



ADMINISTRATIVE OFFICE

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CHITTENDEN SOLID WASTE DISTRICT

Finance Committee Meeting

MEETING INSTRUCTIONS

FOR THE PUBLIC- remote access

Date: Monday, March 18, 2024

Time: 5:00 P.M.

Place: ZOOM MEETING

IMPORTANT:

CSWD will hold a virtual meeting accessible by computer or phone.

Members of the public, joining the meeting remotely, are asked to preregister online using the link below and attend remotely by computer or telephone. Following the meeting a recording will be available upon request.

Hi there,

You are invited to a Zoom webinar.

When: Mar 18, 2024 05:00 PM Eastern Time (US and Canada)

Topic: Finance Committee Meeting

Register in advance for this webinar:

https://us02web.zoom.us/webinar/register/WN_xShnIZC2SPSn6RPqrHvp3g

After registering, you will receive a confirmation email containing information about joining the webinar.

For those without internet access, call 802-872-8100 ext. 213 and leave a message to register for the meeting. A call-in number will be provided to you prior to the meeting.

Participants will be in listen only mode. Call in controls include: *6 – toggle mute/unmute and *9 to raise your hand.



Chittenden Solid Waste District

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TO: Finance Committee
FROM: Nola Ricci, Director of Finance
DATE: Friday, March 8, 2024
RE: **FINANCE COMMITTEE MEETING**

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DATE: Monday, March 18, 2024
TIME: 5:00 P.M.
PLACE: Hybrid Meeting - <i>ZOOM Meeting or In-person at CSWD Administrative Office, 19 Gregory Drive, Suite 204 South Burlington</i>

MEETING AGENDA

1. Agenda
2. Public Comment Period
3. (E) Consent Agenda – Minutes from February 14, 2024
4. (E) FY25 Proposed Budget – Revisions
5. (E) FY24 Q2 Financials
6. Other Business
7. Adjourn

DRAFT

**CHITTENDEN SOLID WASTE DISTRICT – Administrative Office
FINANCE COMMITTEE MINUTES
CSWD Administrative Office, 19 Gregory Drive, South Burlington VT
Wednesday, February 14, 2024**

FINANCE COMMITTEE PRESENT: Paul Stabler, Paul Ruess, Rick McCraw, Leslie Nulty
Other Board members present: Ken Spencer

CSWD STAFF PRESENT: Sarah Reeves, Nola Ricci, Amy Jewell, Jen Holliday,
Josh Estey, Dan Goossen, Jon Dorwart, Brian Mital,
Laura Tomasi, Jennifer Getty, Toni LaRose

P. Stabler called the meeting to order at 8:35 a.m.

Agenda # 1. P. Stabler requested moving the Reserves & Capital Budget Overview to the end of the agenda.

Agenda #2. Public Comment Period – No public in attendance

Agenda #3. Consent Agenda –Minutes approved as presented.

Agenda # 4. FY 25 Budget Overview & Reserves

Summary Overview – N. Ricci reviewed that budgets are presented through income statements and balance sheets. The proposed FY 25 Budget is \$15,867,869 and cost of sales and gross profit total \$16,077,490, resulting in a loss of \$372,00 loss. This assumes an increased solid waste management fee charge of \$30/ton, up from \$27/ton. The overview shows projected revenue up 2.9%, and expenses up 6.2% from FY 24 Budget.

Self-funded Budgets

Biosolids – N. Ricci said that the Biosolids program provides management of contract services for community members biosolids waste and is a passthrough. J. Estey said there is a five-year extension to the existing service agreement and a price increase to the contract, but the towns manage this. He noted the current process is land application and discussed whether it would be banned in the future.

Closed Landfill – N. Ricci said this program oversees post-closure care and includes increased costs associated with material management and includes additional money for skilled trades and engineering. Discussion was held on the additional funding and proposed staff time during the FY 25 Budget. S. Reeves said we are generating more leachate. Jeannine McCrumb is assisting with the additional work. She said PFAs will be discussed by the federal government with possible changes in the next 12 to 18 months. P. Stabler asked about the structural integrity. S. Reeves said more staff time is being spent on this and looking at the seal. L. Nulty asked about contingencies. S. Reeves said the reserves are the contingency and we have been drawing from reserves. L.Nulty requested info regarding major concerns and remedies. S. Reeves explained that the worst case would be removing the cap and replacing the cover liner bit that is not anticipated. She noted that we do have water infiltration, which could be a result of leaking. She

said that the CSWD's consultant work includes seepage issues. J. Estey explained that the biggest expense for this program is the management of leachate, and we are confident that the outer layer of the double-liner is intact because we do regular ground water monitoring. Jeannine is analyzing precipitation reports against leachate, seeing the correlation and eliminating scenarios. We know that the infiltration is from the top cap. We will look for holes in the liner and see if anything needs to be resealed. A whole in the cap would be the most dire. J. Estey also noted that PFAs discussion at the State level has acknowledged the difference between a closed landfill not generating revenue and an open landfill that has incoming revenue. R. McCraw feels that the board should be included in the conversation. P. Stabler also requested the Board understand why it's Phase III. P. Ruess noted that CSWD's solid waste management fee increase will assist with the upcoming post-closure costs for the landfill. P. Stabler asked about Ed DeVarney's project equipment and flares. J. Estey said he is no longer there. J. Estey noted that any major changes coming won't affect FY 25, this budget year.

Operation Budgets N. Ricci reviewed the Operating Departments proposed budget totals, which include \$10,486,329 in revenue with total expenses being \$10,979,322 with loss of \$655,404, which will come from the reserve.

Operating Administration – N. Ricci said that the Operations Administration supports the operating departments and includes the addition of a Construction Project Manager position. P. Ruess asked if this position was temporary. S. Reeves said it was not and is replacing the engineering position previously held, which requires ongoing projects at all facilities. R. McCraw asked for clarification on the change in 91100 swm fee subsidy and 91200 Operating reserve subsidy. S. Reeves explained that historically the swm fee was used to augment operations not covered by revenue. The FY 25 will use the operating reserve.

Materials Recycling Facility – N. Ricci said that the MRF manages recycling and produces sellable material for domestic commodity sales. She noted that in FY 25 an additional 4,000 tons is coming from Addison County and 7% in expenses is due predominantly from processing fee and material. P. Stabler asked when the contract with Casella ends. S. Reeves said it is extending through the decommissioning of the end date of the current MRF, but some components will need to be renegotiated or amended. P. Ruess asked about the operating fee. S. Reeves explained the fees changes with the MRF and the process, which includes a per ton processing fee for Casella, the tip fee, and the average commodity revenue (ACR). L. Nulty asked about the budgeted revenue drop in the ACR. S. Reeves explained this reflects the current fiscal year with pricing far below the budget. L. Nulty asked how to increase tonnage, similar to the Addison contract. S. Reeves said our goal is not to increase the amount of material coming in, but to keep material out of the trash stream and financially sustain the operation. She said that CSWD has added a Compliance Specialist to help with this goal. R. McCraw noted the intricacies of this model with Casella and asked about further exposure of certain commodities. S. Reeves explained that the tip fee will be the driver for that exposure and currently Casella is required to bring 13,000 out-of-district tons to the MRF. Further discussion was held on projected inbound tonnage, ACR rates, and the tipping fee. L. Nulty said that the over-arching concern is the need to fill the \$4 million deficit for the new MRF and increased revenue at the MRF will help.

Hazardous Waste – N. Ricci said that this program provides affordable disposal options and produces Local Color paint recycling program. She noted increased costs for disposal and conferences. L. Nulty asked about the increase to expenses versus volume of incoming material.

J. Estey said the increase is due to costs and not increased material. He said the three-year contract will come to the full board this month. L. Nulty asked about educating the public on the toxicity found in household cleaners and would like further outreach including online seminars, surrounding this issue. She suggested a link in Front Porch Forum for the public to attend. J. Holliday noted that this is important and feels like the EPR programs provides opportunities to make change. She said they would look into additional educational opportunities for the community. She noted that the EPR law will result in changes in the next two years in Vermont and will hopefully provide financial assistance to this program. P. Stabler asked about Local Color. J. Estey acknowledged Bob Holman, who oversees the program, keeps the program going, works with the vendors to determine sales and demand for colors, and does the day-to-day work, including opening every incoming paint can. The Committee acknowledged the work that he is doing for the program and suggested cross-training within the program. J. Estey said that CSWD has the option to recycle all incoming paint regardless of whether it is through Local Color or another source.

Organics Diversion Facility – N. Ricci said that ORF manages the organics streams diverted from the landfill. FY 25 projections include a reduced tipping fee income, a price increase to cost of goods sold, an increase to research and development costs, and a reduction in the wood processing fee. D. Goossen summarized that this program is doing well and has appreciated the capital improvements to the site over the past few years as well as the investment in equipment. He noted that although we continue to exceed budgeted sales, expenses continue to rise. ORF will be finalizing a contamination policy and has hired a new employee, to check incoming loads, and work with businesses and institutions, including CSWD's outreach and compliance programs to decrease contamination. Dan attended the US Compost Council last week and is continually reminded of how different CSWD's model is from other compost facilities. Most models rely on the tip fee and not the sales, and our model includes 1/3 of revenue coming from the tip fee and 2/3 coming from the sale of material. He also noted that we don't charge for yard waste and the fairly new depackaging facility is taking away tonnage that could be brought to ORF and made into a local resalable compost. ORF continues to explore different revenue sources and the change to the onsite wood waste will significantly decrease the processing costs of grinding. L. Nulty asked about the increase in sale of materials but a reduction in tipping fees and tonnage. D. Goossen said that is not linear and food waste, which is mostly water, is charged a tipping fee, wood or yard waste is not charged, and CSWD uses manure in the process. He noted that compost is the base product, but we can stretch our total output by making value added product with sand, silt, and peatmoss. He said that this results in less compost sold, but overall, more products sold, which includes topsoil and garden mix. This system prevents running out of compost in May or June. S. Reeves summarized that we are improving the quality of material coming in, so that we can continue making a premium product, and we are prolonging running out of compost so that we don't lose customers, which can be hard to get back. L. Nulty said that the goal has been to minimize the subsidy for organics and the immediate budget doesn't support that goal. She asked if there are initiatives, similar to Addison's recycling commitment to our MRF, that ORF could consider. D. Goossen said that we are limited due to the population density but that we could take in more tonnage and expand operations on the current site if necessary. S. Reeves shared the previous subsidies at the ORF were as high as \$800,000 and is now \$80,000. P. Stabler asked about manure in the compost products and possible risk given the past herbicide issue in 2012. D. Goossen said minimizing the risk includes ongoing growth trials and lab testing. D. Goossen explained the use of wood chips in the compost process. Further discussion was held on reducing contamination and D. Goossen said that equipment, the new

hire, and no longer accepting compostable products has been instrumental in contamination. P. Stabler asked about the site improvements, wet year and how the curing area is with the wet season. D. Goossen noted that overall, it's done well but CSWD is working with Hinesburg, Sand & Gravel, who is pulling sand from the property, and does effect groundwater. He noted that J. McCrumb has been working with HS&G and reviewing the Act 250 permit. P. Ruess commented on the amount of food waste that could be diverted from the landfill and if the ORF could manage a larger volume. D. Goossen said that depending on the amount it might require more infrastructure, but it is welcomed material.

Drop-Off Centers – N. Ricci said that the Drop-Off Centers provide residents and small businesses management of waste and noted that FY 25 includes opening the Burlington DOC to accept additional waste and there is an increase to the maintenance of stormwater infrastructure., opening Burlington DOC and Increase costs to maintenance of stormwater infrastructure. B. Mital said that the Burlington DOC would act as a fast trash in Burlington, which would include leaf/yard, MSW, recycling, food scraps, and metal. The Milton DOC has capital improvements coming to improve that facility. L. Nulty asked about line item – other income. B. Mital said that is credit card fees. Leslie – bulky waste, B. Mital said that they are looking at opening up bulky waste in other locations. B. Mital explained the contract and processing fee paid to the McNeil plant. R. McCraw asked about stormwater fee. B. Mital said that J. McCrumb, is adding a multi-sector permit for Williston DOC, which is due this year, as she felt the Town had an oversight with the facility being greater than 3 acres of impervious surface and we should have been included but will be next year. P. Stabler asked if with the new accounting system, we have a better idea of incoming materials. N. Ricci said that we have not upgraded our point of sale, but that will allow us to import directly into NetSuite and will be a better reflection of the materials collected. P. Stabler said it's important to know our pricing is accurate so that we are not unfairly competing with haulers.

Maintenance & Roll Off – N. Ricci said that Maintenance & Roll-off supports the operation, through ongoing maintenance and material hauling. FY 25 includes this department now being shifted to operating departments and is no longer allocated to specific departments and a new purchase of an enclosed trailer is proposed. R. McCraw asked about team motivation. It was noted that there was additional money in the admin budget. There were no other questions.

Property Management – N. Ricci said that Property Management oversees the remaining rentals and unoccupied property. She noted that FY 25 includes discontinued leases at most rental properties, resulting in reduced income. B. Mital explained that the budget covers Site 21, the former admin office, unoccupied rentals, and the Flynn Avenue property.

Administration Budgets – N. Ricci shared the overview of the Administrative Budgets. She outlined revenue at \$3,914,450, which is a 12.9% increase over the FY 24 Budget. She said that expenses totaled \$3,491,744, which is a 10.5% increase over FY 24. The total going to reserves will be \$422,796.

Administration/IT - N. Ricci said that the Administration budget provides support services and in FY 25 includes a Software Developer and an increase in consultant expenses. A. Jewell reviewed the admin budget, which also includes the IT sub-budget and 5.05 FTEs. L. Nulty asked about the increase in staffing from FY 23. A. Jewell said it is 2 FTEs in the IT Department. J. Dorwart explained the need for the new Software Developer position, which will include work to our

Materials Tracking database (MaTrax), reducing manual processes, database development, and updating antiquated systems, including the Hazardous Waste software. P. Stabler expressed appreciation for the work that Jon has done in the IT program. R. McCraw expressed concern for safety/security and expressed continual support for outsourcing this aspect of IT so as not to go backwards. J. Dorwart also noted that VLCT has a security training program that includes a phishing service that assists staff in learning safe practices and has been helpful. He also expressed appreciation for Jon's work in the program. S. Reeves reviewed the increase to professional services, which is the contract work that include a community survey in FY 25 and work with Strategic Planning. She also noted that the Software Developer will free up Jon to assist with this process, which will be helpful given his background in planning. R. McCraw asked if managers have the training and knowledge needed for NetSuite. N. Ricci said that we do pay for support and mentioned ongoing learning coming up this year with SmartView, so the information can be manipulated in Excel but tied back to the software.

Compliance/Safety – N. Ricci said that Compliance ensures internal and external compliance and FY 25 includes an increase to legal services to develop ordinance changes regarding potential flow control. J. Estey explained that this program combines both Compliance & Safety. He noted that the ordinance change will include a lengthy process and public comment periods, so that haulers are well informed of the process. L. Nulty asked about compliance being external. J. Estey said that this program is both external and internal compliance. He shared that CSWD added a Compliance Specialist to the role and moved 50% of J. McCrumb's time to work on the closed landfill. L. Nulty asked how that fits in with the new Quality Control position at ORF. J. Estey said that the contamination position at ORF is separate from this program but will work with the outreach and compliance programs. P. Stabler asked if we are comfortable with the procedures and training in the safety program. J. Estey said that we are bringing this program back to one manager that will oversee this and report to the Executive Director and this continues to ensure the excellence within the program. He noted that CSWD's recordable injuries continue to be low.

Finance – N. Ricci said that the Finance program provides management, oversight, and control of financial assets. She noted that FY 25 includes an increase in travel and training, and decreases of administrative, professional, and postage expenses. She summarized that staff is feeling comfortable with NetSuite and the NetSuite support is working well. She has added additional training for the budget program for FY 25, including being able to utilize SmartView (an excel tool) that ties into the budget and will provide an easier source for complicated calculations. P. Ruess asked about the audit fee reduction. N. Ricci said that we no longer are hiring another firm to assist with reports. R. McCraw asked if the software allows us to run models and develop scenarios, which would include multiple factors, like changes to tip fees and the MRF ACR. N. Ricci said that SmartView would allow for this analysis.

Outreach & Communications – N. Ricci said that O&C provides education, communication, and fulfillment of statutory mandates. She said that FY 25 includes decreased staff and travel expense and an increase to the marketing and advertising costs for education campaign of the new MRF. J. Holliday said the new website will launch in March with a campaign in FY 25 that will bring people to the site. She said that FY 25 also includes focusing on food scrap diversion, moving towards opening of the MRF with a recycle right campaign, which will include hiring a marketing consultant to help with the planning, communications, and opening event of the MRF. and

opening event and communications around that. L. Nulty requested a marketing campaign to increase food scraps diversion and educate the public on toxics.

Solid Waste Management Fees – N. Ricci said the solid waste management fee is the management of fee associated with administration of waste received at the landfill and FY 25 includes a proposed increase from \$27/ton to \$30/ton. Discussion was held on the \$3/ increase, which has not been raised in 12 years. She also noted that she would like to remove that specific dollar amount from the ordinance and is discussing the pros and cons of that with legal. She supports removing that and making the fee part of the budget process, which provides more transparency and opportunity for the public, including haulers to voice their concerns. The public process for the budget and Ordinance changes was discussed. S. Reeves also explained the SWM Fee, and the Alternative Daily Cover charge, which is 25% of the SWM fee charge. L. Nulty asked about the forecasting model used. S. Reeves said that they will be using the company SERA, who initially designed the model for CSWD and making sure all assumption are still accurate for further modeling. It was suggested that CSWD provide a pie-chart of swm fees and where they are expensed across CSWD programs. R. McCraw asked about the increase and the hauler reaction to this increase. S. Reeves said that the hauler will likely raise their prices so that it doesn't negatively affect their profit margin, but that number shared across customers is low. P. Ruess estimated a \$3/ton increase might be about \$0.03 per pickup.

Total Compensation – A. Jewell reviewed the total compensation package for the FY 25 budget, which includes 56.80 FTEs, up 4.15 FTEs from FY 24. She reviewed the assumptions used in the process and explained the changes made to health insurance to decrease costs. S. Reeves reviewed the organizational chart changes and rationale made in moving direct reports. P. Ruess asked whether it was anticipated that staffing continues to increase. S. Reeves said that the MRF contract could play a role in future increases, but otherwise any new hires moving forward could be minimal. L. Nulty asked if new hires were decreasing contract cots. S. Reeves said no. Discussion was held on MRF software. L. Nulty asked if Sarah was comfortable being one step removed from operations, with only one direct report She said that the current system, frequent operations meetings, and updates will work well.

Reserves/Capital Overview – N. Ricci reviewed the reserve transfers, which will include pulling money out of the reserves in FY 25 for the landfill post-closure, operating reserve, and community clean up fund, and increasing reserves to the solid waste management and biosolids. R. McCraw asked about the timing for putting money into landfill post-closure. N. Ricci explained the waterfall and said that change would occur on July 1, 2026, so not in the FY 25 Budget. P. Ruess asked about capital projects. N. Ricci reviewed that after the \$2.8 million projected the capital budget would have \$6 million, which we might consider using for the new MRF. She noted that in the three-year outlook of capital that would leave us \$1 million. It was noted that might be low, but S. Reeves noted that assumes that we do not receive grant money for other projects and for the MRF and we are hoping to receive a grant for the shredder. If we don't those purchases will come before the board to make decisions on expenses. Discussion was held on the timing of breaking ground for the new MRF through completion and decommissioning of the current MRF. S. Reeves said that CSWD would break ground as early as September of 2025. J. Estey said the bid is going out now and the big factors will be permitting and earthwork, but essentially, we are putting up a warehouse and that part will move quickly. S. Reeves noted the equipment has been ordered. R. McCraw asked about decommissioning the MRF. S. Reeves said that would happen simultaneously with the new MRF because of the equipment that is being

moved. S. Reeves noted the decommissioning will come before the board and CSWD has \$1.4 million in facility closure reserves. L. Nulty asked about an appraisal. S. Reeves said the town appraisal is \$1.7 million and that will be done as it gets closer to decommissioning.

Agenda #7. Other Business –

- The committee thanked staff for a well run all day meeting.
- R. McCraw asked about Key Performance Indicators and not seeing how most are relevant to the budget process, as they are not tied to the budget. S. Reeves said that we have struggled with meaningful KPI's. L. Nulty said that she has been requesting measurable goals for managers for a while. Discussion was held on reviewing these and
- R. McCraw asked about providing additional information to the Board on the variables used in building the budget and which ones would have the most impact. These include increasing the swm fee, ACR, tip fees. S. Reeves noted that this is done routinely and can be shared with the board.

Agenda #8. Adjourn

Adjourn. Motion by L. Nulty, Second Rick McCraw to adjourn the meeting. VOTING: unanimous; motion carried.

- The meeting was adjourned at 2:06 p.m.

Amy Jewell

I agree that this is an original copy of minutes and they have been approved by the Finance Committee at the meeting held via Zoom.

Amy Jewell, Secretary



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To: Finance Committee
From: Nola Ricci, Director of Finance
Date: March 8, 2024
RE: FY25 Budget Revisions

The FY25 budget was revised based on the comments and suggestions made by the Finance Committee during the February 14th meeting.

The following significant changes were made:

- MRF increase to estimated ACR, resulting in an increase of \$96,000 in Sale of Materials
- DOC changes to income and expenses, resulting in an overall increased profit for the department of \$39,266
- Wages change for placeholder salaries and calculation corrections, resulting in an overall increased cost of \$68,891

Additional insignificant changes were made.

The net result of the revisions resulting in an overall net profit increase of \$84,195

Chittenden Solid Waste District
FY25 Proposed Budget Summary with Revisions

	Actual FY23	Budget FY24	Revised Forecast FY25	\$ Change FY24 to FY25	% Change FY24 to FY25
Income	\$ 13,702,257	\$ 15,401,763	\$ 15,957,869	\$ 556,106	3.5%
Cost of Sales	200,407	121,405	162,411	41,006	25.2%
Gross Profit	<u>13,501,850</u>	<u>15,280,358</u>	<u>15,795,458</u>	<u>515,099</u>	3.3%
Total Expense	<u>12,842,335</u>	<u>15,082,198</u>	<u>16,083,295</u>	<u>1,001,097</u>	6.2%
Net Ordinary Income	659,515	198,161	(287,837)	(485,998)	168.8%
Transfers From	515,877	4,295,540	6,177,359		
Transfers To	1,175,392	4,493,701	5,889,522		
Reserves (increased) decreased	<u>(659,515)</u>	<u>(198,161)</u>	<u>287,837</u>		
Net Income	-	(0)	(0)		

Chittenden Solid Waste District
FY25 Proposed Budget Revision Summary

	Original Forecast FY25	Revised Forecast FY25	\$ Change FY24 to FY25	% Change FY24 to FY25
Income	\$ 15,867,869	\$ 15,957,869	\$ 90,000	0.6%
Cost of Sales	162,411	162,411	-	0.0%
Gross Profit	<u>15,705,458</u>	<u>15,795,458</u>	90,000	0.6%
Total Expense	<u>16,077,490</u>	<u>16,083,295</u>	5,805	0.0%
Net Ordinary Income	<u>(372,032)</u>	<u>(287,837)</u>	84,195	-29.3%
Transfers From	6,130,253	6,177,359		
Transfers To	5,758,221	5,889,522		
Reserves (increased) decreased	<u>372,032</u>	<u>287,837</u>		
Net Income	0	(0)		

Chittenden Solid Waste District
 FY25 Proposed Budget Comparison
 Operating Departments Revised Summary

	Actual FY23	Budget FY24	Revised Forecast FY25	\$ Change FY24 to FY25	% Change FY24 to FY25
Income	\$ 8,688,001	\$10,586,703	\$ 10,576,329	\$ (10,374)	-0.1%
Cost of Sales	200,407	121,405	162,411	41,006	25.2%
Gross Profit	8,487,594	10,465,298	10,413,918	(51,381)	-0.5%
Total Expense	8,333,253	10,420,732	10,996,331	575,599	5.2%
Net Ordinary Income	154,340	44,567	(582,413)	(626,980)	107.7%
Transfers From	3,689	1,006,933	2,619,395		
Transfers To	158,029	1,051,499	2,036,982		
Reserves (increased) decreased	(154,340)	(44,566)	582,413		
Net Income	0	0	(0)		

Chittenden Solid Waste District
 FY25 Proposed Budget Comparison
 Administrative Departments Revised Summary

	Actual FY23	Budget FY24	Forecast FY25	\$ Change FY24 to FY25	% Change FY24 to FY25
Income	\$ 3,646,911	\$ 3,409,702	\$ 3,914,540	\$ 504,838	12.9%
Cost of Sales	-	-	-	-	0.0%
Gross Profit	3,646,911	3,409,702	3,914,540	504,838	12.9%
Total Expense	2,616,998	3,125,156	3,507,839	382,683	10.9%
Net Ordinary Income	1,029,913	284,546	406,701	122,155	30.0%
Transfers From	27,323	3,111,156	3,398,839		
Transfers To	1,057,236	3,395,702	3,805,540		
Reserves (increased) decreased	(1,029,913)	(284,546)	(406,701)		
Net Income	-	(0)	(0)		

Chittenden Solid Waste District
Wage/Bene FY25 Revised Summary

	Original FY25	Revised FY25	Change	Notes
Wages	\$ 3,918,143	\$ 3,960,148	\$ 42,005	increase to staff - placeholders
Step Increase	52,111.00	57,785.90	5,674.90	updated new hires to reflect 6 month step increase
COLA	110,836.00	111,336.67	500.67	
Overtime	71,563.00	71,627.03	64.03	
Health	988,273.00	988,776.00	503.00	
Opt-Out	38,724.00	38,724.00	-	
Dental	49,585.00	50,945.09	1,360.09	split positions not showing benefit
Life & Disability	58,430.00	61,508.46	3,078.46	split positions not showing benefit
457 Plan	211,626.00	223,374.44	11,748.44	split positions not showing benefit
Unemployment Insurance	6,164.00	6,164.98	0.98	
Workers Comp	168,536.00	168,908.65	372.65	
Taxes	316,597.00	320,279.67	3,682.67	
Total Compensation	\$ 5,990,688	\$ 6,059,579	\$ 68,891	



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To: Board of Commissioners
From: Nola Ricci, Director of Finance
Date: March 8, 2024
RE: Fiscal Year 2024 July-December Financials (Q2)

In Fiscal Year 2024, Managers are working to divide their budgets month-to-month rather than spread expenses across the total annual budget to better reflect actual or anticipated spends. This is helping Management continue to improve our processes and provide a more realistic budget to actual performance each quarter. As we analyze and compare budget to actual throughout the fiscal year, we will consider modifying the quarterly view of the budget to become more aligned with monthly expectations. There will always be some discrepancy in variance reporting, as not all activities occur within the expected month and not all invoices (payables) are received in a timely fashion. CSWD's practice is to pay invoices within 15 days of receipt upon confirmation of the budget manager. Our policy states that we pay net30.

SOURCE OF REVENUE REVIEW

Revenue for Chittenden Solid Waste District is derived from three primary and several ancillary sources. The largest source of income is Tipping Fees, named for when haulers literally tip their material out of their trucks at the Material Recovery Facility or the Organics Diversion Facility. Tip fees also encompass fees paid by customers for the material collected and managed at the Drop Off Centers. We have begun to segregate revenue associated with Special Waste (tires, construction, scrap metal, textiles) and internally report it as a subset of DOC tipping fees to better highlight tip fees from "everyday" materials like bagged trash, recycling, and food scraps. This will aid us in our analysis of DOC fees to ensure that we are covering the operating and capital costs of the program through the fees generated.

Another significant source of income is from the Solid Waste Management Fee. As established by the Solid Waste Management Ordinance the Chittenden Solid Waste District imposes a fee of \$27/ton on trash generated in Chittenden County and disposed at the landfill in Coventry. This revenue supports District administrative functions as well as supporting, and at times subsidizing, the costs of regulating, licensing and enforcing the permissible management of solid waste within the district.

A third primary source of income is through the Sale of Material which includes MRF sorted recycled material, compost and compost products, and recycled paint as associated with our

inventory. Other materials sold include scrap metal, batteries, bins and containers and other miscellaneous material.

Additional ancillary revenue sources are generated through the contracted management of biosolids, license fees, hazardous waste collection, rent, product stewardship reimbursements, grants and interest as generated through cash management.

Q2 HIGHLIGHTS

Revenue

Based on the actual net income from the second quarter of fiscal year 2024, CSWD is meeting budgetary goals. Income is currently keeping pace with expectations. Recycled material sales are budgeted monthly at the expected average commodity revenue (ACR). By the end of quarter, sales were below the budget at 86.26%. Throughout the year, the ACR fluctuates with market demand. Rental income is underbudget, but as expected with the changes to our reduction of our rented property. Interest and dividend revenue is higher than expected due to the favorable interest rates.

Expenses

Expenses are costs associated with the operation, communication, and administration of CSWD.

Cost of Goods Sold are commodities directly related to the sale of material from recycled material, compost, paint and bins & containers (an example is the sand we purchase to add to our compost to produce topsoil). Often these materials are purchased in advance of sales and held at their corresponding facility. At the end of each fiscal year these sellable items are counted and included in the inventory totals as listed on the balance sheet. At the end of fiscal year 2023, CSWD had just over \$200k in material held for sale. As seasonal production winds down and inventory continues to be available. The second quarter remains similar in cost as the first due to advanced purchases and increasing costs.

Payroll Expenses include both wages and benefits paid to staff. At the end of Q2 expenses were 88.09% (\$312,948.84) below budgeted expectations. As has been the trend of the past few fiscal years, Travel & Training, Administrative Costs, Professional Fees, and Supplies are all under the expected value by over 50%. This may be due to either limited availability for use (travel) or management unsure of when the expense would take place (professional fees). We expect the cost of Professional Fees will increase in the following quarters as projects are

initiated. Property Management appears higher than expected as Host Town Fees and Municipal Payments were paid in advance of the assumed timeline. Community Support is significantly under budget, but this typically sees seasonal increases in the fourth quarter of the fiscal year.

Balance Sheet

The Balance Sheet includes CSWD Assets, Liabilities and Equity.

Cash & Cash Equivalents include monies in checking and money market accounts. These are currently in excess of our daily operational needs and may be available for short-term investments. Finance staff is conducting a cash needs analysis to provide the Investment Committee with additional information regarding short-term investments. CSWD staff encourages Commissioners interested in this topic attend Investment Committee meetings.

Accounts Receivable are monies outstanding on account by customers and expected to be received within 60 days. Thanks to the efforts of our Accounts Receivable Specialist, delinquent accounts are not ordinary, and most customers pay within 30 days. Other current assets include prepaid expenses (costs paid in advance), inventory (as discussed above), and the security deposit. The Paint Depot has completed their transition back into the Environmental Depot building and we have received the return of the security deposit.

Fixed Assets include both assets in use and those in progress (or under construction).

Current Liabilities are costs to be paid within one year, most include those associated with bills, payroll taxes, benefits due, and sales tax. Post Closure Payable-Current, the amount expected to be due to the Closed Landfill within the year, will be adjusted upon discussion with the auditors.

Long Term Liabilities include any liability whose due date exceeds one year, including the Post Closure noncurrent Payable and Compensated Absences Payable (CAP). The CAP is a calculation of paid time off that is available for use now or in future fiscal years.

Equity includes the balances of our Reserve accounts and our Investment in Capital Assets. As presented to the Board in previous meetings, the Landfill Post Closure Reserve and Biosolids



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Reserve have been redesignated as Restricted Funds. With the exception of the Undesignated Fund, all other reserves are designated and not restricted.

CSWD continues to practice within the approved budget and maintains a positive going concern by preserving the resources needed to continue operating. Cash & Cash Equivalents remain in excess of current liabilities. Reserve accounts are designated appropriately to secure future financing needs.

Chittenden Solid Waste District
Budget vs. Actual
Q2 FY24

	Amount	Budget Amount	Amount Over Budget	% of Budget
Income				
40100 - TIPPING FEES	\$3,390,557.29	\$3,334,062.99	\$56,494.30	101.69%
40300 - SPECIAL MATERIALS	\$50,089.06	\$365,054.52	(\$314,965.46)	13.72%
40400 - HAZARDOUS WASTE	\$46,768.76	\$31,000.02	\$15,768.74	150.87%
40500 - BIOSOLIDS	\$679,549.39	\$702,178.98	(\$22,629.59)	96.78%
41000 - SOLID WASTE MANAGEMENT	\$1,933,291.69	\$1,667,851.02	\$265,440.67	115.92%
42000 - SALE OF MATERIALS	\$1,129,590.67	\$1,314,301.74	(\$184,711.07)	85.95%
43000 - LICENSE FEES, FINES & PENALTIES	\$15,250.90	\$14,000.00	\$1,250.90	108.94%
44000 - RENTAL INCOME	\$20,450.00	\$37,500.00	(\$17,050.00)	54.53%
45000 - PRODUCT STEWARDSHIP AND REIMB	\$118,483.94	\$84,499.98	\$33,983.96	140.22%
46000 - INTEREST, DIVIDENDS	\$161,338.23	\$30,499.98	\$130,838.25	528.98%
47000 - GRANT REVENUE	\$7,500.00	\$0.00	\$7,500.00	0.00%
48000 - EQUIPMENT SALE/TRADEIN	\$79,310.00	\$0.00	\$79,310.00	0.00%
49000 - OTHER INCOME	\$4,713.55	\$37,500.00	(\$32,786.45)	12.57%
Total - 40000 - INCOME	\$7,636,893.48	\$7,618,449.23	\$18,444.25	100.24%
Total - Income	\$7,636,893.48	\$7,618,449.23	\$18,444.25	100.24%
Cost Of Sales				
50000 - COST OF GOODS SOLD				
51000 - Organics Cost of Goods Sold	\$95,431.49	\$51,202.50	\$44,228.99	186.38%
53000 - Paint	\$6,898.54	\$9,500.00	(\$2,601.46)	72.62%
Total - 50000 - COST OF GOODS SOLD	\$102,330.03	\$60,702.50	\$41,627.53	168.58%
Total - Cost Of Sales	\$102,330.03	\$60,702.50	\$41,627.53	168.58%
Gross Profit	\$7,534,563.45	\$7,557,746.73	(\$23,183.28)	99.69%
Expense				
60000 - EXPENSES				
60100 - PAYROLL EXPENSES	\$2,314,481.22	\$2,627,430.06	(\$312,948.84)	88.09%
61000 - TRAVEL & TRAINING	\$22,250.12	\$64,782.50	(\$42,532.38)	34.35%
62000 - ADMINISTRATIVE COSTS	\$43,459.76	\$104,034.76	(\$60,575.00)	41.77%
63000 - PROFESSIONAL FEES	\$34,793.80	\$169,132.52	(\$134,338.72)	20.57%
64000 - EQUIPMENT AND FLEET	\$414,547.72	\$429,334.30	(\$14,786.58)	96.56%
66000 - SUPPLIES	\$36,232.68	\$69,771.96	(\$33,539.28)	51.93%
67000 - MATERIALS MANAGEMENT	\$3,199,977.26	\$3,360,608.22	(\$160,630.96)	95.22%
68000 - PROPERTY MANAGEMENT	\$332,352.60	\$281,657.45	\$50,695.15	118.00%
69000 - PROMOTION & EDUCATION	\$42,768.74	\$69,464.04	(\$26,695.30)	61.57%
70000 - COMMUNITY SUPPORT	\$11,201.28	\$96,624.98	(\$85,423.70)	11.59%
80000 - MAINTENANCE & ROLL OFF DISTRIBUTION	\$269,251.77	\$339,250.60	(\$69,998.83)	79.37%
Total - 60000 - EXPENSES	\$6,721,316.95	\$7,612,091.39	(\$890,774.44)	88.30%
Total - Expense	\$6,721,316.95	\$7,612,091.39	(\$890,774.44)	88.30%
Net Ordinary Income	\$813,246.50	(\$54,344.66)	\$867,591.16	-1,496.46%
Other Income and Expenses				
Other Income				
91000 - SUBSIDIES & TRANSFERS	\$8,614.28	\$95,000.00	(\$86,385.72)	9.07%
94000 - ALLOCATIONS	\$269,251.77	\$339,250.45	(\$69,998.68)	79.37%
Total - Other Income	\$277,866.05	\$434,250.45	(\$156,384.40)	63.99%
Net Other Income	\$277,866.05	\$434,250.45	(\$156,384.40)	63.99%
Net Income	\$1,091,112.55	\$379,905.79	\$711,206.76	287.21%

**Chittenden Solid Waste District
Comparative Balance Sheet
End of Dec 2023**

	Comparison			
	Amount (As of Dec 2023)	Amount (As of Jun 2023)	Variance	% Variance
ASSETS				
Current Assets				
10000 - CASH & CASH EQUIVALENT				
10100 - CHECKING	\$5,836,879.53	\$5,483,104.38	\$353,775.15	6.45%
10200 - CASH ON HAND	\$2,500.00	\$2,500.00	\$0.00	0.00%
10300 - SAVING & MONEY MARKET	\$4,465,312.02	\$4,399,401.29	\$65,910.73	1.50%
10400 - INVESTMENT				
10410 - Opportunities Credit Union	\$55,003.82	\$54,865.44	\$138.38	0.25%
10420 - LPL Treasury Stock	\$4,234,263.48	\$4,215,622.10	\$18,641.38	0.44%
Total - 10400 - INVESTMENT	\$4,289,267.30	\$4,270,487.54	\$18,779.76	0.44%
Total - 10000 - CASH & CASH EQUIVALENT	\$14,593,958.85	\$14,155,493.21	\$438,465.64	3.10%
Total Bank	\$14,593,958.85	\$14,155,493.21	\$438,465.64	3.10%
Accounts Receivable	\$2,015,595.87	\$2,124,394.14	(\$108,798.27)	-5.12%
Other Current Asset				
11200 - Undeposited Funds	\$4.00	\$6,281.30	(\$6,277.30)	-99.94%
11400 - PREPAID EXPENSE	\$52,427.73	\$112,248.07	(\$59,820.34)	-53.29%
11500 - INVENTORY ASSET	\$209,650.83	\$209,650.83	\$0.00	0.00%
Total Other Current Asset	\$262,082.56	\$328,180.20	(\$66,097.64)	-20.14%
Total Current Assets	\$16,871,637.28	\$16,608,067.55	\$263,569.73	1.59%
Fixed Assets				
12000 - FIXED ASSETS				
12100 - CAPITAL ASSETS	\$27,049,122.97	\$27,042,662.97	\$6,460.00	0.02%
12200 - ACCUMULATED DEPRECIATION	(\$13,967,813.71)	(\$13,967,813.71)	\$0.00	0.00%
Total - 12000 - FIXED ASSETS	\$13,081,309.26	\$13,074,849.26	\$6,460.00	0.05%
13000 - Capital Assets in Progress	\$8,263,662.90	\$2,577,515.36	\$5,686,147.54	220.61%
Total Fixed Assets	\$21,344,972.16	\$15,652,364.62	\$5,692,607.54	36.37%
Total ASSETS	\$38,216,609.44	\$32,260,432.17	\$5,956,177.27	18.46%
Liabilities & Equity				
Current Liabilities				
Accounts Payable	\$1,136,810.89	\$1,167,979.57	(\$31,168.68)	-2.67%
Credit Card	\$6,842.38	\$7,992.80	(\$1,150.42)	-14.39%
Other Current Liability	\$527,055.62	\$659,884.18	(\$132,828.56)	-20.13%
Total Current Liabilities	\$1,670,708.89	\$1,835,856.55	(\$165,147.66)	-9.00%
Long Term Liabilities				
23000 - LONG TERM LIABILITY				
23201 - MRF Bond 03.2023	\$5,038,914.90	\$0.00	\$5,038,914.90	0.00%
23661 - Post Closure Payable - noncurrent	\$378,379.37	\$378,379.37	\$0.00	0.00%
Total - 23000 - LONG TERM LIABILITY	\$5,417,294.27	\$378,379.37	\$5,038,914.90	1,331.71%
Total Long Term Liabilities	\$5,417,294.27	\$378,379.37	\$5,038,914.90	1,331.71%
Equity				
30000 - NET POSITION				
31000 - INVESTMENT IN CAPITAL ASSETS	\$13,074,849.26	\$13,074,849.26	\$0.00	0.00%
32100 - DESIGNATED FOR OTHER PURPOSES				
32101 - Facilities Closure Reserve	\$1,466,061.63	\$1,466,061.63	\$0.00	0.00%
32103 - Solid Waste Management Reserve	\$1,000,000.00	\$1,910,820.13	(\$910,820.13)	-47.67%
32105 - Operating Reserve	\$1,750,000.00	\$2,051,707.70	(\$301,707.70)	-14.71%
Total - 32100 - DESIGNATED FOR OTHER PURPOSES	\$4,216,061.63	\$5,428,589.46	(\$1,212,527.83)	-22.34%
32200 - DESIGNATED FOR CAPITAL				
32200 - DESIGNATED FOR CAPITAL	\$10,839,154.51	\$9,653,949.53	\$1,185,204.98	12.28%
Total - 32200 - DESIGNATED FOR CAPITAL	\$10,839,154.51	\$9,653,949.53	\$1,185,204.98	12.28%
33000 - RESTRICTED				
32102 - Landfill Post Closure Reserve	\$608,302.08	\$608,302.08	\$0.00	0.00%
33200 - Biosolids Reserve	\$335,223.68	\$335,223.68	\$0.00	0.00%
Total - 33000 - RESTRICTED	\$943,525.76	\$943,525.76	\$0.00	0.00%
Total - 33100 - COMMUNITY CLEAN UP RESERVE	\$86,385.72	\$67,677.15	\$18,708.57	27.64%
36000 - UNDESIGNATED	\$882,100.64	\$921,855.00	(\$39,754.36)	-4.31%
38000 - Prior Year Adjustment	(\$88.24)	(\$39,754.36)	\$39,666.12	-99.78%
Total - 30000 - NET POSITION	\$30,041,989.28	\$30,050,691.80	(\$8,702.52)	-0.03%
Retained Earnings	(\$4,495.55)	(\$0.00)	(\$4,495.55)	0.00%
Net Income	\$1,091,112.55	(\$4,495.55)	\$1,095,608.10	-24,370.95%
Total Equity	\$31,128,606.28	\$30,046,196.25	\$1,082,410.03	3.60%
Total Liabilities & Equity	\$38,216,609.44	\$32,260,432.17	\$5,956,177.27	18.46%