

Sheila Kitz

From: Darlene Smereka
Sent: Wednesday, February 06, 2013 2:01 PM
To: Sheila Kitz
Subject: FW: Gravel Billing Concerns
Attachments: 20130206141009234.pdf

From: Darlene Smereka
Sent: Monday, February 04, 2013 6:03 PM
To: Sheila Kitz
Subject: Gravel Billing Concerns

Concerns with a two tiered billing system for gravel:

1. Definition of "household" - is a house required to be on the property? Where would this leave vacant lake lots with driveways?
2. Accountability - gravel orders are currently tracked by name on an excel spreadsheet. This sheet would require significant changes, as well as a summary sheet for audit purposes.
3. Communication of rates - the last rate increase, which was a simple increase, wasn't always explained as orders came in later in the year, leaving many people angry once they received their invoices. Gravel order taking and tracking is taken over by a Summer Student from May-August as DD is overly busy with payroll and parts during those months. Many ratepayers never ask the price, assuming it will be the same as the last time they ordered.
4. Accuracy of information transferred to office for billing - As the gravel order taking and tracking is taken over by a Summer Student, whose understanding of the entire process is extremely limited, information is not always as accurate as it would need to be for a two tier billing system.
5. Invoicing will be cumbersome - once all gravel tickets are entered for the two week period, the computer system generates a listing of private sales for that period. This is a simple report which only gives the name, ticket number and amount of gravel hauled (see attached). The dollar amounts are irrelevant as Bellamy picks up our inventory cost of gravel, not our charge out rate. With a two tier system, it would be necessary to keep a second excel sheet with a running total, or flip back to the cards for each invoice. In 2012, slightly more than 800 invoices were issued for gravel sales.
6. Practicality of trucks for hauling - the County is able to haul 10, 20, 25 and 30 yard loads; however, delivery depends on the availability of the trucks. Setting a rate at 20 yards will limit the usage of the 25 and 30 yard trucks.

I will send an analysis of the 2012 gravel sales and potential revenues later this week

Darlene

2012 Gravel Sales Analysis

Average Yards Ordered 57
Median Yards Ordered 30

Breakdown of Number of Orders

Percentage of Orders 20 yds and less	41.13%
Percentage of Order 21-30 yds	14.51%
Percentage of Orders 31-40 yds	7.51%
Percentage of Orders 41-50 yds	7.17%
Percentage of Orders 51-100 yds	16.38%
Percentage of Orders over 100 yds	13.31%

Breakdown of Orders

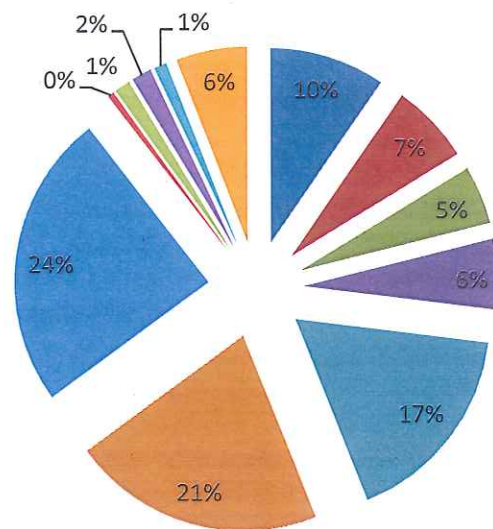


2012 Gravel Sales Analysis

Distribution of Gravel

Percentage of Orders 20 yds and less	9.62%	3339 yds
Percentage of Order 21-30 yds	6.65%	2351 yds
Percentag of Orders 31-40 yds	4.83%	1708 yds
Percentage of Orders 41-50 yds	5.86%	2072 yds
Percentage of Orders 51-100 yds	17.04%	6021 yds
Percentage of Orders over 100 yds (First 100)	20.94%	7400 yds
Percentage of Orders over 100 yds (Balance)	24.57%	8684 yds
Blue Quills College	0.51%	180 yds
Evergreen Regional Landfill	1.34%	472 yds
Town of Elk Point	1.67%	590 yds
Town of St. Paul	1.05%	370 yds
Industry to County Roads	5.91%	2090 yds

Gravel Distribution



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