

February 28, 2023

FISCAL YEAR 2024 BUDGET

Dear Board of Commissioners and Citizens of Chittenden County,

I present to you Chittenden Solid Waste District's Fiscal Year 2024 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.

Managing Increasing Costs Across Programs

Costs continue to increase in several key areas, specifically health benefits, hauling services, fuel costs, waste disposal fees we pay at the transfer station, and processing fees we pay our MRF operator. The cost-of-living adjustment provided in July 2022 was below the 12-month average for June, leaving employees behind the curve. This budget proposes a 7% COLA for July 1, which is slightly below the December 2022 index of 7.4%. We monitor the US Bureau of Labor Statistics' consumer price index for the Northeast (Urban B/C class) and use this as the foundation for COLA recommendations. CSWD's recommendation is in line with budgeted adjustments for similar organizations, like the Champlain Water District, Addison County Solid Waste Management District, and Rutland Solid Waste Management District. In an effort to mitigate the costs associated with healthcare benefits, CSWD moved to a lower-priced plan and increased the employee contribution to healthcare premiums. Employees now contribute 3.5% of their salary/wages towards the costs of providing healthcare benefits, up from a previous contribution of 3.25% of salary/wages. These two changes decreased the impacts to the District, and the resulting overall increase to employee Total Compensation per Full-Time Equivalent was 1.9% over FY23.

MATERIALS RECOVERY FACILITY:

MRF processing costs are rising significantly in FY 2024 due to a new operating contract with MRF operator, Casella Waste Systems. CSWD pays Casella a per-ton fee to operate the MRF and to market the sorted materials. This processing fee is increasing by 55%, from \$45/ton to \$70/ton as of March 1, 2023. **To remain a self-supporting facility, we will be raising the MRF tip fee from \$80/ton to \$85/ton as of July 1.**

Unexpectedly, the second and third quarters of FY 2022 produced the strongest commodity markets results in over a decade. As quickly as the markets rose, they receded, and we entered the second and third quarters of FY 2023 with depressed pricing yet again. High demand in spring of calendar

2022 was due to manufacturers over-ordering supplies, and the resulting softening of the markets was due to manufacturers working through what they'd purchased in the spring. The demand remains suppressed heading into FY 2024, however pricing is beginning to normalize. This budget assumes a conservative average commodity revenue of \$80/ton, but I expect we will surpass that average.

Modern Facility

In November 2022 Chittenden County voters voiced overwhelming support for the construction of a new Materials Recovery Facility on Redmond Road in Williston. Of the 33,000 votes cast on the bond request, 83% were votes in favor. CSWD is grateful for, thankful for, and humbled by the literal vote of confidence. The vote authorized a not-to-exceed bond amount of \$22,000,000. We are working to reduce this burden through a combination of grants, zero-interest loans, and District capital reserves. 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 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 manufacturers as raw materials. In this fiscal year, we will be selecting a construction firm and aim to break ground in spring of 2024.

ORGANICS DIVERSION FACILITY:

Organics Diversion Facility tip fees are increasing from \$65/ton to \$70/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 depackaging facility. This reduction represented approximately 30% of the inbound compost feedstock and, while some material has come back to the ODF we are still operating far below where we were in FY 2021. We've budgeted anticipated food scraps tons inbound to 4,900 tons.

In FY24 we will complete Phase II of 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. This 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've normalized our sales expectations back to FY18-19 levels, as the Covid-related compost sales boom has receded. 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:

As mentioned in last year's budget letter, in order to eliminate the DOC subsidy, **we are raising bag prices in FY 2024.** We are continuing to review our materials management practices and policies 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, this

year topping out at \$421,000 without a price increase. The increases are bringing CSWD back to pre-Covid pricing practices, with the smallest bag priced at \$3.00 (up from \$2.00), a medium bag up to \$8.00 and the largest bag up to \$11.00. These increases get us closer to covering the costs of managing recycling and food scraps as part of the price of a bag of trash (the smallest bag price still doesn't cover those costs) and allow the DOCs to generate a small amount of revenue to contribute to the capital reserve fund.

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 DOC in Milton as well as redesigning the DOC in Burlington. The remaining DOCs will receive updates in successive out-years.

We are also proposing changing the DOC schedule for all sites (except Hinesburg) to a Tuesday – Saturday schedule, 8:00am 3:30pm. This schedule adds service days to Milton and Burlington and provides two-days off in a row for our hard-working DOC staff members. The five-day schedule creates significant efficiencies for our Maintenance Team to perform vital repairs and improvements at the DOCs while they are closed to the public, improving effectiveness and safety. Our six DOCs serve 28% of Chittenden County as a primary source of waste disposal, recycling, and management of special materials not accepted elsewhere. More than 75% of Chittenden County residents use the DOCs each year, such as for electronics recycling, bulky waste disposal, or leaf and yard waste drop off. 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, however the time has come to review the uses of the fee and to discuss a regular schedule of small increases. This is the fee charged to haulers when they dispose trash in the landfill in Coventry. The fee has not risen in ten years, despite dramatic increases in District expenses.

As the economy slowly recovers and grows, as it is forecast to do through 2023-4, 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 2024 BUDGET PROPOSAL

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



Chittenden Solid Waste District

**1021 REDMOND ROAD
WILLISTON, VT 05495
802-872-8100**

CHITTENDEN SOLID WASTE DISTRICT FY 2024 BUDGET PROPOSAL

TABLE OF CONTENTS

- A. Budget Memo to Member Legislative Bodies
- B. Who We Are
- C. FY24 Summary Budget
- D. Administrative Descriptions
- E. Administrative and Solid Waste Management Programs
- F. Operations Descriptions
- G. Operating Programs
- H. Self-Funded Descriptions
- I. Self-Funded and Allocated Programs
- J. Capital Budget Highlights
- K. Capital Plan
- L. Projected Solid Waste Management Fee Revenue
- M. Budget Reserve Summary
- N. Schedule of Program Tipping Fees
- O. Organizational Chart

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



ADMINISTRATIVE OFFICE
1021 Redmond Road
Williston, VT 05495

A.

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

www.cswd.net

To: CSWD Member Municipality Legislative Bodies
From: Sarah Reeves, Executive Director
Nola Ricci, Director of Finance
Date: March 15, 2023
RE: Fiscal Year 2024 Budget Proposal

OVERVIEW

Fiscal Year 2024 brings many important changes to the future of CSWD. We will be breaking ground on the new Materials Recycling Facility, reconfiguring the CSWD Drop Off Center at Burlington, redesigning the CSWD Drop Off Center at Milton, and feeling settled into our leased Administrative building at 19 Gregory Drive in South Burlington.

In Fiscal Year 2024, we welcome the new Operating Administration department under the Operating Programs. This new department will absorb the responsibilities of our former Engineering department. With this change we can develop a more robust Operating Program and continue to progress forward.

The proposed budget for FY24 remains conservative and acknowledges some of the increases we've experienced, and those we anticipate, as costs rise. Capital construction projects at the Organics Diversion Facility are expected to be completed by the end of FY23. FY24 will be the first full fiscal year at the leased Administration building, and administrative staff will use this opportunity to deliberate on future administrative building needs and expenses.

Materials Recovery Facility Highlight

In November 2022, Chittenden County voters voiced overwhelming support for the construction of a new Materials Recovery Facility on Redmond Road in Williston. Of the 33,000 votes cast on the bond request, 83% were votes in favor. CSWD is grateful for, thankful for, and humbled by the literal vote of confidence. The vote authorized a not-to-exceed bond amount of \$22,000,000. We are working to reduce this burden through a combination of grants, zero-interest loans, and District capital reserves.

In late Q2/early Q3, we will be selecting a construction firm and aim to break ground in early Q4 2024. Preliminary engineering and design work for the new MRF is budgeted in FY23 as a capital expense and would be reimbursable through bond proceeds. Full project debt service is unknown as of the date of this memo because there are two grant requests outstanding and 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.

CSWD SOURCES OF REVENUE

The CSWD Charter says that the District may charge fees for its services and that those fees shall be equitable. It also states that “the Board of Commissioners shall...establish and adjust...tipping fee(s) for the purpose of generating revenues from sources other than assessments to member municipalities, particularly concerning the operation and maintenance of any District solid waste management or resource recovery facility”, and that “once the District has a disposal facility, it will rely primarily on tipping fees for revenues...” The CSWD Board of Commissioners has long interpreted this section of the Charter to mean that District solid waste management facilities should aim to be self-supporting based on revenue derived from the services rendered. This means covering the costs to run the facility through tip fees, user fees, and product sales like compost, paint, and sorted recyclables. The costs we need to recover include disposal fees we pay to vendors (such as Casella), insurance, fuel, equipment, wages & benefits, utilities, and transportation, in addition to covering infrastructure improvements.

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 22% 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 58% 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)	FY22 Actual	FY23 Budget	FY24 Budget	Change from FY23 Budget	Change from FY22 Actual	% of Overall Revenue
Tip Fees	7,572	7,724	8,937	15.70%	18.03%	58.0
Material Sales	4,815	2,541	2,629	3.46%	-22.88%	17.1
SWMF	3,409	3,382	3,336	-1.36%	-1.46%	21.7
All Other	761	385	500	29.87%	-34.30%	3.2
TOTAL	16,557	14,032	15,402	9.76%	-6.98%	100%
Cost of Goods Sold	240	172	122	-29.07%	-49.17%	
Gross Profit	16,317	13,860	15,280	10.25%	-6.36%	

Tip Fees, User Fees, and Material Sales Assumptions:

- MRF tip fees were last raised in March 2020. We’ve held the tip fee at \$80/ton since then, however MRF processing costs are rising significantly in FY 2024 due to a new operating contract with MRF operator, Casella Waste Systems. CSWD pays Casella a per-ton fee to operate the MRF and to market the sorted materials. This processing fee is increasing by 55%, from \$45/ton to \$70/ton as of March 1, 2023 and as a result in order for the MRF to remain self-supporting **we are budgeting a modest increase in the tip fee to \$85/ton in FY24.**
- The fiscal year average commodity revenue (ACR) value from material sales through December 2022 was \$54/ton, down from approximately \$158/ton average through the same period in FY22. Cardboard and mixed paper pricing plummeted after setting 10-year records the previous year. The severe decrease was due to mills and manufacturers reducing purchasing material and instead worked through the material they purchased the year before during the buying frenzy. This decreased demand is expected to continue through at least the 2nd quarter of FY24. Plastics pricing is stable, with good demand for HDPE-Natural (milk jugs) and for PET. We have budgeted MRF materials sales very conservatively at \$80/ACR. We are assuming 47,500 tons of inbound recycling, and marketing 38,000 of those tons.
- Organics Diversion Facility tip fees are increasing from \$65/ton to \$70/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 depackaging facility. This reduction represented approximately 30% of the inbound compost feedstock and, while some material has come back to the ODF we are still operating far below where we were in FY 2021. We’ve budgeted anticipated food scraps tons inbound to 4,900 tons.
- We are not expecting pandemic-level product sales in FY24 and instead have budgeted a normalized (to FY18-19 levels) sales expectation.
- The Drop Off Centers continue to show need of significant subsidy. Without a price increase, the subsidy for FY24 would be \$421,000. Recycling and food scraps management are bundled in the pricing of trash when brought together as a unit, and the current pricing doesn’t recover the full cost of managing all three of these material streams. CSWD has maintained subsidized pricing since September 2020 despite significant system-wide increased expenses across the board, such as disposal fees we pay to Casella, health insurance increases, fuel increases, etc. Holding bag pricing low resulted in a DOC system subsidy of \$398,000 in FY22, and projected subsidy of \$422,000 for FY23. This budget proposes **increasing bag fees at the DOCs to \$3.00 (small), \$8.00 (medium), and \$11.00 (large).** The increase eliminates the subsidy for FY24, allowing the DOCs to cover their costs through user fees.

	Small (up to 13 gallon)	Medium (14-35 gallon)	Large (36-45 gallon)
Pre-Covid (FY20)	\$2.75	\$5.75	\$7.50
Current FY23	\$2.00	\$6.00	\$8.00

Proposed FY24	\$3.00	\$8.00	\$11.00
---------------	--------	--------	---------

Additional pressure on DOC revenue 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. Increasing these fees eliminates the current subsidy need of the DOCs. Revenue is down at the DOCs in part due to the loss of the Richmond facility and the continued limited use at the Burlington site. There is not yet an agreement on a renovated facility in Burlington, however discussions with the City continue in earnest. The new goal is to have an expanded facility in place by Q2 FY24.

Solid Waste Management Fee:

Solid Waste Management Fees (the fees charged to haulers when they dispose trash in the landfill in Coventry) revenue is projected to be slightly lower than FY23 budget (-1.36%). We used the Solid Waste Disposal and Diversion Trends Model developed for CSWD by SERA, Inc to generate our projections for FY24. The model estimates the SWMF to be 1.5% lower than FY22 actuals. Supporting the model’s output, the state’s Joint Fiscal Office is projecting flat economic conditions in FY24 as uncertainty remains regarding efforts to rein in high inflation. The **Solid Waste Management Fee will remain at \$27.00 per ton of trash disposed**, however the time has come to review the uses of the fee and to discuss a regular schedule of small increases. The fee has not risen in ten years, despite dramatic increases in District expenses. This fee pays for District Administration and Outreach and Education programs and personnel.

A common misperception regarding the solid waste management fee is that it can be used as a deterrent to excessive waste generation. This isn’t the case. Individuals don’t pay this fee directly as a unit of \$27 per ton, nor is the amount paid by haulers attributable to any single generator of waste. In other words, the fee is paid on the aggregated landfill-disposed tons generated by all people (individuals, businesses, institutions) in Chittenden County. Haulers pass the fee on to their customers across all tons generated, diluting the amount that any one customer pays. The solid waste management fee is considered a “cost of doing business” for haulers (CSWD also pays this fee on trash managed at the DOCs) and is included in the general fee charged for trash management and disposal. If every person’s waste was weighed individually, and the solid waste management fee charged to each person based on the waste that they alone generate, then raising or lowering the fee would impact people at the individual level. This isn’t how waste is managed in Vermont. Individuals can reduce their portion of the fee that they pay by generating less waste to be managed through a Drop-Off Center, where people pay by the bag for their trash. Curbside customers will not a reduction on their specific household bill due to waste reduction unless they reduce the frequency of service (receive twice monthly collection instead of weekly collection, for example).

EXPENSES SNAPSHOT

	Actual	Budget	Forecast	Change from FY23 to FY24	
	FY22	FY23	FY24	\$	%
Expenses					
Payroll Expenses					
Salaries & Wages	3,163,688	3,459,112	3,752,336	293,224	8.5%
Benefits	1,307,131	1,501,030	1,630,639	129,609	8.6%
Total Payroll Expenses	4,470,819	4,960,142	5,382,975	422,833	8.5%
Travel & Training	53,282	96,568	118,175	21,607	22.4%
Administrative Costs	49,720	123,474	182,885	59,411	48.1%
Professional Fees	177,566	268,330	280,690	12,360	4.6%
Equipment & Fleet	807,663	772,967	772,074	(893)	-0.1%
Supplies	120,559	119,623	133,644	14,021	11.7%
Materials Management	4,804,118	6,150,788	6,691,366	540,578	8.8%
Property Management	510,873	490,262	597,111	106,849	21.8%
Promotion & Education	109,675	163,052	142,178	(20,874)	-12.8%
Community Support	23,210	106,300	100,950	(5,350)	-5.0%
Total Expenses	11,127,484	13,251,506	14,402,047	1,150,542	8.7%
Net Ordinary Income	5,189,689	608,022	878,311	270,289	44.5%

Key Points:

- Full-time Equivalent (FTE) staffing needs increased by 3.21 from 49.45 to 52.66. The cost-of-living adjustment provided in July 2022 was below the 12-month average for June, leaving employees behind the curve. Although this budget proposes a 7% COLA for July 1 (which is slightly below the December 2022 index of 7.4%), the overall total compensation increase is just 1.9% per full-time equivalent over FY23.

	FY23	FY24	Difference
Payroll Expense	4,920,892	5,382,975	+8.6%
Full Time Employee	49.45	52.66	+3.21 FTE
Expense per Employee	100,306	102,221	+1.9%

- We monitor the US Bureau of Labor Statistics’ consumer price index for the Northeast (Urban B/C class) and use this as the foundation for COLA recommendations (following District practice in place for the past decade). CSWD’s recommendation is in line with budgeted adjustments for similar organizations, such as the Champlain Water District, Addison County Solid Waste Management District, and Rutland Solid Waste Management District. In an effort to mitigate the costs associated with healthcare benefits, CSWD moved to a lower-priced plan and increased the employee contribution to healthcare premiums. Beginning July 1, employees will

contribute 3.5% of their salary/wages towards the costs of providing healthcare benefits, up from a previous contribution of 3.25% of salary/wages. These two changes decreased the impact to the District.

- Finance department costs are lower now that the new budgeting, accounting and payroll software systems have been implemented.
- Administrative costs are higher due to the new expense of a lease payment for the office space at 19 Gregory Drive. General Supplies are also slightly higher, corresponding to a physical return to the office for most Admin staff.
- 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 moderately, reflecting general increases in transportation costs. 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. DOC disposal contract costs are up nearly 11%. We have negotiated a wintertime glass management contract with a new vendor which will significantly reduce this cost, from \$130/ton to \$95/ton.

RESERVE FUNDS

Please see the FY24 Reserve Funds memo included in the budget packet for details on the reserve balances.

In FY22, the District revised the Reserve Fund Guideline 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
Reserve Type	Reserve Name	Minimum Carry Value	Maximum Carry Value
Temporarily Restricted	Material Recycling Facility Reserve	10% of total Bond	10% of total Bond
Assigned	Facilities Decommission Reserve	Calculated cost of facilities decommissions	Highest past calculated cost of facilities decommissions
Assigned	Solids Waste Management Reserve (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.

Beginning in FY22, we no longer budgeted for programs to contribute to the capital reserve if the program is being subsidized. In previous budgets, each program that used capital funds would budget a capital fund contribution, which 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, 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

The Operating Reserve provides 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 allows 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 was seeded with excess MRF revenue.

RESTRICTED FUNDS

The Biosolids, Closed Landfill, and Facilities Closure reserve funds are considered Restricted Funds as a best practice. 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 FY24, we are projecting \$875,311 in income after capital and allocations needing to be transferred to reserves.

Revenue	\$15,401,763	
Cost of Goods Sold	\$121,405	
Gross Profit		\$15,280,358
Expenses		<i>\$14,402,047</i>
Income from Operations		\$878,311
Transfer from (to) Closed Landfill Reserve	\$176,452	
Transfer from (to) SWMF Reserve	\$7,236	
Transfer from (to) Biosolids Reserve	(\$45,500)	
Transfer from (to) Operating Reserve	(\$176,385)	
Transfer from (to) Capital Reserve	(\$934,614)	
Transfer from (to) Community Clean Up Reserve	\$95,000	
Facility Closure Reserve	(\$500)	
Net		-

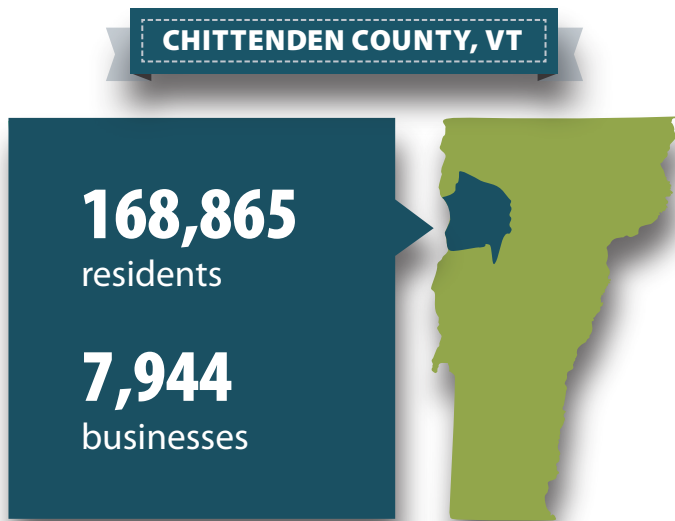
who we are

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.



2021 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 (168,865 residents and 7,944 businesses)* with facilities, programs, and expertise developed over our 34-year history.

*2021 data. Sources: U.S. Census and VT Dept. Of Labor

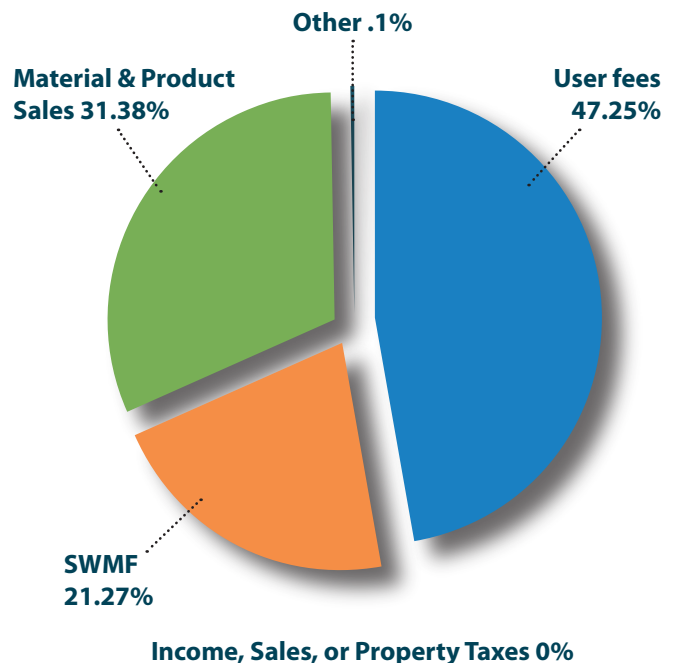
HOW WE'RE FUNDED

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, or Property tax dollars.

FY22 REVENUE \$16.03M (unaudited)



what we do

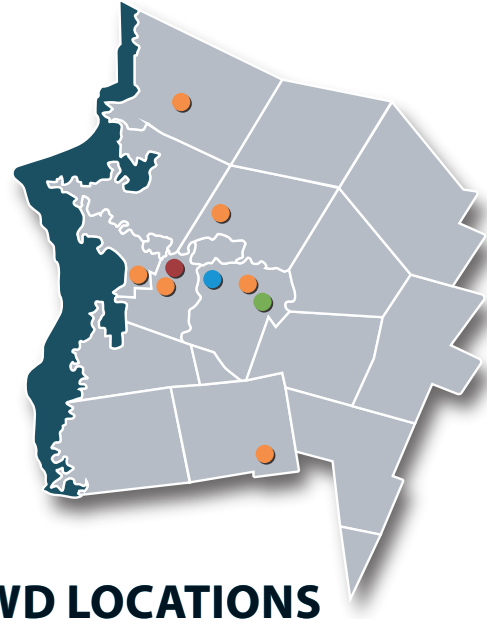
REDUCE WASTE

- › **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 Recycling Facility** (blue-bin recyclables sorting center) in Vermont
- › **Six regional Drop-Off Centers** for household trash, recycling, organics, and special materials
- › **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 Recycling 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;
- › **Outreach and education**

how we're doing

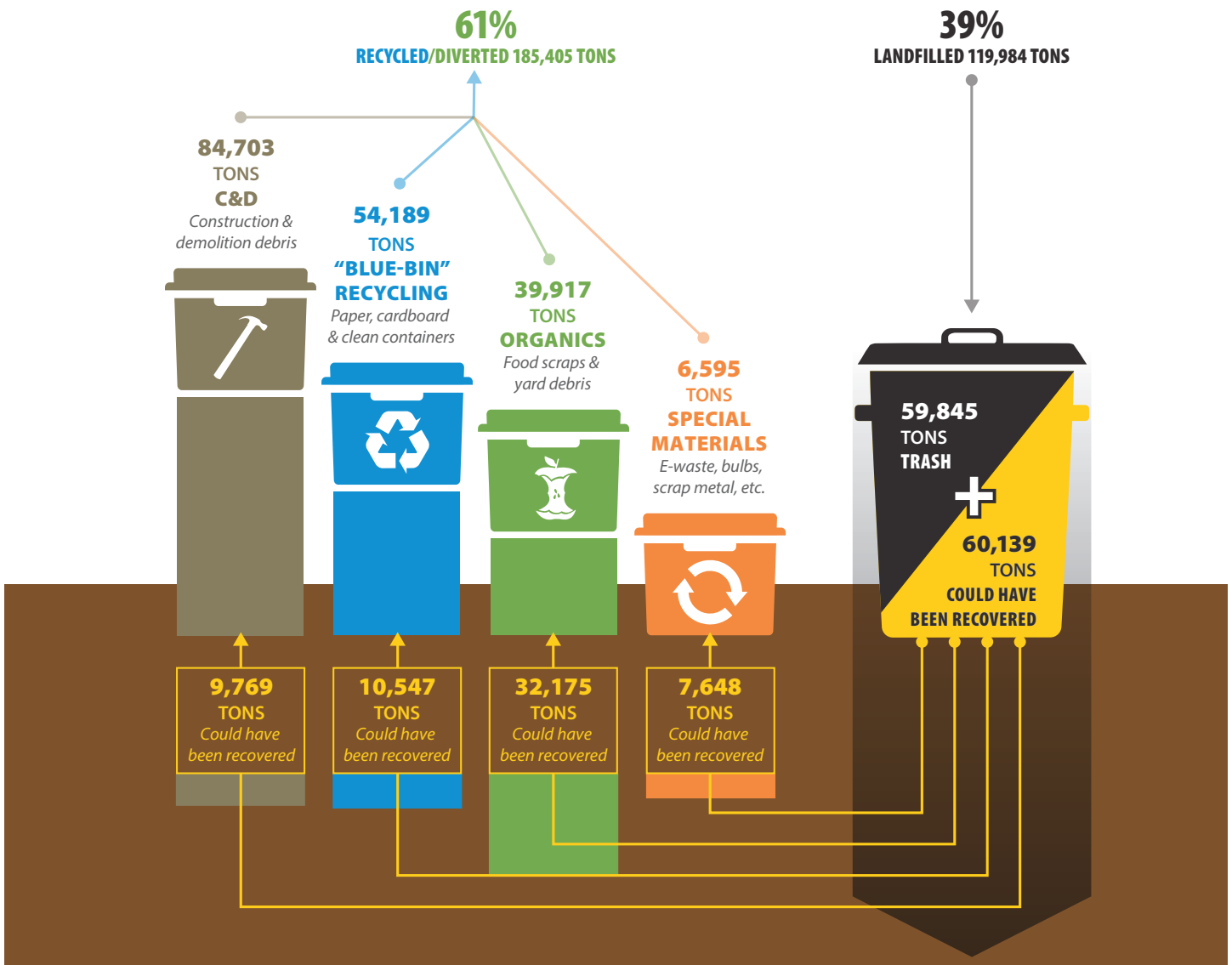
This graphic shows three key measurements of all the materials that individuals and businesses in Chittenden County, VT generated in 2021:

1. An estimate of how much "stuff" we all generated and needed to manage as solid waste in 2021.
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 2021 CSWD Diversion Report.

100% MATERIALS GENERATED 305,389 TONS

61% RECYCLED/DIVERTED + 39% LANDFILLED



Chittenden Solid Waste District
 FY24 Proposed Budget
 Summary

C.

	Actual	Budget	Forecast	Change from FY23 to FY24	
	FY22	FY23	FY24	\$	%
Net Ordinary Income					
Income					
Tipping Fees	6,071,345	6,317,097	6,740,521	423,424	6.7%
Special Waste	89,911	59,250	730,109	670,859	1132.3%
Hazardous Waste	70,333	68,000	62,000	(6,000)	-8.8%
Biosolids	1,340,166	1,279,437	1,404,358	124,921	9.8%
Solid Waste Management	3,409,238	3,381,750	3,335,702	(46,048)	-1.4%
Sale of Materials	4,815,492	2,540,711	2,628,603	87,892	3.5%
License Fees, Fines & Penalties	15,834	14,910	14,000	(910)	-6.1%
Rents	71,600	71,400	75,000	3,600	5.0%
Product Stewardship	213,028	190,700	169,000	(21,700)	-11.4%
Interest & Dividends	12,720	2,000	61,000	59,000	2950.0%
Grant Revenue	277,801	106,470	106,470	-	0.0%
Equipment Sale/Trade	168,899	-	-	-	0.0%
Other Income	749	-	75,000	75,000	100.0%
Total Income	16,557,115	14,031,725	15,401,763	1,370,038	9.8%
Cost of Goods Sold					
Bins & Containers	34,090	19,467	-	(19,467)	-100.0%
Paint	12,498	19,000	19,000	-	0.0%
Organics	193,355	133,730	102,405	(31,325)	-23.4%
Total Cost of Goods Sold	239,942	172,197	121,405	(50,792)	-29.5%
Gross Profit	16,317,173	13,859,528	15,280,358	1,420,830	10.3%

Chittenden Solid Waste District
 FY24 Proposed Budget
 Summary

	Actual	Budget	Forecast	Change from FY23 to FY24	
	FY22	FY23	FY24	\$	%
Expenses					
Payroll Expenses					
Salaries & Wages	3,163,688	3,459,112	3,752,336	293,224	8.5%
Benefits	1,307,131	1,501,030	1,630,639	129,609	8.6%
Total Payroll Expenses	4,470,819	4,960,142	5,382,975	422,833	8.5%
Travel & Training	53,282	96,568	118,175	21,607	22.4%
Administrative Costs	49,720	123,474	182,885	59,411	48.1%
Professional Fees	177,566	268,330	280,690	12,360	4.6%
Equipment & Fleet	807,663	772,967	772,074	(893)	-0.1%
Supplies	120,559	119,623	133,644	14,021	11.7%
Materials Management	4,804,118	6,150,788	6,691,366	540,578	8.8%
Property Management	510,873	490,262	597,111	106,849	21.8%
Promotion & Education	109,675	163,052	142,178	(20,874)	-12.8%
Community Support	23,210	106,300	100,950	(5,350)	-5.0%
Total Expenses	11,127,484	13,251,506	14,402,047	1,150,542	8.7%
Net Ordinary Income	5,189,689	608,022	878,311	270,289	44.5%

Chittenden Solid Waste District
 FY24 Proposed Budget
 Summary

	Actual FY22	Budget FY23	Forecast FY24
Subsidies, Reserve Transfers & Year End Adjustments			
Other Income			
Subsidies & Transfers			
Solid Waste Management Subsidy	2,622,835	3,018,109	3,342,938
Operating Reserve Subsidy	-	-	939,292
Transfer from Landfill Post Closure Reserve	133,984	189,919	177,452
Community Clean Up Fund	15,766	95,000	95,000
Transfer from Undesignated Funds	46	-	-
Total Subsidies & Transfers	<u>2,772,631</u>	<u>3,303,028</u>	<u>4,554,681</u>
Total Other Income	<u>2,772,631</u>	<u>3,303,028</u>	<u>4,554,681</u>
Other Expenses			
Reserve Transfers			
Transfer to Solid Waste Mangement Reserve	3,409,559	3,381,750	3,335,702
Transfer to Facility Closure Reserve	404	-	500
Transfer to Landfill Post Closure Reserve	514	1,000	1,000
Transfer to Operating Reserve	3,865,259	30,617	1,115,677
Transfer to Biosolid Reserve	62,012	46,375	45,500
Transfer to Capital Reserve	624,571	451,308	934,614
Total Reserve Transfers	<u>7,962,320</u>	<u>3,911,050</u>	<u>5,432,992</u>
Total Other Expenses	<u>7,962,320</u>	<u>3,911,050</u>	<u>5,432,992</u>
Total Other Income & Expenses	<u>(5,189,689)</u>	<u>(608,022)</u>	<u>(878,311)</u>
Net Income	<u>0</u>	<u>0</u>	<u>(0)</u>

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.

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
 FY24 Proposed Budget
 Administrative Summary

E.

	Administration	Compliance	Finance	Outreach & Communication	Solid Waste Management Fee	Total Administrative
Net Ordinary Income						
Income						
Solid Waste Management Fee	-	-	-	-	3,335,702	3,335,702
License Fees, Fines & Penalties	-	14,000	-	-	-	14,000
Interest & Dividends	-	-	60,000	-	-	60,000
Total Income	-	14,000	60,000	-	3,335,702	3,409,702
Gross Profit	-	14,000	60,000	-	3,335,702	3,409,702
Expenses						
Payroll Expenses						
Salaries & Wages	538,024	119,398	324,029	586,563	-	1,568,014
Benefits	193,911	29,142	147,715	224,823	-	595,591
Total Payroll Expenses	731,935	148,540	471,744	811,386	-	2,163,605
Travel & Training	39,100	7,000	1,450	34,900	-	82,450
Administrative Costs	30,165	6,900	3,900	22,487	-	63,452
Professional Fees	39,560	8,500	55,000	28,855	-	131,915
Equipment & Fleet	178,926	5,200	80,000	4,720	-	268,846
Supplies	5,300	800	6,000	33,600	-	45,700
Materials Management	-	-	150	-	-	150
Property Management	130,960	-	2,400	-	-	133,360
Promotion & Education	-	-	-	135,978	-	135,978
Community Support	-	-	95,000	4,700	-	99,700
Total Expenses	1,155,946	176,940	715,644	1,076,626	-	3,125,156
Net Ordinary Income	(1,155,946)	(162,940)	(655,644)	(1,076,626)	3,335,702	284,546

Chittenden Solid Waste District
 FY24 Proposed Budget
 Administrative Summary

	Administration	Compliance	Finance	Outreach & Communication	Solid Waste Management Fee	Total Administrative
Subsidies, Reserve Transfers & Year End Adjustments						
Other Income						
Subsidies & Transfers						
Solid Waste Management Fee Subsidy	1,155,946	162,940	620,644	1,076,626		3,016,156
Community Cleanup Fund	-	-	95,000	-	-	95,000
Total Subsidies & Transfers	1,155,946	162,940	715,644	1,076,626	-	3,111,156
Total Other Income	1,155,946	162,940	715,644	1,076,626	-	3,111,156
Other Expense						
Reserve Transfers						
Transfer to Capital Reserve	-	-	59,500	-	-	59,500
Transfer to Solid Waste Management Reserve	-	-	-	-	3,335,702	3,335,702
Transfer to Facility Closure Reserve	-	-	500	-	-	500
Total Reserve Transfer	-	-	60,000	-	3,335,702	3,395,702
Total Other Expenses	-	-	60,000	-	3,335,702	3,395,702
Total Other Income and Expenses	1,155,946	162,940	655,644	1,076,626	(3,335,702)	(284,546)
Net Income	-	-	-	-	-	-

Chittenden Solid Waste District Operating Descriptions

Operating Administration

The Operating Administration program (formerly Engineering) 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.

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
 FY24 Proposed Budget
 Operating Summary

G.

	Operating Administration	Drop Off Centers	Materials Recovery Facility	Organics Diversion Facility	Property Management	Hazardous Waste Depots	Total Operating
Net Ordinary Income							
Income							
Tipping Fees	-	2,413,236	3,996,090	331,195	-	-	6,740,521
Special Waste	-	730,109	-	-	-	-	730,109
Hazardous Waste	-	-	-	-	-	62,000	62,000
Sale of Materials	-	217,196	1,589,070	769,587	-	52,750	2,628,603
Rents	-	-	-	-	75,000	-	75,000
Product Stewardship	-	37,500	-	-	-	131,500	169,000
Other Income	-	75,000	-	-	-	-	75,000
Grant Revenue	-	-	-	-	-	106,470	106,470
Total Income	-	3,473,041	5,585,160	1,100,782	75,000	352,720	10,586,703
Cost of Goods Sold							
Paint	-	-	-	-	-	19,000	19,000
Organics	-	-	-	102,405	-	-	102,405
Total Cost of Goods Sold	-	-	-	102,405	-	19,000	121,405
Gross Profit	-	3,473,041	5,585,160	998,377	75,000	333,720	10,465,298
Expenses							
Payroll Expenses							
Salaries & Wages	247,967	824,788	13,521	426,262	-	349,220	1,861,758
Benefits	50,214	469,116	2,081	203,028	-	160,205	884,644
Total Payroll Expenses	298,182	1,293,904	15,602	629,290	-	509,425	2,746,402
Travel & Training	4,350	1,500	6,465	12,900	-	4,300	29,515
Administrative Costs	1,250	78,650	28,034	8,249	-	-	116,183
Professional Fees	23,000	150	1,725	3,050	-	2,750	30,675
Equipment & Fleet	-	47,305	42,100	219,273	-	24,900	333,578
Supplies	-	20,250	1,100	21,944	1,000	22,000	66,294
Materials Management	-	1,187,535	3,557,475	160,008	-	396,700	5,301,718
Property Management	-	72,674	113,468	104,284	66,890	71,300	428,616
Promotion & Education	-	-	-	6,200	-	-	-
Community Support	-	1,250	-	-	-	-	1,250
Maintenance & Roll Off Allocation	-	591,731	6,802	37,408	6,802	37,408	680,150
Total Expense	326,782	3,294,949	3,772,770	1,202,606	74,691	1,068,783	9,740,581
Net Ordinary Income	(326,782)	178,092	1,812,390	(204,229)	309	(735,063)	724,717

Chittenden Solid Waste District
 FY24 Proposed Budget
 Operating Summary

	Operating Administration	Drop Off Centers	Materials Recovery Facility	Organics Diversion Facility	Property Management	Hazardous Waste Depots	Total Operating
Subsidies, Reserve Transfers & Year End Adjustments							
Other Income							
Subsidies & Transfers							
Operating Reserve Subsidy	-	-	-	204,229	-	735,063	939,292
Solid Waste Management Fee Subsidy	326,782	-	-	-	-	-	326,782
Total Subsidies & Transfers	326,782	-	-	204,229	-	735,063	1,266,073
Total Other Income	326,782	-	-	204,229	-	735,063	1,266,073
Other Expenses							
Reserve Transfers							
Transfer to Operating Reserve	-	-	1,115,677	-	-	-	1,115,677
Transfer to Capital Reserve	-	178,092	696,713	-	309	-	875,114
Total Reserve Transfers	-	178,092	1,812,390	-	309	-	1,990,790
Total Other Expense	-	178,092	1,812,390	-	309	-	1,990,790
Total Other Income and Expenses	326,782	(178,092)	(1,812,390)	204,229	(309)	735,063	(724,717)
Total Net Income	-	-	-	-	-	-	-

Chittenden Solid Waste District
Self-Funded Descriptions

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.

Chittenden Solid Waste District
 FY24 Proposed Budget
 Self-Funded and Maintenance Summary

I.

	Biosolids	Closed Landfill	Maintenance & Rolloff
Net Ordinary Income			
Income			
Biosolids	1,404,358	-	-
Interest & Revenue	-	1,000	-
Total Income	<u>1,404,358</u>	<u>1,000</u>	<u>-</u>
Gross Profit	<u>1,404,358</u>	<u>1,000</u>	<u>-</u>
Expenses			
Payroll Expenses			
Salaries & Wages	-	10,328	312,235
Benefits	-	846	149,558
Total Payroll Expenses	<u>-</u>	<u>11,174</u>	<u>461,793</u>
Travel & Training	2,960	-	3,250
Administrative Costs	1,950	100	1,200
Professional Fees	4,600	113,500	-
Equipment & Fleet	-	-	169,650
Supplies	-	250	21,400
Materials Management	1,349,348	40,150	-
Property Management	-	12,278	22,857
Total Expenses	<u>1,358,858</u>	<u>177,452</u>	<u>680,150</u>
Net Ordinary Income	<u>45,500</u>	<u>(176,452)</u>	<u>(680,150)</u>

Chittenden Solid Waste District
 FY24 Proposed Budget
 Self-Funded and Maintenance Summary

	Biosolids	Closed Landfill	Maintenance & Rolloff
Subsidies, Reserve Transfers & Year End Adjustments			
Other Income			
Subsidies & Transfers			
Transfer from Landfill Post Closure Reserve	-	177,452	-
Total Subsidies & Transfers	-	177,452	-
Allocations			
Maintenance Allocation	-	-	680,150
Total Allocations	-	-	680,150
Total Other Income	-	177,452	680,150
Other Expenses			
Reserve Transfers			
Transfer to Biosolids	45,500	-	-
Transfer to Landfill Post Closure	-	1,000	-
Total Reserve Transfers	45,500	1,000	-
Total Other Expenses	45,500	1,000	-
Total Other Income and Expenses	(45,500)	176,452	680,150
Net Income	-	-	-



ADMINISTRATIVE OFFICE
1021 Redmond Road
Williston, VT 05495
EMAIL info@cswd.net
TEL (802) 872-8100
www.cswd.net

J.

To: Finance Committee
From: Josh Tyler, Director of Operations
Date: January 5, 2023
RE: Fiscal Year 2024 Capital Budget

Operating Capital

Presented in this enclosure is a capital budget and timeline for FY24, FY25 and FY26; The new Materials Recycling Facility (MRF) construction project will be presented in a separate memorandum. This memo highlights the projects and procurements planned for FY24.

CSWD has invested heavily in significant infrastructure and rolling stock upgrades over the last three (3) years. Infrastructure investments have focused on increasing facility service life to a minimum of 20-years. For example, the Drop-Off Center in Hinesburg, the ODF (upon completion in spring 2023), and a revamped Drop-Off Center in Milton (spring 2023) all have a 20-year service life. Rolling stock investment has focused on the purchase of new equipment rather than leased equipment or used equipment to maximize useful life, manage higher parts costs with warranties, minimize costly down time due to old repurposed and antiquated equipment as well as realize a higher trade in value at the time of replacement.

Review of the three-year summary will highlight a significant decrease in capital expenses toward the out years. The existing investments made to date will bring the District to a regular capital pattern where rolling stock replacement will be more spread out and will see a purchase phase (FY20 to FY24) and a maintenance phase (FY25 to FY30). District staff has made significant efforts to generate accurate capital costs in developing the operating capital budget as well as following through with capital purchases, upgrades and projects as planned.

Please note that this is a description of intended projects and procurements and is inclusive of all potential capital expenses for FY24. Approval of the budget does not mean work will proceed without a proper bidding process and associated Board approvals according to CSWD financial policies. All capital projects greater than \$100,000 will require approval from the Board of Commissioners. In addition to Board notice of projects exceeding \$100,000, Staff will regularly report updates of facility projects that are under the \$100,000 threshold.



ADMINISTRATIVE OFFICE
1021 Redmond Road
Williston, VT 05495
EMAIL info@cswd.net
TEL (802) 872-8100
www.cswd.net

CSWD Capital Budget Highlights Fiscal Year 2024	
Organics Diversion Facility	\$1,060,000
Roll-Off and Maintenance	\$360,000
Drop Off Centers	\$285,000
Hazardous Waste and Latex Paint	\$80,000
Administrative infrastructure	\$95,000
Materials Recovery Facility	\$35,000
New MRF Funding Payments	\$523,711
Capital Contingency	\$243,871
FY 24 Capital Projects	\$2,682,582

Descriptions of items included in the FY24 capital budget are as follows:

\$750,000	Organics Diversion Facility primary screener, (10-15-year life)
\$523,711	New MRF Funding Payments – Bond Interest FY24
\$285,000	Burlington Drop Off Center Construction, (5 – 20-year life)
\$250,000	Purchase new Maintenance Loader, (5 – 7-year life)
\$150,000	Organics Diversion Facility Phase III grading
\$110,000	Purchase new Maintenance Mini-Loader, (5 – 7-year life)
\$80,000	Refurbish outdoor hazardous storage buildings for the Environmental Depot, (10-year life)
\$60,000	Drop Off Center materials analysis

There are sufficient cash reserves available to fund the capital expenditures budgeted for FY24.

CSWD CAPITAL PROJECTS

3 YEAR PLAN

K.

MATERIALS RECOVERY FACILITY		FY24	FY25	FY26
Site Work				
General	Repave lot			
	Replace Stormwater System (1993)			
	New Roof			
	Building Structure upgrades			
	Full Tip Floor			
	HVAC			
	Replace Septic system (1993)			
	contingency cost to transfer material while down			
Sub Total		\$0	\$0	\$0
Building & Building Repair				
General	Refurbish Tip Floor			
	Building Roof (1993)			
	Presort Enclosure (2003)			
	Refurbish bathroom			
	Refurbish Tip Floor Steel Side wall			
	Sprinkler System Modifications			
Sub Total		\$0	\$0	\$0
Capital Equipment				
Fiber Line MSW compactor Single Stream System	Sorting Conveyor			
	MC 1			
Sub Total		\$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(2022)			
	#2 Skid Steer (2023)			
	Front End Bucket Loader			
	SCISSORS LIFT	\$35,000		
Sub Total		\$35,000	\$0	\$70,000
Total MRF		\$35,000	\$0	\$70,000

CSWD CAPITAL PROJECTS

3 YEAR PLAN

ORGANICS DIVERSION FACILITY		FY24	FY25	FY26
Site Work				
Expanded food collection pad			\$75,000	
Sub Total		\$0	\$75,000	\$0
Building & Building Repair				
ASP watering system		\$35,000		
Concrete Pad Replacement (mixing bay)				
Sub Total		\$35,000	\$0	\$0
Capital Equipment				
Komptech L3 Screener (2012 purchased used; 10 year useful life)	12-15 year useful life	\$750,000		
ASP Trommel screener (2022)	15 year useful life			
ASP BLOWER SYSTEM (AERATED STATIC PILE)				\$50,000
Sub Total		\$750,000	\$0	\$50,000
Rolling Stock				
2003 MACK PUMP TRUCK (4500 GAL TANK)	rehab	\$25,000		
Loader #1 (2021)	10 year useful life			
Loader #2 (2018)	7 year useful life		\$260,000	
Loader #3 (2021) JD 524	12 year useful life			
Organics collection insert for F550	7 year useful life	\$100,000		
Used Triaxle Dump truck (ADT)	12 year useful life			
stacking conveyer (2021)	20 year useful life			
Sub Total		\$125,000	\$260,000	\$0
ODF Expansion				
Phase III				
site grading		\$150,000		
Sub Total		\$150,000	\$0	\$0
Total ODF		\$1,060,000	\$335,000	\$50,000

CSWD CAPITAL PROJECTS 3 YEAR PLAN

Roll-Off and Maintenance		FY24	FY25	FY26
Capital Equipment				
new roll-off containers		\$ -	moved to ops budget	\$ -
Sub Total		\$ -	\$ -	\$ -
Rolling Stock				
2023 KENWORTH ROLL OFF TRUCK T800 #1	10 year useful life			
2012 KENWORTH ROLL OFF TRUCK T800 #31	encumbered (\$255,000)	\$ 25,000		
2017 KENWORTH ROLL OFF TRUCK T800 #2	10 year useful life			
2005 JD 644G Loader EDOC			\$ 30,000	
2022 FORD F350 PICKUP TRUCK - Rack Truck				
2014 JD 644K Loader Maint		\$ 250,000		
2014 Volvo L30GS mini-loader (maybe skid steer)		\$ 110,000		
2015 enclosed trailer HH/lawnmower				\$ 12,000
Used Oil Trailer			\$ 25,000	
Sub Total		\$ 360,000	\$ 55,000	\$ 12,000
Total Roll-Off and Maintenance		\$360,000	\$55,000	\$12,000
Drop Off Centers				
Site Work				
BDOC	Flynn Ave Pine Street Construction	\$ 285,000		
Sub Total		\$ 285,000	\$ -	\$ -
EDOC	Design for Expansion Overlay lot and road		\$ 60,000	\$ 30,000
Sub Total		\$ -	\$ 60,000	
WDOC	Design for Optimization		\$ 25,000	
Sub Total		\$ -	\$ 25,000	\$ -
Total Drop Off Centers		\$ 285,000	\$ 85,000	\$ -

CSWD CAPITAL PROJECTS 3 YEAR PLAN

HAZARDOUS WASTE AND LATEX PAINT		FY24	FY25	FY26
Building & Building Repair				
Refurbish outdoor haz store bldgs. (2) added to ops budget		\$ 80,000		
Sub Total		\$ 80,000	\$ -	\$ -
Rolling Stock				
new forklift (2008) used			\$ 34,000	
Sub Total			\$ 34,000	
Total HAZARDOUS WASTE AND LATEX PAINT		\$ 80,000	\$ 34,000	\$ -
Administration				
Capital Equipment				
New Server, routers switches, - every 5 yrs.				
POS upgrade consultant				
DOC bag analysis		\$ 60,000		
NetSuite upgrades				
Full District Revenue Sufficiency Analysis				
website upgrades		\$ 35,000		
New Phone System - (every 5 years)				
Sub Total		\$ 95,000	\$ -	\$ -
Total Administration		\$ 95,000	\$ -	\$ -
Old MRF				
Site Work				
Building and Site (decomissioning/repurpose)		\$0	\$0	\$350,000
NEW MRF				
Funding Payment				
Bond Interest		\$523,711	\$839,804	\$839,804
Capital		\$ 2,438,711	\$ 1,348,804	\$ 1,321,804
Contingency		\$ 243,871	\$ 134,880	\$ 132,180
Capital Total		\$ 2,682,582	\$ 1,483,684	\$ 1,453,984
MRF input		\$ (525,000)	\$ -	\$ -
ODF input		\$ -	\$ (15,000)	\$ (15,000)
DOC input		\$ (178,000)	\$ -	\$ -
Cap Reserve Net Cost		\$ 1,979,582	\$ 1,468,684	\$ 1,438,984



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: October 20, 2022
RE: FY 2024 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 2024 is \$3,335,702. 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 rose 5.3% from FY 2021 to FY 2022, as the COVID-19 pandemic impacts abated. The CY 2021 receipts are in line with those of CY 2019. This strong and expected improvement follows the less than expected impacts of the pandemic FY 2021 totals. Calendar year disposed tons for 2021 were 134,644, a 6.8% jump from CY 2020. 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. Post-pandemic, both the District's diversion rate increased as did disposed ADC. There is no guarantee either of these trends will continue to climb in the next projected fiscal year, which could impact the SWMF collected.

Projections under such unusual conditions continue to be extremely difficult to prepare (i.e. pandemic related issues, international conflict, reduced labor force, supply chain disruptions, and shifting consumer preferences). Severe reductions in waste generation in FY21 did not occur and picked up to 'normal' levels in FY22. Looking at three quarters of data, tons projected to be disposed in CY22 are expected to be lower than FY22 actuals by 0.6%. It is not expected that waste generation will return to pre-pandemic levels in FY23, but economic activity has improved, and the impact of federal investment continues. However, inflation and changes to monetary policy coupled with the risk of recession and international political volatility are countervailing forces. Federal support from the pandemic and resulting surpluses is underscored as a key driver for the State's economy as of July 2022 (updated in August, 2022) economic review and revenue forecast update by economist Tom Kavet for the state Emergency Board and Legislative Joint Fiscal Office (<https://lifo.vermont.gov/subjects/revenue-and-tax/state-forecasts/consensus-revenue-forecasts-legislative-economic-outlook>). Regarding the overall state economic outlook, Kavet concluded, "While downside risks abound, even with dramatically slowing economic growth in FY23 and FY24, [state tax] revenues could remain at historically high levels. Given the heightened level of uncertainty, interim quarterly revenue updates should be considered if external conditions appreciably worsen in FY23." Regarding the outlook in the housing construction industry specifically, Kavet stated in his report, "As interest rates rise, prices should moderate, but the absence of excess supply will temper price declines and provide a shorter recovery period...The current absence of overbuilding, however, should support resumed growth towards the end of the 5-year forecast horizon." From our perspective this entails a risk that recession may dampen the future amount of material generated, but also gives some confidence C&D materials may remain higher than normal especially in consideration of some of the larger ongoing and potential construction projects (i.e., Burlington downtown redevelopment, Beta Tech, Burlington High School and other commercial/housing projects ongoing or in the pipeline). Whether we will enjoy as high or increasing diversion rates in the future also could be in question since recent increases may have been driven in part by the pandemic response. Ultimately a wide variety of factors could impact the amount of disposed material in potentially unpredictable ways.

Given Kavet's Vermont economic forecast and using the Skumatz model, the SWMF is projected to be 1.3% lower than the FY 2023 estimate and 2.5% lower than projected for CY 2021 resulting in a baseline of 123,545 tons at \$3,335,702 in revenue for FY 2024.

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 2020 actual	87,357	30,819	707	7,162	126,045	120,143
CY 2021 actual	88,485	34,806	1	11,352	134,644	126,129
FY 2022 actual	87,747	35,439	1	16,274	139,461	127,255
CY 2022 - actual thru 3Q	64,469	27,544	1,250	13,239	106,502	95,635
CY 2022 - actual + projected 4Q	86,969	35,884	1,460	14,239	138,552	126,778
FY 2023 budget projection	88,800	36,000	800	1,000	126,600	124,600
FY 2024 budget projection	86,595	36,500	800	1,000	124,895	123,545
25% of SWMF FY 2023			200	250		
SWMF Tons	123,545					
SWMF Revenue	\$3,335,702					

*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 24 Proposed Budget
Reserve Funds

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 authorized.

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 FY24, CSWD will manage the following Restricted Reserves:

Biosolids Reserve – established by the contract with the members of 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 FY24 indicate **an increase of \$45,500.**

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. Both expected expenditures and expected interest earned are included in the annual budget. Budget projections for FY24 indicate **a reduction of \$176,452.**

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. Funds for this reserve reside in an interest-bearing account; revenue from the account is included in the Finance budget. Budget projections for FY24 indicate **an increase of \$500.**

In FY24, CSWD will manage the following Temporarily Restricted Reserves:

Materials Recycling Facility Reserve- developed in FY23 to maintain a minimum fund balance per the bond agreement. Additional funds will be deposited as available, until management is confident bond payments can be completed through the net ordinary income at the Materials Recycling Facility.

Chittenden Solid Waste District
Fiscal Year 24 Proposed Budget
Reserve Funds

In FY24 CSWD will manage the following Assigned Reserves:

Solid Waste Management Reserve – designated to provide support to management services as described in the Charter through a management fee structure. Budget projections for FY24 indicate a **decrease of \$7,236**. Upon completion of the “waterfall effect” the fund will return to the maximum balance maintained in that reserve.

Operating Reserve – designated to provide funds to operating programs and reduce the reliance on the solid waste management subsidy. 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 Reserve. Budget projections for FY24 indicate an **increase of \$176,385**. Upon completion of the “waterfall effect” the fund will return to the maximum balance of \$1,750,000 and the excess funds will be redistributed.

Capital Reserves – established to preserve funding for future capital projects, asset upgrades and replacement of depreciated or disposed assets. Budget projections for FY24 indicate an **increase of \$934,614 from the department budgets and a decrease of \$2,682,582 for capital projects, for a net decrease of \$1,747,968**. Upon the completion of the “waterfall effect” an additional \$74,149 will be redistributed to this fund.

Community Clean Up Fund – designated to member communities for local permissible projects. Budget projections for FY24 indicate a **decrease of \$95,000**. Upon completion of the “waterfall effect” it will replenish to \$95,000.

Reserve Fund	Assumed Balance at the end of FY23	Assumed Changes per FY24 Proposed Budget	FY24 Capital Plan	Waterfall adjustments	Balance at the end of FY24
RESTRICTED					
Landfill Post Closure Reserve	353,024	(176,452)	-	-	176,572
Biosolids Reserve	335,224	45,500	-	-	380,724
Facilities Closure Reserve	1,464,178	500	-	-	1,464,678
TEMPORARILY RESTRICTED					
Material Recycling Facility Reserve	2,200,000	-	-	0	2,200,000
DESIGNATED					
Solid Waste Management Reserve	1,000,000	(7,236)	-	7,236	1,000,000
Operating Reserve	1,750,000	176,385	-	(176,385)	1,750,000
Capital Reserve	5,025,717	934,614	(2,682,582)	74,149	3,351,898
Community Cleanup Fund	95,000	(95,000)	-	95,000	95,000
UNDESIGNATED					
Undesignated	1,000,000	0		0	1,000,000

CHITTENDEN SOLID WASTE DISTRICT
 FY 24 SCHEDULE OF PROGRAM TIPPING FEES

N.

	FY22	FY23	FY24	Change from FY23 to FY24
MATERIALS RECYCLING FACILITY				
<i>Materials Sales fluctuate with market price.</i>				
Budgeted Tipping Fees:				
In-District materials, per ton	\$ 80.00	\$ 80.00	\$ 85.00	\$ 5.00
Out-of-District materials, per ton	\$ 80.00	\$ 80.00	\$ 85.00	\$ 5.00
DROP-OFF CENTERS				
<i>Items accepted vary by facility</i>				
Household Trash				
Small - up to 13 gallons	\$ 2.75	\$ 2.00	\$ 3.00	\$ 1.00
Medium - 14 to 35 gallons	\$ 5.25	\$ 6.00	\$ 8.00	\$ 2.00
Large - 36 to 45 gallons	\$ 7.50	\$ 8.00	\$ 11.00	\$ 3.00
per cubic yard	\$ 41.25	\$ 42.00	\$ 48.00	\$ 6.00
at Drop-Off Center in Burlington, per pound	\$ 0.21	n/a	n/a	
Recycling				
Blue-bin Recyclables, with paid trash items	No charge	No charge	No charge	\$ -
Blue-bin Recyclables ONLY	\$ 2.00	\$ 2.00	\$ 2.00	\$ -
Organics				
Food Scraps, with paid trash items	No charge	No charge	No charge	\$ -
Food Scraps (per 5 gallons), without paid trash items	\$ 1.50	\$ 1.00	\$ 1.00	\$ -
Tree limbs, trunks, clean stumps, & brush:				
Up to 1 cubic yard (Milton & Essex)	n/a	No charge	No charge	\$ -
Up to 3 cubic yards (Williston)	No charge	No charge	No charge	\$ -
Each cubic yard in excess of 3 cy	\$ 10.00	\$ 5.00	\$ 5.00	\$ -
Pallets & clean lumber:				
Up to 1 cubic yard (Milton & Essex)	No charge	No charge	No charge	\$ -
Up to 3 cubic yards (Williston)	n/a	No charge	No charge	\$ -
Each cubic yard in excess of 1 cy	\$ 5.00	\$ 5.00	\$ 5.00	\$ -
Per ton	\$ 50.00	\$ 50.00	\$ 50.00	\$ -
Yard debris	n/a	No Charge	No Charge	\$ -
Special Materials				
Non-covered Electronics ~ per pound (by appt. only)	\$ 0.18	\$ 0.18	\$ 0.18	\$ -
Gypsum wallboard (clean, new scrap):				
Small loads (up to 2 cy), per cubic yard	\$ 22.50	\$ 22.50	\$ 22.50	\$ -
Large loads, per ton	\$ 90.00	\$ 90.00	\$ 90.00	\$ -
Tires ~ up to 16"	\$ 2.25	\$ 3.00	\$ 3.00	\$ -
Tires ~ 16.5" to 19"	\$ 3.75	\$ 3.00	\$ 3.00	\$ -
Tires ~ per ton	\$ 200.00	\$ 225.00	\$ 225.00	\$ -
Propane cylinders over 20 lbs.	\$ 5.00	\$ 5.00	\$ 5.00	\$ -
Mercury-containing products*	No charge	No charge	No charge	\$ -
Propane cylinders 20 lbs. & under*	No charge	No charge	No charge	\$ -
Dense Construction & Demolition Materials				
up to 13-gallon bag/barrel	\$ 5.50	\$ 5.00	\$ 5.00	\$ -
up to 33-gallon bag/barrel	\$ 10.50	\$ 10.00	\$ 10.00	\$ -
up to 45-gallon bag/barrel	\$ 15.00	\$ 15.00	\$ 15.00	\$ -
per cubic yard	\$ 82.50	\$ 82.00	\$ 82.00	\$ -

CHITTENDEN SOLID WASTE DISTRICT
FY 24 SCHEDULE OF PROGRAM TIPPING FEES

	FY22	FY23	FY24	Change from FY23 to FY24
DROP-OFF CENTERS, continued				
<i>Items accepted vary by facility</i>				
Other Items				
Appliances without refrigerants	\$ 5.00	\$ 5.00	\$ 5.00	\$ -
Appliances with refrigerants	\$10-\$15	\$10-\$15	\$10-\$15	
Batteries (household and lead acid)*	No charge	No charge	No charge	
Electronics -non-covered	\$1-\$15	No charge	No charge	
Electronics - items covered by State program	No charge	No charge	No charge	
Fluorescent lamps*	No charge	No charge	No charge	
Small furniture item	\$ 11.00	\$4-11	\$4-11	
Large furniture item	\$ 22.00	\$16- 22	\$16- 22	
Twin box spring	\$ 18.75	\$ 20.00	\$ 20.00	\$ -
Twin mattress	\$ 18.75	\$ 20.00	\$ 20.00	\$ -
Full/double/queen mattress	\$ 11.00	\$ 25.00	\$ 25.00	\$ -
Full/double/queen box spring	\$ 11.00	\$ 25.00	\$ 25.00	\$ -
King mattress	\$ 22.00	\$ 30.00	\$ 30.00	\$ -
King box spring	\$ 22.00	\$ 30.00	\$ 30.00	\$ -
Crib mattress	\$ 6.00	\$ 6.00	\$ 6.00	\$ -
Hard cover books*	No charge	\$ -	\$ -	\$ -
Scrap metal	No charge	No charge	No charge	\$ -
Textiles*	No charge	No charge	No charge	\$ -
Tires	\$ 2.75	\$ 3.00	\$ 3.00	\$ -
Tires ~ Up to 19"	\$ 5.25	\$ 3.00	\$ 3.00	\$ -
Tires ~ 20" to 24.5"	\$ 14.00	\$ 15.00	\$ 15.00	\$ -
Tires ~ large equipment tires	\$ 56.00	\$ 56.00	\$ 56.00	\$ -
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)	\$2-8; \$42 (Cubic Yard)	\$ -
HAZARDOUS WASTE - ENVIRONMENTAL DEPOT & ROVER				
Environmental Depot				
Household hazardous waste		No Charge	No Charge	\$ -
Business hazardous waste ~ Conditionally Exempt Generators	Call For Pricing	Call For Pricing	Call For Pricing	
Rover				
Household hazardous waste		No Charge	No Charge	\$ -
BIOSOLIDS				
<i>price based on agreed-upon contract with member towns</i>				
Sludge				
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)	\$ 87.40	\$ 91.30	\$ 96.06	\$ 4.76
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)	\$ 92.87	\$ 99.01	\$ 104.67	\$ 5.66
Organics Diversion Facility				
Food Waste				
Tip fee, per ton	\$ 60.00	\$ 65.00	\$ 70.00	\$ 5.00
Solid Waste Management				
Budgeted Fee:				
Management Fee, per ton	\$ 27.00	\$ 27.00	\$ 27.00	\$ -

FY 24 CSWD ORGANIZATIONAL CHART

O.

