

April 28, 2022

FISCAL YEAR 2023 BUDGET

Dear Board of Commissioners and Citizens of Chittenden County,

I am pleased to present to you Chittenden Solid Waste District's Fiscal Year 2023 Budget proposal. It provides necessary funding for facilities, operations, public programs, and capital programs to meet the Board's strategic goals over the coming year. It also lays the foundation to continue to advance those goals towards the future. I am happy to tell you that the financial condition of CSWD is sound, therefore **I do not see a need for any municipal assessments or per capita fees**. We continue to be self-sufficient, relying on revenue from facility user fees, material sales, and fees charged to haulers when disposing Chittenden County trash at the landfill to cover the costs of the services we provide.

Adjusting to New Realities

Fiscal Year 2022 began where FY2021 ended, still in the midst of a global pandemic. Major infrastructure projects resumed and we continued our focus on reconfiguring our public-facing facilities to ensure the health and safety of our employees and customers and continue to improve efficiency. As that new work progressed, the identified efficiencies and areas of improvement are being carried forward. Having said this, CSWD is not immune to material delays, steep increases in the cost of materials, and difficulty filling open positions. Early project cost estimates have needed to be revised, sometimes multiple times, and project start/completion dates are now simply a best guess.

Not surprisingly, costs are also increasing for CSWD in several key areas, specifically hauling services, fuel costs, waste disposal fees we pay at the transfer station, and processing fees we pay our MRF operator. We also provided a mid-year 3% cost of living adjustment to District employees in light of the steep rise in inflation in calendar year 2021. We are closely monitoring the US Bureau of Labor Statistics' consumer price index for the Northeast in the event that inflation continues to rise steadily. This budget does propose a 2% COLA for July 1.

MATERIALS RECOVERY FACILITY:

Market Resurgence

FY 2022 saw continued strong pricing in the recycling markets, particularly paper markets. The initial resurgence was a COVID-related effect. Mixed paper was in demand as recycled content in paper towels, toilet paper, and sanitizing wipes, and cardboard was in high demand as more and more consumers shopped online. The demand remains strong heading into FY 2023, putting us in a strong materials sales position as fiber products represent 75-80% of the materials sorted at the MRF. The markets for other "blue bin" materials such as plastic bottles, aluminum cans, and cardboard have also begun rebounding, due in part to increased demand by major brands like Coca-Cola to include

recycled material in their packaging. This budget assumes a conservative average commodity revenue of \$80/ton, but I expect we will surpass that average.

Modern Facility

In April 2022 the Board of Commissioners voted to ask the voters of Chittenden County to approve issuance of municipal bonds by CSWD to fund the construction of a new Materials Recovery Facility on Redmond Road in Williston. The Board approved a not-to-exceed bond amount of \$22,000,000. We are working to reduce this burden through a combination of grants and zero-interest loans. **CSWD will not be assessing our member cities and towns for the debt-service.** We are proposing a state-of-the-art facility, complete with high-tech sorting equipment and an education center. Advanced sorting capability will mean that we'll finally have the space and flexibility to expand what can be recycled in our blue bins/blue carts, allowing more to be diverted from the landfill and directed to processors as raw materials.

ORGANICS DIVERSION FACILITY:

Organics Diversion Facility tip fees are increasing from \$60/ton to \$65/ton starting July 1. The increase reflects the goal of bringing the ODF closer to self-sufficiency. This goal took a significant hit in FY21-22 as Casella began diverting most of their collected food scraps to their new depackaging facility. This reduction represented approximately 30% of the inbound compost feedstock and, while welcomed at the time to help alleviate processing concerns, the reduction places downward pressure on the FY23 tip fee revenue forecast. Food scraps brought to the Drop-Off Centers (DOCs) by smaller, niche haulers continue to grow. We've budgeted anticipated food scraps tons inbound to 4,400 tons. This is approximately 77% of our operational comfort level of between 5,500-6,000 tons of food scraps each year.

In FY23 we will complete the build-out of the facility. The build-out includes a new scale, new residential food scrap drop-off area, new entrance to the ODF, and a new traffic flow through the facility. We will also be able to accept clean wood for drop-off, adding convenience for residential and small business customers. This final phase of construction at the ODF increases site safety, allows us to accept up to 7,000 tons of food scraps annually for composting, and allows us to add real-time contamination checks which will lead to greater quality control and customer education opportunities.

We are not expecting pandemic-level product sales in FY23 and instead have budgeted a normalized (to FY18-19 levels) sales expectation. Having a local to Chittenden County resource able and willing to accept the county's food scraps means that county residents and businesses can feel good about complying with the state's mandate to keep food scraps out of the landfill because the food scraps are becoming compost, and that the cost to manage those food scraps remains affordable.

DROP OFF CENTERS:

The Drop-Off Center (DOC) system review is ongoing and in many ways is the most challenging of the systems reviews we've undertaken. **We are not raising bag prices in FY 2023**, however part of the system review is to obtain a truer understanding of the costs of managing waste materials through

the system, particularly those materials for which we currently do not charge a fee. These no-fee materials are subsidized by the CSWD general fund, and the subsidy required by the DOC system is growing.

Friendly Neighborhood DOC

Even though the DOCs are District facilities, they are very much seen as “local”. This capital budget includes long-awaited improvements to the Milton DOC. The remaining DOCs will receive updates in successive out-years. Our six DOCs serve 25% of Chittenden County as a primary source of waste disposal, recycling, and management of special materials not accepted elsewhere. More than 70% of Chittenden County residents use the DOCs to manage waste materials each year. We recognize that we perform a vital function in the community, and the challenge is to do so safely, efficiently, economically, and in an environmentally responsible manner.

SOLID WASTE MANAGEMENT FEE:

I am recommending that the Solid Waste Management Fee remain at \$27.00 per ton of trash disposed. This is the fee charged to haulers when they dispose trash in the landfill in Coventry. The fee has not risen in nine years. Our model estimates the SWMF to be 0.5% higher than FY22 estimates and 2.1% higher than CY21 actuals resulting in revenue slightly higher than FY20 actuals. Trash generation did not fall off as precipitously as feared that it might due to COVID-related shutdowns.

As the economy recovers and grows, as it is forecast to do through 2023, waste reduction education will be even more important. Our team of solid waste professionals is dedicated to ensuring our members’ solid waste is managed in an environmentally sound, efficient, effective and economical manner. I continue to work with our team positioning CSWD to make sure we remain a stable and predictable service provider to the citizens of Chittenden County.

Sincerely,



Sarah Reeves, Executive Director

FY 2023 BUDGET PROPOSAL

**TO VIEW BUDGET DETAIL VISIT
[CSWD Financial Information](#)**



Chittenden Solid Waste District

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CHITTENDEN SOLID WASTE DISTRICT FY 2023 BUDGET PROPOSAL

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Individual Program Budgets with Details and Comparisons to previous years are available on line at <https://cswd.net/about-cswd/financial-information/>

A.

To: Board of Commissioners
From: Sarah Reeves, Executive Director
Nola Ricci, Director of Finance
Date: April 21, 2022
RE: Fiscal Year 2023 Budget Proposal

OVERVIEW

In Fiscal Year 2022 (FY22) CSWD transitioned into a more robust financial system that allows us to better support decision making as we consider the future of our operations. Updates to the accounting, payroll and budgeting software now provide managers with better access to system data. The system also improves transparency, enables true comparison with previous years' finances, and provides a clear picture of the financial position of CSWD in an easy-to-read format.

Programs are grouped into three categories:

- **Administrative:** this collection of programs includes departments needed to manage State requirements and are financed by the Solid Waste Management Fee. This category includes Administration, Compliance & Safety, Engineering, Finance, Outreach & Communications, and houses the Solid Waste Management Fee.
- **Operating:** this collection of programs is comprised of what we call our "facilities", or those programs that actively receive, manage, and/or process municipal solid waste. This category includes the Organics Diversion Facility, the Materials Recovery Facility, the Environmental Depot and Rover, and six Drop-Off Centers.
- **Self-Funded:** this collection of program consists of non-active reception or management of municipal solid waste. This category includes the Closed Landfills, Biosolids, and the allocated cost of Maintenance and Roll-Off.

The proposed budget for FY23 remains conservative and acknowledges some of the increases we've experienced, and those we anticipate, as costs rise. The first and second quarters of Fiscal Year 2022 (FY22) are maintaining a similar trend we observed in Fiscal Year 2021 (FY21): by the end of December 2021, revenue reached over 80% of projections. This increase in excess income has encouraged us to rethink how we distribute excess income. Our redistribution procedure is described in more detail under the Reserve Highlights. Capital construction projects at the Organics Diversion Facility will be completed by the end of the second quarter of FY23, while construction of a new Administration building is anticipated to begin as early as Q2.

Materials Recovery Facility Highlight

In April 2022 the Board of Commissioners voted to ask the voters of Chittenden County to approve issuance of municipal bonds by CSWD to fund the construction of a new Materials Recovery Facility on Redmond Road in Williston. The Board approved a not-to-exceed bond amount of \$22,000,000. We are working to reduce this burden through a combination of grants and zero-interest loans. **CSWD will not be assessing our member cities and towns for the debt-service.** If the request is voter approved, permitting for a new MRF would commence in Q3 of FY23 with potential ground-breaking in late Q4. Preliminary engineering and design work for the new MRF is budgeted in FY23 as a capital expense and would be reimbursable through bond proceeds. Due to ongoing global supply chain disruptions and demands, completion of the new MRF may not occur until FY25.

Debt service is unknown as of the date of this memo because the financing package is still being developed, however a revenue sufficiency study performed for the project shows tip fees and commodity sales revenue generated by the facility to be sufficient to pay annual operating costs + debt service of \$1,200,000. The District is gathering data on the likely sources and costs of financing which will be integrated into our cash flow forecasting model for this project. The District's goal is to maintain a 5:4 debt service coverage ratio to assure the financial sustainability of the project and the health of the District as a whole.

CSWD SOURCES OF REVENUE

CSWD's revenue has three main components: Solid Waste Management Fees (SWMF), User Fees (tip fees), and Material Sales. The remaining revenue comes from rental income, license fees, bin sales, grants, and Extended Producer Responsibility program reimbursements. **CSWD receives no municipal payments (assessments, per capita fees, tax payments, etc.) from our member communities.**

- **Solid Waste Management Fees:** \$27/ton charged on each ton destined for disposal. Four material types make up the tons subject to the SWMF—municipal solid waste, construction & demolition debris (C&D), construction & demolition debris fines, and material eligible to be used as alternate daily landfill cover (ADC). C&D fines and ADC are charged 25% of the SWMF, or \$6.75/ton. **In FY23, SWMF are 26% of the revenue budget.**
- **Tipping/User Fees:** Fees charged for material disposal at Drop-Off Centers (DOCs), the Materials Recovery Facility (MRF), the Organics Diversion Facility (ODF), and the Environmental Depot. **In FY23, Tip/User Fees are 54% of the revenue budget.**
- **Material Sales:** Revenue generated from the sale of products we make—compost products, Local Color paint, baled recyclables—or products we purchase on behalf of the public and then resell, like compost bins. **In FY23, Materials Sales are 17% of the revenue budget.**

REVENUE SNAPSHOT

Revenue (in thousands)	FY20 Actual	FY22 Budget	FY23 Budget	Change from FY22 Budget	Change from FY20 Actual	% of Overall Revenue
Tip Fees	6,930	7,045	7,724	8.80%	10.28%	53.6
Material Sales	1,777	2,175	2,541	14.38%	30.06%	16.6
SWMF	3,328	3,372	3,382	.30%	1.60%	25.7
All Other	611	541	386	-61.14%	-58.6%	4.1
TOTAL	12,646	13,132	14,032	6.41%	9.88%	100%
Cost of Goods Sold	329	177	172	-3.01%	-91.04%	
Gross Profit	12,317	12,955	13,860	6.53%	11.13%	

Tip Fees, User Fees, and Material Sales Assumptions:

- MRF tip fees were raised in March 2020 to \$80/ton and **we are not proposing raising the tip fee in FY23**. The fiscal year average commodity revenue (ACR) value from material sales through February 2022 was \$134/ton, up from approximately \$84/ton average through the same period in FY21. Cardboard and mixed paper pricing increased due to high demand from domestic paper mills. This increased demand is expected to continue through at least the 2nd quarter of FY23. Plastics pricing is stable, with high demand for HDPE-Natural (milk jugs) and for PET. We have budgeted MRF materials sales very conservatively at \$80/ACR and will likely exceed budget expectations. The rationale for not budgeting higher sales is because the ACR is highly dependent upon the paper mills to which Casella markets our materials. Fiber products represent 75% of our MRF material stream and paper pricing, while stabilizing, is still variable. We are assuming 47,500 tons of inbound recycling, and marketing 38,000 of those tons.
- The MRF Operating contract with Casella expires on June 30, 2022 and is currently in renegotiation. MRF expenses will rise as a result of the new terms (an increase in the processing fee is anticipated).
- Organics Diversion Facility tip fees are increasing from \$60/ton to \$65/ton starting July 1. Food scraps brought to the Drop-Off Centers (DOCs) by smaller, niche haulers continue to grow. We saw a significant reduction in food scraps from Casella in FY22 as they diverted most of their collected food scraps to their depackaging facility. This reduction represents approximately 30% of the inbound compost feedstock and, while welcomed at the time to help alleviate processing concerns, the reduction places downward pressure on the FY23 revenue forecast. We've budgeted anticipated food scraps tons inbound to 4,400 tons. This is approximately 77% of our operational comfort level of between 5,500-6,000 tons of food scraps each year.

We are not expecting pandemic-level product sales in FY23 and instead have budgeted a normalized (to FY18-19 levels) sales expectation. The increase to the Cost of Goods Sold is due largely to a need to purchase sand for incorporation into a product blend.

- Revenue is down at the DOCs in large part due to the loss of the Richmond facility and the continued limited use at the Burlington site. There is not yet an agreement to construct a permanent facility in Burlington, however discussions with the City continue in earnest. The new goal is to have a facility constructed by FY26. Additional DOC revenue pressure is due to the many items managed at the DOCs that do not have adequate (or any) revenue associated with them, meaning we are subsidizing the collection and management of certain materials such as universal waste, some electronics, and leaf and yard debris. Recycling and food scraps are bundled in the pricing of trash when brought together as a unit, and we are currently not recovering the full cost of all three of those material streams. When the tip fees increase at the MRF and ODF, we do not always adjust DOC pricing to accommodate the increases. The DOC pricing structure will be analyzed in FY23 for potential changes in FY24.

Solid Waste Management Fee:

Solid Waste Management Fee revenue is projected to be slightly higher than FY22 budgeted amounts, representing a continued return to “normal”. We used the Solid Waste Disposal and Diversion Trends Model developed for CSWD by SERA, Inc to generate our projections for FY23. The model estimates the SWMF to be 0.5% higher than FY22 estimates and 2.1% higher than CY21 actuals resulting in revenue slightly higher than FY20 actuals levels. Supporting the model’s output, the state’s Joint Fiscal Office is projecting favorable economic conditions in FY23 as new infrastructure spending begins.

EXPENSES SNAPSHOT

Expenses (in thousands)	FY20 Actual	FY22 Budget	FY23 Budget	Change from FY22 Budget	Change from FY20 Actual	% of Overall Expenses
Salary/Wages	2,644	3,286	3,345	1.76%	20.97%	25%
Benefits	1,106	1,411	1,455	2.95%	23.99%	10.7%
Travel/Training	58	96	97	.58%	40.36%	.7%
Administrative	472	173	123	-39.93%	-282.68%	1.3%
Professional Services	312	208	268	22.59%	16.15%	1.6%
Equip/Fleet	370	664	773	14.02%	52.17%	5.1%
Gen. Supplies	67	95	120	20.73%	43.64%	.7%
Mat’l Management	5,575	5,020	6,151	18.38%	9.36%	38.2%
Property Management	417	507	490	-3.38%	14.81%	3.9%
Promotion & Education	93	155	163	5.11%	43.02%	1.2%
Community Support	39	26	106	75.73%	63.41%	.2%
Maintenance	509	681	718	5.11%	29.07%	5.2%
TOTAL*	11,662	12,322	13,809	10.76%	15.55%	

*Expenses shown are before capital contributions and contributions to overhead.

Key Points:

- Expenses in FY23 are reflecting a “return to normal” with a few notable exceptions. Materials management expenses (hauling, MRF processing) are increasing significantly. Just over \$1M of the increase is in the MRF budget, reflecting an increase in the contract cost with the facility operator and an increase in the cost to transport recycled glass to market. Even with a return to normal activities and this one very large increase, our overall expenses have only slightly increased.
- Salaries and wages increased slightly in this budget. Although a 2% COLA is budgeted, the increase was moderated in part due to recent retirements, the elimination of some seasonal positions, and a decrease in on-call staff hours. A Total Compensation Study was completed in FY22, but this budget does not include the recommendations of the study and the subsequent Ad Hoc Committee. The Finance Committee felt additional study on the long-term ramifications of the recommending changes to the CSWD Pay Grade and Step Schedule was warranted. The impact of the Ad Hoc Committee recommendations are presented in an additional memo allowing the full Board to determine if the step changes should be put into practice beginning FY23.

In January 2022, a mid-year COLA of 3% was provided to District employees in response to the staggering increase in inflation over the course of calendar year 2021. CSWD utilizes the US Bureau of Labor Statistics’ index for the Northeast to generate a suggested annual COLA for employees. This year we also referenced the Social Security Administration’s annual COLA when developing the recommended COLA for FY23. We are keeping a close watch on the CPI and will be reporting back to the Board in October regarding the forecasted COLA for calendar year 2023.

- Administrative costs are lower now that the new budgeting, accounting and payroll software systems have been implemented.
- General Supplies are higher, corresponding to a physical return to the office.
- The Community Clean Up Fund (CCUF) is budgeted at the full liability balance as an expense per recommendation of the FY20 Auditors and is a new primary expense account under Community Support. The expense is housed in the Finance Department instead of in Outreach & Communications. Management is recommending changing the District CCUF Policy to eliminate banking and/or carrying over unused funds, and instead fully fund the CCUF each year with five years’ worth of allotment. The goal is to facilitate member communities’ use of the funds each year, instead of waiting 3-5 years to build up enough money to fund meaningful community-wide projects. If a member community doesn’t use their allotment within a fiscal year, the allotment is retained by the CCUF Reserve. The CCUF Reserve would not exceed \$95,000 unless the per-community allotment is adjusted by the Board of Commissioners. The amount budgeted, \$95,000, represents the maximum total of all District member communities’ five-year funds carried over and “banked” as currently allowed by the CCUF Policy.

- Travel and Training assumes a return to attending conferences, workshops, and trainings in person; How much will occur remains to be seen. Where we can continue to attend events remotely, we will do so. We have promoted several employees to new leadership positions and will be providing training to them to support their growth and success.
- Materials Management is up significantly. Materials management is how we refer to hauling services we use to move materials we produce (compost, recyclables) to market, and move materials we collect (MSW from Drop-Off Centers, trash we generate, etc.) to disposal. Most of the expenses are at the MRF where we are anticipating increased costs to move processed glass aggregate to markets outside the Northeast and increased operating costs with a new operator contract.

RESERVE FUNDS

In FY22, the District revised the Reserve Fund policy and structure. The new structure establishes a priority funding mechanism, minimum and maximum balances, and proposes to restrict certain funds (Closed Landfill, Facility Closure, and Biosolids). As each priority reserve reaches its maximum, remaining excess revenue flows (“waterfalls”) to the next priority reserve fund in order, as illustrated below:

Reserve Type	Reserve Name	Minimum Carry Value	Maximum Carry Value
Restricted	Biosolids Reserve	Current depreciation of Biosolids Trailers, as contracted	\$650,000 or cost of replacing Biosolids trailers
Restricted	Landfill Post Closure Reserve	Original cost of calculated closure less operating reduction	Original cost of calculated closure
Restricted	Facilities Solid Waste Termination Reserve	Calculated cost of facility solid waste termination	Highest past calculated cost of facility solid waste termination
Assigned	Facilities Decommission Reserve	Calculated cost of facilities decommissions	Highest past calculated cost of facilities decommissions
Assigned	General Fund	3 months of budgeted administrative expenses	6 months of budgeted administrative expenses, or highest past calculated cost
Assigned	Community Clean Up Fund	Current balance due to communities	Maximum carry over allowed to communities
Assigned	Operating Reserve	3 months of budgeted operating expenses	6 months of budgeted operating expenses, or highest past calculated cost
Assigned	Capital Reserve	Current value of fully depreciated assets	Current value of total asset depreciation
Unrestricted	Undesignated Fund	5% of budgeted revenue	10% of budgeted revenue

Assigned FUNDS

Capital Reserve

In FY21 we moved to a single Capital Reserve fund rather than separate capital reserves for each program. This was done to reflect the reality of our accounting and banking system, to improve strategic planning efficiency, and to eliminate proprietary feelings over capital funds. CSWD is one singular fund, and as such all “reserve funds” exist merely on paper – although some long-term reserve dollars are held in interest-bearing accounts, in general funds are not deposited into separate bank accounts. There are no separate pots of money destined for use in particular programs. The District

formerly budgeted individual capital reserve fund contributions and tracked each program’s contribution and total, albeit not precisely. This practice gave the impression that separate funds existed.

The single Capital Reserve remedies the past practice of programs internally subsidizing each other. When a program generates revenue in excess of expenses, it contributed that excess to “their” capital reserve. Occasionally those contributions exceed the program’s need, such as in the case of the MRF in most years. Because we had internally separated the capital reserves of each facility, if the DOCs or ODF had capital needs that exceeded their funds’ balance, they would “borrow” capital funds from the MRF and then would “reimburse” that reserve account. This practice was unnecessarily burdensome, required extensive tracking and caused internal resentment among managers reluctant to let go of “their” capital funds. We no longer silo our operations; We have one District capital plan. We will continue to track each program’s ability to contribute, and the amount, as a check on the program’s economic health. Each program’s capital needs will be analyzed and evaluated in the context of the needs of the entire District. In FY23, the MRF is the primary program contributing to the capital reserve; however we are anticipating that in FY25 the ODF will begin to contribute to capital.

Beginning in FY22 we no longer budgeted for programs to contribute to the capital reserve if the program is being subsidized by the District’s Undesignated Fund. In previous budgets, each program that used capital funds would budget a capital fund contribution. This would occur as an expense. When the revenues, expenses, and allocations were tallied, nearly every operating program would be “in the red” and require subsidized support from the Undesignated Fund, which is funded through solid waste management fees. This practice did not support transparent accounting of the individual operations programs’ relative economic health. Subsidies are now accounted for “below the line” so that the operating health of each program is clear.

Operating Reserve

Related to recognizing one capital reserve for the District, new in this budget is the **addition of an Operating Reserve**. This new reserve is necessary to provide a buffer against unexpected events (such as we experienced with COVID-19) or large unbudgeted but necessary operating expenses, such as if outside vendor contracts that are deemed necessary change without notice. This reserve will allow us to weather the unanticipated and provide time to discuss and implement a new direction without resorting to snap decisions. In FY23, the Operating Reserve is being seeded with excess MRF revenue.

Solid Waste Management Fee Rate Stabilization Reserve proposed name change to General Fund

CSWD hasn’t raised the Solid Waste Management Fee (SWMF) in nearly 10 years and continues to contribute excess SWMF revenue to this reserve. The SWMF reserve has functioned as a de facto Operating Reserve, but this will change with the implementation of a true Operating Reserve. The CSWD Charter states that the District may establish a “management fee structure” for the purpose of generating revenues from sources other than assessments to member municipalities. The Charter is less clear on the specific uses of the management fees but the District has in practice used the fees to fund administrative program costs, state mandated education and outreach program costs, and to

subsidize certain operational expenses, such as those associated with the Environmental Depot.

Renaming this reserve “General Fund” brings it in line with standard Municipal naming conventions used to describe an unrestricted and undesignated fund used for routine business activities.

Facilities Closure Reserve proposed to split into Facilities Solid Waste Management Termination Reserve and Facilities Decommission Reserve

Initially established to provide funding in the event the District may need to decommission facilities. In FY23 we have created two distinct funds to account for the State mandated solid waste management termination and the cost of decommissioning a facility. Due to its requirement by the State of Vermont, the Facilities Solid Waste Management Termination Reserve will be considered restricted. The Facilities Decommission Reserve will remain assigned as it is intended primarily for internal costing in event a facility closes.

RESTRICTED FUNDS

The Biosolids, Closed Landfill, and Facilities Closure reserve funds will be considered Restricted Funds, beginning with the FY23 budget. They currently are not formally restricted, but this is not considered a best practice. We manage the Biosolids Reserve as a restricted fund, but it is unrestricted. Restricting these reserves means that the funds attributed to these programs may be used only for the expenses of these programs. Excess funds after their restricted use may be redistributed as deemed appropriate by management.

BOTTOM LINE

Each year, we need to “get to zero”. In FY23, we are projecting \$768,607 in income after capital and allocations needing to be transferred to reserves.

Revenue	\$14,031,725	
Cost of Goods Sold	\$172,197	
Gross Profit		\$13,859,528
Expenses		<i>\$13,808,706</i>
Income from Operations		\$50,822
Capital Contribution	-	
Maintenance Allocations	\$717,785	
Income After Capital & Allocations		\$768,607
Transfer from (to) Closed Landfill Reserve	\$188,919	
Transfer from (to) SWMF Reserve	(\$429,225)	
Transfer from (to) Biosolids Reserve	(\$46,375)	
Transfer from (to) Operating Reserve	(\$30,617)	
Transfer from (to) Capital Reserve	(\$451,309)	
Net		-

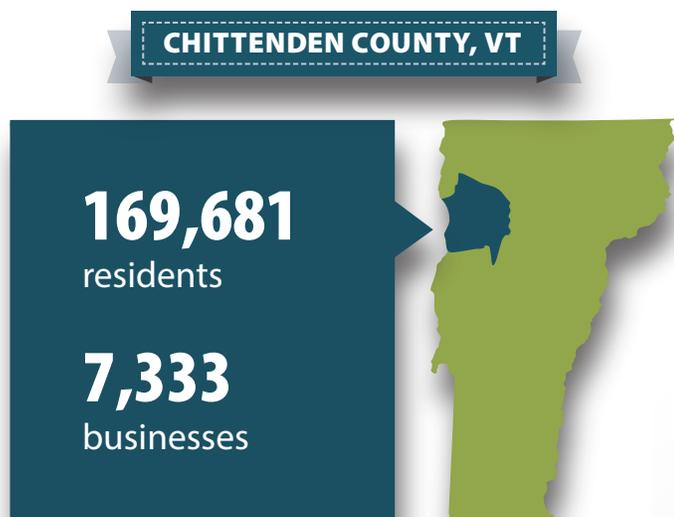
who we are

OUR MISSION

The Chittenden Solid Waste District's mission is to reduce and manage the solid waste generated within Chittenden County in an environmentally sound, efficient, effective and economical manner.

OUR VISION

Products are designed to be reused or recycled and our community fully participates in minimizing disposal and maximizing reuse and recycling.



2020 data. Sources: U.S. Census and VT Dept. of Labor

We are a municipal district created in 1987 to oversee and manage solid waste in Chittenden County.

CSWD serves about a quarter of the population of Vermont (169,681 residents and 7,333 businesses)* with facilities, programs, and expertise developed over our 34-year history.

*2020 data. Sources: U.S Census and VT Dept. Of Labor

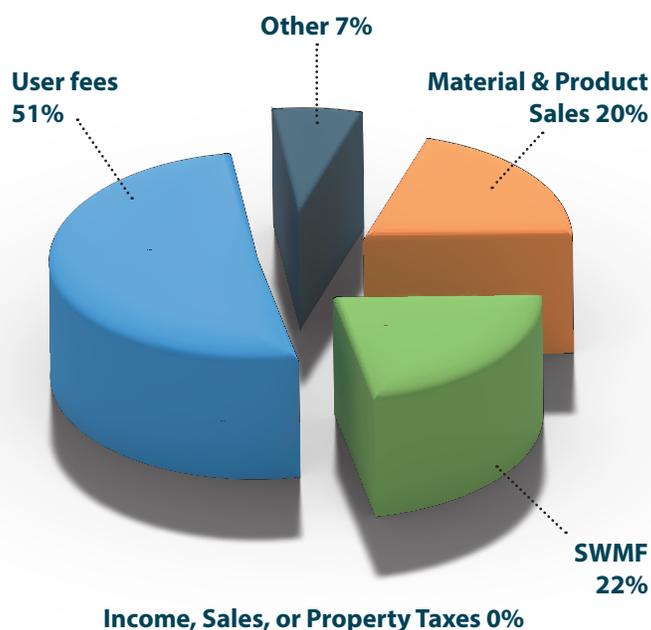
HOW WE'RE FUNDED

Our revenue comes from three primary sources:

- **User fees** on incoming material at our facilities;
- **The Solid Waste Management Fee (SWMF)**, a per-ton fee on material sent to the landfill;
- **Material and product sales** from material we collect and process at our facilities and sell;
- A small, variable percentage of our funding comes from **State grants for hazardous waste and other materials management**.

We are not funded by Income, Sales and Property tax dollars.

FY21 REVENUE \$15.1M (unaudited)



what we do

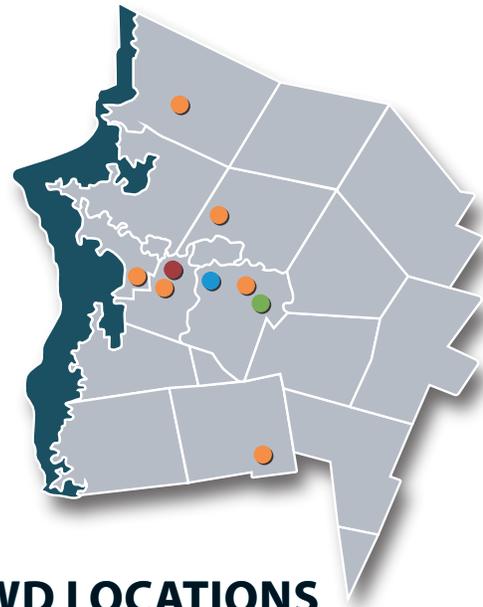
REDUCE WASTE

- › **Educate residents, businesses, schools, and event leaders** on waste prevention and diversion
- › **Promote community reuse options**
- › **Process leftover paint** from residents and businesses into Local Color Paint
- › **Maintain and enforce our Ordinance**, which includes waste prevention and diversion requirements
- › **Help our members** comply with federal and state solid waste laws
- › **Provide facilities and tools** to help members prevent waste and maximize diversion from the landfill to recycling, composting, and other resource recovery
- › **Advocate for state-wide policies** that will reduce waste

MANAGE MATERIALS

Our facilities:

- › **The only municipally owned Materials Recovery Facility** (blue-bin recyclables sorting center) in Vermont
- › **Six regional Drop-Off Centers** for household trash, recycling, organics, and special recycling
- › **A comprehensive hazardous waste program for households and small businesses** that includes a permanent year-'round collection facility *and* a seasonal mobile collection unit
- › **The state's largest Organics Diversion Facility** (home of Green Mountain Compost) turning food scraps and yard trimmings into compost and soil blends supporting local soils



CSWD LOCATIONS

- **Drop-Off Centers**
- **Environmental Depot**
- **Materials Recovery Facility**
- **Organics Diversion Facility** (Green Mountain Compost)

SUPPORT OUR MEMBERS

- › **Technical expertise and support** for waste-related RFPs and studies
- › **Grant funding**
 - › Community Cleanup Fund for all member towns
 - › Waste Reduction Container and Project Grants
- › **Provide waste-reduction containers**
 - › Recycling bins
 - › Containers for food-scrap drop-off at CSWD facilities
- › **Brokering and investigation** of beneficial use options for biosolids
- › **Green Up Vermont donation** on behalf of all member towns;

how we're doing

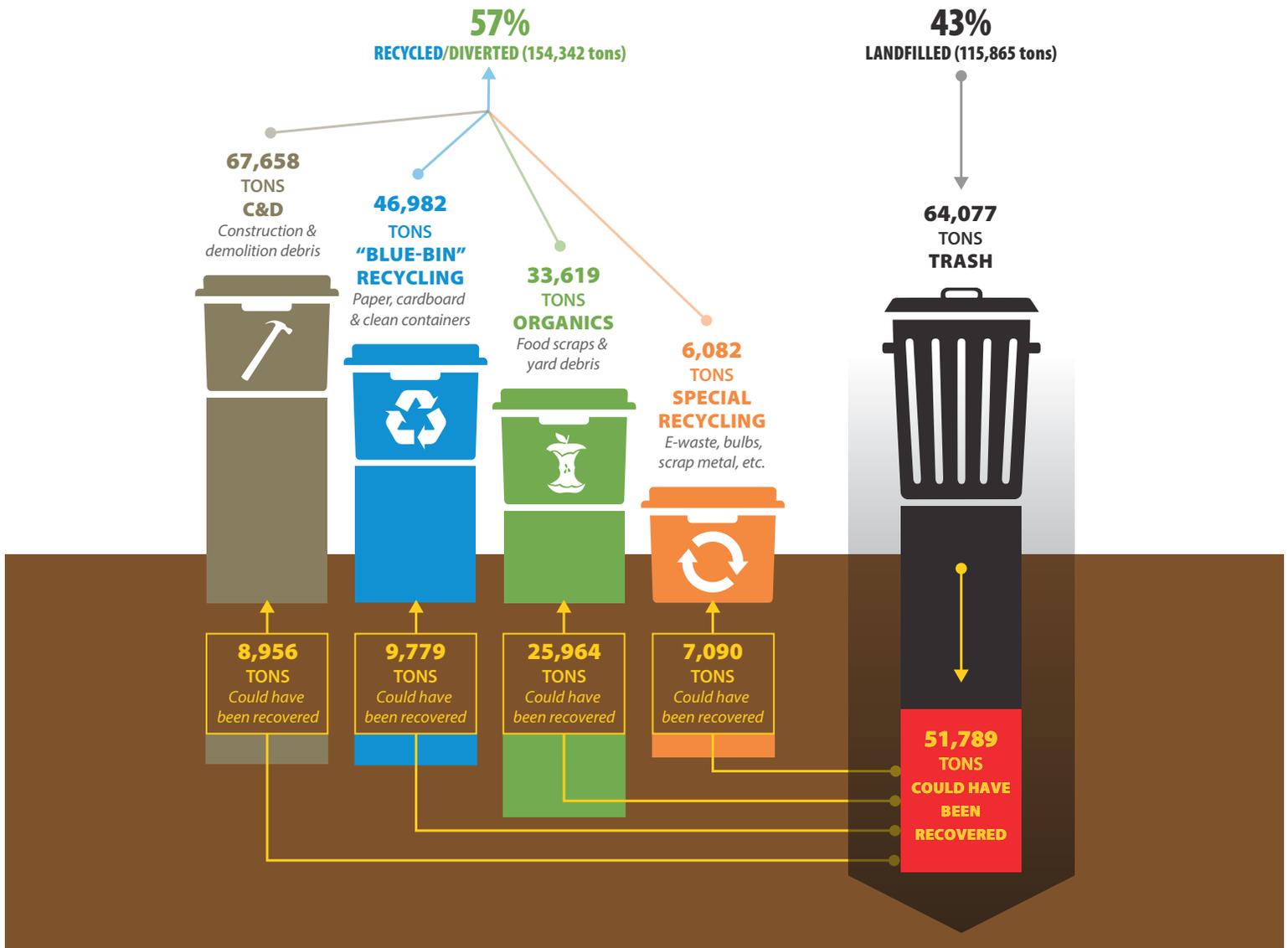
This graphic shows three key measurements of all the materials that individuals and businesses in Chittenden County, VT generated in 2020:

1. An estimate of how much "stuff" we all generated and needed to manage as solid waste in 2020.
2. Which stream all that stuff went to -- landfill or recovery via recycling or composting.
3. How much recoverable material our community chose to send to the landfill instead of keeping it out of the trash by using a currently available program or facility.

Full details are available in the 2020 CSWD Diversion Report.

100% MATERIALS GENERATED (270,207 tons)

57% RECYCLED/DIVERTED + 43% LANDFILLED



Chittenden Solid Waste District Administrative Descriptions

Administration Program

The Administrative program encompasses the expenses of human resources, the Executive Director, risk management, information and technology, infrastructure and general support services.

Compliance Program

The Compliance program oversees the Solid Waste Management Ordinance and ensures the regulated community maintains compliance. Additionally, the Compliance program oversees the District Safety program.

Engineering Program

The Engineering program provides resources for compliance, design, project management, and applicable permitting. Additionally, this program oversees capital projects through the lifecycle of feasibility, design, and construction management.

Finance Program

The Finance program provides management, oversight, and control of CSWD financial assets, as well as accurate and timely financial information to facilitate sound management decisions.

Outreach and Communications (O&C)

The Outreach and Communications program manages statutory mandates for raising awareness of CSWD services and educating residents, businesses, and institutions in reducing and properly managing the waste they generate.

Chittenden Solid Waste District Operating Descriptions

Drop Off Centers (DOCs)

CSWD Drop Off Centers provide residents and small businesses with economical options for the management of their trash, recycling, food scraps, compostable yard debris, and certain special recyclables.

Hazardous Waste

The Hazardous Waste program includes both the Environmental Depot and Paint Depot. The Environmental Depot manages the hazardous waste of the residents and small businesses of Chittenden County. The Paint Depot manages discarded paint and produces recycled paint for the CSWD Local Color Program.

Materials Recovery Facility (MRF)

The Materials Recovery Facility manages single stream recycling from Chittenden County and Northern Vermont through sorting and preparing recyclables for domestic commodity sales.

Organics Diversion Facility (ODF)

The Organics Diversion Facility manages the acceptance, processing, and transfer of organics for use in compost and anaerobic digestion.

Property Management

The Property Management department maintains and protects CSWD's investment in residential and business tenant property.

Chittenden Solid Waste District
Self-Funded Descriptions

E.

Biosolids Program

The Biosolids program provides efficient and effective residuals management for participating community members. This program is developed to be self-funding.

Closed Landfill Program

The Closed Landfill program oversees the 30-year post closure period through responsible maintenance, reporting and monitoring according to the safety standards of applicable governing bodies. This program is funded through monies reserved at the launch of the closing project.

Maintenance & Roll-off

The Maintenance department provides material hauling and supports facility operations through ongoing maintenance of CSWD assets.

F.

Chittenden Solid Waste District
Summary
FY23 Budget Proposal

	FY20 Actual	FY21 Budget	FY21 Actual	FY22 Budget	FY23 Budget	Change from FY22 Budget \$	%
REVENUE							
Solid Waste Management	\$ 3,327,711	\$ 2,575,125	\$ 3,263,750	\$ 3,371,625	\$ 3,381,750	10,125	0.30%
Tipping Fees	6,929,937	7,706,159	7,772,544	7,044,455	7,723,784	679,329	8.80%
Material Sales	1,777,042	1,419,960	3,039,400	2,175,258	2,540,711	365,453	14.38%
License Fees, Fines & Penalties	14,827	21,055	15,917	16,395	14,910	(1,485)	-9.96%
Rent	87,446	88,200	74,183	71,400	71,400	-	0.00%
Product Stewardship & Reimbursements	231,799	285,516	252,321	273,993	190,700	(83,293)	-43.68%
Interest & Dividends	94,730	30,000	16,856	2,150	2,000	(150)	-7.50%
Grants	108,673	106,470	661,336	106,470	106,470	-	0.00%
Other Income	73,779	-	11,592	70,428	-	(70,428)	
REVENUE TOTAL	12,645,944	12,232,485	15,107,899	13,132,174	14,031,725	899,551	6.41%
COST OF GOODS SOLD	328,959	143,310	156,718	177,380	172,197	(5,183)	-3.01%
GROSS PROFIT	12,316,985	12,089,175	14,951,180	12,954,794	13,859,528	904,734	6.53%
EXPENSES							
Salaries and Wages	2,643,707	2,872,220	3,068,147	3,286,170	3,349,221	63,051	1.88%
Benefits	1,105,630	1,228,156	1,206,229	1,411,654	1,455,106	43,452	2.99%
Travel & Training	57,597	61,221	30,250	96,005	96,568	563	0.58%
Administrative Costs	472,509	117,074	43,424	172,771	123,474	(49,297)	-39.93%
Professional Fees	311,675	180,235	202,391	207,725	318,330	110,605	34.75%
Equipment & Fleet	369,690	556,317	548,092	664,565	772,967	108,402	14.02%
Supplies	67,415	84,012	64,745	94,826	119,623	24,797	20.73%
Materials Management	5,574,870	6,127,858	5,192,050	5,020,145	6,150,788	1,130,643	18.38%
Property Management	417,631	497,531	482,664	506,852	490,262	(16,590)	-3.38%
Promotion & Education	92,903	87,670	50,215	154,713	213,052	58,339	27.38%
Community Support	38,899	24,644	18,704	25,800	106,300	80,500	75.73%
Maintenance & Rolloff	509,156	571,772	522,091	681,099	698,196	17,097	2.45%
EXPENSES TOTAL	11,661,682	12,408,710	11,429,002	12,322,325	13,893,886	1,571,561	11.31%
ALLOCATIONS							
Maintenance	509,156	571,772	522,091	681,099	698,196	17,097	2.45%
Support	(468,295)	(371,800)	(371,800)	-	-	-	
Capital Contribution	(619,968)	(249,172)	(249,172)	(450,000)	(450,000)	-	
Capital Investment Adjustment	-	-	(367,757)	-	-	-	
ALLOCATIONS INCOME TOTAL	(579,107)	(49,200)	(466,638)	231,099	248,196	17,097	6.89%
NET INCOME	76,196	(368,735)	3,055,540	863,568	213,838	(649,730)	-303.84%
TRANSFER FROM RESERVES							
from Landfill Post Closure Reserve	73,340	83,561	60,374	102,599	188,919		
from Operating Reserve	-	-	-	-	70,630		
from Solid Waste Management Fee Reserve	58,363	452,298	-	-	-		
TRANSFERS FROM RESERVES TOTAL	131,703	535,859	60,374	102,599	259,549		
TRANSFER TO RESERVES							
to Solid Waste Management Fee Reserve	-	-	624,655	603,068	425,703		
to Biosolids Restricted Reserve	45,500	45,000	63,651	45,517	46,375		
to Capital Reserves	-	122,124	414,956	-	1,309		
to Operating Reserves	-	-	-	317,582	-		
TRANSFERS TO RESERVES TOTAL	45,500	167,124	1,103,262	966,167	473,387		
Transfer to Undesignated	162,399	-	2,012,652	(0)	(0)		
Net District	-	-	-	-	(0)		

Chittenden Solid Waste District
Administrative Programs
FY23 Budget Proposal

	Administration	Compliance	Engineering	Finance	Outreach & Communication	Solid Waste Management Fee	Total Administrative
REVENUE							
Solid Waste Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,381,750	\$ 3,381,750
License Fees, Fines & Penalties	-	14,910	-	-	-	-	14,910
REVENUE TOTAL	-	14,910	-	-	-	3,381,750	3,396,660
COST OF GOODS SOLD	-	-	-	-	-	-	-
GROSS PROFIT	-	14,910	-	-	-	3,381,750	3,396,660
EXPENSES							
Salaries and Wages	435,900	107,895	84,190	297,701	581,731	-	1,507,418
Benefits	140,519	27,324	11,029	141,659	254,977	-	575,507
Travel & Training	34,075	5,460	1,500	15,068	11,900	-	68,003
Administrative Costs	26,950	1,850	70	2,500	21,700	-	53,070
Professional Fees	26,800	8,500	11,500	55,000	31,975	-	133,775
Equipment & Fleet	168,535	5,200	-	81,600	5,253	-	260,588
Supplies	5,700	800	-	9,000	10,650	-	26,150
Materials Management	300	-	-	50	-	-	350
Property Management	44,245	-	1,500	2,027	-	-	47,772
Promotion & Education	-	-	-	-	156,732	-	156,732
Community Support	-	-	-	95,000	4,700	-	99,700
Maintenance & Rolloff	41,892	-	-	-	-	-	41,892
EXPENSES TOTAL	924,916	157,029	109,789	699,605	1,079,618	-	2,970,957
NET INCOME FROM ADMINISTRATIVE	(924,916)	(142,119)	(109,789)	(699,605)	(1,079,618)	3,381,750	425,703
Administrative Subsidy	924,916	142,119	109,789	699,605	1,079,618	(2,956,047)	-
Transfer to Solid Waste Management Fee Reserve						425,703	425,703
Net Program	-	-	-	-	-	-	-

Chittenden Solid Waste District
Operating Programs
FY23 Budget Proposal

	Drop Off Centers	Materials Recovery Facility	Organics Diversion Facility	Property Management	Hazardous Waste	Total Operating
REVENUE						
Tipping Fees	\$ 2,289,450	\$ 3,800,000	\$ 286,897	\$ -	\$ 68,000	\$ 6,444,347
Material Sales	172,450	1,534,400	783,061	-	50,800	\$ 2,540,711
Rent	-	-	-	71,400	-	\$ 71,400
Product Stewardship & Reimbursements	41,200	-	-	-	149,500	\$ 190,700
Grants	-	-	-	-	106,470	\$ 106,470
REVENUE TOTAL	2,503,100	5,334,400	1,069,958	71,400	374,770	\$ 9,353,628
COST OF GOODS SOLD	-	-	153,197	-	19,000	\$ 172,197
GROSS PROFIT	2,503,100	5,334,400	916,761	71,400	355,770	\$ 9,181,431
EXPENSES						
Salaries and Wages	681,563	80,869	380,799	4,839	342,755	1,490,825
Benefits	362,254	20,111	192,851	637	145,746	721,599
Travel & Training	2,700	8,100	11,305	-	2,500	24,605
Administrative Costs	30,653	29,543	8,162	-	-	68,358
Professional Fees	180	53,375	2,200	-	2,500	58,255
Equipment & Fleet	19,500	38,680	285,469	-	22,550	366,199
Supplies	26,614	1,350	31,079	-	20,300	79,343
Materials Management	1,135,889	3,302,250	109,413	-	340,700	4,888,252
Property Management	48,828	120,220	83,121	64,266	71,150	387,585
Promotion & Education	-	50,000	6,320	-	-	56,320
Community Support	6,600	-	-	-	-	6,600
Maintenance & Rolloff	610,572	6,982	17,455	349	17,455	652,813
EXPENSES TOTAL	2,925,353	3,711,480	1,128,174	70,091	965,656	8,800,754
NET INCOME FROM OPERATING	(422,253)	1,622,920	(211,413)	1,309	(609,886)	380,677
Operating Subsidy	422,253	(1,243,552)	211,413	-	609,886	-
Transfer to Capital Reserve		450,000		1,309		451,309
Transfer from Operating Reserve		(70,632)				(70,632)
Net Program	-	-	-	-	-	-

Chittenden Solid Waste District
Self Funded and Allocated Programs
FY23 Budget Proposal

I.

	Biosolids	Closed Landfill	Maintenance & RollOff
REVENUE			
Tipping fees	\$ 1,279,437	\$ -	\$ -
Interest & Dividends	-	2,000	-
TOTAL REVENUE	1,279,437	2,000	-
COST OF GOODS	-	-	-
GROSS PROFIT	1,279,437	2,000	-
EXPENSES			
Salaries and Wages	1,190	12,335	337,455
Benefits	186	1,278	156,536
Travel & Training	2,960	-	1,000
Administrative Costs	1,946	100	-
Professional Fees	2,300	124,000	-
Equipment & Fleet	-	-	146,180
Supplies	80	250	13,800
Materials Management	1,224,401	37,785	-
Property Management	-	11,680	43,224
Maintenance & Rolloff	-	3,491	-
EXPENSES TOTAL	1,233,062	190,919	698,196
NET INCOME FROM SELF FUNDING & ALLOCATIONS	46,375	(188,919)	(698,196)
Transfer to Administrative & Operating Programs			698,196
Transfer from Landfill Post Closure Reserve		188,919	
Transfer to Biosolids Restricted Reserve	46,375		
Net Program	-	-	-

CHITTENDEN SOLID WASTE DISTRICT Fiscal Year 2023 Proposed Budget

HIGHLIGHTS - CAPITAL PROGRAM BUDGET

Staff has developed a capital plan and timeline for the next three fiscal years, and staff is presenting FY23 costs that will be included in the FY23 budget packet. The following assumptions were made to develop the plan:

- The capital reserve is a singular account and shall universally cover all programs
- The capital reserve will not be segmented into specific programs
- The capital reserve will be approximately \$5,451,765 starting FY23
- The Materials Recovery Facility (MRF) will contribute a fixed amount to the Capital Reserve. Staff anticipates the Organics Diversion Facility (ODF) will begin to contribute to the Capital Reserve in FY 2025
- Bonding will be required, in part or in full, for the construction of a new MRF
- General upgrade of the Milton DOC will take place in FY23
- Construction of an Administrative Building in late fall/winter FY23
- Scheduled capital infrastructure replacement of the Environmental Depot

CSWD Capital Plan Fiscal Year 2023	
Materials Recovery Facility	\$302,600
Organics Diversion Facility	\$543,000
Roll-Off and Maintenance	\$320,000
Drop Off Centers	\$380,000
Hazardous Waste and Latex Paint	\$260,000
Administrative infrastructure	\$2,610,000
FY 23 Capital Projects	\$4,465,600
MRF input	\$(450,000)
ODF input	
DOC input	
Total Capital	\$4,015,600

District staff has made significant efforts to generate accurate capital costs in developing the capital budget as well as following through with capital purchases, upgrades and projects as planned. Approval of the budget does not mean work will proceed without a proper bidding process and associated Board approval according to CSWD financial policies. Please note that this is a **Plan** and is inclusive of all potential capital costs for FY23. All major capital projects greater than \$100,000 will require approval from the Board of Commissioners. Staff will also bring updates of facility projects that are under the \$100,000 threshold.

Significant items included in the FY23 capital budget are as follows:

\$100,000	MRF BOND communication and education campaign
\$420,000	Trommel screener, plastics removal. ¹
\$255,000	Purchase new Roll-Off Truck (replacing Truck #31).
\$331,500	Expanding, regrading, repaving, and constructing a special waste building at MDOC.
\$145,000	General facility maintenance at the Environmental Depot. ²
\$115,000	New Rover for the Environmental Depot and Paint Program. ³
\$85,000	Updating and upgrading the District website
\$2,400,000	Constructing a new Administrative Building.

- 1) Directly manage contamination of inbound Source Separated Organics (SSO).
- 2) Replacing the existing waste oil heater and replacing the existing paved parking lot (5-foot drop).
- 3) Replacing existing rover 23 years old.

There are expected to be sufficient cash reserves available to finance the \$4,015,600 cash-funded capital expenditures budgeted for FY 23.

CHITTENDEN SOLID WASTE DISTRICT
CAPITAL PROJECTS 4 YEAR PLAN

FY23	FY24	FY25	FY26
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MATERIALS RECOVERY FACILITY

Site Work

General	Repave lot		\$225,000		
	Replace Stormwater System (1993)		\$85,000		
	New Roof		\$225,000		
	Building Structure upgrades		\$250,000		
	Full Tip Floor		\$110,000		
	HVAC		\$950,000		
	Replace Septic system (1993)		\$125,000		
	contingency		\$250,000		
	cost to transfer material while down		\$330,000		
Sub Total		\$0	\$2,550,000	\$0	\$0

Building & Building Repair

General	Refurbish Tip Floor				
	Building Roof (1993)				
	Presort Enclosure (2003)				
	Refurbish bathroom	\$60,000			
	Refurbish Tip Floor Steel Side wall				
	Sprinkler System Modifications				
Sub Total		\$60,000	\$0	\$0	\$0

Capital Equipment

Fiber Line MSW compactor Single Stream System	Sorting Conveyor				
	MC 1	\$25,000			
Sub Total		\$25,000	\$0	\$0	\$0

Rolling Stock

general	2 c.y. Compactor & 35 c.y. Roll-Off				
	Forklift #1 (2021)				\$35,000
	Forklift #2 (2021)				\$35,000
	#1 Skid Steer (approved FY22, received FY23)	\$59,000			
	#2 Skid Steer	\$58,600			
	Front End Bucket Loader				
	SCISSORS LIFT		\$35,000		
Sub Total		\$117,600	\$35,000	\$0	\$70,000

New MRF Project

	Site and design plan development (full)				
	Bond Attorney				
	BOND Communication Education Campaign	\$100,000			
Sub Total		\$100,000	\$0	\$0	\$0
Total MRF		\$302,600	\$2,585,000	\$0	\$70,000

ORGANICS DIVERSION FACILITY

Site Work

electrical and water for pressure washer at windrow turner location				
Sub Total	\$0	\$0	\$0	\$0

Building & Building Repair

Widen road ASP to Buzzi \$8500				
Poll Barn	\$45,000			
Concrete patching (wear abatement)	\$78,000			
Concrete Pad Replacement (mixing bay)				
Sub Total	\$123,000	\$0	\$0	\$0

Capital Equipment

Komptech L3 Screener (2012)			\$750,000	
ASP Trommel screener	\$420,000			
ASP BLOWER SYSTEM (AERATED STATIC PILE)				
Sub Total	\$420,000	\$0	\$750,000	\$0

FY23	FY24	FY25	FY26
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Rolling Stock

2003 MACK PUMP TRUCK (4500 GAL TANK)		\$120,000		
Loader #1 (2021)				
Loader #2 (2018)			\$260,000	
Loader #3 (2021) JD 524				
Used Triaxle Dump truck (ADT)				
stacking conveyor 20 years of life purchased in 2021				
Sub Total	\$0	\$120,000	\$260,000	\$0

ODF Expansion

Phase I				
Site Expansion				
Transfer modifications (stop gap)				
State of Vermont Grant - \$500K				
Sub Total	\$0	\$0	\$0	\$0

Phase II				
site work				
ODF Admin/scalehouse				
scale				
water line				
Misc.				
Sub Total	\$0	\$0	\$0	\$0

Phase III				
site work				
Paving				
booth				
solar (?)				
Sub Total	\$0	\$0	\$0	\$0

Total ODF	\$543,000	\$120,000	\$1,010,000	\$0
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Roll-OFF and Maintenance

Building & Building Repair

Overhead door				
Lean-to on Maintenance Building	\$ 65,000			
Sub Total	\$ 65,000	\$ -	\$ -	\$ -

Capital Equipment

new roll-off containers	\$ -	\$ -	\$ 100,000	\$ -
Sub Total	\$ -	\$ -	\$ 100,000	\$ -

Rolling Stock

2004 EQUIPMENT TRAILER				
2005 KENWORTH ROLL OFF TRUCK T800 #1				
2012 KENWORTH ROLL OFF TRUCK T800 #31	\$ 255,000			
2017 KENWORTH ROLL OFF TRUCK T800 #2				
2005 JD 644G Loader EDOC			\$ 30,000	
2011 FORD F350 PICKUP TRUCK - Rack Truck				
2014 JD 644K Loader Maint		\$ 250,000		
2014 JD 544 MRF loader - rehab				
2014 Volvo L30GS mini-loader (maybe tracked skid steer)		\$ 110,000		
2015 enclosed trailer HH/lawnmower				\$ 12,000
Used Oil Trailer			\$ 25,000	
Sub Total	\$ 255,000	\$ 360,000	\$ 55,000	\$ 12,000

Total Roll-Off and Maintenance	\$320,000	\$360,000	\$155,000	\$12,000
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Drop Off Centers

Site Work

BDOC	Flynn Ave site development				
Sub Total		\$ -	\$ -	\$ -	\$ -
EDOC	Design for Expansion		\$ 30,000		
	Concrete pads under containers				
	Overlay lot and road			\$ 60,000	
	COMPACTOR 4-yd Recycling COMPACTOR 2-yd MSW 2008	\$ 18,500			
Sub Total		\$ 18,500	\$ 30,000	\$ 60,000	
MDOC	Design for Expansion	\$ 30,000			
	Special waste building	\$ 60,000			
	regrind/regrade road and lot	\$ 125,000			
	expansion misc. (fence/electric/solar)	\$ 100,000			
	COMPACTOR 2yd MSW 2012	\$ 16,500			
	COMPACTOR 2yd Recycling move RDOC up				
Sub Total		\$ 331,500	\$ -	\$ -	\$ -
SOB	Design for Expansion	\$ 30,000			
	misc.				
	electric				
	Concrete pads under containers				
	COMPACTOR - WASTEQUIP MOD 245HD COMPACTOR - WASTEQUIP MOD 245HD				
Sub Total		\$ 30,000	\$ -	\$ -	\$ -

Capital Equipment

	Oil Tank replacement projects (2 each)				
Sub Total		\$ -	\$ -	\$ -	\$ -

Total Drop Off Centers	\$ 380,000	\$ 30,000	\$ 60,000	\$ -
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HAZARDOUS WASTE AND LATEX PAINT

Building & Building Repair

Roof Replacement (25 yrs. old)				
bring working floor to grade and bring back paint (grant dependent)				
Waste oil heater replacement and HVAC upgrade (\$45K for heater/\$20K for HVAC)	\$ 65,000			
Paving (sloping parking area about a 6' drop)	\$ 80,000			
Solar Project (district discussion)				
Refurbish outdoor haz store bldgs. (2) added to ops budget			\$ 80,000	
Sub Total	\$ 145,000	\$ -	\$ 80,000	\$ -

Rolling Stock

ROVER truck (1999)	\$ 115,000			
Sub Total	\$ 115,000			

Total HAZARDOUS WASTE AND LATEX PAINT	\$ 260,000	\$ -	\$ 80,000	\$ -
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Administration

Site Work

Repave parking Lot	\$ -			
Sub Total	\$ -	\$ -	\$ -	\$ -

Capital Equipment

New Server, routers switches, - every 5 yrs.				
POS upgrade consultant	\$ 45,000			
NetSuite upgrades				
Full District Revenue Sufficiency Analysis	\$ 55,000			
website upgrades	\$ 85,000			
New Phone System - (every 5 years)	\$ 25,000			
Sub Total	\$ 210,000	\$ -	\$ -	\$ -

	FY23	FY24	FY25	FY26
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New Admin Building

site design and permitting				
construction	\$ 2,400,000			
Sub Total	\$ 2,400,000	\$ -	\$ -	\$ -

Total Administration	\$ 2,610,000	\$ -	\$ -	\$ -
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Bulky Waste Facility (old MRF)

Total BWF	\$0	\$0	\$0	\$0
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Contingency		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Total Cap Cost		\$ 4,465,600	\$ 3,145,000	\$ 1,355,000	\$ 132,000
MRF input		\$ (450,000)	\$ (450,000)	\$ (450,000)	\$ (450,000)
ODF input		\$ -	\$ -	\$ (15,000)	\$ (15,000)
DOC input		\$ -	\$ -	\$ -	\$ -
Cap Reserve Net Cost		\$ 4,015,600	\$ 2,695,000	\$ 890,000	\$ (333,000)



ADMINISTRATIVE OFFICE
1021 Redmond Road
Williston, VT 05495

EMAIL info@cswd.net
TEL (802) 872-8100

www.cswd.net

L.

MEMORANDUM

TO: Sarah Reeves
FROM: Jon Dorwart & Nancy Plunkett
DATE: November 10, 2021
RE: FY 2023 Projected SWMF Revenue

As you know, CSWD's Solid Waste Management Fee (SWMF or Fee) is imposed on all solid waste generated in the District as established in Article VIII of CSWD's Solid Waste Management Ordinance. Certain materials are exempt from the SWMF or are subject to a reduced Fee. Generally, the Fee is assessed at disposal sites, such as transfer stations and the landfill in Coventry. Haulers, including CSWD, which hauls waste from the District's Drop-Off Centers, recover the cost from their customers (the waste generators) through the rates they charge. The SWMF was originally set at \$17.61 in 1993. It was raised to \$22.06 in 2009 and to \$27.00 in 2013.

Estimated SWMF revenue for FY 2023 is \$3,381,750. The estimate is based on projections of waste generation and diversion from the Solid Waste Disposal and Diversion Trends Model prepared for CSWD by Skumatz Economic Research Associates. Variables impacting projections in the Model were updated including the expected economic growth rate for the coming year.

SWMF revenues dropped 2.4% from FY 2020 to FY 2021, when the impact of the COVID-19 pandemic was more fully felt. The CY 2020 receipts are in line with those of CY 2017. Though this is significantly lower than the two previous calendar years, it is significantly better than the anticipated drop staff projected in April 2020 at the beginning of the pandemic. Calendar year disposed tons for 2020 were 126,045, a 6.5% drop from CY 2019. The difference between disposed tons and SWMF tons is that some tons disposed are charged a discounted SWMF rate. For example, certain materials used for road building in the landfill (e.g., fines from C&D processing) or alternative daily landfill cover (ADC) are charged 25% of the full rate under the CSWD ordinance, and some tons are not charged at all (Green Up Day litter collected). To illustrate the difference, 100 disposed tons of ADC equals 25 SWMF tons. Consequently, the total tons disposed is always greater than the total SWMF tons.

Projections in such an unusual time continue to be extremely difficult to prepare. Severe reductions in waste generation in FY21 did not occur. Looking at three quarters of data, tons projected to be disposed in CY21 are expected to exceed FY21 by 2.4%. It is not expected that waste generation will return to pre-pandemic levels in FY23, but economic activity has improved and federal investment in recovery is significant. This latter point is underscored as a key driver in economic recovery for the State in the July 2021 economic review and revenue forecast update by economist Tom Kavet for the state Emergency Board and Legislative Joint Fiscal Office (<https://ljfo.vermont.gov/subjects/revenue-and-tax/state-forecasts/consensus-revenue-forecasts-legislative-economic-outlook>). Regarding the overall state economic outlook, Kavet concluded, “As the pandemic recedes, federal disbursements and spending intensifies in FY22, and likely new infrastructure spending begins in FY23, favorable economic conditions will persist” Regarding the outlook in the construction industry specifically, Kavet stated in his report, “Going forward, residential single family building will continue to be the largest near-term growth area for those in the building trades, with nonbuilding construction benefitting from more recent pandemic and longer-term infrastructure spending.”

Given Kavet’s Vermont economic forecast and using the Skumatz model, the SWMF is projected to be 0.5% higher than the FY 2022 estimate and 2.1% higher than projected for CY 2021 resulting in a baseline of 125,250 tons at \$3,381,750 in revenue for FY 2023.

Disposal data from recent calendar and fiscal years and SWMF projections are shown in the following table:

TONS DISPOSED	MSW	C&D	C&D Road		TOTAL	SWMF TONS
			Build*	ADC*		
CY 2019 actual	98,392	29,276	773	6,318	134,759	129,441
CY 2020 actual	87,357	30,819	707	7,162	126,045	120,143
FY 2021 actual	87,902	31,195	2,643	4,251	125,991	120,821
CY 2021 - actual thru 3Q	65,897	24,551	1,416	6,313	98,176	92,380
CY 2021 - actual + projected 4Q	88,397	32,125	1,626	6,913	129,061	122,657
FY 2022 budget projection	94,300	29,500	700	600	125,100	124,600
FY 2023 budget projection	88,800	36,000	800	1,000	126,600	125,250
25% of SWMF FY 2023			200	250		
SWMF Tons Projection	125,250					
SWMF Revenue Projection	\$3,381,750					

*These are regular C&D fines from the C&D recycling facility plus painted concrete from demolition projects in FY21 & beginning of FY22 used in landfill road building. The SWMF rate for these and ADC is 25% of the full rate.

CHITTENDEN SOLID WASTE DISTRICT

Fiscal Year 2023 Proposed Budget

RESERVE FUNDS BUDGET - ASSUMPTIONS AND HIGHLIGHTS

Excess income is allocated to specified reserve accounts based on their established priority and reserve type.

Reserve Types include:

Restricted Reserves: resources subject to constraints. Due to the nature of their restriction, expenses must be tracked to prove the funds are used as the granting agency authorized. In accordance with the rules of terms of the funder, these reserves shall be accounted for monthly in a cash reconciliation statement prepared for the Board.

Committed Reserves: include encumbrances not otherwise reflected in Restricted Reserves. Limitations on spending imposed by the annual operating budget naturally lapse with the passage of time and thus do not remain binding indefinitely. Committed Reserves allows for the inclusion of encumbrances committed to, but not yet obtained.

Assigned Reserves: may be established by the Board from time to time to meet the future needs of CSWD. These reserves are established and may be changed by resolution of the Board in accordance with the Open Meeting Law requirements.

Undesignated Funds: not considered special revenue fund and include the unrestricted surplus funds not accounted for and reported in another fund

In FY23, CSWD will manage the following Restricted Reserves:

Biosolids Reserve – established by the contract with the wastewater treatment plants for the disposal of sludge. Reserves are often designated to reduce the impact of market conditions on the fees assessed from biosolids or to collect funds for the purchase of capital equipment. Budget projections for FY23 indicate **an increase of \$46,375.**

Landfill Post Closure Reserve – designated to assure funding exists to meet the requirements of the 30-year process of closing the landfill that began in 1996. Members of the operations team perform an annual audit to review the current closing cost and adjust for inflation and alterations, as necessary. Excess funds will remain in this fund until CSWD reaches custodial care through resolution with the state, expected no sooner than Fiscal Year 2025. A portion of the reserve earns interest through interest-bearing accounts. Interest earned is included in the annual budget, as well as, expected expenditures. Budget projections for FY23 indicate **a reduction of \$188,919.**

Facilities Solid Waste Termination Reserve – mandated to safely remove solid waste from closed operating facilities as required by state law. Members of the operations team perform an annual review of the current termination cost adjusting for inflation and alterations, as necessary. Budget projections for FY23 indicate this fund **will incur no changes to the balance.**

In FY23 CSWD will manage the following Assigned Reserves:

Facilities Decommission – established to preserve funding for the closing of a facility no longer in operation by CSWD. Members of the operations team perform an annual review of the current decommissioning cost adjusting for inflation, alterations and potential sale of CSWD own facilities. Budget projections for FY23 indicate this fund **will incur no changes to the balance.**

Solid Waste Management Fee Reserve – formerly designated to preserve the solid waste management fee from substantial changes year over year due to uncertain market conditions. However, in practice it has functioned as a de facto Operating Reserve. With the implementation of the Operating Reserve in FY22 direct operation subsidies will no longer be budgeted. The reserve will continue to provide support to management services as described in the Charter through a management fee structure. Budget projections for FY23 indicate this fund **will increase by \$429,225.**

Operating Reserve – designated to provide funds to operating programs and reduce the reliance on the solid waste management fee to meet the operational finances. It is assumed contributions are made in years when operation allocations balances are in excess; withdraws are made when operational allocations balances are insufficient. In the event operating reserves are depleted, funding will be withdrawn from the Solid Waste Management Fee Rate Stabilization Reserve. Budget projections for FY23 indicate **a decrease of \$70,630.**

Capital Reserves – established to preserve funding for future capital projects, asset upgrades and replacement of depreciated or disposed assets. Budget projections for FY23 **will increase by \$451,309**

Community Clean Up Fund – designated to member communities for local permissible projects. Currently this reserve is funded by an annual expense included in the Outreach and Communication budget. Budget projections for FY23 indicate this fund **will incur no changes to the balance.**

Chittenden Solid Waste District
FY23 Projected Reserve Balances

Biosolid Reserve		
FY22 Projected Reserve Balance		263,254
FY23 Budgeted Transfer		46,375
FY23 Projected Reserve Balance		<u><u>309,628</u></u>
Landfill Post Closure Reserve		
FY22 Projected Reserve Balance		572,814
FY23 Budgeted Transfer		(188,919)
FY23 Projected Reserve Balance		<u><u>383,895</u></u>
Facilities Solid Waste Termination Reserve		
FY22 Projected Reserve Balance		549,365
FY23 Budgeted Transfer		-
FY23 Projected Reserve Balance		<u><u>549,365</u></u>
Facilities Decommission Reserve		
FY22 Projected Reserve Balance		782,844
FY23 Budgeted Transfer		-
FY23 Projected Reserve Balance		<u><u>782,844</u></u>
Solid Waste Management Fee Reserve		
FY22 Projected Reserve Balance		875,000
FY23 Budgeted Transfer		425,703
FY23 Projected Reserve Balance		<u><u>1,300,703</u></u>
Operating Reserve		
FY22 Projected Reserve Balance		1,750,000
FY23 Budgeted Transfer		(70,630)
FY23 Projected Reserve Balance		<u><u>1,679,370</u></u>
Capital Reserve		
FY22 Projected Reserve Balance		4,550,456
FY23 Budgeted Transfer		451,309
FY23 Projected Reserve Balance		<u><u>5,001,765</u></u>
Community Clean Up Reserve		
FY22 Projected Reserve Balance		95,000
FY23 Budgeted Transfer		-
FY23 Projected Reserve Balance		<u><u>95,000</u></u>

CHITTENDEN SOLID WASTE DISTRICT
FY 23 SCHEDULE OF PROGRAM TIPPING FEES

	<u>FY 23</u>	<u>FY 22</u>	<u>FY 21</u>	<u>Change</u> <i>(FY 23 compared to FY 22)</i>
4) MATERIALS RECOVERY FACILITY				
Tipping fees and/or materials purchased price fluctuate with market price.				
Budgeted rates are:				
In District materials, per Ton	\$80.00	\$80.00	\$80.00	\$0.00
Out-of-District materials, per Ton	\$80.00	\$80.00	\$80.00	\$0.00
6) SPECIAL WASTE PROGRAM				
Special Waste Facility (at the Williston Drop-Off Center)				
Non-covered Electronics ~ per pound (by appt. only)	\$0.18	\$0.18	\$0.18	\$0.00
Gypsum wallboard (clean, new scrap):				
Small loads (up to 2 cy), per cubic yard	\$22.50	\$22.50	\$22.50	\$0.00
Large loads, per ton	\$90.00	\$90.00	\$90.00	\$0.00
Tires ~ up to 16"	\$3.00	\$2.25	\$2.25	\$0.75
Tires ~ 16.5" to 19"	\$3.00	\$3.75	\$3.75	(\$0.75)
Tires ~ per ton	\$225.00	\$200.00	\$200.00	\$25.00
Tree limbs, trunks, clean stumps, & brush:				
Up to 3 cubic yards	No charge	No charge	No charge	
Each cubic yard in excess of 3 cy	\$5.00	\$5.00	\$5.00	\$0.00
Pallets & clean lumber:				
Per ton	\$50.00	\$50.00	\$50.00	\$0.00
Propane cylinders over 20 lbs	\$5.00	\$5.00	\$5.00	\$0.00
7) DROP-OFF CENTERS				
Items accepted vary by facility.				
Household Trash				
Small - up to 13 gallons	\$2.00	\$2.75	\$2.75	(\$0.75)
Medium - 14 to 35 gallons	\$6.00	\$5.25	\$5.25	\$0.75
Large - 36 to 45 gallons	\$8.00	\$7.50	\$7.50	\$0.50
per cubic yard	\$42.00	\$41.25	\$41.25	\$0.75
at Burlington Drop-Off Center, per pound	n/a	\$0.21	\$0.21	
Construction & Demolition (*heavy/dense materials)				
up to 13-gallon bag/barrel	\$5.00	\$5.50	\$5.50	(\$0.50)
up to 33-gallon bag/barrel	\$10.00	\$10.50	\$10.50	(\$0.50)
up to 45-gallon bag/barrel	\$15.00	\$15.00	\$15.00	\$0.00
per cubic yard	\$82.00	\$82.50	\$82.50	(\$0.50)
Other Items				
(* indicates that limits apply)				
All-In-One Recyclables ONLY	\$2.00	\$2.00	\$2.00	\$0.00
All-In-One Recyclables, with paid trash items	No charge	No charge	No charge	
Appliances without Refrigerants	\$5	\$5	\$5	\$0.00
Appliances with Refrigerants	\$10-\$15	\$10-\$15	\$10-\$15	
Batteries (household and lead acid)*	No charge	No charge	No charge	
Electronics -non-covered	No charge	\$1-\$15	\$1-\$15	(\$1-\$15)
Electronics - items covered by new State program	No charge	No charge	No charge	
Fluorescent lamps*	No charge	No charge	No charge	
Food Scraps, with paid trash items	No charge	No charge	No charge	
Food Scraps (per 5 gallons), without paid trash items	\$1.00	\$1.50	\$1.50	(\$0.50)
Small Furniture item	\$4-11	\$11	\$11	
Large Furniture item	\$16- 22	\$22	\$22	
Twin BoxSpring	\$20.00	\$18.75	\$18.75	\$1.25
Twin Mattress	\$20.00	\$18.75	\$18.75	\$1.25
Full/ Double/ Queen Mattress	\$25	\$11	\$11	\$14.00
Full/ Double/ Queen BoxSpring	\$25	\$11	\$11	\$14.00
King Mattress	\$30	\$22	\$22	\$8.00
King BoxSpring	\$30	\$22	\$22	\$8.00
Crib Mattress	\$6	\$6	\$6	\$0.00
Hard cover books* (accepted as trash)	\$42 (Cubic Yard)	No charge	No charge	
Mercury-containing products*	No charge	No charge	No charge	
Propane cylinders 20 lbs & under*	No charge	No charge	No charge	

CHITTENDEN SOLID WASTE DISTRICT
FY 23 SCHEDULE OF PROGRAM TIPPING FEES, Continued

7) DROP-OFF CENTERS, Continued

	<u>FY23</u>	<u>FY 22</u>	<u>FY 21</u>	<u>Change</u>
Other Items (Continued)				
Scrap metal	No charge	No charge	No charge	
Textiles*	No charge	No charge	No charge	
Tires	\$3.00	\$2.75	\$2.75	\$0.25
Tires ~ Up to 19"	\$3.00	\$5.25	\$5.25	(\$2.25)
Tires ~ 20" to 24.5"	\$15.00	\$14.00	\$14.00	\$1.00
Tires ~ Lq Equipment Tires	\$56.00	\$56.00	\$56.00	\$0.00
Tree limbs, trunks, clean stumps, & brush:				
Up to 3 cubic yards (Williston)	No charge	No charge	No charge	
Up to 1 Cubic Yard (Milton & Essex)	No charge			
Each cubic yard in excess of 3 cy	\$5.00	\$10.00	\$10.00	(\$5.00)
Pallets & clean lumber:				
Up to 1 Cubic Yard (Milton & Essex)	No charge	No charge	No charge	
Up to 3 cubic yards (Williston)	No charge			
Each cubic yard in excess of 1 cy	\$5.00	\$5.00	\$5.00	\$0.00
Used oil*	No charge	No charge	No charge	
Used oil filters*	No charge	No charge	No charge	
Ashes (accepted as trash)	\$2-8; \$42 (Cubic Yard)			
Yard debris	No Charge			

8) HAZARDOUS WASTE - ENVIRONMENTAL DEPOT & ROVER

Environmental Depot

Household hazardous waste	No Charge			
Business hazardous waste ~ Conditionally Exempt Generators	Call For Pricing	Call For Pricing		

Rover

Household hazardous waste	No Charge			
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10) BIOSOLIDS

Sludge per wet ton for disposal (average projected blended rate, opt out)	NA	NA	NA	
Sludge per wet ton for disposal (average projected blended rate)	\$91.30	\$87.40	\$86.72	\$3.90
Sludge per wet ton for land application (average projected blended rate)	NA	NA	NA	
Sludge per wet ton for alkaline treatment (average projected blended rate)	\$99.01	\$92.87	\$92.02	\$6.14

11) COMPOST

Per-ton tip fee for post-consumer food waste	\$ 65.00	\$ 60.00	\$ 60.00	\$5.00
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15) FINANCE

Solid Waste Management Fee per ton	\$ 27.00	\$ 27.00	\$ 27.00	\$0.00
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NOTE: Sales prices are established by market conditions and are subject to change.

FY 23 CSWD ORGANIZATIONAL CHART

FY 23 - 49.45 FTE'S

