

Preserving the environment through integrated recovery and disposal.

MEMORANDUM

TO: Elected Officials, Investors, Contractors and Interested Individuals

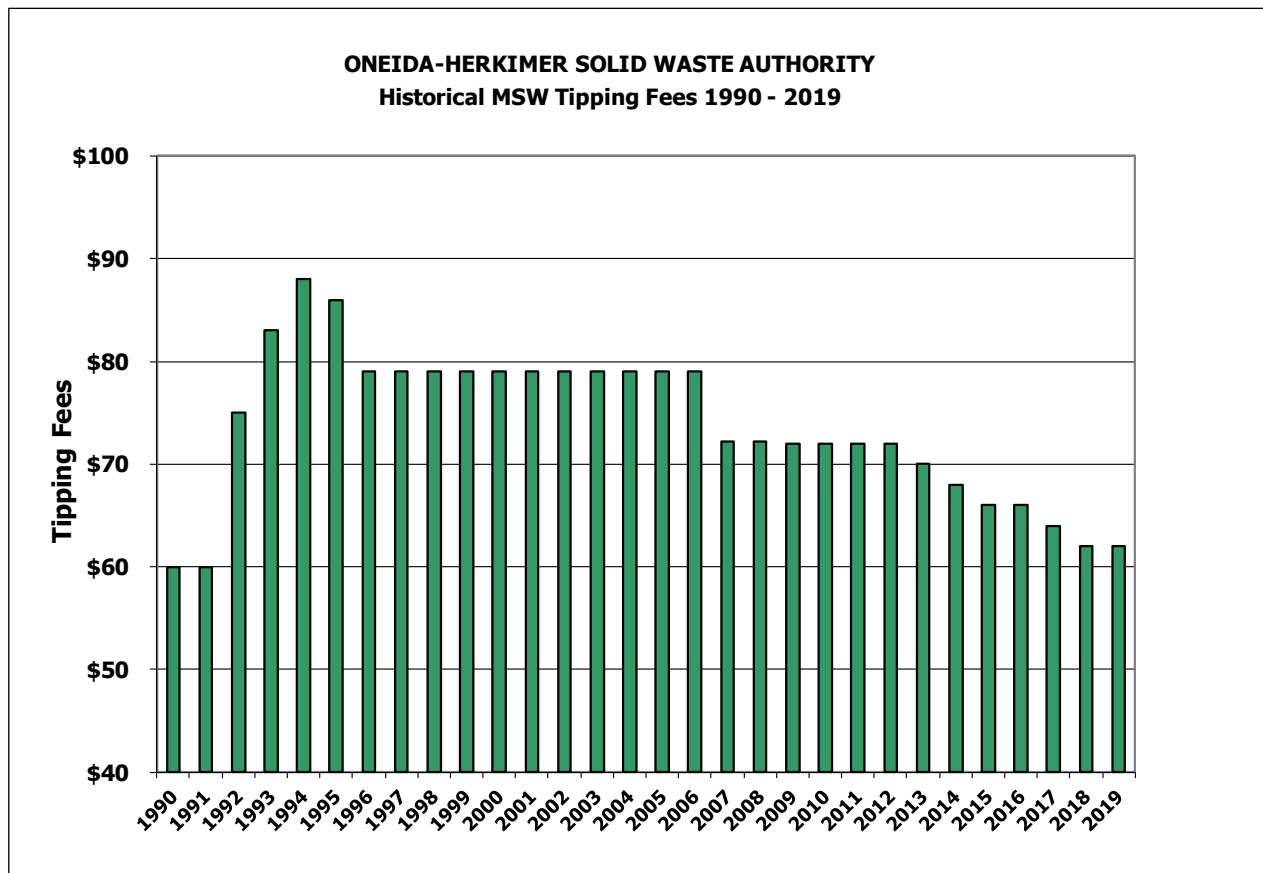
FROM: William A. Rabbia, Executive Director

DATE: October 24, 2018

RE: Proposed 2019 Budget

I am pleased to submit the attached proposed 2019 budget for the Oneida-Herkimer Solid Waste Authority, pursuant to Article IX, Section 9.2 of the Authority Bylaws and the Public Authorities Accountability Act of 2005. Highlights of the Authority’s proposed budget and rates for 2019 include:

- The Authority will maintain rates charged in 2018 with no increases.
- The Authority will set a new rate for source separated organics (SSO) [food waste] of \$40 per ton. The Authority’s SSO processing facility is scheduled to become operational by second quarter 2019 and will process SSO to be diverted from the landfill and converted to electricity.



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REVENUE HIGHLIGHTS

- 2019 projected tonnage estimates based upon 8-month actual tonnage in 2018 and a review of historical data.
- Sale of recyclables revenues forecasted with 8-month data from 2018, historical review and market projections for 2019.
- Authority will continue to operate two engines at its power facility as per its agreement with WM Renewable Energy.
- The Authority will continue to waive the permit fee for the haulers/businesses and municipalities for 2019.
- The sale of carbon credits revenue has been reinstated into the proposed budget, based on regulatory changes.
- The out of county recyclable processing revenue has increased with the projected annual tonnage from Oswego, Lewis and Fulton Counties.
- The Authority incorporated solar array and source separated organics processing revenue in this budget.

EXPENSE HIGHLIGHTS

- Health insurance expense budgeted at a 7% increase over 2018 premiums (depending upon plan selected).
- Budget reflects \$460,000 of contracted direct payments made to the Town of Ava and the Town and Villages of Boonville, consistent with our Host Community Agreements.
- Fuel expense was budgeted at \$2.50 per gallon as the result of industry forecasts.
- Capital projects funded through tipping fees will be \$483,000 for 2019.
- Public education expenses are projected to be \$120,000.
- Workers' compensation budget is based upon 5-year average of the Authority's actual claims.
- The annual contributions to the NYS Retirement System will stay consistent with 2018 costs as rates have remained relatively the same.
- Reduced Debt Service based upon defeasance of the Authority's 2007 bonds.

A public hearing and an overview of the proposed 2019 budget will be held preceding the November 19, 2018 Board meeting at 4:30 PM. A vote on the proposed 2019 budget is anticipated at the December 17, 2018 meeting.

Please feel free to contact me if you have any questions.

WAR/JMA/jmt



The
AuthorityTM
ONEIDA-HERKIMER SOLID WASTE AUTHORITY



2019

PROPOSED BUDGET

2019 PROJECTED TONNAGE

Waste Class	2016 Actual Tons	2017 Actual Tons	2018 Projected Tons	2018 Adopted Rates	2018 Budgeted Revenue	2018 Actual Tons 6 months	2018 Revenue 6 Mo.	2019 Projected Tons	2019 Proposed Rates	2019 Budgeted Revenue
MSW	156,065	157,591	156,000	\$62.00	\$9,672,000	78,118	\$4,881,320	156,000	\$62.00	\$9,672,000
C&D	48,168	54,245	47,000	\$58.00	\$2,726,000	25,185	\$1,496,491	48,000	\$58.00	\$2,784,000
C&D/T&D Trailer	1,262	10,203	1,000	\$58.00	\$58,000	1,161	\$69,939	1,000	\$58.00	\$58,000
C&D/ Trailer Direct	180	1,835	500	\$50.00	\$25,000	987	\$49,336	500	\$50.00	\$25,000
C&D/T&D Roll-off	0	1,354	300	\$73.00	\$21,900	0	\$0	300	\$73.00	\$21,900
Direct Haul Special	2,655	2,714	3,000	\$55.00	\$165,000	1,718	\$95,038	3,000	\$55.00	\$165,000
Local Waste	6,953	7,035	6,700	\$52.00	\$348,400	3,056	\$156,576	6,700	\$52.00	\$348,400
Sludge	10,903	11,384	11,000	\$62.00	\$682,000	5,826	\$354,817	11,000	\$62.00	\$682,000
Asbestos	5,235	5,677	4,000	\$80.00	\$320,000	2,673	\$217,664	4,500	\$80.00	\$360,000
Source Separated Organics Processing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,000	\$40.00	\$80,000
ADC/Cover****	71,992	73,508	40,000	\$15 - \$30	\$1,000,000	54,075	\$1,357,767	45,000	\$15 - \$30	\$1,125,000
TOTAL	303,413	325,546	269,500	----	\$15,018,300	172,799	\$8,678,948	278,000	----	\$15,321,300

**** Revenue is estimated at \$25 per ton for 2018 and 2019

PROPOSED 2019 AUTHORITY REVENUES				
CATEGORY	2017 ACTUAL	2018 SIX MONTHS ACTUAL	2018 AMENDED BUDGET	2019 PROPOSED BUDGET
System Tipping Fee (STF)	\$17,932,441	\$8,845,499	\$15,018,300	\$15,321,300
Sale of Recyclables	\$2,650,500	\$937,976	\$2,575,000	\$1,850,000
Recyclable Processing Fees	\$783,116	\$382,793	\$755,000	\$775,000
Compost Tipping Fees	\$137,294	\$98,120	\$125,000	\$160,000
Interest Earnings	\$337,101	\$186,411	\$295,000	\$400,000
Recycling Fees-Tires	\$138,812	\$74,640	\$112,000	\$140,000
Department Transfers	\$75,000	\$37,500	\$75,000	\$75,000
HHW Grant/Recycling Grant	\$139,325	\$368,586	\$1,805,000	\$115,000
CESQG Fees	\$42,677	\$20,843	\$37,000	\$37,000
Sale of Equipment	\$132,902	\$34,836	\$65,000	\$35,000
Discounts	(\$11,301)	(\$4,973)	(\$13,000)	(\$10,000)
Penalties	\$4,204	\$1,331	\$2,000	\$2,000
Permits	\$0	\$0	\$0	\$0
Sale of Compost/Grinding	\$83,652	\$54,846	\$95,000	\$95,000
Miscellaneous Income	\$81,531	\$47,460	\$56,700	\$61,700
Landfill Gas Revenues	\$318,000	\$167,965	\$310,000	\$320,000
Sale of Carbon Credits	\$318,752	\$135,000	\$270,000	\$320,000
Electronics Recycling	\$0	\$0	\$0	\$0
Solar Array Net Meter Credits	\$52,713	\$63,159	\$0	\$125,000
Subtotal	\$23,216,719	\$11,451,992	\$21,583,000	\$19,822,000
PROPOSED 2018 LOCAL GOVERNMENT REVENUES				
CATEGORY	2017 ACTUAL	2018 SIX MONTHS ACTUAL	2018 AMENDED BUDGET	2019 PROPOSED BUDGET
Toter Revenue	\$719,208	\$373,282	\$713,500	\$748,890
Sale of Bags	\$2,035,232	\$1,083,016	\$2,189,750	\$2,257,604
User Fees	\$2,081,054	\$1,126,881	\$2,255,000	\$2,280,000
Interest Earnings	\$3,303	\$2,173	\$2,750	\$4,360
Penalties	\$45,005	\$37,552	\$50,000	\$50,000
Miscellaneous Income	\$2,932	\$3,604	\$3,000	\$3,446
Subtotal	\$4,886,734	\$2,626,509	\$5,214,000	\$5,344,300
TOTAL REVENUES	\$28,103,453	\$14,078,500	\$26,797,000	\$25,166,300

PROPOSED 2019 AUTHORITY EXPENSES				
CATEGORY	2017 ACTUAL	2018 SIX MONTHS ACTUAL	2018 AMENDED BUDGET	2019 PROPOSED BUDGET
Salaries & Wages	\$3,543,773	\$1,786,448	\$3,765,156	\$3,927,766
Overtime/Shift Differential	\$343,623	\$263,398	\$364,516	\$418,950
Other Fees & Services	\$950,873	\$416,374	\$727,000	\$853,000
Temporary Labor	\$183,750	\$179,256	\$183,499	\$158,500
Office Equipment & Supplies	\$21,061	\$14,001	\$22,700	\$22,100
Insurance	\$169,131	\$97,195	\$172,026	\$182,291
Rent/Lease of Equipment	\$25,691	\$12,020	\$16,550	\$16,750
Utilities	\$209,538	\$129,777	\$241,800	\$262,800
Telephone	\$44,897	\$27,443	\$51,000	\$53,000
Postage/Shipping	\$6,305	\$5,076	\$7,800	\$8,800
Training	\$8,168	\$8,618	\$11,000	\$12,000
Public Information	\$72,724	\$21,827	\$70,000	\$120,000
Uniforms & Safety	\$54,600	\$11,056	\$46,500	\$49,500
Auto Supplies/Repairs	\$194,873	\$116,188	\$198,500	\$208,000
Travel	\$21,367	\$8,801	\$21,000	\$17,250
Gas & Oil	\$660,878	\$408,134	\$788,500	\$826,125
Materials & Supplies	\$279,388	\$183,306	\$272,000	\$308,000
Maintenance Service Contracts	\$208,122	\$107,820	\$231,500	\$206,500
Transportation	\$2,427,274	\$1,237,274	\$2,166,050	\$2,380,300
Disposal Fees	\$433,133	\$317,169	\$405,000	\$552,500
Host Community Fee	\$718,807	\$308,496	\$709,000	\$718,000
Other Expenses	\$265,581	\$112,058	\$288,000	\$203,000
Retirement	\$705,755	\$285,452	\$570,905	\$610,360
Social Security	\$278,628	\$148,408	\$314,149	\$332,517
Workers Compensation	\$129,306	\$76,130	\$152,998	\$145,470
Unemployment	\$0	\$5,546	\$0	\$0
Health Insurance	\$848,691	\$458,973	\$1,017,759	\$1,198,412
GASB 75 Contribution	\$194,466	\$74,721	\$195,500	\$195,500
Debt Service	\$778,339	\$327,102	\$3,000,545	\$2,979,597
Capital Projects	\$0	\$0	\$3,470,000	\$483,000
Depreciation	\$3,458,540	\$1,737,088	\$0	\$0
Transfers to Other Departments	\$12,000	\$6,000	\$12,000	\$12,000
Trustee Fees	\$4,000	\$2,750	\$5,000	\$4,000
Reserves	\$10,383	\$0	\$2,050,000	\$2,000,000
Contingency	\$0	\$0	\$35,047	\$356,011
Bad Debt	\$2,239	\$2,714	\$0	\$0
TOTAL EXPENSES	\$17,265,901	\$8,896,618	\$21,583,000	\$19,822,000

PROPOSED 2019 LOCAL GOVERNMENT EXPENSES

CATEGORY	2017 ACTUAL	2018 SIX MONTHS ACTUAL	2018 AMENDED BUDGET	2019 PROPOSED BUDGET
Salaries & Wages	\$189,644	\$87,671	\$173,837	\$176,100
Overtime/Shift Differential	\$14,734	\$9,600	\$16,500	\$16,500
Other Fees & Services	\$313,986	\$189,546	\$306,600	\$378,050
Temporary Labor	\$0	\$0	\$0	\$0
Office Equipment & Supplies	\$817	\$231	\$1,400	\$1,200
Insurance	\$9,722	\$4,980	\$10,000	\$10,000
Rent/Lease of Equipment	\$49,133	\$25,249	\$50,100	\$52,006
Utilities	\$0	\$0	\$0	\$0
Telephone	\$610	\$347	\$800	\$800
Postage/Shipping	\$14,835	\$11,834	\$15,750	\$16,950
Training	\$0	\$75	\$500	\$500
Uniforms & Safety	\$2,980	\$325	\$2,500	\$2,500
Auto Supplies/Repairs	\$3,678	\$443	\$2,000	\$2,000
Travel	\$0	\$0	\$0	\$0
Gas & Oil	\$6,340	\$3,454	\$6,500	\$6,500
Materials & Supplies	\$633	\$1,011	\$1,000	\$1,000
Maintenance Service Contracts	\$1,645	\$804	\$2,400	\$2,400
Transportation	\$0	\$0	\$0	\$0
Disposal Fees	\$1,551,263	\$728,372	\$1,511,335	\$1,463,047
Collection Fees	\$2,273,736	\$1,240,843	\$2,663,523	\$2,753,727
Other Expenses	\$32,626	\$16,944	\$34,000	\$34,000
Retirement	\$40,587	\$16,488	\$32,975	\$30,947
Social Security	\$14,635	\$6,972	\$14,561	\$14,734
Workers Compensation	\$6,663	\$3,886	\$7,036	\$6,522
Health Insurance	\$47,639	\$23,397	\$48,046	\$49,139
Debt Service	\$0	\$0	\$0	\$0
Capital Projects	\$0	\$0	\$0	\$0
Depreciation	\$36,475	\$18,782	\$0	\$0
GASB 75	\$28,500	\$7,707	\$29,500	\$29,500
Contingency	\$0	\$0	\$49,837	\$45,137
Transfers to Other Departments	\$35,000	\$17,500	\$35,000	\$35,000
Bad Debt	\$198,148	\$103,593	\$198,300	\$216,041
TOTAL EXPENSES	\$4,874,028	\$2,520,053	\$5,214,000	\$5,344,300