



Chittenden Solid Waste District

ADMINISTRATIVE OFFICE

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## Why We Exist and How We're Funded

### Why CSWD Exists

Municipalities in the State of Vermont are responsible for the management and regulation of the storage, collection, processing, and disposal of solid wastes within their jurisdiction. The Chittenden Solid Waste District is a municipality created by its member cities and towns in 1987 to fulfill this responsibility and to plan and implement solid waste management mandates legislated by the State of Vermont on their behalf.

These mandates include the requirement that municipalities execute a Solid Waste Implementation Plan (SWIP) every five years with the primary goal of reducing the amount and toxicity of their waste. The SWIP requires the following components to achieve this goal:

- Implement a variable rate pricing system that charges for the collection of municipal solid waste from residential customers for disposal based on the volume or weight of the waste collected.
- Maintain and provide hauling service information for community members.
- Provide ongoing on-site education and assistance to K-12 schools, businesses, institutions and the general public on waste prevention, waste reduction, landfill bans and diversion opportunities.
- Assist with waste reduction and waste diversion opportunities at public events.
- Maintain a website with information on haulers, food donation groups, state disposal bans, collection information, reuse, recycling and other diversion opportunities for various materials.
- Provide for the collection of hazardous waste from households and small businesses.
- Ensure year-'round collection opportunities for landfill-banned materials such as batteries, fluorescent lamps, used oil, tires, electronics, appliances, paint and propane tanks.
- Ensure year-'round collection opportunities for textiles, leaf and yard debris, clean wood, asphalt shingles, drywall.
- Collaborate with food recovery organizations to provide outreach and education to local businesses and institutions on food donation opportunities.
- Track and report disposal and landfill diversion information to the State.
- Develop a process and standards to determine whether proposed solid waste facilities should be included in the SWIP.

## How is CSWD funded?

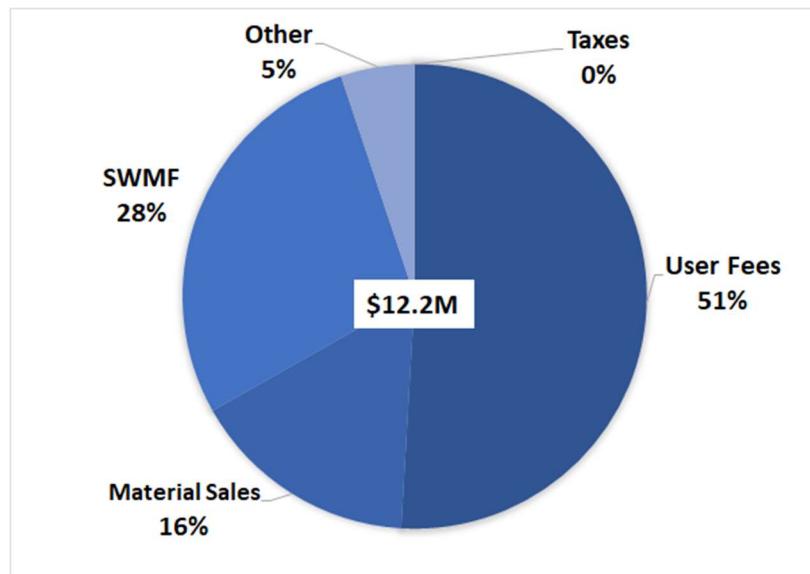
Our revenue comes from three primary sources:

**User fees:** 51%

**Solid Waste Management Fee:** 28%

**Material Sales:** 16%

- Blue-bin Recycling
- Compost products
- Local Color Paint
- Scrap metal and other Special Recycling
- Compost and recycling bins



**State grant** for hazardous waste management and **reimbursement for Product Stewardship** programs: 5%

*We do not receive tax funding from the State or member municipalities. We do not charge any “per capita” or other fees to member municipalities.*

**CSWD charges two types of fees to cover expenses that exceed revenue from materials sales:**

**1. User fees** cover the costs of providing the service or product.

- *Tip Fees* are paid by hauling companies that bring large loads of recyclables to the Materials Recovery Facility (MRF) and food scraps to the CSWD compost facility.
- *User Fees* are paid by Drop-Off Center and Environmental Depot customers.

**2. Solid Waste Management Fee: \$27/ton of trash disposed**

This is a tax paid by haulers on trash they've collected that's going to the landfill. It is intended to cover routine CSWD expenses as well as costs associated with mandates set by the State of Vermont Agency of Natural Resources, and/or priorities established by the CSWD Board of Commissioners that are not covered directly by user fees. These mandates and priorities include hazardous waste handling, the landfill post-closure reserve, future projects planning, special project research, and public education and communications.

*The following graphic represents how Chittenden County is performing in terms of materials management: How much material we create that needs to be managed, and how much we are keeping out of as well as sending to the landfill.*

## HOW WE'RE DOING

These charts represent the materials that individuals and businesses in Chittenden County generated in calendar year 2018, and how they chose to manage those materials.

The color key represents the options available to Vermonters for managing those materials. Full details are available in the CSWD Diversion Report.

**This chart represents ALL materials generated.**

It shows the composition of the 61% that was kept out of the landfill by the methods shown in the key, and the 39% that was sent to a landfill.

### "BLUE-BIN" RECYCLING

Paper, cardboard & clean containers

### ORGANICS DIVERSION

Food scraps & yard debris

### SPECIAL RECYCLING

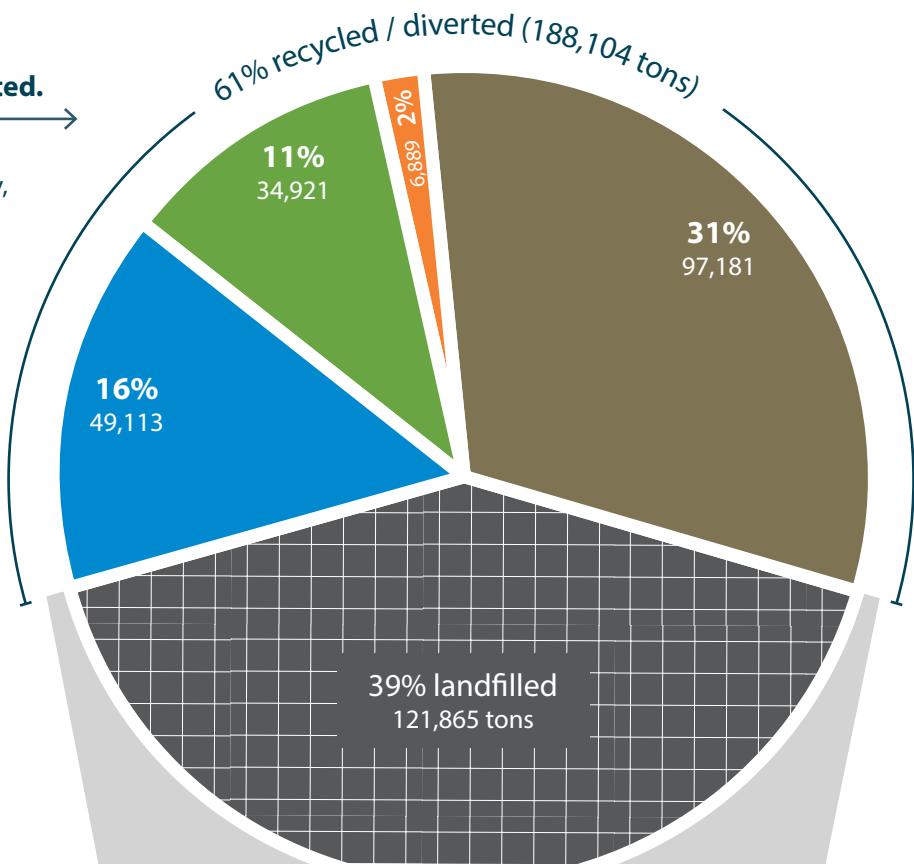
E-waste, textiles, scrap metal, etc.

### C&D DIVERSION

Construction & demolition debris

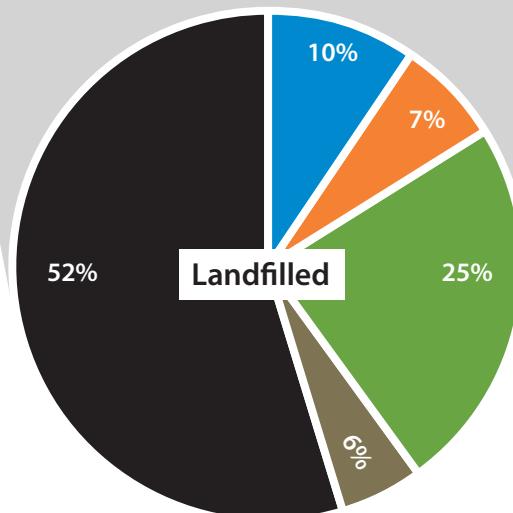
### TRASH

Items that can't be recycled or recovered using current programs & facilities



**This chart represents materials sent to the landfill.**

It shows missed opportunities--the portions that businesses, institutions, and residents could have kept out of the landfill via existing programs and facilities.





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To: Board of Commissioners  
 From: Sarah Reeves, Executive Director  
 Date: May 22, 2020  
 RE: FY 2021 Budget Proposal

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The FY 2021 budget as being proposed to the Board of Commissioners is somewhat different from what the Manager team and I thought it would be back in February. The budget as proposed must be viewed through the lens of a strong caveat. All budgets are a snapshot in time based on a best guess of the next twelve months. The caveat for FY 2021 is this: ***This is our best understanding of where the numbers are right now. FY 2021 will require constant monitoring of, and potential adjustments to, the budget*** as we learn more over the coming months.

No one can predict how, or how quickly, the economy will recover from the effects of the all-sector closures and shut-downs related to COVID-19 containment. Solid waste generation is highly responsive to economic conditions, as we've seen over the past five years of low unemployment/high waste generation in Chittenden County. Our assumptions in this budget are conservative and anticipate reduction in waste generation in every sector: residential, commercial, industrial, and institutional. Solid waste will continue to be generated, with each sector recovering at a different rate.

## **SOURCES OF REVENUE**

CSWD's revenue has three main components: Solid Waste Management Fees (SWMF), User Fees (tip fees), and Material Sales. Each component comprises roughly 30% of the overall revenue. The remaining revenue comes from rental income, license fees, bin sales, grants, and Extended Producer Responsibility reimbursements. **CSWD receives no 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.
- **Tipping/User Fees:** Fees charged for material disposal at Drop-Off Centers, the Materials Recovery Facility, the Organics Diversion Facility, and the Environmental Depot.
- **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.

*The assumptions presented to the Finance Committee in February and early March have been adjusted in light of COVID-19 effects, and revenue and expense projections have been reduced accordingly.*

#### REVENUE SNAPSHOT

	FY18 Actual	FY19 Actual (Unaudited)	FY20 Budget	CY19 Actual	FY21 Budget	Change from FY20 Budget	Change from FY19 Actual
Revenue (in thousands)							
Tip Fees	\$4,950	\$6,243	\$7,034	\$6,873	\$7,706	+10.8%	+12.13%
Material Sales	\$2,782	\$1,946	\$1,584	\$1,777	\$1,420	-8.4%	-20.11%
SWMF	\$3,363	\$3,421	\$3,496	\$3,495	\$2,575	-26.92%	-26.34%
All Other	\$464	\$565	\$514	\$551	\$531	+3.3%	-3.7%
TOTAL	\$11,559	\$12,175	\$12,628	\$12,696	<b>\$12,232</b>	-3.26%	-3.66%
Cost of Goods Sold	\$207	\$135	\$99	\$131	\$143	+31.8%	+8.4%
Gross Profit	\$11,353	\$12,040	\$12,530	\$12,565	<b>\$12,089</b>	-3.6%	-3.8%

#### Assumptions in calculating the SWMF:

The SWMF is the source of revenue most impacted by a recession and where we have spent the most time refining projecting.

Starting with April 2020 Chittenden County tonnage reports, which we consider to be the county generation nadir, staff developed the FY 2021 estimates using additional information gleaned from (among other sources) statewide economic impact projections, Chittenden County specific economic impact estimates, estimates from the restaurant industry, CSWD commercial database information, and anecdotal information gathered from haulers and large commercial generators. The majority of the MSW reductions are commercial tons and include events that attract hundreds or thousands of people (we've assumed zero events through September). UVM, Champlain College, and St. Michael's College have announced they intend to reopen to students in the fall, however we've moderated the waste generation assumptions in the event this does not happen. The medical center is assumed to be resuming "normal" activity by August. Major construction projects, like Finney Crossing, resumed activity in May however we are assuming projects that were slated to begin in April or May will not. We've assumed that 40% of Chittenden County restaurants will not reopen to full capacity, with 10-15% not reopening at all.

We are assuming residential waste generation will slow, as it is expected that not all job losses are temporary. Basic level trash and recycling generation will continue, and we've held that generation rate steady to slightly depressed. Special waste and bulky waste generation is expected to slow considerably as people constrict spending on durable goods.

### **Tip Fees, User Fees, and Material Sales Assumptions:**

Tip fees are up primarily due to the MRF tip fee increase to cover the cost of processing recyclables.

- MRF tip fees were raised in March 2020 to \$80/ton and we are not proposing raising the tip fee in FY 2021. The average commodity revenue value for April and May 2020 is \$50/ton, up from \$30/ton average over the 2<sup>nd</sup> and 3<sup>rd</sup> quarters. Cardboard and mixed paper pricing increased due to increased demand and processing capacity at domestic paper mills. This increased demand is expected to continue through the 1<sup>st</sup> quarter of FY 2021.
- Organics Diversion Facility (ODF) tip fees are being held at \$60/ton. We've reduced anticipated food scraps tons inbound to 5,300 tons, just above FY 2018 levels. This is a reduction of nearly 20% of pre-COVID tonnage expectations. As of the writing of this memo, the July 1, 2020 food scrap landfill disposal ban had not been delayed or removed from law. We are anticipating seeing increased tons of food scraps brought to the Drop-Off Centers (DOCs) and a significant reduction in food scraps from the commercial and education sectors. The DOC increases will not completely compensate for the losses from the commercial sector, however the reduced inbound allows for savings in excess material movement to out of state processors. We will be able to easily manage the reduced tonnage onsite.

ODF product sales through May 2020 were astonishing, with Garden Mix selling 661% (not a typo) above FY 2019. Sales for FY 2020 will be more than 50% over budget. We are projecting a significant increase in sales budget-over-budget, based on current year demand in a suppressed economy. The increase to the Cost of Goods Sold is because for the first time in 10 years we need to purchase sand (part of our Garden Mix recipe), and we are also planning to purchase additional woodchips to ensure adequate odor control and material porosity.

- DOC user fees are being held when viewed as an average. Meaning, the flat-fee rates that were implemented due to COVID-19 may be kept in place for a short time into FY 2021. FY 2021 anticipates an increase in mattress fees due to a proposed increase for mattress disposal at the All-Cycle (Casella) transfer station. Several materials management contracts expire in FY 2021 and will be either rebid or will be taken in-house. The analysis is ongoing and is in part dependent on revenues through the 1<sup>st</sup> and 2<sup>nd</sup> quarters.

## EXPENSES SNAPSHOT

	FY18 Actual	FY19 Actual (Unaudited)	FY20 Budget	CY19 Actual	FY21 Budget	Change from FY20 Budget	Change from FY19 Actual
Expenses (in thousands)							
Salary/Wages	\$2,721	\$2,767	\$3,050	\$2,652	\$2,872	-6.45%	+8.30%
Benefits	\$1,054	\$1,153	\$1,230	\$1,070	\$1,228	-.2%	+14.72%
Travel/Training	\$48	\$54	\$124	\$63	\$61	-117.77%	-3.29%
Administrative	\$101	\$95	\$129	\$83	\$142	+13.05%	+69.85%
Professional Services	\$222	\$189	\$302	\$211	\$180	-64.62%	-14.89%
Equip/Fleet	\$544	\$460	\$569	\$435	\$556	-2.75%	+27.8%
Gen. Supplies	\$121	\$85	\$109	\$79	\$84	-29.98%	+6.26%
Mat'l Management	\$4,499	\$5,125	\$5,261	\$5,624	\$6,128	+16.91%	+8.96%
Property Management	\$418	\$403	\$504	\$192	\$498	-1.71%	+26.82%
Promotion & Education	\$164	\$169	\$169	\$127	\$88	-48.19%	-31.26%
Maintenance				\$104			
<b>TOTAL*</b>	<b>\$9,895</b>	<b>\$10,501</b>	<b>\$11,450</b>	<b>\$10,844</b>	<b>\$11,837</b>	<b>+3.68%</b>	<b>+9.16%</b>

\*Expenses shown are before capital contributions and contributions to overhead.

### Key Points:

- Compared to FY20 budgeted, most FY21 expenses have decreased with budget cuts as described below. One area where costs are expected to increase dramatically is materials management. 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, HHW we process, trash we generate, etc) to disposal. The largest single increase in materials management (\$300k+) is the cost to transport glass and/or processed glass aggregate from the MRF to market.
- Salaries and wages increased modestly and the cost of benefits increased as expected. We switched the District's health insurance provider mid-year from Blue Cross/Blue Shield to MVP precisely because BCBS's proposed rate hike was extremely high.
- Administrative costs are higher because website licensing, maintenance, and development expenses were moved to the IT Systems budget from Outreach & Communications.

## CUTS SNAPSHOT

The following programs implemented the following cuts to reduce expenses in FY 2021:

Program	Program Estimates (Jan/Feb)	Cuts	Percent Reduction	Significant Items (not all-inclusive)
Wages & Benefits	\$4,414,716	\$333,319	7.6%	Two vacancies not filled; One new position not filled; O&C seasonal staff cut; ½ year Depot seasonal staff cut
Outreach & Communication	\$1,050,523	\$168,622	15.2%	Advertising cut 50%; bin subsidy eliminated; grants reduced
Operations**	\$6,143,134	\$208,701	3.4%	Reduced transportation costs
Admin, Finance, Property Mgmt	\$444,262	\$47,100	10.6%	Travel & Training reduced by 75%; Achievement Award cut by 1/3; meetings meal budget cut 40%
Compliance	\$24,030	\$10,150	42.2%	Mileage cut by 50%; database development postponed
<b>TOTAL</b>	<b>\$12,076,665</b>	<b>\$767,892</b>	<b>6.4%</b>	

\*\*Operations includes MRF, compost, DOCs, Depot, and Maintenance. The Biosolids program is a pass-through whose components are agreed upon by the participating member towns and is not included in this calculation.

### Key Points:

- In addition to the above, cuts were made to travel and training budgets across all programs, legal services in individual programs were reduced or eliminated, we reduced signage for facilities, subscriptions and dues were curtailed or eliminated, transportation charges were cut, waste reduction grants reduced by 60%, advertising cut by 50%. Subsidies for bins and buckets were eliminated, Green Up Vermont contribution was cut by 50%, consultant fees and projects have been cut across the board, hauler container grants were eliminated, and printing costs were reduced by 1/3. Capital program cuts and project/purchase deferrals are addressed in the capital budget memo.
- These cuts to services, operations, and wages and benefits are in line with cuts being proposed in some of CSWD's member cities and towns. CSWD does not rely on one source of revenue. The diversification of revenue sources allows the District to weather storms and continue to provide essential services. If this budget proves too rosy, rather than management's current view of the budget as conservative, there are additional measure that can be taken to reduce operational expenses. The plan for managing a catastrophic reduction in all sources of revenue is underway, however **the FY 2021 budget proposal is realistic, and conservative given what is known on the date of delivery to the Board of Commissioners.**

## **BOTTOM LINE**

Each year, we need to “get to zero”. Municipal budgets should net zero, and budgets being what they are, some years municipalities are over and some years they’re under. For CSWD, this means any income in excess of revenue must be transferred to specific reserves or funds. Excess solid waste management fees are transferred to the SWMF rate stabilization fund, excess MRF income is transferred to the MRF capital reserve, etc. For the past three fiscal years CSWD has been transferring excess SWMF to the rate stabilization fund. The rate stabilization fund was created to maintain balance in the solid waste management fee across multiple fiscal years, to minimize the need for annual adjustments up or down to accommodate changeable economic conditions. Because we are anticipating a small shortfall in the FY 2021 budget due to the lowered expectations for SWMF revenue, and because management feels strongly that we should not add to the public’s financial difficulties during this stressful time, I am proposing in this budget that we make up the shortfall out of the SWMF rate stabilization fund. The anticipated shortfall is \$80,500 or .7% of the overall budget.

Also notable in the calculation of the bottom line is a contribution to overhead from the programs that do not use solid waste management fee monies—the MRF, the Biosolids program, and the Closed Landfill program. The MRF contributed 10% of its program budget to overhead, and Biosolids and Closed Landfill contributed 1% each. These percentages were arrived at by evaluating the general support needs of the programs from Administration and Outreach & Communications. The MRF is the only program this year contributing to capital.

Annual anticipated expenses for managing the closed landfill are reimbursed out of the landfill post-closure reserve (LFPC).

Revenue	\$12,232,485	
Cost of Goods Sold	\$143,310	
Gross Profit		<b>\$12,089,175</b>
Expenses		\$11,836,939
<b>Income from Operations</b>		<b>\$252,236</b>
Capital Contribution	\$416,296	
Contribution to Overhead	\$371,800	
<b>Income After Capital &amp; Allocations</b>		<b>(\$535,860)</b>
Overhead Offset	\$371,800	
Transfer from LFPC Reserve	\$83,561	
Transfer from SWMF Rate Stabilization Fund	\$80,499	
<b>Net</b>		<b>\$0</b>

CHITTENDEN SOLID WASTE DISTRICT FY 21 DISTRICT SUMMARY BUDGET												
	FY 18		FY 19 ACTUAL		FY 20		CY 19		FY 21		CHANGE FROM FY 20 BUDGET	CHANGE FROM CY 19 ACTUAL
	ACTUAL		(Unaudited)		BUDGET		ACTUAL		BUDGET		\$	%
											\$	%
<b>Revenue</b>												
Tipping Fees	\$ 4,949,759	\$ 6,242,860	\$ 7,034,429	\$ 6,872,768	\$ 7,706,159	\$ 671,730	10.76%	\$ 833,391	12.13%			
Material Sales	\$ 2,782,243	\$ 1,946,123	\$ 1,583,836	\$ 1,777,383	\$ 1,419,960	\$ (163,876)	-8.42%	\$ (357,423)	-20.11%			
Solid Waste Management Fees	\$ 3,363,221	\$ 3,421,566	\$ 3,496,110	\$ 3,495,803	\$ 2,575,125	\$ (920,985)	-26.92%	\$ (920,678)	-26.34%			
License, Fines, Fees	\$ 15,991	\$ 14,854	\$ 14,430	\$ 2,643	\$ 21,055	\$ 6,625	44.60%	\$ 18,412	696.63%			
Rent	\$ 96,920	\$ 96,820	\$ 56,910	\$ 92,006	\$ 88,200	\$ 31,290	32.32%	\$ (3,806)	-4.14%			
Other	\$ 9,623	\$ 15,061	\$ 52,000	\$ 62,796	\$ (52,000)	-345.27%	\$ (62,796)	-100.00%				
Product Stewardship	\$ 249,005	\$ 260,670	\$ 267,180	\$ 288,109	\$ 285,516	\$ 18,336	7.03%	\$ (2,593)	-0.90%			
Interest and Divedends	\$ 7,030	\$ 71,335	\$ 17,500	\$ 51,848	\$ 30,000	\$ 12,500	17.52%	\$ (21,848)	-42.14%			
Grants	\$ 85,271	\$ 106,471	\$ 106,470	\$ 53,236	\$ 106,470	\$ -	0.00%	\$ 53,234	100.00%			
<b>Revenue Total</b>	<b>\$ 11,559,064</b>	<b>\$ 12,175,759</b>	<b>\$ 12,628,865</b>	<b>\$ 12,696,591</b>	<b>\$ 12,232,485</b>	<b>\$ (396,380)</b>	<b>-3.26%</b>	<b>\$ (464,106)</b>	<b>-3.66%</b>			
<b>Cost of Goods Sold</b>												
Cost of Goods Sold	\$ 206,511	\$ 135,179	\$ 98,894	\$ 130,889	\$ 143,310	\$ 44,416	32.86%	\$ 12,421	9.49%			
<b>2 - Cost of Goods Sold Total</b>	<b>\$ 206,511</b>	<b>\$ 135,179</b>	<b>\$ 98,894</b>	<b>\$ 130,889</b>	<b>\$ 143,310</b>	<b>\$ 44,416</b>	<b>32.86%</b>	<b>\$ 12,421</b>	<b>9.49%</b>			
<b>GROSS PROFIT</b>	<b>\$ 11,352,552</b>	<b>\$ 12,040,580</b>	<b>\$ 12,529,971</b>	<b>\$ 12,565,702</b>	<b>\$ 12,089,175</b>	<b>\$ (440,796)</b>	<b>-3.66%</b>	<b>\$ (476,527)</b>	<b>-3.79%</b>			
<b>Expense</b>												
Salaries and Wages	\$ 2,721,199	\$ 2,767,020	\$ 3,050,676	\$ 2,652,093	\$ 2,872,220	\$ (178,456)	-6.45%	\$ 220,127	8.30%			
Benefits	\$ 1,054,865	\$ 1,153,073	\$ 1,230,442	\$ 1,070,523	\$ 1,228,156	\$ (2,286)	-0.20%	\$ 157,634	14.72%			
Travel and Training	\$ 47,859	\$ 53,491	\$ 124,216	\$ 63,301	\$ 61,221	\$ (62,995)	-117.77%	\$ (2,080)	-3.29%			
Administrative Costs	\$ 101,275	\$ 94,891	\$ 129,144	\$ 83,324	\$ 141,524	\$ 12,380	13.05%	\$ 58,200	69.85%			
Professional Services	\$ 222,599	\$ 189,217	\$ 302,500	\$ 211,764	\$ 180,235	\$ (122,265)	-64.62%	\$ (31,529)	-14.89%			
Equipment and Fleet	\$ 544,233	\$ 460,702	\$ 568,991	\$ 435,286	\$ 556,317	\$ (12,674)	-2.75%	\$ 121,031	27.80%			
General Materials and Supplies	\$ 120,889	\$ 85,282	\$ 109,741	\$ 79,220.05	\$ 84,177	\$ (25,564)	-29.98%	\$ 4,957	6.26%			
Materials Management	\$ 4,498,900	\$ 5,125,621	\$ 5,261,240	\$ 5,624,060	\$ 6,127,887	\$ 866,647	16.91%	\$ 503,827	8.96%			
Property Management	\$ 418,855	\$ 403,023	\$ 504,438	\$ 392,322	\$ 497,531	\$ (6,907)	-1.71%	\$ 105,209	26.82%			
Promotion and Education	\$ 164,143	\$ 169,053	\$ 169,132	\$ 127,539.48	\$ 87,670	\$ (81,462)	-48.19%	\$ (39,869)	-31.26%			
Maintenance Charges	\$ 0	\$ 0	\$ 0	\$ 104,541.58	\$ 0	\$ 0	#DIV/0!	\$ (104,541)	-100.00%			
<b>Expense Total</b>	<b>\$ 9,894,818</b>	<b>\$ 10,501,374</b>	<b>\$ 11,450,520</b>	<b>\$ 10,843,973</b>	<b>\$ 11,836,939</b>	<b>\$ 386,419</b>	<b>3.68%</b>	<b>\$ 992,965</b>	<b>9.16%</b>			
<b>INCOME FROM OPERATIONS</b>	<b>\$ 1,457,735</b>	<b>\$ 1,539,206</b>	<b>\$ 1,079,451</b>	<b>\$ 1,721,728</b>	<b>\$ 252,236</b>	<b>\$ (827,215)</b>	<b>-53.74%</b>	<b>\$ (1,469,492)</b>	<b>-85.35%</b>			
<b>Capital and Allocations</b>												

Capital Contributions (from Self Funding Programs only in FY 21)	\$ 1,079,194	\$ 814,574	\$ 665,468	\$ 416,296	\$ (249,172)	-30.59%	
Support Program Allocations	\$ -	\$ (0)		\$ 371,800	\$ 371,800		
<b>Capital and Allocations Total</b>	<b>\$ 1,079,194</b>	<b>\$ 814,574</b>	<b>\$ 665,468</b>	<b>\$ -</b>	<b>\$ 788,096</b>	<b>\$ (26,478)</b>	<b>-3.25%</b>
					\$ -		
<b>INCOME AFTER CAPITAL &amp; ALLOC</b>	<b>\$ 378,541</b>	<b>\$ 724,632</b>	<b>\$ 413,983</b>	<b>\$ 1,721,728</b>	<b>\$ (535,860)</b>	<b>\$ (1,260,492)</b>	<b>-173.95%</b>
<b>Other Transfers</b>					\$ -		
<b>SWMF Subsidy</b>					\$ -		
Contribution to Administrative Costs (Self-Funded Programs)					\$ 371,800		
Transfer from Reserve	\$ 378,540	\$ 63,118	\$ 82,264		\$ 83,561		
Transfer from / (TO) SWMF RA							
Stabilization		\$ (787,750)			\$ 80,499		
<b>NET DISTRICT</b>	<b>\$ 1</b>	<b>\$ (0)</b>	<b>\$ 331,719</b>	<b>\$ 1,721,728</b>	<b>\$ 0</b>		



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## MEMORANDUM

TO: Board of Commissioners  
 FROM: Josh Tyler, Director of Operations  
 DATE: May 21, 2020  
 RE: FY 2021 Capital Budget Detail

CSWD total Capital Budget for FY 2021 is \$1,479,350 and is reflective of fiscal reductions for anticipated economic impacts of the COVID-19 global pandemic. The capital budget total cost equals the fiscal year's anticipated expenses (\$1,735,850) minus program contributions (\$256,500) (Attachment 1). Currently, the only District program providing a contribution to offset capital program costs is the Materials Recovery Facility (MRF), as the tip fee is set so that the facility's capital needs are met on an annual basis. The capital improvement needs for the Organics Diversion Facility will be partially offset by the grant CSWD received from the Vermont Agency of Natural Resources (VTANR). All other capital projects are funded through previous program contributions or though solid waste management fees.

District staff has identified capital projects and purchases that need to go forward so as to not place any facility in risk of inadequate equipment, nor defer necessary facility maintenance, nor leave safety improvement projects unaddressed.

**First Priority:**

Project/Purchase	Cost
Compost facility site improvements, equipment	\$1,041,500
DOC roll-off container replacement	\$50,000
Essex DOC compactor replacement & site work	\$42,000
Burlington DOC paving pothole	\$7,500
South Burlington DOC paving pothole	\$5,500
Admin Server	\$35,000
Maint waste oil tank replacement	\$12,000
Loader Refurbish	\$35,000
MRF tip floor repair	\$15,000
Environmental Depot roof replacement	\$70,000
Contingency	\$50,000
<b>Total</b>	<b>\$1,363,500</b>

Staff recognizes that the COVID-19 global pandemic may require critical reassessment of capital expenses and understands that the following projects and equipment may not be feasible:

**Second Priority:**

<b>Project/Purchase</b>	<b>Cost</b>
MRF Loader Replacement	\$235,000
MRF Steel Side Wall Refurbishment	\$6,500
Maintenance Special Waste Trailer	\$9,100
Maintenance Rack Truck Replacement	\$55,000
Maintenance Overhead Door Replacement	\$1,500
Maint Equipment Trailer	\$10,250
Richmond DOC Pavement Project	\$55,000
<b>Total</b>	<b>\$372,350</b>

**Please Note** that the second priority projects/purchases have significant potential for increased maintenance costs of existing equipment and could require upwards of \$100,000 if all items end up needing to be addressed in FY 2021. If we can't tackle second priority items in FY 2021, they will become first priorities in FY 2022.

The following capital items were deemed noncritical and moved out to upcoming fiscal years:

- FY 2022: \$220,000 Closed Landfill PFAS Leachate Treatment System and will follow anticipated guidance from VTANR
- FY 2023: \$50,000 Richmond DOC gate relocation and access road improvement
- FY 2023: \$95,000 Rover Purchase

A three-year Capital Budget is included as Attachment 2 and reflects the above costs that have been moved out to other fiscal years.

**CHITTENDEN SOLID WASTE DISTRICT  
FY 21 SOLID WASTE MANAGEMENT FEE**

<b>SWMF Collected</b>	\$ 2,575,125
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**SWMF Subsidy:**

Administrative Programs	\$ 1,824,529
Drop Off Centers	\$ 302,499
Environmental Depot	\$ 438,169
Organics Diversion Facility	\$ 27,643
Paint	\$ 15,784
Property Management	\$ 47,000
Owed to LFPC Reserve	<u>\$ 47,000</u>

Total SWMF Subsidy and Pymt	\$ 2,655,624
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Balance Needed from Reserves	\$ (80,499)
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FY 19 Reserve Balance (Unaudited)	<u>\$ 2,937,699</u>
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<b>Projected Balance</b>	<b>\$ 2,857,200</b>
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**FY 21 CONTRIBUTIONS TO RESERVES FROM SELF  
FUNDED PROGRAMS**

Materials Recycling Facility	\$ 359,663.00
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Biosolids	\$ 34,500.00
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Property Management	<u>\$ 11,133.00</u>
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<b>Total Transfer to Reserves</b>	<b>\$ 405,296.00</b>
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