



2017 Operating Budget

Presented By:

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2017 Operating Budget

Solid Waste Authority of Central Ohio								
Category	2016 Budget vs. 2017 Budget				2016 Projection vs. 2017 Budget			
	All SWACO 2016 Budget	All SWACO 2017 Budget	All SWACO 2016/2017 Under/Over	All SWACO 2016/2017 % Variance	All SWACO 2016 Projection	All SWACO 2017 Budget	All SWACO 2016/2017 Under/Over	All SWACO 2016/2017 % Variance
Revenue								
Tipping fees	\$ 29,590,356	\$ 35,569,452	\$ 5,979,096	20.21%	\$ 29,821,991	\$ 35,569,452	\$ 5,747,461	19.27%
Waste transfer fees	5,914,502	6,291,880	377,378	6.38%	6,169,999	6,291,880	121,881	1.98%
Generation fees- out-of-district	65,099	59,920	(5,179)	-7.96%	48,784	59,920	11,136	22.83%
Generation fees-in-district	5,146,148	5,329,164	183,016	3.56%	5,181,283	5,329,164	147,881	2.85%
Retired facility fee	9,354,624	2,259,150	(7,095,474)	-75.85%	9,374,169	2,259,150	(7,115,019)	-75.90%
Out-of-district tipping fee	229,330	403,498	174,168	75.95%	247,507	403,498	155,991	63.02%
Sale of landfill gas - royalty	1,800,000	2,500,000	700,000	38.89%	2,094,074	2,500,000	405,926	19.38%
Other/miscellaneous	(4,352,654)	(4,566,983)	(214,329)	4.92%	(4,171,592)	(4,566,983)	(395,391)	9.48%
Total revenue	47,747,405	47,846,081	98,676	0.21%	\$ 48,766,215	47,846,081	(920,134)	-1.89%
Direct expenses								
Salaries, wages, and benefits	9,992,629	10,217,362	224,733.12	2.25%	9,541,218	10,217,362	676,144	7.09%
Employee services and expense	602,640	627,848	25,208.00	4.18%	533,029	627,848	94,819	17.79%
Office expense	419,660	393,540	(26,120.00)	-6.22%	352,519	393,540	41,021	11.64%
Facilities and grounds	2,031,651	2,591,128	559,477.37	27.54%	2,096,716	2,591,128	494,412	23.58%
Vehicle expense	3,576,459	3,837,238	260,778.79	7.29%	4,021,211	3,837,238	(183,973)	-4.58%
Utilities and licenses	1,038,288	964,495	(73,792.94)	-7.11%	1,075,887	964,495	(111,392)	-10.35%
Insurance and settlements	129,418	499,511	370,092.60	285.97%	954,259	499,511	(454,748)	-47.65%
Recycling expense	16,945	20,679	3,734.00	22.04%	20,679	20,679	-	0.00%
Operating contracts	1,485,000	1,485,000	-	0.00%	1,485,000	1,485,000	-	0.00%
Education and awareness	1,209,358	1,328,569	119,211.00	9.86%	1,170,808	1,328,569	157,761	13.47%
Other outside services	3,868,998	3,707,710	(161,288.00)	-4.17%	3,214,311	3,707,710	493,399	15.35%
Grants	276,000	370,809	94,809.00	34.35%	167,117	370,809	203,692	121.89%
Budget contingency	739,000	781,000	42,000.00	5.68%	-	781,000	781,000	N/A
Total direct expenses	25,386,046	26,824,889	1,438,843	5.67%	24,632,754	26,824,889	2,192,135	8.90%
Direct contribution (EBITDA)	22,361,359	21,021,192	(1,340,167)	-5.99%	24,133,461	21,021,192	(3,112,269)	-12.90%
Total non-cash	9,756,657	9,978,221	221,564	2.27%	9,728,379	9,978,221	249,842	2.57%
Net position from operations	12,604,702	11,042,971	(1,561,731)	-12.39%	14,405,082	11,042,971	(3,362,111)	-23.34%
Interest and other expense	4,539,455	3,154,416	(1,385,039)	-30.51%	3,356,093	3,154,416	(201,677)	-6.01%
Net position	\$ 8,065,247	\$ 7,888,554	\$ (176,693)	-2.19%	\$ 11,048,989	\$ 7,888,554	\$ (3,160,435)	-28.60%

2017 Operating Budget by Department

Category	2017 Budget			
	Administration	Operations	Programs	Total
Revenue				
Tipping fees	\$ -	\$ 35,972,950	\$ -	\$ 35,972,950
Transfer fees	-	6,291,880	-	6,291,880
Interest income	379,486	349,283	-	728,769
Miscellaneous	489,423	(1,026,025)	5,389,084	4,852,482
Total revenue	868,909	41,588,088	5,389,084	47,846,081
Direct expenses				
Salaries, wages, and benefits	2,013,367	7,057,192	1,146,803	10,217,362
Employee services and expense	211,380	337,408	79,060	627,848
Office expense	228,008	73,032	92,500	393,540
Facilities and grounds	84,686	2,451,022	55,420	2,591,128
Vehicle expense	347	3,654,955	181,936	3,837,238
Utilities and licenses	179,737	774,908	9,850	964,495
Insurance and settlements	471,900	27,611	-	499,511
Recycling expense	-	20,679	-	20,679
Operating contracts	-	-	1,485,000	1,485,000
Education and awareness	82,615	10,004	1,235,950	1,328,569
Other outside services	2,347,420	593,790	766,500	3,707,710
Grants	-	-	370,809	370,809
Budget contingency	-	781,000	-	781,000
Total direct expenses	5,619,460	15,781,601	5,423,828	26,824,889
Direct contribution (EBITDA)	(4,750,552)	25,806,487	(34,744)	21,021,191
Total non-cash	177,638	9,736,235	64,348	9,978,221
Net position from operations	(4,928,190)	16,070,252	(99,092)	11,042,970
Interest and other expense	(79,847)	2,997,242	237,021	3,154,416
Net position	\$ (4,848,343)	\$ 13,073,010	\$ (336,113)	\$ 7,888,554

Revenue and Direct Expenses

Revenue Assumptions

Approximately 95% of SWACO's revenue is based on billable tonnage. SWACO's 2016 budget was based on 1.029mm tons. Currently, SWACO is running 36k tons over its year-to-date budget. The 2016 budget was based on a four-year trend of approximately -1.1 percent per annum. Given 2015's increase over 2014 and the current 2016 trend, staff feels the best approach for budgeting tonnage is remain flat to 2016's estimate. The remaining portion of revenue is comprised primarily of landfill gas royalties and interest income. However, there are miscellaneous items such as tire charges and out-of-district disposal fees. Miscellaneous items are very difficult to measure and therefore are budgeted flat from 2016 actuals plus the remaining budget. The total 2017 revenue estimate is \$47.3mm or \$1.4mm less than prior year's estimate.

Revenue Variance: Key Drivers (as compared to 2016 projections):

- Removal of Waste-to-Energy Fee and reassignment of Administrative Fee effective 4/1/17 (down approximately \$7.1mm)
- Fee adjustment of \$4 effective 4/1/17 (up approximately \$5.7mm)
- Miscellaneous income/expenses (OEPA, out-of-district fees and host community fee increase as tonnage increases) up approximately \$395k

2017 Total Direct Expense Budget

The total direct expense budget for 2017 is approximately \$2.2mm or 8.9 percent over 2016's projection percent, and up 8.6 percent over 2016's budget. Nearly 66 percent of that increase is accounted for in the major account category, salaries, wages, and benefits and the budget contingency.

Expense Variance Drivers

Labor Estimate

2016's budget was developed with 115 fulltime equivalents ("FTE") however our current headcount is 106.5 FTE. The variance between budgeted headcount and actual headcount in 2016 has resulted in an estimated savings of approximately \$451k. Per the budget hearings, staff has determined that the targeted headcount in 2017 will remain flat at 115 FTE, from prior year budget. The chart below illustrates the variances by the operating unit level.

Solid Waste Authority of Central Ohio - Headcount Comparison 2016 vs. 2017			
Department	2016 Budget	2016 Actual	2017 Budget
Administration	19.0	16.0	19.0
Operations	82.5	80.0	83.5
Programs	13.5	10.5	12.5
Total:	115.0	106.5	115.0
<i>*Headcount currently being evaluated and may shift personnel between departments, but still budgeting 115 FTE in 2017</i>			

Assumptions:

- Targeted headcount remains 115 FTE.
- OPERS – eligible employees (hired prior to 1/1/2009) will pick up an additional 1 percent of the portion to be moved up from 8 percent to 9 percent. Excluding overtime, this will save SWACO approximately \$25k.
- Health insurance premium increase of 7.2 percent is included – SWACO's subsidy remains consistent at approximately 85 percent.
- Overtime is budgeted flat to 2016's estimate.
- Annual merit increase is set at 3% with an effective date of January 1, 2017.
- Vacancy credit is estimated at 2 percent or approximately \$209k.

Expense Variance Drivers (continued)

Contracts, Services and Supplies: Key Drivers

- Facilities and grounds: up \$494k – compliance requirements – two pond cleanouts and erosion control
- Other outside services: up \$493k – primarily due to watershed analysis, Model Landfill development and phase II environmental analysis
- Grants: up \$204k – waste reduction, event sponsorships, market development, and special projects
- Vehicle expense: down \$184k – high amount of repairs seen in 2016 that should not be realized in 2017
- Utilities: down \$111k – Southwestern City Schools ten-year agreement expired in 2016
- Insurance and settlements: down \$455k – legal settlement reduction

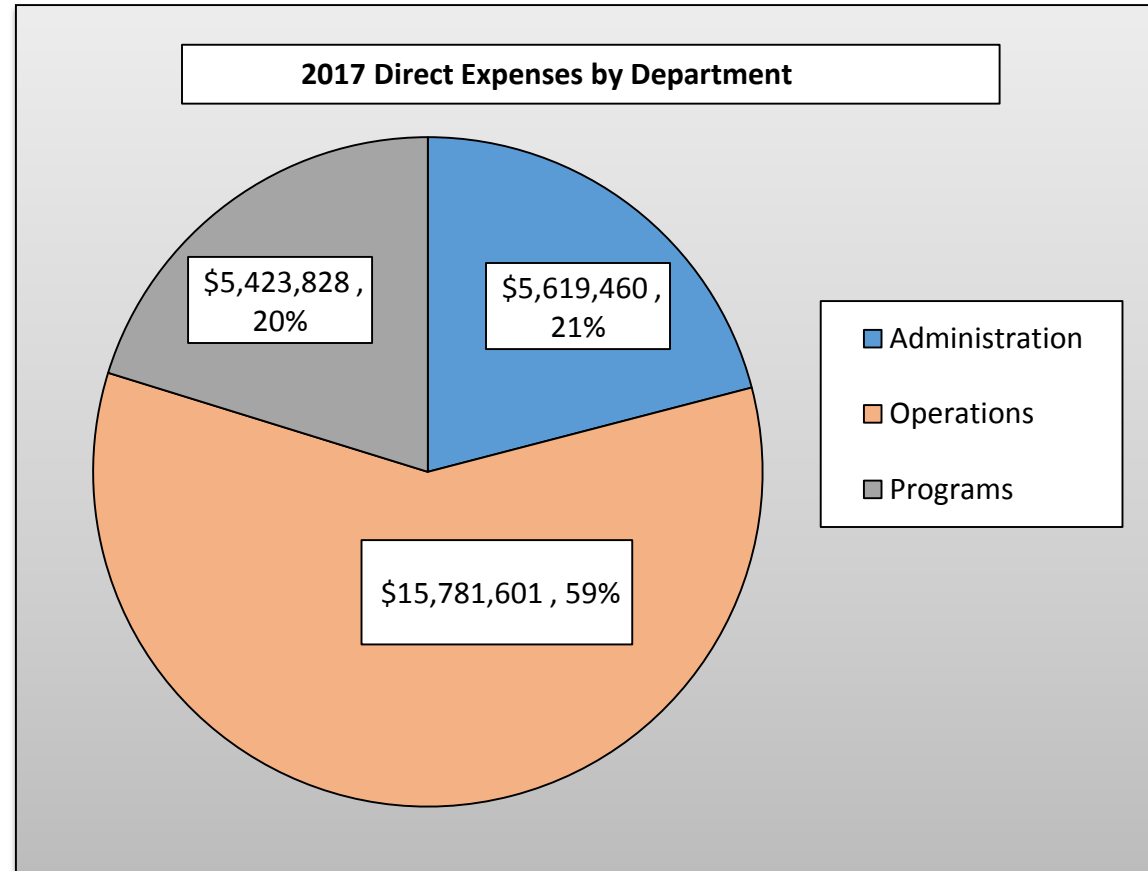
2016's projection does not include the use of the contingency funds, however, 2017 includes a budgeted contingency of 3 percent per the allowable ceiling set by the Ohio Revised Code. This variance is \$781k of the total \$2.2mm increase to 2016 projections.

2017 Capital Equipment and Capital Outlays

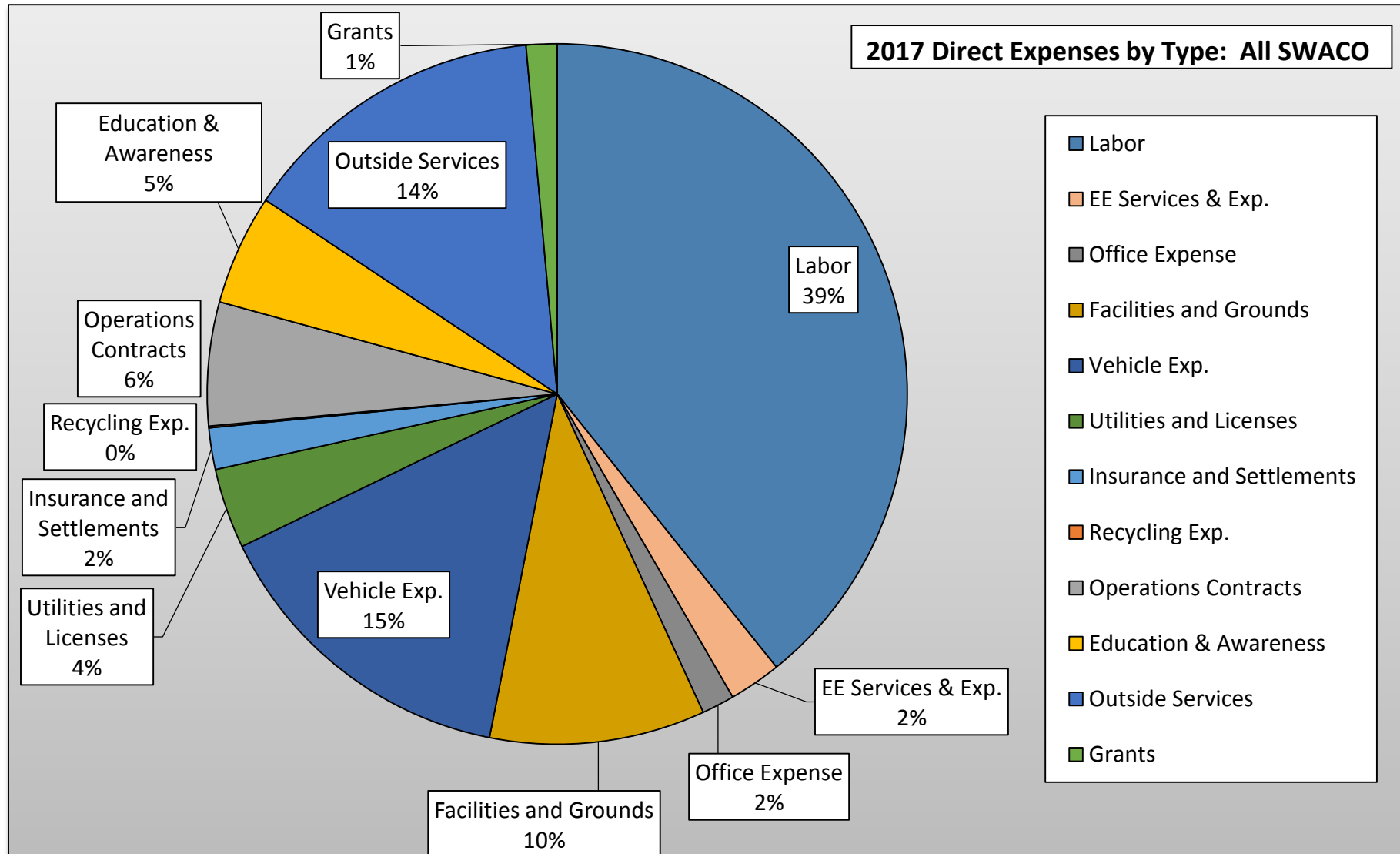
2017 Capital Equipment Plan		
Building Maintenance	\$ 70,000	Small dump truck with plow and salt spreader
Fleet Maintenance	75,000	Multi purpose vehicle
Jackson Pike	450,000	Loader
Franklin County Sanitary Landfill	75,000	Lube truck
Franklin County Sanitary Landfill	75,000	Support equipment
Franklin County Sanitary Landfill	90,000	Purchase 3 pickups
Morse Road Eco-Station	350,000	Purchase a new Sennebogen to replace 482 & sell off 414 & 482
Morse Road Eco-Station/Jackson Pike	900,000	Purchase 6 tractors
Morse Road Eco-Station/Jackson Pike	350,000	Purchase 6 trailers
Total	2,435,000	
2016 Carry over	2,000,000	6 Tractors and 6 trailers
Total	\$ 4,435,000	

2017 Capital Outlays Plan	
FCSL replacement gas wells	\$ 100,000
Model Landfill replacement gas wells	100,000
Leachate system upgrades	50,000
GPS equipment	50,000
Litter fence	50,000
Entrance sign	30,000
Signage at facilities	20,000
Tools with camera	20,000
Website upgrades	60,000
Security lighting	70,000
Permit-to-install (PTI) preliminary work	900,000
Enterprise resource planning (ERP) system	185,000
HVAC system at Administrative Office Building (AOB)	70,000
Safety data system/consultant	40,000
Total:	\$ 1,745,000

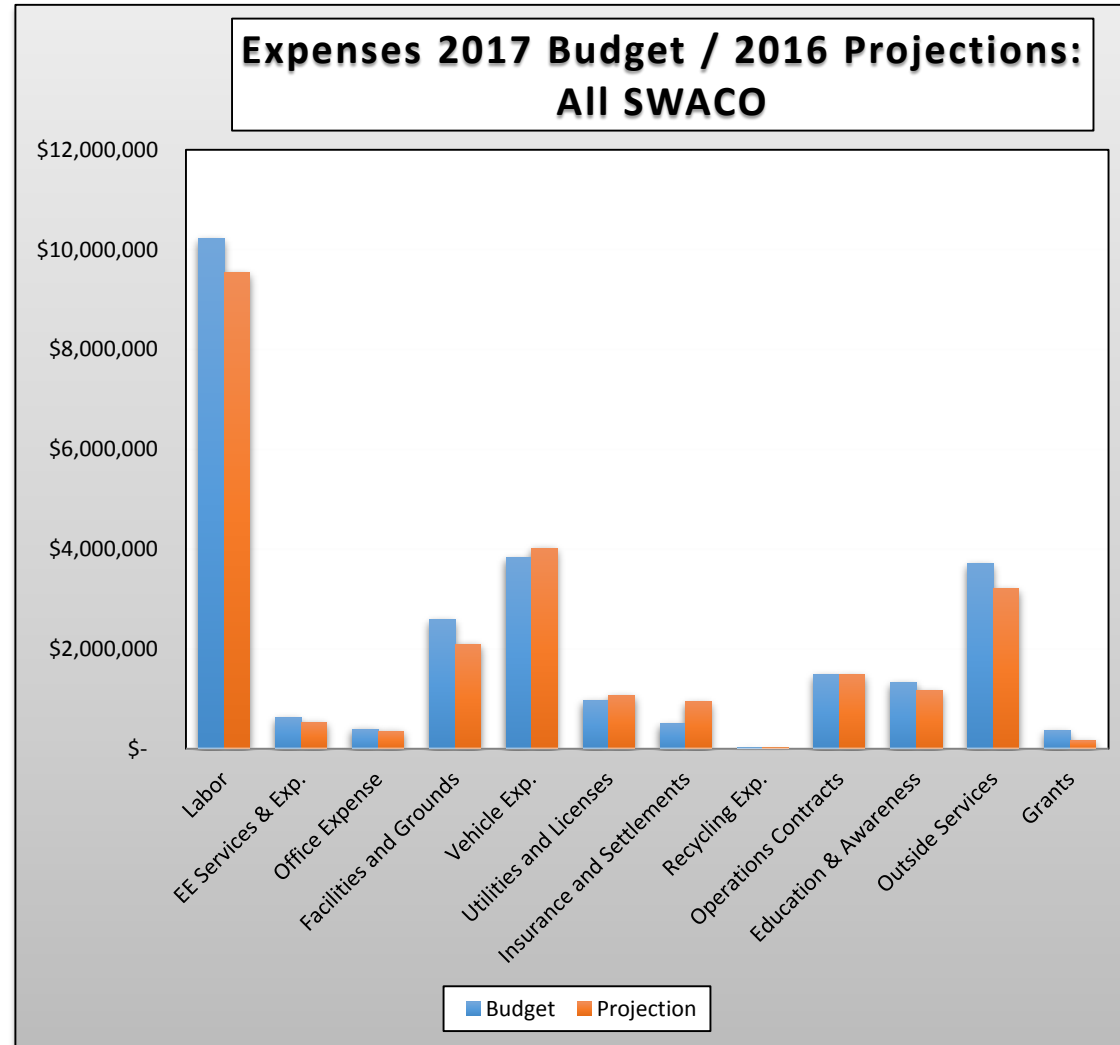
Supplemental Information



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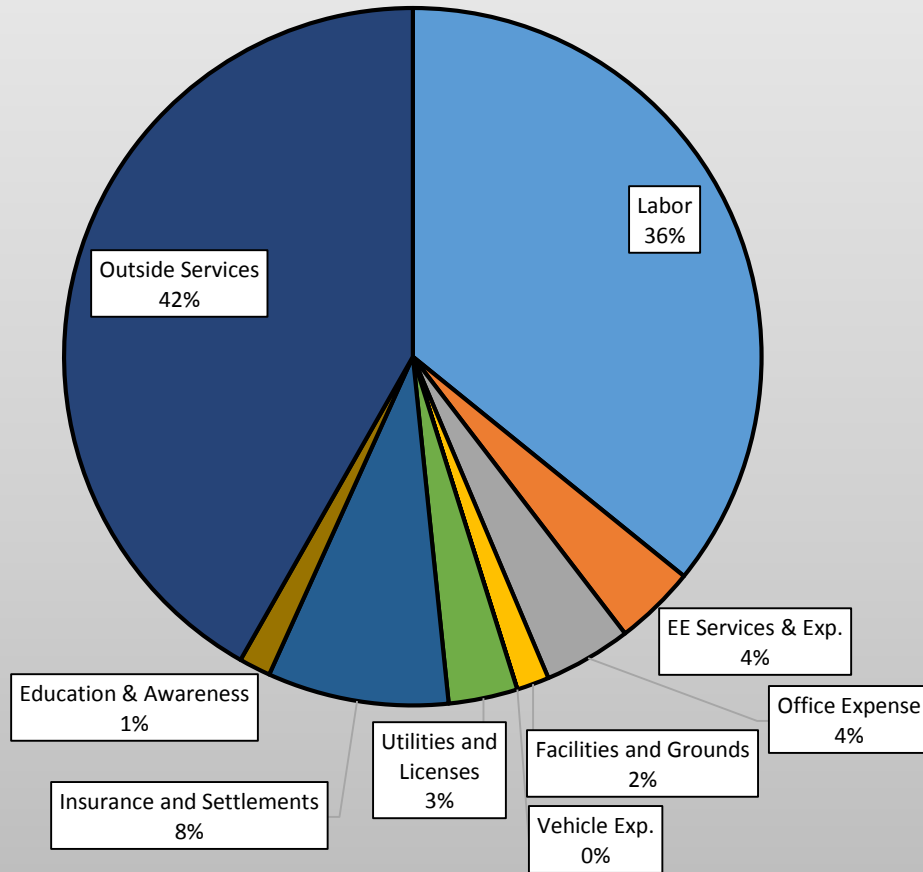


Supplemental Information



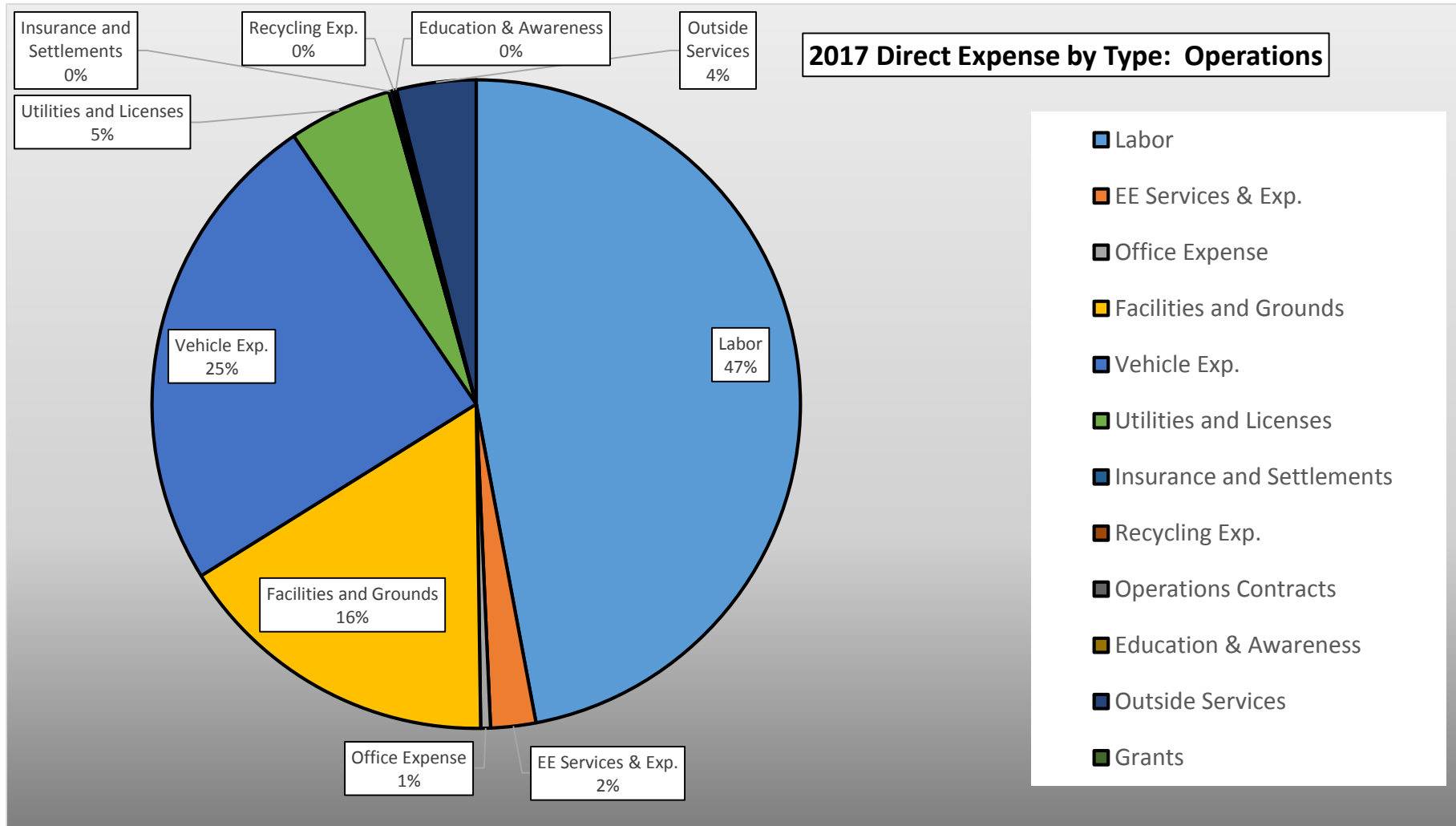
Supplemental Information

2017 Direct Expense by Type: Administration

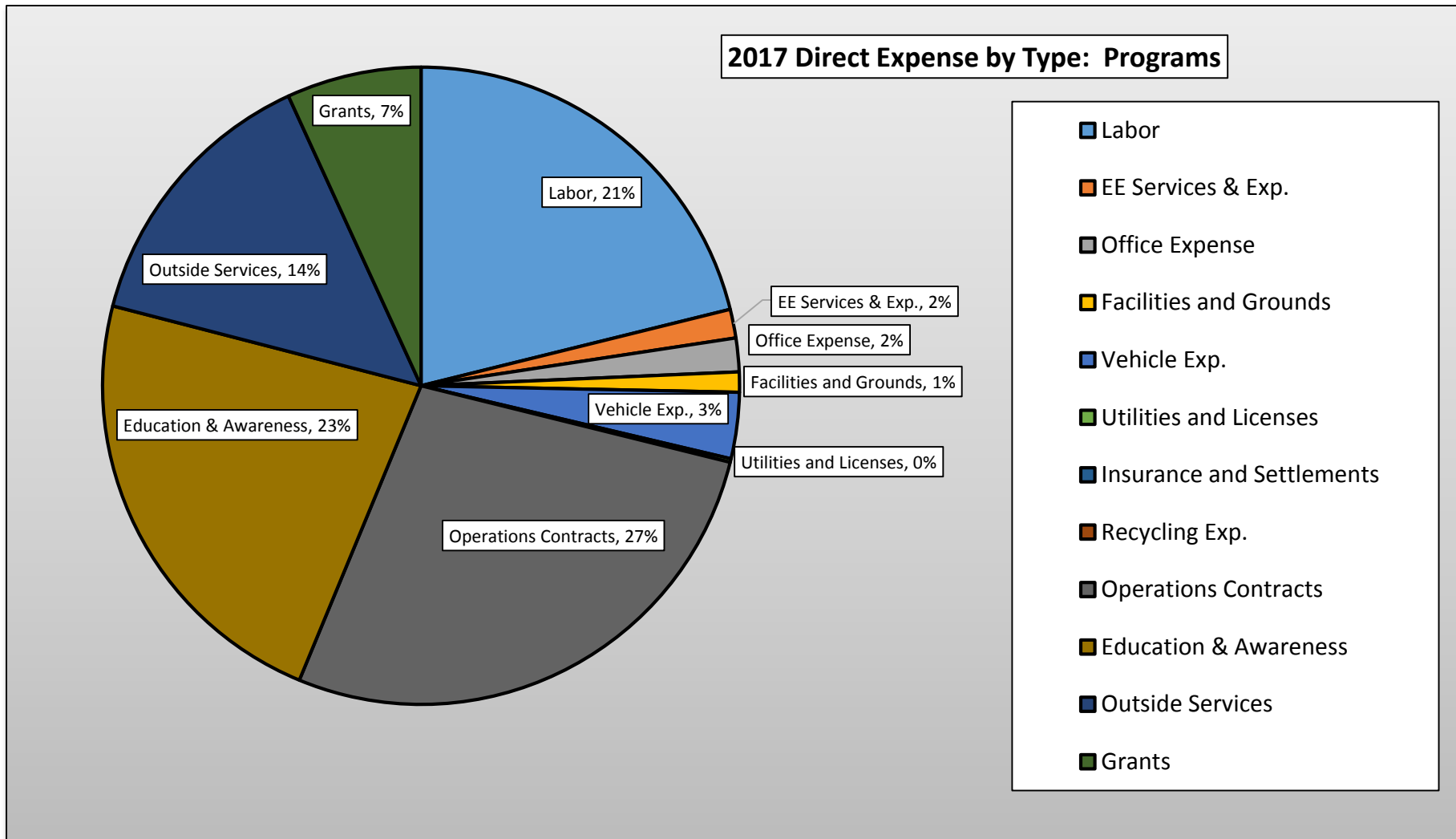


- Labor
- EE Services & Exp.
- Office Expense
- Facilities and Grounds
- Vehicle Exp.
- Utilities and Licenses
- Insurance and Settlements
- Recycling Exp.
- Operations Contracts
- Education & Awareness
- Outside Services
- Grants

Supplemental Information



Supplemental Information



Questions?

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