

Preserving the environment through integrated recovery and disposal.

MEMORANDUM

TO: Elected Officials, Investors, Contractors and Interested Individuals

FROM: William A. Rabbia, Executive Director

DATE: October 27, 2017

RE: Proposed 2018 Budget

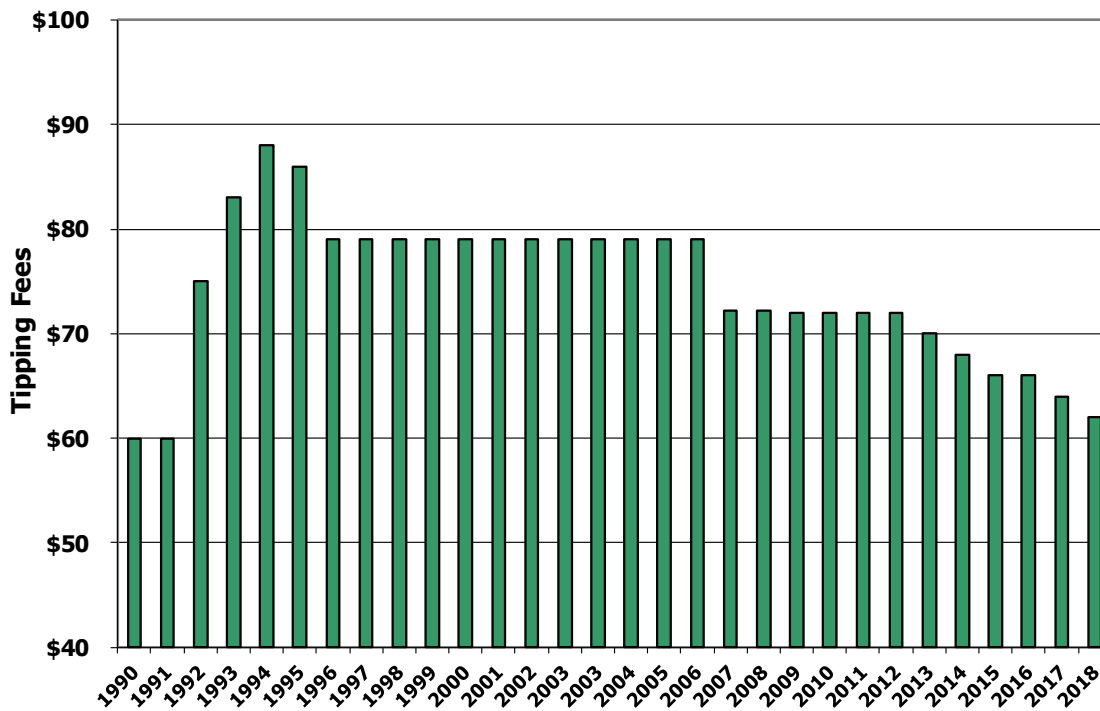
I am pleased to submit the attached proposed 2018 budget for the Oneida-Herkimer Solid Waste Authority, pursuant to Article IX, Section 9.2 of the Authority Bylaws and the Public Authorities Accountability Act of 2005. Highlights of the Authority’s proposed budget and rates for 2018 include:

- The Authority will maintain rates charged in 2017 and reduce the following rates for 2018:

2018 BUDGET HIGHLIGHTS

	<u>2017 Rates</u>	<u>2018 Proposed Rates</u>
Municipal Solid Waste (MSW), Sludge	\$64/ton	\$62/ton

**ONEIDA-HERKIMER SOLID WASTE AUTHORITY
 Historical MSW Tipping Fees 1990 - 2018**



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REVENUE HIGHLIGHTS

- 2018 projected tonnage estimates based upon 8-month actual tonnage in 2017 and a review of historical data.
- Sale of recyclables revenues forecasted with 8-month data from 2017, historical review and market projections for 2018.
- Authority will continue to operate two engines at its power facility as per its agreement with WM Renewable Energy.
- The Authority will continue to waive the permit fee for the haulers/businesses and municipalities for 2018.
- The sale of carbon credits revenue has been reinstated into the proposed budget, based on regulatory changes.
- The out of county recyclable processing revenue has increased with the projected annual tonnage from Oswego, Lewis and Fulton Counties.

EXPENSE HIGHLIGHTS

- Health insurance expense budgeted at a range of 4% to 12% increase over 2017 premiums (depending upon plan selected).
- Budget reflects \$455,000 of contracted direct payments made to the Town of Ava and the Town and Villages of Boonville, consistent with our Host Community Agreements.
- Fuel expense was budgeted at \$2.50 per gallon as the result of industry forecasts.
- Capital projects funded through tipping fees will be \$1,770,000 for 2018.
- Public education expenses are projected to be \$70,000.
- Workers' compensation budget is based upon 5-year average of the Authority's actual claims.
- The annual contributions to the NYS Retirement System will stay consistent with 2017 costs as rates have remained relatively the same.
- Reduced Debt Service based upon defeasance of the Authority's 2007 bonds.

A public hearing and an overview of the proposed 2018 budget will be held preceding the November 20, 2017 Board meeting at 4:30 PM. A vote on the proposed 2018 budget is anticipated at the December 18, 2017 meeting.

Please feel free to contact me if you have any questions.

WAR/PJD/jmt



2018

PROPOSED BUDGET

2018 PROPOSED FEE SCHEDULE WASTE CLASS	CONTRACT PERMITTED HAULER RATE PER TON OR RATE PER ITEM	NON-CONTRACT PERMITTED HAULER RATE PER TON OR RATE PER ITEM	RESIDENT RATE PER TON OR RATE PER ITEM
Municipal Solid Waste (MSW) [Non-Recyclable Waste]	\$62.00	\$115.00	\$62.00
Local Solid Waste (LSW) [Non-Recyclable Waste]	\$52.00	N/A	N/A
Sludge	\$62.00	\$115.00	N/A
Construction & Demolition (C&D)	\$58.00	\$115.00	\$58.00
C&D Trucking & Disposal Roll-Off	\$73.00	N/A	N/A
C&D Trucking & Disposal Trailer	\$58.00	N/A	N/A
C&D - Trailer Direct Haul	\$50.00	N/A	N/A
Waste Mixed with 25% Recyclables	\$124.00	\$230.00	\$124.00
Select C&D (Clean Fill Only i.e., asphalt, concrete, brick and stone)	\$25.00	N/A	\$25.00
Clean Wood Pallets	\$15.00	\$15.00	\$15.00
Direct Haul Special Waste	\$55.00	\$87.00	N/A
Direct Haul Asbestos (1 ton minimum up to 4,000 tons)	\$80.00	\$159.00	N/A
Direct Haul Bulk Asbestos (> 4,000 tons per year to 8,000 tons per year)	\$70.00	\$159.00	N/A
Direct Haul Bulk Asbestos (> 8,000 tons per year)	\$60.00	\$159.00	N/A
ADC/Contaminated Soil – Regional Landfill Cover	\$15-\$30	N/A	N/A
Single Stream Recyclables(Oneida & Herkimer County)	\$0.00	\$49.00	\$0.00
Out of Region Single Stream Recyclables (Prior Authorization Needed)	TBD	N/A	N/A
Recyclables Mixed with Unacceptable Material	\$62.00	\$115.00	\$62.00
Green Waste/Wood Chip Disposal	\$15.00	\$18.50	\$5.00 Flat Fee P/U Truck
Green Waste/Wood Chip Disposal - Minimum Charge	\$5.00	\$5.00	\$5.00
Bagged Compost Out	N/A	N/A	\$2.00 Per Bag or 3 Bags for \$5.00
Bulk Compost Out - Large P/U Truck [3 buckets] (we load)	N/A	N/A	\$20.00 Flat Fee
Bulk Compost Out - Small P/U Truck [up to 2 buckets] (we load)	N/A	N/A	\$15.00 Flat Fee
Bulk Compost Out - Less than 100 yd. (we load)	N/A	N/A	\$15.00 Per Yard
Bulk Compost Out - Greater than 100 yd. (we load)	N/A	N/A	\$12.00 Per Yard - By Appointment Only
Bulk Compost Out - Greater than 500 yards per year (we load)	N/A	N/A	\$10.00 Per Yard
Stumps, Root Balls & Oversized Limbs	\$15.00	\$18.50	N/A
Tires up to 20" (Per Tire)	\$2.50	\$3.00	\$2.50
Tires Bulk	\$190.00	\$235.00	\$190.00
Tires on a Rim Add for Each	\$2.00	\$2.00	\$2.00
Household White Goods (i.e. Washers) Per Item	\$0.00	\$0.00	\$0.00
Household Items w/CFCs (i.e. Freezers) Per Item	\$10.00	\$15.00	\$10.00
35-Gallon Bag of MSW	N/A	N/A	\$2.00
One Bulk Item (i.e. Chair/Sofa/Table)	N/A	N/A	\$5.00
Minimum Load Charge - MSW 0 to 250 lbs.	\$7.75 Flat Fee	\$15.00 Flat Fee	\$7.75 Flat Fee
Minimum Load Charge - MSW 251 to 500 lbs.	\$15.50 Flat Fee	\$28.75 Flat Fee	\$15.50 Flat Fee
Minimum Load Charge - MSW 501 to 750 lbs.	\$23.25 Flat Fee	\$43.25 Flat Fee	\$23.25 Flat Fee
Minimum Load Charge - MSW 751 to 1,000 lbs.	\$31.00 Flat Fee	\$57.50 Flat Fee	\$31.00 Flat Fee
Minimum Load Charge - LSW 0 to 250 lbs.	\$6.50 Flat Fee	N/A	N/A
Minimum Load Charge - LSW 251 to 500 lbs.	\$13.00 Flat Fee	N/A	N/A
Minimum Load Charge - LSW 501 to 750 lbs.	\$19.50 Flat Fee	N/A	N/A
Minimum Load Charge - LSW 751 to 1,000 lbs.	\$26.00 Flat Fee	N/A	N/A
Minimum Load Charge - C & D 0 to 250 lbs.	\$7.25 Flat Fee	\$15.00 Flat Fee	\$7.25 Flat Fee
Minimum Load Charge - C & D 251 to 500 lbs.	\$14.50 Flat Fee	\$28.75 Flat Fee	\$14.50 Flat Fee
Minimum Load Charge - C & D 501 to 750 lbs.	\$21.75 Flat Fee	\$43.25 Flat Fee	\$21.75 Flat Fee
Minimum Load Charge - C & D 751 to 1,000 lbs.	\$29.00 Flat Fee	\$57.50 Flat Fee	\$29.00 Flat Fee
Penalty for Untarped Loads	\$10.00	\$10.00	\$10.00
Manually Removing Frozen Loads	\$0.00	\$25.00	N/A
Vehicle Weight Fee	\$5.00	\$10.00	\$5.00
MSW = Municipal Solid Waste (Non-Recyclable Waste) LSW = Local Solid Waste (Non-Recyclable Waste) ADC = Alternate Daily Cover C&D = Construction & Demolition Debris T&D = Trucking & Disposal N/A = Non-Applicable TBD = To Be Determined			

PROPOSED 2018 AUTHORITY REVENUES

CATEGORY	2016 ACTUAL	2017 SIX MONTHS ACTUAL	2017 AMENDED BUDGET	2018 PROPOSED BUDGET
System Tipping Fee (STF)	\$16,895,155	\$8,081,252	\$14,964,700	\$15,018,300
Sale of Recyclables	\$2,051,046	\$1,359,431	\$2,050,000	\$2,575,000
Recyclable Processing Fees	\$570,065	\$383,239	\$583,000	\$755,000
Compost Tipping Fees	\$148,764	\$54,821	\$125,000	\$125,000
Interest Earnings	\$766,977	\$152,584	\$235,000	\$295,000
Recycling Fees-Tires	\$106,242	\$58,047	\$112,000	\$112,000
Department Transfers	\$75,000	\$37,500	\$75,000	\$75,000
HHW Grant/Recycling Grant	\$81,741	\$65,613	\$75,000	\$1,805,000
CESQG Fees	\$46,186	\$17,910	\$40,000	\$37,000
Sale of Equipment	\$16,218	\$87,277	\$15,300	\$65,000
Discounts	(\$11,178)	(\$5,674)	(\$13,000)	(\$13,000)
Penalties	\$5,718	\$3,177	\$2,000	\$2,000
Permits	\$3,150	(\$80)	\$0	\$0
Sale of Compost/Grinding	\$85,648	\$48,652	\$95,000	\$95,000
Miscellaneous Income	\$67,720	\$29,278	\$56,000	\$56,700
Landfill Gas Revenues	\$352,150	\$157,490	\$350,000	\$310,000
Sale of Carbon Credits	\$241,272	\$120,000	\$0	\$270,000
Electronics Recycling	\$2,787	\$0	\$0	\$0
Subtotal	\$21,504,661	\$10,650,517	\$18,765,000	\$21,583,000

PROPOSED 2018 LOCAL GOVERNMENT REVENUES

CATEGORY	2016 ACTUAL	2017 SIX MONTHS ACTUAL	2017 AMENDED BUDGET	2018 PROPOSED BUDGET
Toter Revenue	\$695,761	\$360,003	\$687,400	\$713,500
Sale of Bags	\$2,012,880	\$994,946	\$2,009,500	\$2,189,750
User Fees	\$2,108,430	\$1,068,555	\$2,065,000	\$2,255,000
Interest Earnings	\$2,894	\$1,214	\$3,250	\$2,750
Penalties	\$53,354	\$33,107	\$45,000	\$50,000
Miscellaneous Income	\$5,665	\$1,779	\$56,850	\$3,000
Subtotal	\$4,878,984	\$2,459,604	\$4,867,000	\$5,214,000
TOTAL REVENUES	\$26,383,645	\$13,110,121	\$23,632,000	\$26,797,000

2018 PROJECTED TONNAGE

Waste Class	2015 Actual Tons	2016 Actual Tons	2017 Projected Tons	2017 Adopted Rates	2017 Budgeted Revenue	2017 Actual Tons 6 months	2017 Revenue 6 Mo.	2018 Projected Tons	2018 Projected Rates	2018 Projected Revenue
MSW	155,022	156,065	155,000	\$64.00	\$9,920,000	78,295	\$5,078,893	156,000	\$62.00	\$9,672,000
C&D	47,445	48,168	45,000	\$58.00	\$2,610,000	24,276	\$1,438,705	47,000	\$58.00	\$2,726,000
C&D/T&D Trailer	913	1,262	1,000	\$58.00	\$58,000	1,718	\$99,654	1,000	\$58.00	\$58,000
C&D/ Trailer Direct	432	180	500	\$50.00	\$25,000	176	\$8,828	500	\$50.00	\$25,000
C&D/T&D Roll-off	223	0	300	\$73.00	\$21,900	0	\$0	300	\$73.00	\$21,900
Direct Haul Special	3,122	2,655	3,000	\$55.00	\$165,000	1,240	\$68,192	3,000	\$55.00	\$165,000
Local Waste	6,995	6,953	6,700	\$54.00	\$361,800	3,124	\$167,418	6,700	\$52.00	\$348,400
Sludge	11,763	10,903	9,500	\$64.00	\$608,000	5,870	\$363,634	11,000	\$62.00	\$682,000
Asbestos	6,574	5,235	4,000	\$80.00	\$320,000	2,400	\$193,002	4,000	\$80.00	\$320,000
ADC/Cover****	54,983	71,992	35,000	\$15 - \$30	\$875,000	24,365	\$614,735	40,000	\$15 - \$30	\$1,000,000
TOTAL	287,472	303,413	260,000	----	\$14,964,700	141,464	\$8,033,061	269,500	----	\$15,018,300

**** Revenue is estimated at \$25 per ton for 2017 and 2018

PROPOSED 2018 AUTHORITY EXPENSES				
CATEGORY	2016 ACTUAL	2017 SIX MONTHS ACTUAL	2017 AMENDED BUDGET	2018 PROPOSED BUDGET
Salaries & Wages	\$3,424,389	\$1,750,211	\$3,613,766	\$3,795,654
Overtime/Shift Differential	\$267,312	\$170,991	\$288,450	\$326,450
Other Fees & Services	\$802,806	\$392,629	\$778,000	\$727,000
Temporary Labor	\$105,655	\$74,178	\$85,500	\$56,500
Office Equipment & Supplies	\$21,434	\$9,938	\$25,950	\$23,700
Insurance	\$169,631	\$84,517	\$170,000	\$172,026
Rent/Lease of Equipment	\$24,290	\$14,492	\$30,250	\$16,550
Utilities	\$222,763	\$113,630	\$248,700	\$241,800
Telephone	\$46,205	\$23,744	\$50,000	\$51,000
Postage/Shipping	\$5,673	\$3,629	\$9,000	\$7,800
Training	\$8,076	\$4,706	\$11,500	\$11,000
Public Information	\$48,993	\$55,401	\$70,000	\$70,000
Uniforms & Safety	\$40,352	\$26,413	\$44,500	\$46,500
Auto Supplies/Repairs	\$184,375	\$102,232	\$204,200	\$198,500
Travel	\$20,806	\$11,392	\$19,500	\$21,000
Gas & Oil	\$493,012	\$314,551	\$790,500	\$788,500
Materials & Supplies	\$208,008	\$153,683	\$265,000	\$271,000
Maintenance Service Contracts	\$233,513	\$115,937	\$226,500	\$231,500
Transportation	\$2,415,607	\$1,187,296	\$2,131,650	\$2,166,050
Disposal Fees	\$377,480	\$309,927	\$445,000	\$490,000
Host Community Fee	\$1,414,438	\$297,128	\$701,000	\$709,000
Other Expenses	\$242,921	\$115,668	\$197,000	\$203,000
Retirement	\$758,345	\$273,127	\$546,254	\$570,904
Social Security	\$264,635	\$139,434	\$302,338	\$315,334
Workers Compensation	\$118,315	\$64,653	\$129,305	\$152,261
Unemployment	\$0	\$0	\$0	\$0
Health Insurance	\$779,030	\$442,413	\$890,647	\$1,027,172
GASB 45 Contribution	\$187,687	\$82,500	\$195,500	\$195,500
Debt Service	\$972,246	\$389,414	\$3,355,977	\$3,000,545
Capital Projects	\$0	\$0	\$714,500	\$3,470,000
Depreciation	\$3,732,255	\$1,787,170	\$0	\$0
Transfers to Other Departments	\$12,000	\$6,000	\$12,000	\$12,000
Trustee Fees	\$6,750	\$2,750	\$10,000	\$5,000
Reserves	\$66,332	\$0	\$2,050,000	\$2,050,000
Contingency	\$0	\$0	\$152,513	\$159,754
TOTAL EXPENSES	\$17,675,335	\$8,519,753	\$18,765,000	\$21,583,000

PROPOSED 2018 LOCAL GOVERNMENT EXPENSES

CATEGORY	2016 ACTUAL	2017 SIX MONTHS ACTUAL	2017 AMENDED BUDGET	2018 PROPOSED BUDGET
Salaries & Wages	\$184,253	\$94,792	\$188,790	\$193,759
Overtime/Shift Differential	\$14,846	\$8,381	\$15,000	\$16,500
Other Fees & Services	\$291,336	\$149,450	\$330,500	\$306,600
Temporary Labor	\$0	\$0	\$0	\$0
Office Equipment & Supplies	\$1,313	\$593	\$1,100	\$1,400
Insurance	\$9,994	\$5,361	\$10,000	\$10,000
Rent/Lease of Equipment	\$47,122	\$24,368	\$48,500	\$50,100
Utilities	\$0	\$0	\$0	\$0
Telephone	\$686	\$273	\$800	\$800
Postage/Shipping	\$15,514	\$10,749	\$16,300	\$15,750
Training	\$0	\$300	\$500	\$500
Uniforms & Safety	\$1,457	\$1,399	\$2,500	\$2,500
Auto Supplies/Repairs	\$1,104	\$2,488	\$1,500	\$2,000
Travel	\$0	\$0	\$0	\$0
Gas & Oil	\$5,915	\$3,202	\$6,500	\$6,500
Materials & Supplies	\$449	\$629	\$0	\$0
Maintenance Service Contracts	\$4,427	\$723	\$5,000	\$2,400
Transportation	\$0	\$0	\$0	\$0
Disposal Fees	\$1,583,074	\$742,795	\$1,494,690	\$1,511,335
Collection Fees	\$2,238,063	\$1,120,684	\$2,288,304	\$2,663,523
Other Expenses	\$30,975	\$17,303	\$34,000	\$35,000
Retirement	\$43,617	\$15,708	\$31,416	\$32,975
Social Security	\$14,501	\$7,328	\$15,590	\$16,085
Workers Compensation	\$6,113	\$3,332	\$6,663	\$7,773
Health Insurance	\$37,612	\$23,559	\$41,296	\$48,046
Debt Service	\$0	\$0	\$0	\$0
Capital Projects	\$0	\$0	\$34,000	\$0
Depreciation	\$32,277	\$17,672	\$0	\$0
GASB 45	\$26,812	\$14,250	\$28,500	\$29,500
Contingency	\$0	\$0	\$36,551	\$27,656
Transfers to Other Departments	\$35,000	\$17,500	\$35,000	\$35,000
Bad Debt	\$197,534	\$98,983	\$194,000	\$198,300
TOTAL EXPENSES	\$4,823,993	\$2,381,822	\$4,867,000	\$5,214,000