,796,000
Less: Garbage Fees (User Charges)		
7,660 Senior Citizens at \$7 per unit times 12	643,440	
15,340 Residential Units at \$12 per unit times 12	<u>2,208,960</u>	
Total Garbage Fees (User Charges)	2,852,400	
Less: Allowance for Slow and Doubful Accounts - 15%	<u>(427,860)</u>	
Net User Charge Fees		<u>2,424,540</u>
Balance of Costs to be Raised Through:		
Solid Waste Fund - Property Tax Levy		<u>\$ 3,371,460</u>

Notes: The District's 2009 budget includes \$6,000,000 for Solid Waste disposal and is funded through a property tax levy. The net amount to be raised by tax levy for the Solid Waste Fund for 2009 is expected to decrease by approximately \$1,700,000. The City of Gary's General Services sanitary budget and MVH budget is expected to decrease by approximately \$2,500,000 as a result of implementing the Garbage Fees and outsourcing the garbage collection to an outside provider.

The outside provider is anticipated to begin services sometime in October 2008. It is anticipated that the Garbage Collection Fees will not be effective until January 1, 2009. GSD will pay for the outside provider from October through December 2008 with the remaining appropriations of the Solid Waste Fund.