

Chittenden Solid Waste District  
Fiscal Year 25 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 FY25, 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 FY25 indicate **an increase of \$47,000.**

**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 FY25 indicate **a reduction of \$39,125.**

**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 FY25 indicate **the reserve will remain unchanged.**

In FY25, 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. 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.

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In FY25 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 FY25 indicate **an increase of \$381,701.**

**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 FY25 indicate **a decrease of \$577,560.**

**Capital Reserves** – established to preserve funding for future capital projects, asset upgrades and replacement of depreciated or disposed assets. In FY25 the capital budget projects **a decrease of \$2,016,500.**

**Community Clean Up Fund** – designated to member communities for local permissible projects. Budget projections for FY25 indicate **a decrease of \$95,000.**