

**MEMORANDUM**

**To:** Hamilton County Recycling and Solid Waste District Policy Committee Members

**From:** Holly Christmann, Director

**Re:** 2019 District Budget Preparation

**Date:** July 11, 2018

Attached you will find information relating to the District's proposed 2019 budget. The information provided on the following pages presents the 2019 budget information in several different ways:

- Page 1 is a summary of the 2019 budget.
- Pages 2 and 3 provide the budget in narrative form.
- Page 4 shows how the budget compares to the solid waste management plan budget projections.
- Pages 5 details line item budgets for each District section.
- Page 6 provides a graphical representation of District expenditures.

**Programming**

The proposed 2019 budget is based on the solid waste management plan. In addition, staff budgeted an additional \$100,000 towards residential recycling, organics diversion, and food waste reduction. This allocation is a result of increased revenues and discussion at the May Policy Committee meeting.

**Revenue**

The District is projecting revenue of \$3 million in 2019.

**Budget Discussions**

This budget will be placed on the agenda for approval at the July Policy Committee meeting. In the meantime, contact me at 946-7705 with any questions or concerns.



## Hamilton County Solid Waste Management District - 2019 Budget Briefing

**Staff Summary:** The 2019 proposed budget totals \$2,991,855 (as of July 5, 2018). The proposed 2019 expenditures are projected to be almost equal to projected revenue of \$3 million.

### Key Inclusions or Modifications

The 2019 proposed budget amount of approximately \$3 million is similar to the 2018 budget. The 2018 budget included two one-time waste studies budgeted at \$100,000. In the proposed 2019 budget, this \$100,000 is proposed to be reallocated to programs aimed at reducing the organic portion of the waste stream and additional funding for advertising targeted at reducing residential waste. The District is recommending these additional dollars on organics because organics are the number one material entering U.S. landfills. In the 2019 budget, Staff recommends an additional \$85,000 be allocated on organics and will include an organics diversion grant (\$50,000), awareness event (\$25,000), and a one-day compost bin sale (\$10,000). The remaining \$15,000 will be used to enhance the existing residential recycling advertising budget.

### Draft 2019 District Budget vs. Solid Waste Plan Revenue Projection

According to the Solid Waste Management Plan, 2019 revenues were projected to be approximately \$2.5 million. For 2019, the District now projects \$3 million in revenue. The following table details annual revenues received along with expenditures since 2013.

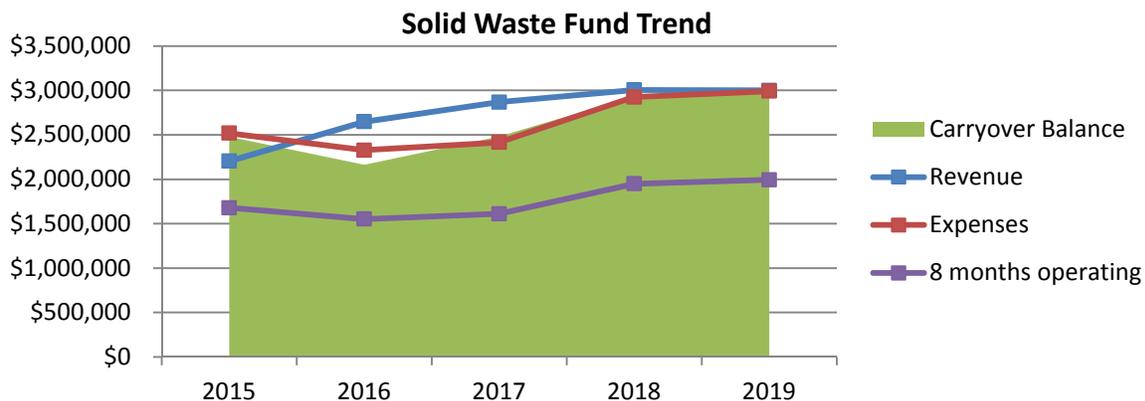
<u>Year</u>	<u>Revenues (Plan Projected)</u>	<u>Actual Revenues<sup>1</sup></u>	<u>Actual Expenditures</u>
2013	\$2,788,676	\$2,201,673	\$2,485,618
2014	\$2,773,734	\$2,110,167	\$2,443,823
2015	\$2,758,816	\$2,203,890	\$2,519,546
2016	\$2,744,828	\$2,647,266	\$2,327,108
2017	\$2,742,317	\$2,867,410	\$2,415,183
2018 (Projected)	\$2,500,000	\$3,006,660	\$2,924,307
2019 (Projected)	\$2,500,000	\$3,000,000	\$2,991,855

1- Includes tiered disposal fee plus other reimbursements.

### Carry-Over Balance Analysis

The Policy Committee recommends the District maintain a carryover balance equal to eight months operating costs. Based on a \$2.99 million budget, eight months carryover is equal to \$1.99 million.

The District's carryover balance totaled \$2.93 million on January 1, 2018. The carryover balance is projected to total \$3.016 million on January 1, 2019. Based upon 2019 expenditures of \$2.99 million and revenues of \$3 million, the carryover balance will be \$3.024 million as of December 31, 2019, equal to one year operating budget.



## 2019 Proposed Budget – Program Narrative

<u>Program Name</u>	<u>Budget</u>
<b>Residential Recycling Incentive (RRI)</b> The RRI Program provides grant funding to communities based on how much residents recycle and compost.	<b>\$900,000</b>
<b>Personnel</b> This category contains funding for all District positions and partial funding for several Department of Environmental Services (DOES) employees. The District fully funds the following positions: Assistant Solid Waste Manager, Business Specialist, Education Program Specialists (2), Outreach Specialist, and Assistant Solid Waste Specialist. The following DOES employees are partially funded: Director, PT Receptionist, Public Relations Specialists (2), Operations Manager, Assistant Director, and Accountant.	<b>\$595,585</b>
<b>Health Departments</b> The District contracts with the Cincinnati Health Department and Hamilton County Public Health to enforce solid waste laws.	<b>\$350,000</b>
<b>Yard Trimmings Drop-off Sites</b> The District contracts for the operation of three yard trimmings drop-off sites for residents.	<b>\$263,000</b>
<b>Waste Reduction Awareness</b> The District implements programs to enhance awareness of recycling and waste reduction. These programs include: residential recycling advertising, assistance to lower performing communities, postage, and participation in special events.	<b>\$159,700</b>
<b>Administrative</b> Administrative costs include everything from legal service to capital costs and indirect costs for use of County services. This line item also includes training/travel-related costs for District staff.	<b>\$103,320</b>
<b>Illegal Dumping Enforcement</b> The District contracts for a Sheriff Deputy to investigate illegal dumping with a primary focus on tire dumping.	<b>\$165,000</b>
<b>Priority Waste Stream</b> The District identified organics as its priority waste stream. This line item includes awareness, organics diversion grant, compost bin sale, and backyard composting outreach.	<b>\$175,000</b>
<b>Household Hazardous Waste Collection Program</b> The District will provide an HHW program. The amount budgeted also includes advertising.	<b>\$150,000</b>
<b>Schools</b> Resources are dedicated to educate students and teachers on waste reduction and recycling.	<b>\$22,750</b>

**Business Programs**

**\$76,000**

Let's Stop Waste

District staff helps commercial businesses, schools, institutions, and bars/restaurants implement recycling programs and fund materials necessary for the recycling program to be effective (i.e., recycling collection containers). \$48,000 is budgeted for this program.

Industrial Pollution Prevention Internship

\$18,000 is budgeted for the hiring of up to three full-time interns to work on-site with local industry to help them with solid waste and recycling issues.

Waste Assessments

The District will contract with a consulting firm to conduct waste assessments for large industrial/institutional facilities, upon request. \$10,000 is budgeted for this program.

**Tires**

**\$20,000**

Program Summary: Funding is provided for the continuation of the District's partnership with Keep Cincinnati Beautiful (KCB) to collect scrap tires in Hamilton County in the amount of \$18,470. The remaining amount in this line item will be used for miscellaneous tire clean ups.

**Public Recycling**

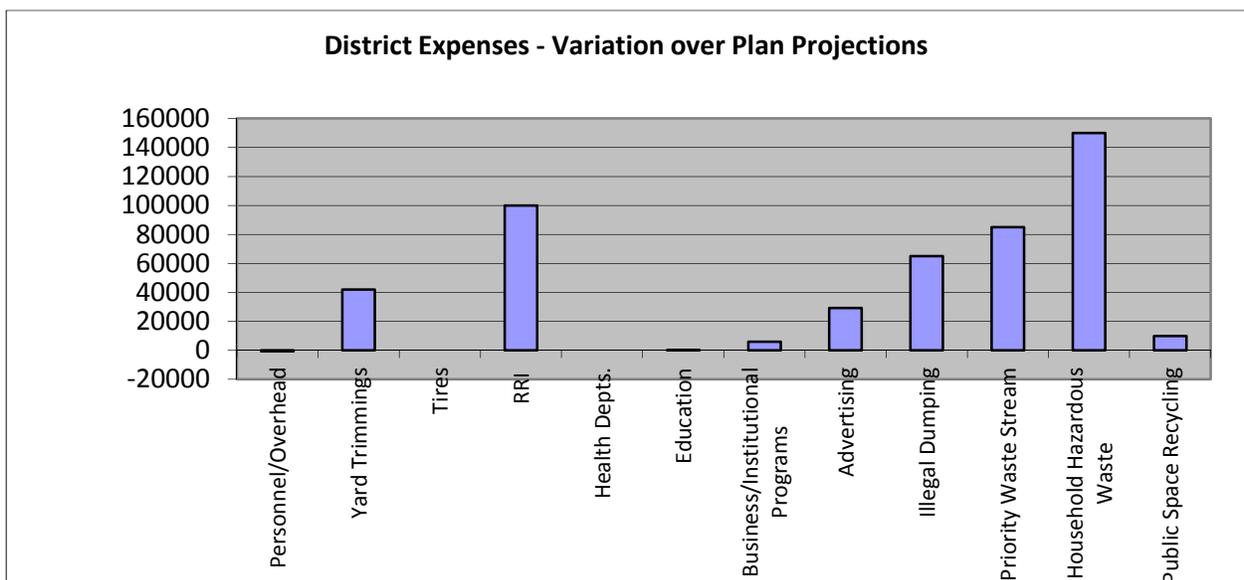
**\$11,500**

Program Summary: The District will continue its public recycling container loan program for temporary events and will provide technical assistance and a limited number of recycling containers to permanent outdoor facilities.

**2019 Proposed Expenditures vs Solid Waste Management Plan Projected Expenditures**

The Plan outlines projected annual expenditures. As these projections were made in early 2016 during the writing of the Plan, it is not a surprise that some costs have increased. The following is a breakdown of the major differences between the proposed budget and the projected expenditures that were outlined in the Plan.

- Residential Recycling Incentive Program – Incorporated in the Plan is a budget contingency that outlines what program budgets will increase or decrease based on changes in revenue (from a baseline of \$2.5 million). As stated in the Plan, if revenue is \$2.5 million, \$800,000 is budgeted for the RRI program. If revenue is \$2.6 million, \$900,000 is budgeted for the RRI program. Since 2019 revenue is projected at \$3 million, staff is budgeting \$900,000 for this program.
- Household Hazardous Waste – The Plan also includes a budget contingency for a household hazardous waste collection program. If revenue is at or above \$2.7 million, a collection event will be conducted. Since 2019 revenue is projected at \$3 million, staff is budgeting \$150,000 for a household hazardous waste event.
- Yard Trimmings Drop Off Sites – The District issued a Request for Bids for the operation of its three yard trimmings drop-off sites (after the budget projections were completed in the Plan). As a result, the costs to operate the sites increased by \$42,000 annually.
- Illegal Dumping Enforcement — \$65,000 was added to the cost of a Sheriff Deputy based on changes to the actual costs versus the estimates provided by the Sheriff Department during the writing of the Plan. The Policy Committee discussed these changes during its September 21, 2017 meeting.
- Advertising/Awareness – The Plan includes \$100,000 for advertising focused on residential waste reduction. The District recommends increasing this line item as discussed at the May 2018 Policy Committee meeting. Staff increased the residential recycling advertising portion of this line item by \$15,000. This budget category also includes programs such as the annual awards ceremony and postage for any direct mail pieces (these costs were not originally included in the Plan).
- Priority Waste Stream – \$85,000 was added to the Priority Waste Stream line item (organics). The additional funding will be used on the following initiatives: compost bin sale, wasted food awareness event, and an organics diversion grant.



<b>Administration Budget</b> (Does not include personnel costs)	
<b>2019 Proposed Budget</b>	
<b>Line Item</b>	<b>Budget</b>
Small Office Equip	\$6,400
Office Supplies	\$1,400
Fuel/Oil	\$600
Building Supplies	\$1,200
Legal Service	\$12,300
Travel	\$2,000
Telephone	\$500
Postage	\$1,000
Payment to ACSIS	\$1,140
Messenger Service	\$100
Mileage	\$100
Advertising	\$2,300
Printing	\$1,100
Car Repair	\$400
Rent Copy Machine	\$1,400
Rent Stamp Machine	\$400
Computer Support Service	\$1,100
Misc. Contract Service	\$20,250
Subscription/Memberships	\$4,100
Training	\$1,500
Indirect Cost	\$36,630
<b>Total</b>	<b>\$95,920</b>

<b>Education Budget</b> (Does not include personnel costs)	
<b>2019 Proposed Budget</b>	
<b>Line Item</b>	<b>Budget</b>
Recycling Education/Awareness	
Workshop Supplies	\$250
Special Events	\$500
Student Handouts	\$2,500
Outreach Supplies	\$1,500
Public Recycling	\$1,500
Travel	\$2,000
Transportation Services	\$6,000
Mileage	\$250
Contracted Outreach	\$12,500
Training	\$1,500
<b>Total</b>	<b>\$28,500</b>

<b>Community/Business Budget</b> (Does not include personnel costs)	
<b>2019 Proposed Budget</b>	
<b>Line Item</b>	<b>Budget</b>
Travel	\$2,000
Postage	\$3,700
Mileage	\$150
Yard Trimmings Drop Off Sites	
Flyers/Signs	\$300
Contracts (operation of drop-offs)	\$262,700
Household Hazardous Waste Event	\$150,000
Tire Collection	\$20,000
Residential Recycling Incentive	\$900,000
Award Ceremony	\$3,500
Institution/Business Assistance	
Public Space Recycling	\$10,000
Let's Stop Waste	\$48,000
P2 Internship Program	\$18,000
Waste Assessments	\$10,000
Advertising	\$152,000
Health Departments	\$350,000
Training	\$1,500
Illegal Dumping Enforcement	\$165,000
Outreach Priority (organics)	
Wasted Food Event	\$25,000
Compost Bin Sale	\$10,000
Backyard Composting Outreach	\$5,000
Awareness	\$85,000
Organic Diversion Grant	\$50,000
<b>Total</b>	<b>\$2,271,850</b>

# 2019 Recommended Budget

