



Adopting the Operating Budget of the Solid Waste Authority of Central Ohio for the year ending December 31, 2019.

This resolution adopts SWACO’s Operating Budget for the year ending December 31, 2019, and authorizes expenditures as detailed in Section 1.

Requested by: Jeff Wilkins, Director of Administration

BE IT RESOLVED by the Board of Trustees of the Solid Waste Authority of Central Ohio that:

- 1. The following expenditures relative to the 2019 Operating Budget are hereby approved for the Operating Fund and Program Fund for the year ending December 31, 2019:

Account Category

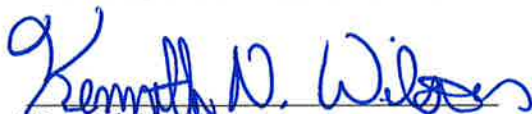
Table with 2 columns: Account Category and Amount. Rows include Salaries, wages, and benefits (\$11,314,310); Contracts, services, and supplies (15,735,817); Grants awarded (2,036,123); Capital equipment and major components (5,266,066); Capital purchases and improvements (1,560,500); Contingency (872,587).

- 2. The Director of Administration or Executive Director’s Designee is authorized and directed to make all debt service and capital lease payments due during 2019 for long-term and other debt obligations approved by the Board of Trustees.
- 3. The Director of Administration or Executive Director’s Designee is authorized and directed to pay all solid waste fees and out-of-district fees due and payable for the disposal of municipal solid waste at SWACO facilities.
- 4. The Director of Administration or Executive Director’s Designee is authorized and directed to deposit into the Landfill Closure Trust Fund established by the Board of Trustees the amounts required by EPA regulation for the calendar year 2019.
- 5. The Director of Administration or Executive Director’s Designee is authorized to pay contracts previously approved by the Board of Trustees during 2019, which have been included in the calendar year 2019 budget and have remaining unexpended monies at the end of 2018.
- 6. The obligations of SWACO for the payment of public utility expenses, including but not limited to telephone, electric, gas, water and sewer, and obligations to other governmental entities for

licenses, permits, surcharges, taxes, or other fees necessary in the operation of SWACO, are exempt from the expenditure limits established in SWACO's current procurement policy.

7. Ohio Public Employees Retirement System ("OPERS"): The salaries, wages and benefits budget account category excludes the impact of expenses resulting from the requirement to include the OPERS net pension liability or post-employment benefits liability (GASB 68/75). These amounts are calculated annually for financial statement purposes and reflect the changes in pension benefits, contribution rates and return on investments as calculated by OPERS and reported per SWACO's proportionate share. These items are outside the control of SWACO and do not have impact on SWACO operations and are therefore exempt from the expenditure limits established within the adopted budget.
8. Sick leave/personal time: SWACO's non-exempt staff receive payouts subsequent to year end for accumulated unused sick and personal leave per policy. These amounts fluctuate annually and are insignificant to the salaries, wages and benefits category. As such, estimates for these amounts are not included within the budget account category and are therefore exempt from the expenditure limits established within the adopted budget.
9. Modifications to the monthly amounts contributed by SWACO and each employee for health care coverage and benefits are hereby approved as follows. The monthly cost per employee under the Franklin County health care plan has been budgeted for an increase of approximately four and one-half percent (4.5%).
10. The Director of Administration or Executive Director's Designee is directed to provide budget status reports to the Audit and Finance Committee of the Board of Trustees not less than quarterly.
11. Revenue received for the capital equipment and major component purchases shall carry over if an item is ordered but not received until the following year, then the funds available shall carry over to fund the purchase.
12. This resolution shall be in full force and effect as of January 1, 2019.


Date Adopted: December 11, 2018


Kenneth N. Wilson
Chairman, Board of Trustees

Vote:
For: 8 Against: 0 Abs: 0


Danielle Kusowski, Secretary *Bo Tem*

Approved as to Form:


Rebecca L. Egelhoff, Managing Counsel



2019 SWACO Total Budget Presentation

November 27, 2018

SWACO
FROM WASTE TO RESOURCES

2019 Total Budget – Approval Resolution

Each December, SWACO's Total Budget is approved by resolution. The resolution includes direct expenses and capital for the Operating Fund and Program Fund for each major account category. The categories include:

- Salaries, wages and benefits
- Contracts, services and supplies
- Grants awarded
- Capital equipment and major components (Capital Equipment Plan) – funded with cash
- Capital purchases and improvements (Capital Outlays Plan) – funded with cash
- Contingency

The budget resolution also authorizes payments for debt service obligations, solid waste fees, out-of-district fees, and the required annual deposit into the landfill closure trust fund (required by Ohio EPA).

- The trust fund is intended to provide a reserve to pay for the landfill's closure and post-closure liabilities.

SWACO's 5 Year Capital Improvement Plan is approved by resolution in April of each year to allow time for the bidding process prior to incurring expenditures after January 1.

2019 Total Budget - Development Process

June: Training for Managers and Directors regarding process, timelines, templates, required justifications and available historical expense information

July: Submit justifications for new projects, initiatives, staff, capital equipment and capital outlay

August: Submit initial draft direct expense budgets – contracts, services and supplies

September: Present initial new projects, initiatives, capital equipment and capital outlay to Audit and Finance Committee

Conduct multiple manager meetings to ensure quality control and refine department budgets

2019 Total Budget - Development Process

October: Receive health insurance premium increase and complete survey of regional governmental units regarding annual salary adjustments

Compile and present Initial DRAFT Budget with preliminary numbers to Audit and Finance Committee

November: Further collaborative refinement of 2019 Budget prior to presentation

November 27 Audit and Finance Committee consideration for referral

November 27 Committee of the Whole presentation

December: Board of Trustees approval of total budget resolution on December 11

2019 Total Budget - Message

2019 Total Budget was developed to be a fiscally sound planning tool consistent with SWACO's Vision, Mission, Guiding Principles toward achieving our short-term and long-term goals. The budget also considers the region's growth and efforts needed to maintain service to external and internal stakeholders.

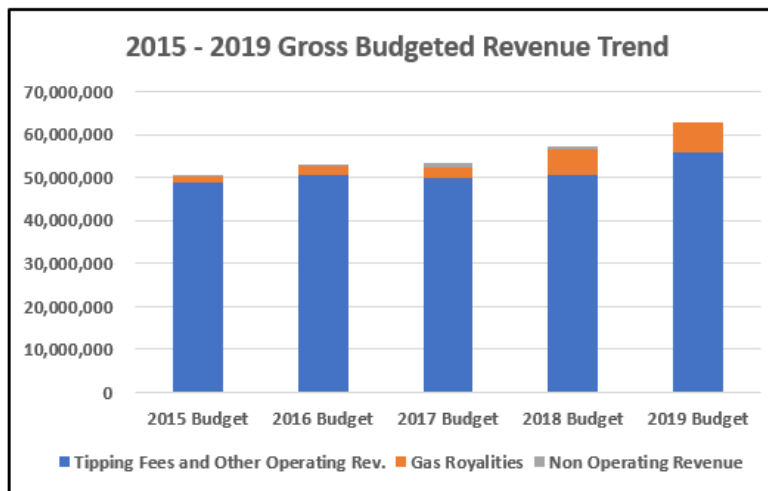
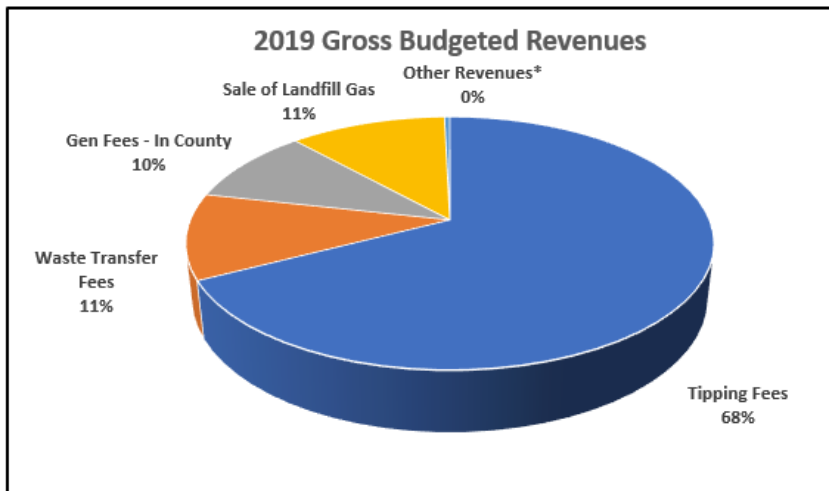
Growth:

- Growing region
- Approval of Permit to Install (PTI) and Buildout of Landfill

Service:

- Recycling Cart Initiative
- Workforce consistency
- Outreach and Education
- Evaluation of service programs

2019 Estimated Revenue – Total SWACO

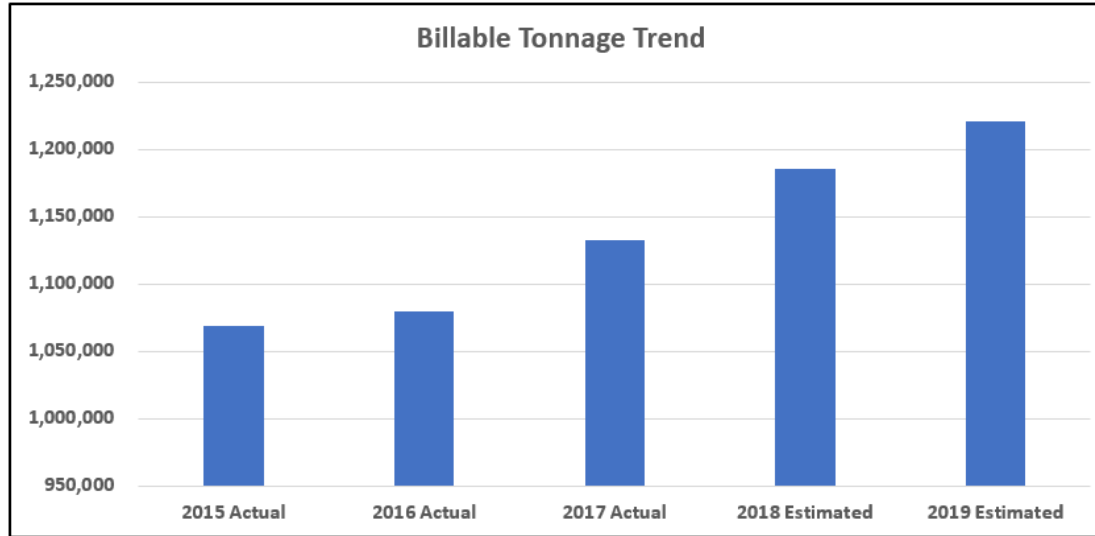


Revenues	2015 Budget	2016 Budget	2017 Budget	2018 Budget	2019 Budget
Tipping Fees	\$ 28,964,000	\$ 29,875,000	\$ 36,038,000	\$ 38,141,764	\$ 42,413,045
Waste Transfer Fees	5,618,000	5,915,000	6,292,000	6,383,910	6,903,559
Gen Fees - In County	5,007,000	5,211,000	5,389,000	5,488,024	6,102,596
Sale of Landfill Gas	1,500,000	1,800,000	2,500,000	6,000,000	7,200,000
Other Revenues*	9,073,000	9,726,000	2,259,000	551,981	247,438
Gross Revenue	50,162,000	52,527,000	52,478,000	56,565,679	62,866,638
Disposal Fees	(4,899,567)	(5,172,930)	(5,361,139)	(5,520,952)	(6,139,213)
Net Revenues	\$ 45,262,433	\$ 47,354,070	\$ 47,116,861	\$ 51,044,727	\$ 56,727,425

Over the past 5 years revenue has increased at an effective annual rate of 4.5%.

*Waste-to-Energy and Administration Fees included in Other Revenues until 4/1/2017. The new rate structure is effective 4/1/2017 to present.

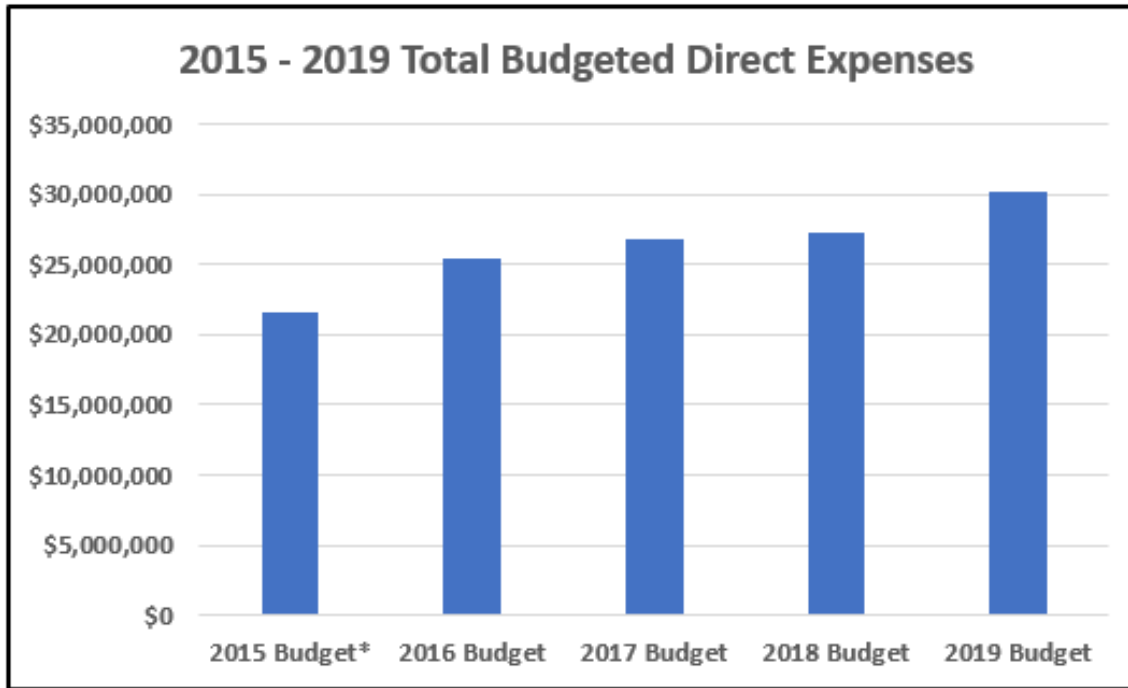
Tonnage Growth



Over the past 5 years tonnage has increased at an effective annual rate of 2.7%.

Tonnage	2015 Actual	2016 Actual	2017 Actual	2018 Estimated	2019 Estimated
Landfill	590,242	564,209	616,264	649,648	669,138
Jackson Pike	233,331	263,881	261,611	256,714	264,416
Morse Road	245,239	251,189	254,333	278,607	286,965
Total Tonnage	1,068,812	1,079,279	1,132,208	1,184,969	1,220,519

2019 Budgeted Direct Expenses – Last 5 Years

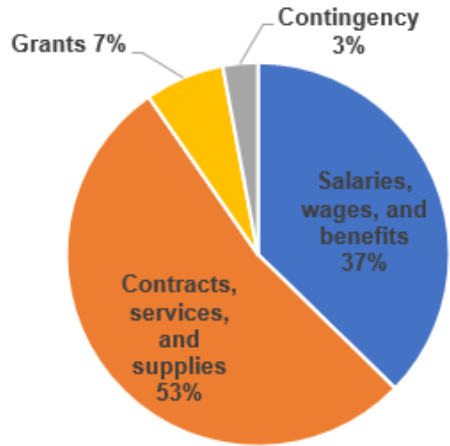


Over the past 5 years direct expenses have increased at an effective annual rate of 7.0%.

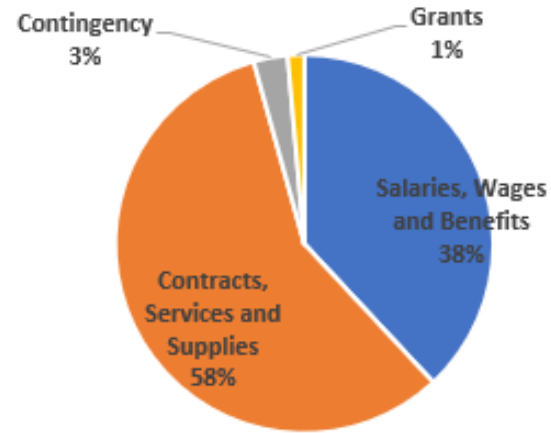
**2015 does not include a contingency*

2019 Total Budget - Direct Expense Breakdown

2019 DRAFT Direct Expense Budget



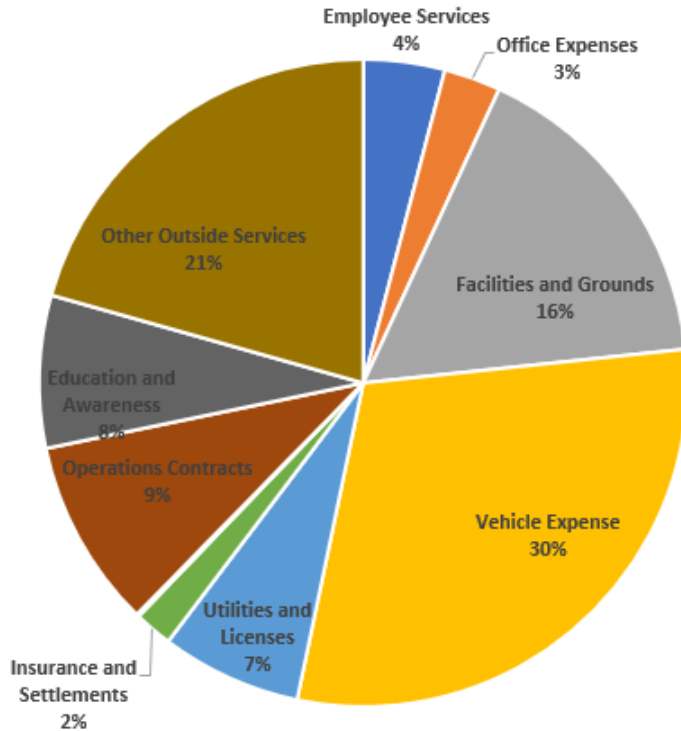
2018 FINAL Direct Expense Budget



Year-over-year the allocation of expenses are relatively unchanged – funding of the Recycling Cart Initiative is the main shift.

2019 Direct Expenses (CSS only) – Major Account Category Breakout

2019 DRAFT Contracts, Services and Supplies Budget



2019
Vehicle Expenses - 30%
Outside Services - 21%
Facilities & Grounds - 16%
Operations Contracts – 9%
Education & Awareness - 8%

84% of total CSS,
\$13.2 million

2018
86% of total CSS,
\$13.5 million

2019 Budget – Total SWACO



2019 Budget to 2018 Budget - Total SWACO

Description	2019 Budget	2018 Budget	Variance	
			*Increase / **(Decrease)	%Variance *Increase / **(Decrease)
Net Revenues Estimate				
Disposal Revenue	\$ 55,666,638	\$ 50,565,679	\$ 5,100,959	10%
Sale of Landfill Gas	7,200,000	6,000,000	1,200,000	20%
Fees (less EPA/Out of Dist./Host Township)	(6,139,213)	(5,520,952)	(618,261)	11%
Total Net Revenues	56,727,425	51,044,727	5,682,698	11%
Direct Expenses				
Salaries, Wages and Benefits	11,314,310	10,380,152	934,158	9.0%
Contracts, Services and Supplies				
Employee Services	639,158	707,846	(68,688)	-9.7%
Office Expenses	445,977	376,410	69,567	18.5%
Facilities and Grounds	2,586,340	3,050,455	(464,115)	-15.2%
Vehicle Expense	4,711,723	4,076,008	635,715	15.6%
Utilities and Licenses	1,103,345	957,001	146,344	15.3%
Insurance and Settlements	300,000	145,764	154,236	105.8%
Recycling Expense	20,115	20,679	(564)	-2.7%
Operations Contracts	1,485,000	1,485,000	-	-
Education and Awareness	1,198,409	1,323,150	(124,741)	-9.4%
Other Outside Services	3,245,749	3,576,686	(330,937)	-9.3%
Total Contracts, Services and Supplies	15,735,817	15,718,999	16,818	0.1%
Grants				
Grants	2,036,123	385,000	1,651,123	428.9%
Budget Contingency	872,587	794,000	78,587	9.9%
Total Direct Expenses	29,958,837	27,278,151	2,680,686	9.8%
Contribution Margin: Net Rev. - Direct Exp.	\$ 26,768,588	\$ 23,766,576	\$ 3,002,012	12.6%

*Increase - represents an increase in planned spending

**Decrease - represents a decrease in planned spending

Total Direct Expense Increase – 9.8% or \$2.7m

- Cart Initiative – 6.3% or \$1.7m
- Increase Excluding Cart Initiative– 3.5% or \$975k

Key Increase Drivers Excluding Cart Initiative

- 8 New Staff – 5.7% or \$595k
- Salaries, Wages and Benefits – 3.3% or \$339k
- Insurance and Settlements – 105.8% or \$154k
- Outside Vehicle Repairs – 15.6% or \$636k
- Fuel – 14.5% or \$240k
- Device Refresh – 31.8% or \$120k
 - Warranty expiration every 3-years

Major Decreases

- Facilities and Grounds – 15.2% or \$464k
- Other Outside Services – 9.3% or \$330k
- Education and Awareness – 9.4% or \$125k

2019 Direct Expenses – Staffing

Budgeted Headcount by Year (2013-2019)						
2013 Budget	2014 Budget	2015 Budget	2016 Budget	2017 Budget	2018 Budget	2019 DRAFT Budget
124.5	116.0	111.5	115.0	115.0	115.5	123.5

2019 Additional Staffing	Full-Time Equivalents	Total Compensation
AOB Part-time Front Desk Receptionist	0.5	\$ 18,729
Fleet Supervisor	1.0	111,544
Heavy Equipment Operator	1.0	74,728
Heavy Equipment Operator	1.0	74,728
Customer Service Supervisor	1.0	90,045
Transfer Driver	1.0	62,976
Transfer Driver	1.0	62,976
Transfer Driver	1.0	62,976
Educational Specialist (part-time to full-time)	0.5	36,292
Total:	8.0	\$ 594,993

2019 Direct Expenses – Staffing Justification

Administration

- **Part-time Front Desk Reception** – Currently, SWACO employs one full-time receptionist. The new position will provide blocks of relief time to enable the current receptionist to work on other assigned tasks. Currently, coverage is provided by multiple staff from multiple departments, which often creates work-flow interruptions and coordination issues. The part-time receptionist will reduce the interruptions and coordination issues.

Programs

- **Educational Specialist from part-time to full-time position** – Expand position to increase tours and presentations to Franklin County students and develop educational materials for students and teachers. Previously, this position was staffed with one part-time employees, working 20+ hours a week. The full-time will create capacity , flexible coordination and allow SWACO to improve education opportunities.

2019 Direct Expenses – Staffing Justification

Operations

- **Fleet Supervisor** – Currently, fleet and facilities maintenance operations are supervised by the Fleet and Facilities Manager (“FFM”). The new position will focus on scheduling work, approving and reconciling invoices, repair and maintenance of fleet and equipment shops, supervision of parts staff and mechanics, and the management of workflow. The position will allow the Fleet and Facilities Manager to focus on department projects.
- **Customer Service Supervisor** – Prior to 2014, the scalehouse was supervised with a dedicated Customer Service Manager that supervised weighmasters and daily closing processes. Currently, the scalehouse supervision is assigned to a part-time employee with back-up provided by the Operations Specialist (“OS”). Because of the OS’s broad range of duties and the current reliance on a part-time position to oversee closing and daily reconciliation requirements, service gaps regularly occur. The new position will reconcile the gaps and allow the OS to focus on job training and department priorities.
- **Two (2) Heavy Equipment Operators** – Landfill staff turnover, benefit time-off, and tonnage increases contribute to overtime costs. These positions will compensate for the realized and anticipated growth in tonnage and the expanded landfill working surface. The new positions should drive down overtime and create capacity associated with leave and turnover.
- **Three (3) Transfer Drivers** – Positions related directly to 2019’s anticipated transfer tonnage. Additionally, these positions will compensate for leave, turnover and should reduce overtime.

2019 Budget – Administration



2019 Budget to 2018 Budget - Administration

Description	2019 Budget	2018 Budget	Variance	
			*Increase / **(Decrease)	%Variance *Increase / **(Decrease)
Net Revenues Estimate				
Disposal Revenue	\$ -	\$ -	\$ -	-
Sale of Landfill Gas	-	-	-	-
Fees (less EPA/Out of Dist./Host Township)	-	-	-	-
Total Net Revenues	-	-	-	-
Direct Expenses				
Salaries, Wages and Benefits	2,199,681	2,073,309	126,373	6.1%
Contracts, Services and Supplies				
Employee Services	151,996	192,099	(40,103)	-20.9%
Office Expenses	185,117	179,480	5,637	3.1%
Facilities and Grounds	84,214	85,570	(1,356)	-1.6%
Vehicle Expense	1,290	3,333	(2,043)	-61.3%
Utilities and Licenses	193,689	183,771	9,918	5.4%
Insurance and Settlements	285,000	116,500	168,500	144.6%
Recycling Expense	-	-	-	-
Operations Contracts	-	-	-	-
Education and Awareness	22,312	37,300	(14,988)	-40.2%
Other Outside Services	1,721,848	1,832,150	(110,302)	-6.0%
Total Contracts, Services and Supplies	2,645,466	2,630,203	15,263	0.6%
Grants				
Grants	-	-	-	-
Budget Contingency	-	-	-	-
Total Direct Expenses	4,845,148	4,703,511	141,636	3.0%
Contribution Margin: Net Rev. - Direct Exp.	\$ (4,845,148)	\$ (4,703,511)	\$ (141,636)	3.0%

*Increase - represents an increase in planned spending

**Decrease - represents a decrease in planned spending

Total Direct Expense Increase – 3.0% or \$142k

Key Increase Drivers

- .5 New Staff – .9% or \$19k
- Salaries, Wages and Benefits – 5.2% or \$108k
- Insurance and Settlements – 144.6% or \$169k
 - SWACO property policy including increased coverage for business income disruption, underground infrastructure, personal and real property valuation
 - New environmental cleanup policy

Major Decreases

- Employee Services – 20.8% or \$40k
- Other Outside Services – 6.0% or \$110k

2019 Budget – Operations



2019 Budget to 2018 Budget - Operations

Description	2019 Budget	2018 Budget	Variance	
			*Increase / **(Decrease)	%Variance *Increase / **(Decrease)
Net Revenues Estimate				
Disposal Revenue	\$ 49,564,042	\$ 45,012,212	\$ 4,551,830	10%
Sale of Landfill Gas	7,200,000	6,000,000	1,200,000	20%
Fees (less EPA/Out of Dist./Host Township)	(6,139,213)	(5,520,952)	618,261	-11%
Total Net Revenues	50,624,829	45,491,260	5,133,569	11%
Direct Expenses				
Salaries, Wages and Benefits	7,891,349	7,184,975	706,374	9.8%
Contracts, Services and Supplies				
Employee Services	329,312	389,852	(60,540)	-15.5%
Office Expenses	135,310	80,469	54,841	68.2%
Facilities and Grounds	2,446,466	2,902,985	(456,519)	-15.7%
Vehicle Expense	4,525,189	3,890,396	634,793	16.3%
Utilities and Licenses	900,356	760,314	140,042	18.4%
Insurance and Settlements	15,000	29,264	(14,264)	-48.7%
Recycling Expense	20,115	20,679	(564)	-2.7%
Operations Contracts	-	-	-	-
Education and Awareness	697	10,000	(9,303)	-93.0%
Other Outside Services	510,901	806,037	(295,136)	-36.6%
Total Contracts, Services and Supplies	8,883,346	8,889,997	(6,650)	-0.1%
Grants				
Grants	1,194,286	-	1,194,286	100%
Budget Contingency	872,587	794,000	78,587	9.9%
Total Direct Expenses	18,841,568	16,868,971	1,972,597	11.7%
Contribution Margin: Net Rev. - Direct Exp.	\$ 31,783,261	\$ 28,622,289	\$ 3,160,972	11.0%

*Increase - represents an increase in planned spending

**Decrease - represents a decrease in planned spending

Total Direct Expense Increase – 11.7% or \$1.9m

- Cart Initiative – 7.1% or \$1.2m
- Increase Excluding Cart Initiative– 4.6% or \$778k


Key Increase Drivers Excluding Cart Initiative

- 7 New Staff – 3.2% or \$539k
- Salaries, Wages and Benefits – 2.3% or \$166k
- Office Expense – 68.1% or \$55k
 - Device refresh
- Total Vehicle Expenses – 16.3% or \$634K
 - Fuel – 13.1% or \$236k
 - Net gallon increase of 1% to 665k gallons over 2018's estimate and increased EAI per gallon
 - Outside Vehicle Repairs – 70.4% or \$503k

Major Decreases

- Employee Services – 15.5% or \$61k
- Facilities and Grounds – 15.7% or \$456k
- Other Outside Services – 36.6% or \$295k

2019 Budget – Programs

 2019 Budget to 2018 Budget - Programs				
Description	2019 Budget	2018 Budget	Variance *Increase / **(Decrease)	%Variance *Increase / **(Decrease)
Net Revenues Estimate				
Disposal Revenue	\$ 6,102,596	\$ 5,553,467	\$ 549,129	10%
Sale of Landfill Gas	-	-	-	-
Fees (less EPA/Out of Dist./Host Township)	-	-	-	-
Total Net Revenues	6,102,596	5,553,467	549,129	10%
Direct Expenses				
Salaries, Wages and Benefits	1,223,280	1,121,869	101,411	9.0%
Contracts, Services and Supplies				
Employee Services	157,850	125,895	31,955	25.4%
Office Expenses	125,550	116,460	9,090	7.8%
Facilities and Grounds	55,660	61,900	(6,240)	-10.1%
Vehicle Expense	185,244	182,279	2,965	1.6%
Utilities and Licenses	9,300	12,915	(3,615)	-28.0%
Insurance and Settlements	-	-	-	-
Recycling Expense	-	-	-	-
Operations Contracts	1,485,000	1,485,000	-	-
Education and Awareness	1,175,400	1,275,850	(100,450)	-7.9%
Other Outside Services	1,013,000	938,500	74,500	7.9%
Total Contracts, Services and Supplies	4,207,004	4,198,800	8,204	0.2%
Grants				
Grants	841,837	385,000	456,837	118.7%
Budget Contingency	-	-	-	-
Total Direct Expenses	6,272,121	5,705,668	566,453	9.9%
Contribution Margin: Net Rev. - Direct Exp.	\$ (169,525)	\$ (152,202)	17,323	-11.4%

*Increase - represents an increase in planned spending

**Decrease - represents a decrease in planned spending

Total Direct Expense Increase – 9.9% or \$566k

- Cart Initiative – 8.9% or \$512k
- Increase Excluding Cart Initiative – 1.0% or \$55k

Key Increase Drivers Excluding Cart Initiative

- .5 New Staff – 3.2% or \$36k
- Salaries, Wages and Benefits – 5.8% or \$65k
- Employee Services – 25.3% or \$32k

Major Decreases

- Education and Awareness – 7.8% or \$100k

2019 Estimated Cash Outlays – Total SWACO

SWACO	
2019 Estimated Cash Outlays:	
Outlays:	
Salaries, wages and benefits	\$ 11,314,310
Contracts, services and supplies	15,735,817
Debt service interest paid	3,368,540
Debt service principal paid	4,760,000
Deposit to EPA Trust Fund - <i>estimate/new permit-to-install</i>	1,000,000
Capital equipment	5,266,066
Capital improvements - <i>subject to change</i>	5,492,567
Capital outlays	1,560,500
Grants awarded	2,036,123
Contingency - <i>no intention at this point to use</i>	-
Total Outlays:	\$ 50,533,922

2019 Capital Equipment Plan and Capital Outlays Plan

2019 Capital Equipment Plan (CEP)		
Project	Cost Estimate	Category
Transfer Tractors (2)	\$ 280,000	New
Transfer Trailers (4)	280,000	New
Compactor	1,077,482	New
Compactor - Rebuild	777,909	New
Roll-Off Truck	175,000	New
Alternative Daily Cover Sprayer	232,000	New
Lube Trailer	65,000	New
Material Handler	420,675	New
Mower	13,000	New
Frontload Refuse Truck	730,000	New
Tractors (6)	850,000	Deferred
Frontload Refuse Truck	365,000	Deferred
Total Capital Equipment	\$ 5,266,066	

2019 Capital Outlays Plan (COP)		
Project	Cost Estimate	Category
Drone Setup	17,500	New
Odor Suppression System	140,000	New
Portable Vehicle Lift	43,000	New
Fluid Management System - Fleet Shop	35,000	New
Front Office Entry Remodel	85,000	New
Digital Signage	20,000	Deferred
Audio Recording and Projector for Executive Conference Room	50,000	Deferred
Scale Software	650,000	Deferred
Enterprise Resource Planning System (ERP)	400,000	Deferred
GPS Equipment	50,000	Recurring
Security Lighting	70,000	Recurring
Total Capital Outlays	\$ 1,560,500	

Questions?