

## MEMORANDUM

**TO:** Finance Committee  
**FROM:** John Balparda, Director of Finance  
**DATE:** April 3, 2025  
**RE:** FY 2026 Proposed Budget Revisions

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The FY26 Budget presented to the Finance Committee on February 19, 2025, indicated a net loss of \$315K. The management team refined the budget to achieve a break-even or minor profit. The revised budget results in a net profit of \$70K.

In refining the budget, we began by looking at the FY25 Budget in comparison to the FY25 Actuals and identifying all contingencies included in the original budget. All line items that had budgeted amounts that were not being expended were scrutinized and the underlying assumptions revisited. This is the driver for most the changes noted in the FY26 Budget Revisions Summary. In other instances, projects were pushed out to FY26 or abandoned (i.e. fewer surveys and mailings). Significant changes, equal to or greater than \$20K are noted below.

### **Notes**

**A** – Recycling Tipping Fees were reduced by \$106K related to the film, cardboard, and foam pilot that will not be launched during 2025.

**B** – Research and Development expenses were reduced by \$25K related to a project at the existing MRF, which will not be undertaken.

**C** – Consulting expenses were reduced by \$53K related to performing fewer surveys by the Outreach and Communications team.

**D** – Equipment Contingency was reduced by \$139K, Large Equipment Purchase was reduced by \$24K, and Large Equipment Lease was increased by \$15K all related to the Operations Group. Any unexpected equipment repairs or purchase will be funded by the capital or operating reserves. Non-capitalizable equipment will be lease instead of purchased netting \$9K in savings.

**E** – Software License was reduced by \$77K related to the NetSuite renewal, and giving up of the fixed assets and the budgeting and planning subscriptions.

**F** – Postage and Printing expenses were reduced by \$20K (\$40K total) related to fewer mailings planned by the O&C team.

**G** – Trash Disposal and DOC Recycling expense were reduced by \$42K and \$38K, respectively, to better align the budgeted volumes to the actual lower trends at the DOC.

**H** – Hazardous Waste Disposal expenses were reduced by \$25K related to lower volume assumptions to better align with the actual volume trends at the Hazardous Waste Depot.

### **Potential Increase in the SWMF**

The potential increase in the SWMF to \$40 per ton discussed at the last full Board meeting would result in fees totaling \$5,129K adding \$1,279K, or 33.2% in revenues. This relates to an 8% increase to total revenue and gross profit. The resulting net income would increase the capital reserve by \$1,779K.

TONS DISPOSED	MSW	C&D	C&D Road Build*			
				ADC*	TOTAL	SWMF TONS
CY 2022 actual	86,148	37,724	0	15,309	139,181	127,699
CY 2023 actual	86,294	37,200	0	26,301	149,795	130,069
FY 2024 actual	86,027	42,209	0	27,386	155,622	135,083
CY 2024 actual	85,398	42,689	0	11,276	139,363	130,906
FY 2025 budget projection	83,361	41,457	800	4,000	129,618	126,018
FY 2026 budget projection	83,877	43,659	800	2,000	130,336	128,236
25% of SWMF FY 2024			200	500		
SWMF Tons	128,236					
SWMF at \$30/ton - Original	\$3,847,065					
<b>SWMF at \$40/ton</b>	<b>\$5,129,440</b>					

\*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.