

# FUND STATEMENT

## Fund 40150, Refuse Disposal

	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan	FY 2018 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
<b>Beginning Balance<sup>1</sup></b>	<b>\$13,427,450</b>	<b>\$65,248,548</b>	<b>\$76,567,190</b>	<b>\$76,567,190</b>	<b>\$0</b>
Revenue:					
Interest on Investments	\$86,626	\$135,105	\$135,105	\$135,105	\$0
Charges for Services	33,339,459	48,468,000	48,468,000	48,468,000	0
Miscellaneous Revenue:					
White Goods	616,141	700,000	700,000	700,000	0
Rent of Equipment, Space	0	232,400	232,400	232,400	0
Sale of Equipment	296,845	200,000	200,000	200,000	0
Licensing Fees	86,895	78,840	78,840	78,840	0
Miscellaneous	437,409	614,000	614,000	614,000	0
Subtotal Miscellaneous Revenue	\$1,437,290	\$1,825,240	\$1,825,240	\$1,825,240	\$0
Total Revenue	\$34,863,375	\$50,428,345	\$50,428,345	\$50,428,345	\$0
<b>Total Available</b>	<b>\$48,290,825</b>	<b>\$115,676,893</b>	<b>\$126,995,535</b>	<b>\$126,995,535</b>	<b>\$0</b>
Expenditures:					
Personnel Services	\$12,083,474	\$13,256,785	\$13,256,785	\$13,256,785	\$0
Operating Expenses	11,225,545	38,925,495	39,255,393	39,255,393	0
Capital Equipment	86,878	1,430,000	1,575,433	1,575,433	0
Recovered Costs	(93,994)	(97,505)	(97,505)	(97,505)	0
Capital Projects	242,042	0	3,436,582	3,436,582	0
Total Expenditures	\$23,543,945	\$53,514,775	\$57,426,688	\$57,426,688	\$0
Transfers Out:					
General Fund (10001) <sup>2</sup>	\$577,000	\$626,000	\$626,000	\$626,000	\$0
Total Transfers Out	\$577,000	\$626,000	\$626,000	\$626,000	\$0
<b>Total Disbursements</b>	<b>\$24,120,945</b>	<b>\$54,140,775</b>	<b>\$58,052,688</b>	<b>\$58,052,688</b>	<b>\$0</b>
<b>Ending Balance<sup>3</sup></b>	<b>\$24,169,880</b>	<b>\$61,536,118</b>	<b>\$68,942,847</b>	<b>\$68,942,847</b>	<b>\$0</b>
Reserves:					
Capital Equipment Reserve <sup>4</sup>	\$1,000,000	\$1,000,000	\$1,000,000	\$2,602,690	\$1,602,690
Operating Reserve <sup>5</sup>	12,169,880	8,536,118	9,942,847	9,942,847	0
Rate Stabilization Reserve <sup>6</sup>	0	47,000,000	47,000,000	44,397,310	(2,602,690)
Environmental Reserve <sup>7</sup>	1,000,000	1,000,000	1,000,000	1,000,000	0
Construction and Infrastructure Reserve <sup>8</sup>	10,000,000	4,000,000	10,000,000	11,000,000	1,000,000
<b>Unreserved Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
System Disposal Rate/Ton <sup>9</sup>	\$62	\$64	\$64	\$64	\$0
Discounted Disposal Rate/Ton <sup>10</sup>	\$58	\$60	\$60	\$60	\$0

<sup>1</sup> As part of the FY 2018 Adopted Budget Plan, Fund 40160, Energy/Resource Recovery Facility, was consolidated into Fund 40150, Refuse Disposal. It should be noted that the FY 2017 Actual Ending Balance from Fund 40160, Energy/Resource Recovery Facility, totaling \$52,397,310 was brought over and is reflected in the Beginning Balance of the FY 2018 Revised Budget Plan.

<sup>2</sup> Funding of \$626,000 is transferred to the general Fund to partially offset central support services supported by the General Fund, which benefits Fund 40150. These indirect costs include support services such as Human Resources, Purchasing, Budgeting 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. 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.

<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 Rate Stabilization Reserve is maintained in order to safeguard against significant increases in tipping fees charged to users of the Fairfax County Solid Waste Management Program. Starting in FY 2018, this reserve was moved from Fund 40160, Energy/Resource Recovery Facility (E/RRF), to Fund 40150, Refuse Disposal, due to the consolidation of these funds. Balances in this reserve have been carefully managed to enable the SWMP to cover anticipate budgetary deficits resulting from the Covanta contract effective February 2, 2016. Fund balances will be adjusted at carryover to reflect actual utilization of the reserve in FY 2018.

<sup>7</sup> The Environmental Reserve is a contingency fund, assuring 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>8</sup> The Construction and Infrastructure Reserve provides for future improvements at the I-66 Transfer Station.

<sup>9</sup> The FY 2018 System Disposal rate is \$64 per ton.

<sup>10</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 FY 2018 Contract Disposal rate is \$60 per ton