

# Fund 40150: Refuse Disposal

## FUND STATEMENT

Category	FY 2022 Actual	FY 2023 Adopted Budget Plan	FY 2023 Revised Budget Plan	FY 2023 Third Quarter Estimate	Increase (Decrease) (Col. 5-4)
<b>Beginning Balance</b>	<b>\$64,882,548</b>	<b>\$51,990,562</b>	<b>\$61,331,508</b>	<b>\$61,331,508</b>	<b>\$0</b>
<b>Revenue:</b>					
Interest on Investments	\$50,852	\$179,012	\$179,012	\$179,012	\$0
Refuse Disposal Revenue <sup>1</sup>	50,546,389	54,152,553	54,152,553	54,152,553	0
Other Revenue:					0
White Goods	\$1,075,614	\$625,000	\$625,000	\$625,000	\$0
Sale of Equipment	64,454	0	0	0	0
Licensing Fees	98,355	82,320	82,320	82,320	0
Miscellaneous	375,523	293,150	293,150	293,150	0
Subtotal	\$1,613,946	\$1,000,470	\$1,000,470	\$1,000,470	\$0
<b>Total Revenue</b>	<b>\$52,211,187</b>	<b>\$55,332,035</b>	<b>\$55,332,035</b>	<b>\$55,332,035</b>	<b>\$0</b>
<b>Total Available</b>	<b>\$117,093,735</b>	<b>\$107,322,597</b>	<b>\$116,663,543</b>	<b>\$116,663,543</b>	<b>\$0</b>
<b>Expenditures:</b>					
Personnel Services	\$13,842,607	\$14,882,590	\$14,882,590	\$14,882,590	\$0
Operating Expenses <sup>1</sup>	39,572,949	39,169,512	39,352,591	42,552,591	3,200,000
Recovered Costs	(97,415)	(97,505)	(97,505)	(97,505)	0
Capital Equipment	424,580	3,230,000	5,135,498	5,135,498	0
Capital Projects <sup>1</sup>	1,393,506	967,581	6,796,163	6,796,163	0
<b>Total Expenditures</b>	<b>\$55,136,227</b>	<b>\$58,152,178</b>	<b>\$66,069,337</b>	<b>\$69,269,337</b>	<b>\$3,200,000</b>
<b>Transfers Out:</b>					
General Fund (10001) <sup>2</sup>	\$626,000	\$707,000	\$707,000	\$707,000	\$0
<b>Total Transfers Out</b>	<b>\$626,000</b>	<b>\$707,000</b>	<b>\$707,000</b>	<b>\$707,000</b>	<b>\$0</b>
<b>Total Disbursements</b>	<b>\$55,762,227</b>	<b>\$58,859,178</b>	<b>\$66,776,337</b>	<b>\$69,976,337</b>	<b>\$3,200,000</b>
<b>Ending Balance<sup>3</sup></b>	<b>\$61,331,508</b>	<b>\$48,463,419</b>	<b>\$49,887,206</b>	<b>\$46,687,206</b>	<b>(\$3,200,000)</b>
<b>Reserves:</b>					
Capital Equipment Reserve <sup>4</sup>	\$6,133,151	\$4,846,342	\$4,988,721	\$4,668,720	(\$320,001)
Operating Reserve <sup>5</sup>	9,199,726	7,269,512	7,483,081	7,003,080	(480,001)
Rate Stabilization Reserve <sup>6</sup>	31,892,384	25,200,978	25,941,347	24,277,348	(1,663,999)
Environmental Reserve <sup>7</sup>	4,906,521	3,877,074	3,990,976	3,734,977	(255,999)
Construction and Infrastructure Reserve <sup>8</sup>	9,199,726	7,269,513	7,483,081	7,003,081	(480,000)
<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>\$70</b>	<b>\$70</b>	<b>\$70</b>	<b>\$0</b>
<b>Discounted Disposal Rate/Ton<sup>9</sup></b>	<b>\$66</b>	<b>\$70</b>	<b>\$70</b>	<b>\$70</b>	<b>\$0</b>

<sup>1</sup> In order to account revenues and expenditures in the proper fiscal year, audit adjustments have been reflected as an increase of \$108,000.00 to FY 2022 revenues in order to record revenue from the waste exchange with Prince William County and an increase of \$700,007.70 to FY 2022 expenditures to record expenditure accruals and accurately reflect expenses associated with the waste exchange with Prince William County. This impacts the amount carried forward resulting in a decrease of \$695,364.16 to the *FY 2023 Revised Budget Plan*. The project affected by these adjustments is SW-000024, I-66 Transport Study/Site Redevelopment. The Annual Comprehensive Financial Report (ACFR) reflects all audit adjustments in FY 2022. Details of the audit adjustments are found in Attachment VI of the *FY 2023 Third Quarter Review*.

## Fund 40150: Refuse Disposal

<sup>2</sup> In FY 2023, there is an increase from \$626,000 to \$707,000 in the amount 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.

<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 2022, 40150 moved to a single rate of \$66 per ton for all disposal and eliminate the discounted rate. In FY 2023, the rate increased to \$72 per ton.

## Fund 40150: Refuse Disposal

### SUMMARY OF CAPITAL PROJECTS

Project	Total Project Estimate	FY 2022 Actual Expenditures	FY 2023 Pre-Third Quarter Revised	FY 2023 Third Quarter Revised	Increase/ (Decrease)
I-66 Administrative Building Renovation (SW-000011)	\$3,370,219	\$92,068.89	\$654,484.92	\$654,485	\$0
I-66 Basement Drainage Renovation (SW-000023)	250,000	0.00	191,548.97	191,549	0
I-66 Environmental Compliance (SW-000013)	1,750,669	222,318.60	893,061.76	893,062	0
I-66 Landfill Methane Gas Recovery (SW-000029)	4,350,000	0.00	4,350,000.00	4,350,000	0
I-66 Transport Study/Site Redevelopment (SW-000024)	3,303,623	1,079,118.93	707,067.05	707,067	0
<b>Total</b>	<b>\$13,024,511</b>	<b>\$1,393,506.42</b>	<b>\$6,796,162.70</b>	<b>\$6,796,163</b>	<b>\$0</b>