

# FUND STATEMENT

## Fund 40150, Refuse Disposal

	FY 2014 Actual	FY 2015 Adopted Budget Plan	FY 2015 Revised Budget Plan	FY 2015 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
<b>Beginning Balance</b>	\$11,034,057	\$2,764,281	\$9,862,485	\$9,862,485	\$0
Revenue:					
Interest on Investment	\$8,524	\$29,948	\$29,948	\$29,948	\$0
Refuse Disposal Revenue <sup>1</sup>	43,930,403	49,105,230	44,105,230	44,105,230	0
Miscellaneous Revenue:					
White Goods	\$79,117	\$800,000	\$800,000	800,000	0
Rent of Equipment, Space	261,926	300,000	300,000	300,000	0
Sale of Equipment	1,215,470	184,500	184,500	184,500	0
Licensing Fees	62,880	67,200	67,200	67,200	0
Miscellaneous	205,036	300,000	300,000	300,000	0
Subtotal Miscellaneous Revenue	\$1,824,429	\$1,651,700	\$1,651,700	\$1,651,700	\$0
<b>Total Revenue</b>	\$45,763,356	\$50,786,878	\$45,786,878	\$45,786,878	\$0
<b>Total Available</b>	\$56,797,413	\$53,551,159	\$55,649,363	\$55,649,363	\$0
Expenditures:					
Personnel Services	\$11,145,344	\$11,542,508	\$11,542,508	\$11,542,508	\$0
Operating Expenses	34,465,454	39,463,194	36,464,565	36,464,565	0
Capital Equipment	1,366,608	1,788,794	2,346,446	2,346,446	0
Recovered Costs	(674,678)	(778,337)	(778,337)	(778,337)	0
Capital Projects	97,200	1,000,000	3,143,764	3,143,764	0
<b>Total Expenditures</b>	\$46,399,928	\$53,016,159	\$52,718,946	\$52,718,946	\$0
Transfers Out:					
General Fund (10001) <sup>2</sup>	\$535,000	\$535,000	\$535,000	\$535,000	\$0
<b>Total Transfers Out</b>	\$535,000	\$535,000	\$535,000	\$535,000	\$0
<b>Total Disbursements</b>	\$46,934,928	\$53,551,159	\$53,253,946	\$53,253,946	\$0
<b>Ending Balance<sup>3</sup></b>	\$9,862,485	\$0	\$2,395,417	\$2,395,417	\$0
Reserves:					
Capital Equipment Reserve <sup>4</sup>	\$3,000,000	\$0	\$600,000	\$600,000	\$0
Operating Reserve <sup>5</sup>	2,034,103	0	188,835	188,835	0
Environmental Reserve <sup>6</sup>	2,500,000	0	800,000	800,000	0
Construction and Infrastructure Reserve <sup>7</sup>	2,328,382	0	806,582	806,582	0
<b>Unreserved Balance</b>	\$0	\$0	\$0	\$0	\$0
System Disposal Rate/Ton <sup>8</sup>	\$60	\$62	\$62	\$62	\$0
Discounted Disposal Rate/Ton <sup>9</sup>	\$54	\$54	\$54	\$54	\$0

<sup>1</sup> Reduced Refuse Disposal Revenue in FY 2015 reflects decreases in refuse disposal in line with FY 2014. The fund will be able to absorb the reduction through the use of the beginning balance.

<sup>2</sup> Funding in the amount of \$535,000 is transferred to the General Fund in FY 2015 to partially offset central support services supported by the General Fund which benefit Fund 40150. These indirect costs include support services such as Human Resources, Purchasing, Budget and other administrative services.

<sup>3</sup> Ending Balance fluctuations are a result of operating and revenue requirements that change annually. Funding is carried forward each fiscal year to provide flexibility given the uncertainty of market conditions, tipping fee negotiations, and expenditure requirements.

<sup>4</sup> The Capital Equipment Reserve provides for the timely replacement of equipment required to operate the I-66 Transfer Station. Funds are transferred from Refuse Disposal Revenue to the Capital Equipment Reserve, as are proceeds from the sale of equipment. Reserve needs are calculated based on individual vehicle age, anticipated retirement date, and anticipated replacement value.

<sup>5</sup> The Operating Reserve provides funds to react to unanticipated events such as significant changes in waste quantities, increases in contract disposal rates at composting facilities and landfills, increases in fuel costs, significant reductions in revenues, etc. The reserve also acts as a rate stabilization reserve, allowing smooth transition to rate changes minimizing the impact on customers.

<sup>6</sup> The Environmental Reserve is a contingency fund, assuring that the County has funds to implement unplanned actions to protect the environment or meet regulatory requirements related to the closed landfill at the I-66 Complex. Specific examples of current and future environmental projects are likely to include landfill gas control, groundwater protective measures, stormwater and wastewater management.

<sup>7</sup> The Construction and Infrastructure Reserve provides for future improvements at the I-66 Transfer Station.

<sup>8</sup> The FY 2015 System Disposal rate is \$62 per ton.

<sup>9</sup> In August 1998 (FY 1999), Fairfax County implemented a contractual rate discount that was offered to any hauler that guaranteed all of its collected refuse or a specified tonnage amount would be delivered to the Energy/Resource Recovery Facility (E/RRF) or other County disposal sites. The Discounted Disposal rate will remain at \$54 per ton in order to maintain identified reserves and avoid significant increases in rates in the future.