



2021 Operating Budget and Capital Plans

Presented by Jeff Wilkins, Director of Administration

Operating Budget and Capital Plans


Each year, the Board of Trustees approves three budget resolutions.

- 1) In Spring, Capital Improvement Plan (CIP) is approved to allow time to design and bid projects with construction commencing the following year.
- 2) In December, Annual Operating Budget is approved for the following year.
- 3) In December, Annual Capital Equipment Plan (vehicles/rolling stock) and Capital Outlays Plan are approved for the following year.

Operating Budget and Capital Plans

- SWACO's enterprise funds are similar to those used by special districts for water or sanitary sewer utilities.
- Enterprise funds contain all revenues, operating expenditures, capital expenditures and debt service payments.
- At the end of each fiscal year, unspent funds remain in an enterprise fund.
- We require "re-budget" of expenditures for incomplete capital or operating projects from the prior fiscal year.

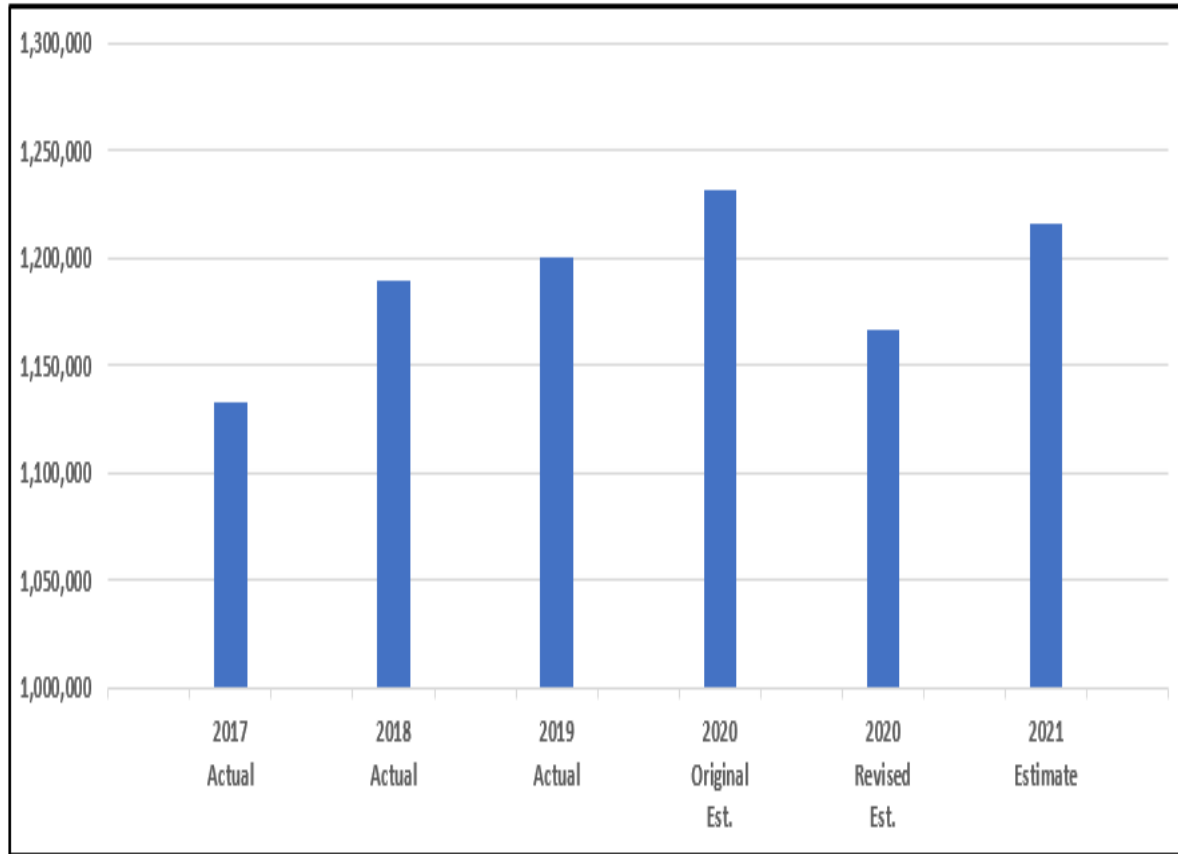
2021 Operating Budget & Capital Plans Summary

		2021 Budget to 2020 Budget - Total SWACO			
Description	2021 Budget	2020 Approved Budget	*Increase / **(Decrease)	*Increase / **(Decrease)	
Revenues					
Net Disposal Revenue	\$ 49,256,430	\$ 49,461,055	\$ (204,625)	-0.4%	
Sale of Landfill Gas	4,538,945	3,000,000	1,538,945	51.3%	
Interest Earnings	619,000	1,247,196	(628,196)	-50.4%	
Other	-	-	-	0.0%	
Total Revenues (net of EPA/Host Twp Fees)	54,414,375	53,708,251	706,124	1.3%	
Expenditures					
Salaries, Wages and Benefits	12,147,437	11,999,783	147,654	1.2%	
Total Contracts, Services and Supplies	17,955,251	17,457,804	497,447	2.8%	
Grants	952,000	1,217,378	(265,378)	-21.8%	
Budget Contingency	931,641	920,249	11,392	1.2%	
Debt Service	8,036,003	8,042,079	(6,077)	-0.1%	
Combined Capital Plans (CEP \$3.2M, COP \$3.1M, CIP \$14.1M)	20,403,632	24,952,423	(4,548,791)	-18.2%	
EPA Trust	1,000,000	1,000,000	-	0.0%	
Total Expenditures	61,425,964	65,589,716	(4,163,752)	-6.3%	
Total Revenues less Expenditures	\$ (7,011,588)	\$ (11,881,465)	\$ 4,869,877	-41.0%	

*Increase - represents an increase in planned spending

**Decrease - represents a decrease in planned spending

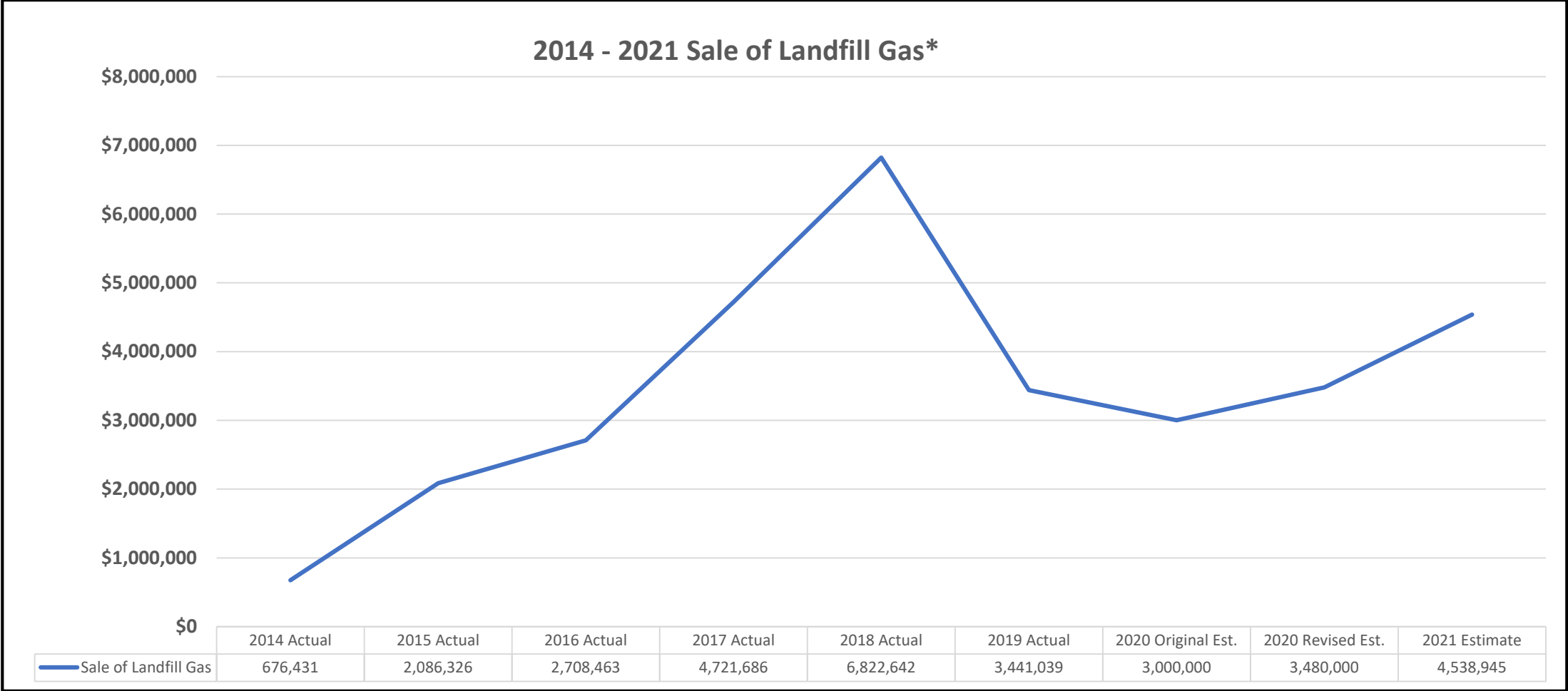
Disposal Revenue & Billable Tonnage



- 2021 estimated tonnage down 1.3% from 2020 original estimate, up 4.2% from 2020 revised estimate
- Tipping fees \$42.2M (70.5% of revenue), up \$1.7M from 2020 revised estimate
- Waste Transfer Fees \$6.8M (11.4% of revenue), up \$276k from 2020 revised estimate
- Tonnage breakout:
 - Franklin County Sanitary Landfill – 55.3%
 - Jackson Pike Transfer Station - 21.6%
 - Morse Road Eco-Station – 23.1%

Billable Tonnage	2017 Actual	2018 Actual	2019 Actual	2020 Original Est.	2020 Revised Est.	2021 Estimate
Landfill	616,264	656,529	704,859	715,926	644,910	672,176
Jackson Pike	261,611	254,300	236,362	245,330	251,879	262,528
Morse Road	254,333	278,775	258,605	270,202	269,576	280,974
Total Tonnage	1,132,208	1,189,605	1,199,826	1,231,458	1,166,365	1,215,678

Sale of Landfill Gas (8.4% of Est. Revenue)



**Landfill Gas estimate provided by Aria in every year except 2020. Landfill processing plant was offline in portions of 2019.*

2021 Operating Budget Major Categories

- **Salaries, wages, and benefits**
 - Employee compensation, health care, OPERS pension
- **Contracts, services, and supplies**
 - Outside vendor contracts, professional services, education, media
 - Vehicle expenses and repairs, fuel, grounds and facilities maintenance, utilities
 - Employee training, office expenses
- **Grants awarded**
 - Funds disbursed to outside agencies for education and awareness, waste diversion and recycling initiatives
- **Contingency**
 - SWACO budgets a 3% contingency on direct expenses for unforeseen items or any adjustments within the operating budget subject to board review

2021 Operating Budget

- 2020 Approved Budget - \$31,595,214
- 2021 Proposed Budget - \$31,986,329
- 1.2% increase from prior year budget

Salaries, Wages, and Benefits

- 2020 Approved Budget - \$11,999,783
- 2021 Proposed Budget - \$12,147,437 (38% of Direct Expenses)
- 1.2% increase from prior year budget

- No new headcount from prior year
- No increases in healthcare premium
- 2021 Safety Incentives

Contracts, Services and Supplies

- 2020 Approved Budget - \$17,457,804
- 2021 Proposed Budget - \$17,955,251 (56% of Direct Expenses)
- 2.8% increase from prior year budget

Percentage of Contracts, Services and Supplies:

26% Vehicle expense

24% Facilities and grounds

22% Other outside services

8% Yard waste operating contracts

7% Education and awareness

6% Utilities

2021 Non-Recurring Expenses Contract, Services and Supplies

Description	Amount
Transfer Station LED Lighting	\$ 163,000
Security Cameras	658,342
Transfer Station Cleanout/Facility Power Washing	98,000
Concrete at Transfer Station	715,000
Ceridian Costs	35,033
Keycard Access	75,000
Fuel Tank Level Gauges	24,000
Repair Asphalt AOB to ERC	47,305
Total	\$ 1,815,680

Grants

- 2020 Approved Budget - \$1,217,378
- 2021 Proposed Budget - \$952,000 (3% of Direct Expenses)
- Grants are down approximately 21.8% as fewer recycling carts will deploy in 2021.

2021 Strategic Connection

- **Manage landfill safely and maintain at least 25 years of landfill life**
 - Security Cameras \$658,000
 - Keycard access \$75,000
- **Maximize waste reduction and diversion**
 - Recycling cart initiative \$602,000
 - Community waste reduction grants \$235,000
 - Event waste reduction grants \$25,000
 - Recycle Right Campaign \$425,000
 - Save More Than Food Campaign \$210,000
 - Household Hazardous Waste \$525,000
 - Yard Waste Operating Contracts \$1,485,000
 - Education and Awareness \$276,117
 - Environmental Crimes Task Force (ECTF) \$246,500
 - Regional MRF planning \$120,000
 - Organics Management Program Planning \$30,000
- **Reduce organization's carbon emissions**
 - Transfer Station LED lighting \$163,000 (also applies to Safety)

Capital Plans

2021 Capital Equipment Plan (CEP)		
Project	Quantity	Cost Estimate
John Deere XUV835R UTV with AC	1	\$ 25,000
Traffic Message Board Sign	1	18,000
Service Truck for Building Maintenance	1	60,000
Used Pick-Up Trucks	3	40,000
Used Shuttle Bus	1	25,000
Scrap Handler	1	535,000
Transfer Trucks	2	324,000
Transfer Trailers	2	141,000
Tipper	1	500,000
Excavator	1	600,000
Compactor Component Rebuild - Unit 235	1	620,500
Fuel Truck	1	350,000
Total Capital Equipment		3,238,500


2021 Capital Outlays Plan (COP)		
Project	Quantity	Cost Estimate
Odor System for H5	1	263,000
Grove City Fiber feed to Scale House	1	25,000
Ceridian HR Solution	1	18,500
Enterprise Resource Program (ERP)	1	1,581,500
Property Acquisition	TBD	1,000,000
AOB Cubicles/Workstations	TBD	100,000
GPS Equipment	TBD	76,000
Total Capital Outlays		3,064,000

2021 Capital Improvement Plan (CIP)	
Project	Cost Estimate
H5B	8,032,500
Transitional cover	423,310
2021 FCSL Gas Collection and Control System (GCCS)	763,599
Gas well water removal system additions - Franklin County Sanitary Landfill	75,000
New resident pad and scale road improvements	2,087,165
Model Landfill development	500,000
Model landfill gas collection and control system (GCCS)	300,000
MRES Storm Water Drainage Modifications	573,000
Buildings - OPS & Maintenance	655,091
Buildings - AOB & ERC	280,753
Unplanned	410,713
Subtotal capital improvement plan:	14,101,132

Grand total of capital plans:	\$ 20,403,632
--------------------------------------	----------------------

- 2021 Capital Plans \$20,403,632
- 2020 Capital Plans \$24,952,423
- Total down \$4.5M, 18.2% decrease
 - Equipment down \$2M
 - CIP down \$2.5M
- “Re-budgeted’ items include -
 - COP:
 - ERP \$1.5M
 - Property Acquisition \$1M
 - CIP: (approved Spring 2020)
 - Residents pad \$2.1M
 - MRTS storm water \$573k
 - Model LF development \$500k

Planned Sources and Uses

	2019 Budget	2019 Actual	2019 Variance	2020 Budget	2020 YE Projected	2020 Variance	2021 Budget	2021 vs 2020 Budget to Budget Variance
Revenues								
Net Disposal Revenues	49,527,426	48,081,828	(1,445,598)	49,461,055	47,225,110	(2,235,945)	49,256,430	(204,625)
Sale of Landfill Gas	7,200,000	3,441,039	(3,758,961)	3,000,000	3,426,922	426,922	4,538,945	1,538,945
Other	40,000	563,742	523,742	-	120,351	120,351	-	-
Subtotal Revenues	56,767,426	52,086,609	(4,680,817)	52,461,055	50,772,383	(1,688,671)	53,795,375	1,334,320
Direct expenses								
Salaries, Wages, and Benefits	11,314,318	10,951,948	362,370	11,999,783	10,894,142	1,105,642	12,147,437	(147,654)
Contracts, Service & Supplies	15,735,843	13,946,354	1,789,488	17,457,804	13,799,042	3,658,763	17,955,251	(497,447)
Grants	2,036,123	1,255,525	780,598	1,217,378	653,378	564,000	952,000	265,378
Budget Contingency	872,587	-	872,587	920,249	-	920,249	931,641	(11,392)
Subtotal Direct Expenses	29,958,870	26,153,827	3,805,043	31,595,214	25,346,561	6,248,653	31,986,329	(391,115)
Other Income								
Interest Earnings	1,499,571	2,645,710	1,146,139	1,247,196	1,247,196	-	619,000	(628,196)
Other Expenditures								
Debt Service	8,128,540	8,128,540	-	8,042,079	8,042,079	0	8,036,003	6,076
Combined Capital Plans	12,319,133	8,499,108	3,820,025	24,952,423	14,417,713	10,534,710	20,403,632	4,548,791
EPA Trust	1,000,000	699,138	300,862	1,000,000	680,312	319,688	1,000,000	-
Subtotal Other Expenditures	21,447,673	17,326,786	4,120,887	33,994,502	23,140,104	10,854,398	29,439,635	4,554,867
Total - Sources less Uses	\$ 6,860,454	\$ 11,251,706	\$ 4,391,252	\$ (11,881,466)	\$ 3,532,914	\$ 15,414,380	\$ (7,011,589)	\$ 4,869,877
*Favorable - variance has a favorable impact on SWACO's financial position								
**(Unfavorable) - variance has an unfavorable impact on SWACO's financial position								

Estimated Cash Balances for January 1, 2021

Operating Fund	
Operating Fund Balance Reserve	\$ 15,993,165
Operating Funds	\$ 53,429,006
Estimated Total Operating Funds	\$ 69,422,171

Program Fund	
Program Fund Reserve	\$ 2,500,000
Program Funds	\$ 4,100,000
Estimated Total Program Funds	\$ 6,600,000

2021 Budget Takeaways

- SWACO's financials remain strong and positioned well to plan and implement strategic initiatives
- Net revenues up by 1.3%, mostly due to increase landfill gas sales
- Operating expenses up slightly by 1.2%, Total Expenditures down 6.3%
- Capital plans down \$4.5M, or 18.2% decrease
- Incomplete projects in 2020 capital plans are re-budgeted in 2021
- Continue reduction of debt principal balance (\$62.5M – Dec. 2021)