

# Fund 40150: Refuse Disposal

## FUND STATEMENT

Category	FY 2019 Actual	FY 2020 Adopted Budget Plan	FY 2020 Revised Budget Plan	FY 2020 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
<b>Beginning Balance</b>	\$72,926,504	\$64,695,126	\$73,874,451	\$73,874,451	\$0
<b>Revenue:</b>					
Interest on Investments	\$992,534	\$600,000	\$600,000	\$600,000	\$0
Refuse Disposal Revenue	49,163,776	54,116,542	54,116,542	54,116,542	0
Other Revenue:				0	0
White Goods	\$1,021,977	\$700,000	\$700,000	\$700,000	\$0
Sale of Equipment	0	93,000	93,000	93,000	0
Licensing Fees	99,703	82,320	82,320	82,320	0
Miscellaneous	302,819	300,000	300,000	300,000	0
Subtotal	\$1,424,499	\$1,175,320	\$1,175,320	\$1,175,320	\$0
<b>Total Revenue</b>	<b>\$51,580,809</b>	<b>\$55,891,862</b>	<b>\$55,891,862</b>	<b>\$55,891,862</b>	<b>\$0</b>
<b>Total Available</b>	<b>\$124,507,313</b>	<b>\$120,586,988</b>	<b>\$129,766,313</b>	<b>\$129,766,313</b>	<b>\$0</b>
<b>Expenditures:</b>					
Personnel Services	\$12,617,995	\$14,328,468	\$14,328,468	\$14,081,316	(\$247,152)
Operating Expenses <sup>1</sup>	34,655,093	38,925,495	40,162,262	40,409,414	247,152
Recovered Costs	(97,505)	(97,505)	(97,505)	(97,505)	0
Capital Equipment	1,446,594	2,795,000	2,978,857	2,978,857	0
Capital Projects	1,384,685	0	3,568,455	4,868,455	1,300,000
<b>Total Expenditures</b>	<b>\$50,006,862</b>	<b>\$55,951,458</b>	<b>\$60,940,537</b>	<b>\$62,240,537</b>	<b>\$1,300,000</b>
<b>Transfers Out:</b>					
General Fund (10001) <sup>2</sup>	\$626,000	\$626,000	\$626,000	\$626,000	\$0
<b>Total Transfers Out</b>	<b>\$626,000</b>	<b>\$626,000</b>	<b>\$626,000</b>	<b>\$626,000</b>	<b>\$0</b>
<b>Total Disbursements</b>	<b>\$50,632,862</b>	<b>\$56,577,458</b>	<b>\$61,566,537</b>	<b>\$62,866,537</b>	<b>\$1,300,000</b>
<b>Ending Balance<sup>3</sup></b>	<b>\$73,874,451</b>	<b>\$64,009,530</b>	<b>\$68,199,776</b>	<b>\$66,899,776</b>	<b>(\$1,300,000)</b>
<b>Reserves:</b>					
Operating Reserve <sup>4</sup>	\$7,086,305	\$5,653,550	\$5,641,881	\$5,641,881	\$0
Capital Equipment Reserve <sup>5</sup>	10,436,562	929,396	5,131,311	5,131,311	0
Rate Stabilization Reserve <sup>6</sup>	45,351,584	46,426,584	46,426,584	46,426,584	0
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	10,000,000	10,000,000	8,700,000	(1,300,000)
<b>Unreserved Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>System Disposal Rate/Ton</b>	<b>\$66</b>	<b>\$68</b>	<b>\$68</b>	<b>\$68</b>	<b>\$0</b>
<b>Discounted Disposal Rate/Ton<sup>9</sup></b>	<b>\$62</b>	<b>\$64</b>	<b>\$64</b>	<b>\$64</b>	<b>\$0</b>

<sup>1</sup> In order to account for expenditures in the proper fiscal year, an audit adjustment in the amount of \$11,668.69 has been reflected as an increase to FY 2019 Operating Expenses. The audit adjustment has been included in the FY 2019 Comprehensive Annual Financial Report (CAFR). Details of the audit adjustments are included in the *FY 2020 Third Quarter Package*.

<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.

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<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 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>5</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>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.

<sup>7</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>8</sup> The Construction and Infrastructure Reserve provides for future improvements at the I-66 Transfer Station.

<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 FY 2020 Contract Disposal rate is \$64 per ton in order to meet program requirements, maintain identified reserves and avoid significant increases in rates in the future.

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### SUMMARY OF CAPITAL PROJECTS

Project	Total Project Estimate	FY 2019 Actual Expenditures	FY 2020 Pre-Third Quarter Revised	FY 2020 Third Quarter Revised
I-66 Administrative Building Renovation (SW-000011)	\$2,902,638	\$1,143,304.30	\$803,841.70	\$1,303,842
I-66 Basement Drainage Renovation (SW-000023)	650,000	32,891.03	317,108.97	617,109
I-66 Environmental Compliance (SW-000013)	1,250,669	6,752.98	495,617.39	995,617
I-66 Transport Study/Site Redevelopment (SW-000024)	2,153,623	201,736.95	1,951,886.44	1,951,886
<b>Total</b>	<b>\$6,956,930</b>	<b>\$1,384,685.26</b>	<b>\$3,568,454.50</b>	<b>\$4,868,455</b>