



## MEMORANDUM

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

**From:** Michelle Balz, Solid Waste Manager

**Re:** 2020 District Budget Preparation

**Date:** July 9, 2019

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Attached you will find information relating to the District's proposed 2020 budget. The information provided on the following pages presents the 2020 budget information in several different ways:

- Page 1 and 2 is a summary of the 2020 budget.
- Pages 3 and 4 provide the budget in narrative form.
- Page 5 and 6 shows how the budget compares to the solid waste management plan budget projections.
- Page 7 details line item budgets for each District section
- Page 8 provides a graphical representation of the District expenditures.

### **Budget Discussions**

This budget will be placed on the agenda for approval at the July 18, 2019 Policy Committee meeting. In the meantime, contact me at 946-7789 with any questions or concerns.

## Hamilton County Solid Waste Management District - 2020 Budget Briefing

**Staff Summary:** The 2020 proposed budget totals \$3,246,760.91 (as of July 1, 2019). The proposed 2019 expenditures are projected to be almost equal to projected revenue of \$3.25 million.

### Key Inclusions or Modifications

The 2020 proposed budget amount of approximately \$3.25 million is similar to the 2019 budget. Key differences include:

- **\$159,000 reduction in the Household Hazardous Waste (HHW) program.** Costs for this program have come in lower than first anticipated. Total cost for this program is anticipated to be \$201,000 for 2020.
- **\$53,835 addition of a full-time solid waste staff person.** New staff person would manage large community grant programs, a segment of the Let’s Stop Waste program, and other outreach initiatives.
- **\$20,000 decrease to the Waste Reduction Innovation Grant.** This grant budget will decrease from \$100,000 in 2019 to \$80,000 in 2020.
- **\$10,000 addition to support the community composting initiative.** The District will partner with the Civic Garden Center of Greater Cincinnati to train small-scale compost site operators.
- **\$5,000 addition to use technology in the Let’s Stop Waste program.** Staff will work to pilot “dumpster cameras” to monitor contamination and availability to reduce trash container usage.

### Draft 2020 Budget vs. Solid Waste Plan Revenue Projection

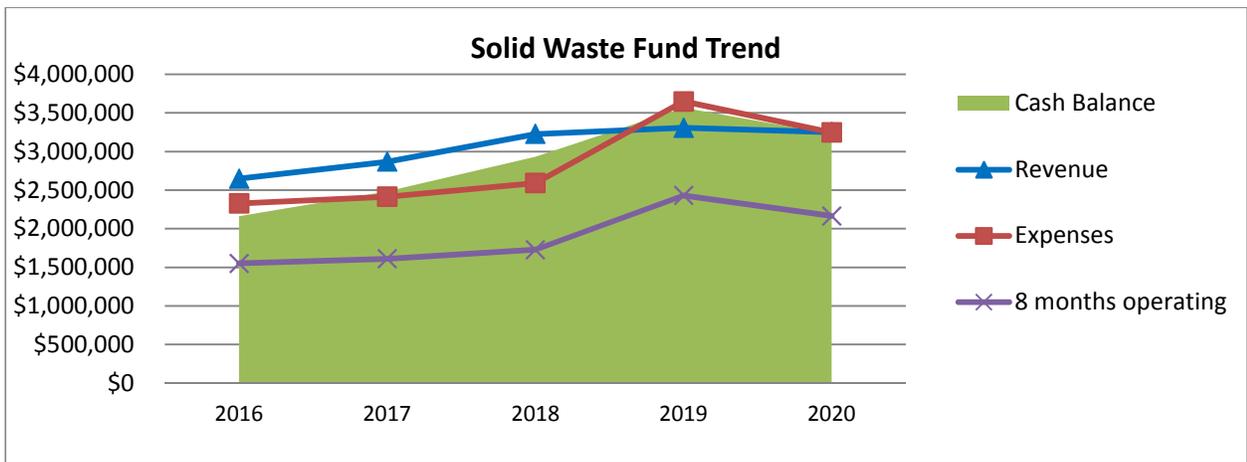
According to the Solid Waste Management Plan, 2020 revenues were projected to be approximately \$2.5 million. For 2020, the District now projects \$3.25 million in revenue. The following table details annual revenues received along with expenditures since 2014.

<u>Year</u>	<u>Revenues (Plan Projected)</u>	<u>Actual Revenues<sup>1</sup></u>	<u>Actual Expenditures</u>
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	\$2,500,000	\$3,226,196	\$2,592,057
2019 (Projected)	\$2,500,000	\$3,305,696	\$3,647,552
2020 (Projected)	\$2,500,000	\$3,250,000	\$3,246,761

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 \$3,246,761 budget, eight months carryover is equal to \$2,164,507. The District’s carryover balance totaled \$3.56 million on January 1, 2019. The carryover balance is projected to total \$3.22 million on January 1, 2020. Based upon 2020 expenditures of \$3.24 million and revenues of \$3.25 million, the carryover balance will be \$3.22 million as of December 31, 2020.



## 2020 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: Solid Waste Manager, Business Specialist, Program Specialists (2), Outreach Specialist, Assistant Solid Waste Specialist, and Solid Waste Intern. The following DOES employees are partially funded: Director, PT Receptionist, Public Relations Specialists (2), Operations Manager, Assistant Director, and Accountant. The 2020 budget proposal includes hiring a new additional full-time solid waste staff member as the Community Outreach Coordinator.	<b>\$744,975</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>\$280,546</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, annual awards, HHW reduction education, general program awareness, and participation in special events.	<b>\$119,000</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>\$112,450</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>\$170,040</b>
<b>Priority Waste Stream</b> The District identified organics as its priority waste stream. This line item includes wasted food awareness campaign and event, Waste Reduction Innovation Grant, backyard composting outreach and postage, Smart Kitchen Initiative, and community composting initiative.	<b>\$215,500</b>
<b>Household Hazardous Waste (HHW) Collection Program</b> The District will provide an HHW program. The amount budgeted also includes advertising.	<b>\$201,000</b>
<b>Schools</b> Resources are dedicated to educate students and teachers on waste reduction and recycling.	<b>\$29,750</b>

**Business Programs**

**\$92,000**

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). \$54,000 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. \$20,000 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 \$19,000. The remaining amount in this line item will be used for miscellaneous tire clean ups.

**Public Recycling**

**\$11,500**

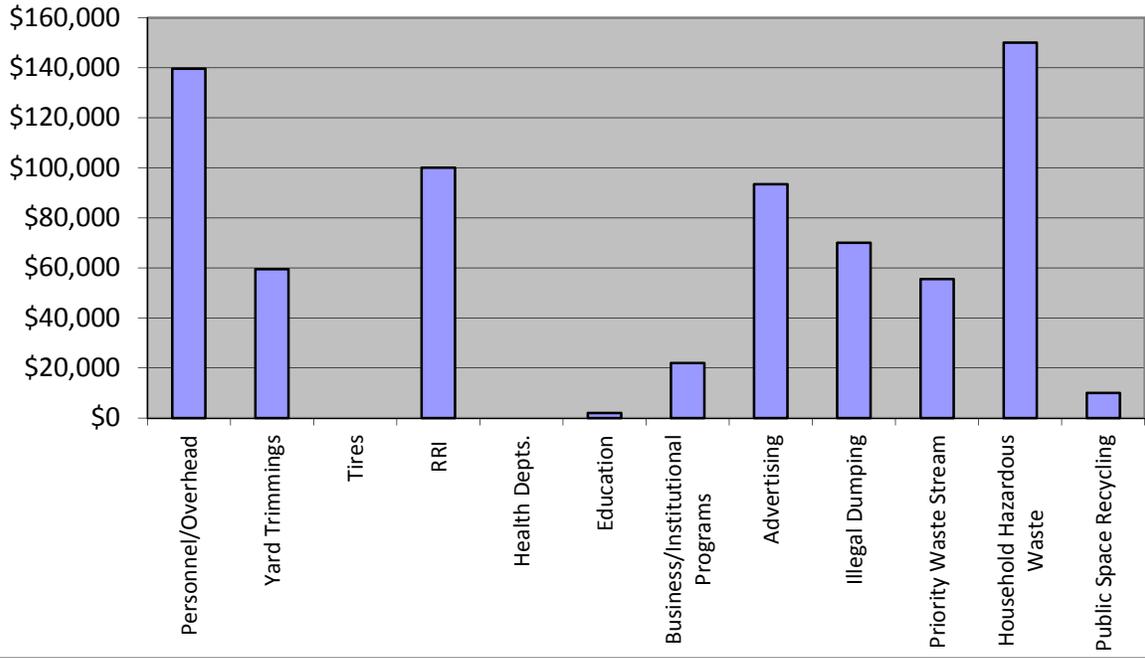
Program Summary: The District will continue its public recycling container loan program for temporary events and will provide technical assistance and a limited number of recycling containers to permanent outdoor facilities.

## 2020 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** – the Plan incorporates 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 or higher, \$900,000 is budgeted for the RRI program. Since 2020 revenue is projected at \$3.25 million, \$900,000 is budgeted 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 2020 revenue is projected at \$3.25 million, \$201,000 is budgeted for a household hazardous waste program.
- **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 cost to operate the sites is \$59,346 higher than projected.
- **Illegal Dumping Enforcement** – Actual costs for a Sheriff Deputy were \$70,040 higher than projected in the plan based on 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 and \$30,000 for target community outreach. The 2020 budget includes \$193,500 in advertising dollars which includes \$75,000 for residential recycling awareness, \$75,000 for wasted food reduction, and \$30,000 for target community outreach. This category also includes household hazardous waste reduction education (\$5,000), the awards ceremony (\$3,500), program promotion (\$2,000) and postage (\$3,000).
- **Priority Waste Stream** – \$85,000 was projected in the plan for the Priority Waste Stream line item (organics). The 2020 budget includes \$15,000 for backyard composting awareness, \$500 for postage, \$15,000 for a wasted food awareness event, \$20,000 for the Smart Kitchen Initiative, \$10,000 for a community composting initiative, and \$80,000 for the Waste Reduction Innovation grant. \$140,500 is budgeted excluding the \$75,000 wasted food awareness campaign which also focuses on the priority waste stream and is mentioned above.
- **Personnel** – Costs budgeted for personnel are \$113,892 higher than projected in the plan. This budget proposes hiring one new staff member and the solid waste portion of several shared positions within the department are higher now than when the budgets were projected.

## 2020 District Expenses Variation Over Plan Projection



<b>Administration Budget</b> (Does not include personnel costs)	
<b>2020 Proposed Budget</b>	
<b>Line Item</b>	<b>Budget</b>
Small Office Equip	\$1,200
Office Supplies	\$1,400
Fuel/Oil	\$1,300
Building Supplies	\$1,200
Legal Service	\$12,650
Travel	\$4,000
Telephone	\$50
Postage	\$1,500
Payment to ACSIS	\$1,200
Messenger Service	\$100
Mileage	\$100
Advertising	\$1,500
Printing	\$800
Car Repair	\$600
Rent Copy Machine	\$800
Rent Stamp Machine	\$400
Computer Support Service	\$1,100
Misc. Contract Service	\$19,650
Subscription/Memberships	\$6,300
Training	\$2,000
Indirect Cost	\$43,200
<b>Total</b>	<b>\$101,050</b>

<b>Education Budget</b> (Does not include personnel costs)	
<b>2020 Proposed Budget</b>	
<b>Line Item</b>	<b>Budget</b>
Recycling Education/Awareness	
Workshop Supplies	\$5,250
Special Events	\$500
Student Handouts	\$2,500
Outreach Supplies	\$1,500
Public Recycling	\$1,500
Travel	\$2,000
Transportation Services	\$8,000
Mileage	\$250
Contracted Outreach	\$12,500
Training	\$2,000
<b>Total</b>	<b>\$36,000</b>

<b>Community/Business Budget</b> (Does not include personnel costs)	
<b>2020 Proposed Budget</b>	
<b>Line Item</b>	<b>Budget</b>
Travel	\$4,000
Postage	\$3,700
Mileage	\$150
Yard Trimmings Drop Off Sites	\$280,346
Household Hazardous Waste	\$201,000
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	\$54,000
P2 Internship Program	\$18,000
Waste Assessments	\$20,000
Advertising	\$187,000
Health Departments	\$350,000
Training	\$3,000
Illegal Dumping Enforcement	\$170,040
Outreach Priority (organics)	
Wasted Food Event	\$15,000
Composting Outreach	\$25,000
Smart Kitchen Initiative	\$20,000
Waste Reduction Innovation	\$80,000
<b>Total</b>	<b>\$2,364,736</b>

## 2020 Recommended Budget

