

FUND STATEMENT

Fund 40150, Refuse Disposal

	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2017 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
Beginning Balance	\$9,748,504	\$3,354,281	\$13,427,450	\$13,427,450	\$0
Revenue:					
Interest on Investments	\$31,111	\$4,791	\$4,791	\$4,791	\$0
Charges for Services ¹	28,088,612	44,007,970	44,007,970	24,345,283	(19,662,687)
Miscellaneous Revenue:					
White Goods	\$545,746	\$800,000	\$800,000	800,000	0
Rent of Equipment, Space	194,930	300,000	300,000	300,000	0
Sale of Equipment	613,573	66,000	66,000	66,000	0
Licensing Fees	88,680	78,840	78,840	78,840	0
Miscellaneous	187,125	300,000	300,000	300,000	0
Subtotal Miscellaneous Revenue	\$1,630,054	\$1,544,840	\$1,544,840	\$1,544,840	\$0
Total Revenue	\$29,749,777	\$45,557,601	\$45,557,601	\$25,894,914	(\$19,662,687)
Total Available	\$39,498,281	\$48,911,882	\$58,985,051	\$39,322,364	(\$19,662,687)
Expenditures:					
Personnel Services ²	\$11,734,993	\$12,028,621	\$12,028,621	\$12,528,621	\$500,000
Operating Expenses ^{1,3}	14,206,161	33,158,078	34,164,773	12,419,852	(21,744,921)
Capital Equipment	1,091,320	585,000	585,000	585,000	0
Recovered Costs ³	(1,823,857)	(1,878,941)	(1,878,941)	(98,380)	1,780,561
Capital Projects	285,214	0	3,678,624	3,678,624	0
Total Expenditures	\$25,493,831	\$43,892,758	\$48,578,077	\$29,113,717	(\$19,464,360)
Transfers Out:					
General Fund (10001) ⁴	\$577,000	\$577,000	\$577,000	\$577,000	\$0
Total Transfers Out	\$577,000	\$577,000	\$577,000	\$577,000	\$0
Total Disbursements	\$26,070,831	\$44,469,758	\$49,155,077	\$29,690,717	(\$19,464,360)
Ending Balance⁵	\$13,427,450	\$4,442,124	\$9,829,974	\$9,631,647	(\$198,327)
Reserves:					
Capital Equipment Reserve ⁶	\$1,000,000	\$600,000	\$1,000,000	\$1,000,000	\$0
Operating Reserve ⁷	5,637,871	1,412,936	3,830,640	3,632,313	(198,327)
Environmental Reserve ⁸	1,000,000	919,580	1,000,000	1,000,000	0
Construction and Infrastructure Reserve ⁹	5,789,579	1,509,608	3,999,334	3,999,334	0
Unreserved Balance	\$0	\$0	\$0	\$0	\$0
System Disposal Rate/Ton ¹⁰	\$62	\$62	\$62	\$62	\$0
Discounted Disposal Rate/Ton ¹¹	\$56	\$58	\$58	\$58	\$0

¹ In order to account for revenues and expenditures in the proper fiscal year, an audit adjustment in the amount of \$19,662,686.97 has been reflected as a decrease to FY 2016 Charges for Services and an audit adjustment in the amount of \$19,662,686.97 has been reflected as a decrease to FY 2016 Operating Expenses. The audit adjustments have been included in the FY 2016 Comprehensive Annual Financial Report (CAFR). Details of the audit adjustments are included in the FY 2017 Third Quarter package. A similar adjustment to both revenues and expenditures is required in FY 2017.

² An increase of \$500,000 in Personnel Services will provide contingency funding for overtime and limited term employees related to the fire at the Covanta Fairfax Inc. facility.

³ After a thorough analysis of the relationship between Operating Expenses and Recovered Costs within the various SWMP funds, starting as part of the FY 2018 Advertised Budget Plan the only charge for administrative overhead costs within the SWMP funds will be incurred in Fund 40130, Leaf Collection, from Fund 40140, Refuse Collection and Recycling Operations, and Fund 40150, Refuse Disposal. This is due to Fund 40130, Leaf Collection, having no full time merit positions and thus a charge for administrative support from the other funds is warranted. In previous years, all SWMP funds billed one another for overhead charges, resulting in largely offsetting amounts of Operating Expenses and Recovered Costs. It should be noted that appropriate administrative overhead costs from outside the SWMP funds (from Agency 25, Business Planning and Support) will be divided between the SWMP funds on a proportional basis. To be consistent with the changes made in the FY 2018 Advertised Budget Plan, similar FY 2017 adjustments are necessary, and are included as part of the FY 2017 Third Quarter package.

⁴ Funding of \$577,000 is transferred to the General Fund in FY 2017 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.

⁵ 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.

⁶ The Capital Equipment Reserve provides for the timely replacement of equipment required to operate the I-66 Transfer Station. Proceeds from the sale of equipment as well as a small portion of Refuse Disposal Revenue are used to fund this reserve. The amount fluctuates based on anticipated replacement schedules of the existing fleet of vehicles.

⁷ 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.

⁸ 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.

⁹ The Construction and Infrastructure Reserve provides for future improvements at the I-66 Transfer Station.

¹⁰ The FY 2017 System Disposal rate is \$62 per ton.

¹¹ 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 FY 2017 Contract Disposal rate is \$58 per ton in order to meet program requirements, maintain identified reserves and avoid significant increases in rates in the future.