

April 10, 2025

FISCAL YEAR 2026 BUDGET

Dear Board of Commissioners and Citizens of Chittenden County,

I present to you Chittenden Solid Waste District's Fiscal Year 2026 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 into the future. This budget does not propose municipal assessments or per capita fees, but it does propose a significant shift in how CSWD funds its capital reserves.

SOLID WASTE MANAGEMENT FEE:

This is the fee charged to haulers when they dispose Chittenden County-generated trash destined for the landfill in Coventry. **I am recommending that the Solid Waste Management Fee be set at \$40 per ton of trash disposed for Fiscal Year 2026, and that CSWD adopts a regular schedule of small adjustments.** The fee was last increased in FY2025 after not being increased for over twelve years and steeply lagging the Garbage and Trash Consumer Price Index as determined by the U.S. Department of Labor Statistics. Simply put, this fee has not kept pace with inflation over the last 22 years, and in order to adequately fund the District's capital infrastructure needs beyond the new Materials Recycling Facility project we must implement a regular, reliable mechanism by which to ensure the reserve is adequate to the needs. The most straightforward approach is to apply the fees associated with trash disposal to support future investments in trash management infrastructure. This fee is paid by all generators of trash in Chittenden County via the fees charged by haulers to their customers. The less waste generators produce that needs disposal, the less exposure they'll have to the fee.

FACILITIES AND OPERATIONS:

Materials Recycling Facility:

Current MRF processing costs are \$74.10/ton per the operating contract with the MRF operator, Casella Waste Systems and will increase by at least 3% on January 1, 2026. CSWD pays Casella a per-ton fee to operate the MRF and to market the sorted materials. **The MRF tip fee is budgeted to remain at \$90/ton, however market conditions may dictate an increase mid-year..**

Average commodity pricing has been strong in FY 2025, however the current global economic instability makes it difficult to confidently forecast much beyond one month at a time. This budget proposes a conservative commodity revenue estimate of \$95/ton.

New MRF Project

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. The project was slated to break ground in June 2024, however we were unable to proceed with a wetlands permit after the site was determined to be in the process of becoming a mosaic wetland. CSWD immediately pivoted and began the search for a new site. On March 31, 2025, we closed on a new site on Redmond Road and are preparing for the permitting process. The plan is to break ground in September 2025. The delay in breaking ground has led to significant cost escalation and is the main driver for bringing the Solid Waste Management Fee up to current solid waste industry per ton cost standards. When this facility is commissioned, it will have capacity to manage 1.5 times the current volume processed at the existing facility, providing significant flexibility for the future and ensuring that Chittenden County's needs for local recycling processing are met for the next 25 years.

ORGANICS DIVERSION FACILITY:

Organics Diversion Facility tip fees are remaining at \$70/ton. We've increased our pricing for our wholesale material to meet cost increases, including those related to tariffs. To take advantage of excess yard waste material, we are exploring a new yard waste-only compost product as a new offering.

DROP OFF CENTERS:

Most prices at the Drop Off Centers will not increase, with the exception of **one bag size in FY26, the small bag, and mattresses**. A small bag will be priced at \$4.00, up one dollar from FY25. We will also be increasing the amount of trash allowed as a small bag, up to 18 gallons from 13 gallons. Mattress prices are increasing due to a new contract with our recycler.

Even though the DOCs are District facilities, they are very much viewed as "local". 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.

EMPLOYEE COMPENSATION:

This budget proposes a 3.03% COLA for July 1, based on the US Bureau of Labor Statistics' consumer price index for the Northeast (Urban B/C class). The overall increase to employee Total Compensation was 2.7% over FY25. Our budgeted staffing level is just over 57 full-time equivalent employees.

CAPITAL INVESTMENT

The nearly sole focus for FY2026 and FY2027 will be the new Materials Recycling Facility. Long-awaited improvements to the DOC in Milton have been postponed, so that we can direct all capital funds to the new MRF project. The capital reserve will need time to replenish, and when they do the DOC in Milton will take top priority.

OUR COMMITMENT

As the economy becomes increasingly volatile, waste reduction education will be even more important to help Chittenden County citizens manage their costs related to solid waste. 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