

**Hamilton County Solid Waste Management District
Uses for Carryover Balance**

Overview

The Policy Committee requested Staff develop a plan for the use of the District’s carryover balance over a 3 to 4 year timeframe. District staff developed a list of new and expanded projects that could be implemented through the use of carryover funds. The ideas presented include new programs to manage or stimulate solutions to problem waste streams such as televisions and food waste and expand existing programs to increase recycling in areas such as multi-family dwellings and schools.

The plan to reduce the carryover balance does not reduce the balance down to \$0.00. Historically, new projects have arisen that are not planned but require action by the District (i.e., RecycleBank, litter collection, special grants, etc.). At the time of this report, the District is not aware of any special projects aside from those outlined below; however, Staff recommends reserving, at a minimum, \$50,000 above eight months operating cost in order to have the ability to fund special projects.

Historic Carryover Balance

Listed below is a historical picture of the District’s carryover balance.

<u>Year</u>	<u>Balance</u>
1/2004	\$2,477,388
1/2005	\$2,495,927
1/2006	\$2,557,218
1/2007	\$2,667,331
1/2008	\$2,905,711
1/2009 (projected)	\$2,816,818 ¹

¹ – Does not include expenditures associated with RecycleBank and litter collection program as these funds have not yet been expended. Total impact on carryover balance is approximately \$110,000.

Policy Committee Recommendations on Carryover Balance

The Policy Committee voted to require the District to maintain at least eight months operating costs in the carryover balance. Based on a \$3 million budget, eight months operating is equal to \$2 million. With these funds set aside, the District has approximately \$800,000 in excess carryover funds. The Solid Waste Management Plan Update costs of \$100,000, which is included in the 2009 recommended budget, will be taken from the carryover balance leaving approximately \$700,000 in excess funds.

4-year Plan to Reduce Carryover Balance

The Policy Committee recommended Staff develop programs to reduce the existing carryover balance over a 3 to 4 year period. The following chart details new or expanding programs, by year, where carryover funds could be utilized. As future revenues are estimates only, **Staff recommends revisiting**

the carryover balance plan each year and adjusting programs accordingly based on revenues and expenditures.

The following chart outlines programs that are being developed, could be developed or expanded using carryover balance funds. Descriptions for each program are detailed at the end of the report.

<u>Year</u>	<u>Program</u>	<u>Estimated Cost</u>	<u>Estimated Diversion</u>
2008	RecycleBank	\$70,000	700 tons
2008	Litter Collection	\$40,000	0 tons

Carryover Balance Expended: \$110,000

<u>Year</u>	<u>Program</u>	<u>Estimated Cost</u>	<u>Estimated Diversion</u>
2009	TV collection event	\$30,000	50 tons
2009	Multi-family recycling	\$10,000	200 tons
2009	Awareness	\$20,000	500 tons

Carryover Balance Expended in 2009: \$60,000

Cumulated Carryover Balance Expenditures (2008-2009): \$170,000

<u>Year</u>	<u>Program</u>	<u>Estimated Cost</u>	<u>Estimated Diversion</u>
2009/2010	Foodwaste diversion	\$50,000	12,000 tons
2010	TV event	\$25,000	40 tons
2010	Multi-family	\$10,000	200 tons
2010	Awareness	\$20,000	500 tons
2010	HHW increase	\$20,000	n/a

Carryover Balance Expended in 2010: \$125,000

Cumulated Carryover Balance Expenditures (2008 – 2010): \$295,000

<u>Year</u>	<u>Program</u>	<u>Estimated Cost</u>	<u>Estimated Diversion</u>
2011	Multi-family	\$10,000	200 tons
2011	Awareness	\$20,000	375 tons
2011	TV event	\$20,000	35 tons
2011	HHW increase	\$65,000	n/a

Carryover Balance Expended in 2011: \$115,000

Cumulated Carryover Balance Expenditures (2008 – 2011): \$410,000

Remaining Carryover Balance: \$290,000 (above Policy Committee's approved eight months operating cost)

Expanded RecycleBank Program – If the Policy Committee opts to expand the RecycleBank program to another community, the cost of the program would be approximately \$230,000. Given a remaining

carryover balance of \$290,000, the District's carryover could absorb this program (with no major changes in revenue or expenses over the next 3 to 4 years). Since the first pilot project has not yet been initiated, Staff did not include this program in the above analysis. This issue should be discussed at a future Policy Committee meeting. Staff recommends waiting, at a minimum, until the pilot project in Montgomery is producing results including diversion increase and overall costs to provide the program.

Program Descriptions

The following provides detail and justification for the programs recommended above.

RecycleBank

The District applied and received grant funds to offset the cost of conducting a pilot project in the City of Montgomery using the RecycleBank program. District funds are being used to purchase 32 and 64 gallon carts with radio frequency identification tags. The program will launch in October. The RecycleBank pilot project was approved by the Policy Committee in January, 2008.

Litter Collection

The Policy Committee approved the District to use carryover dollars to fund a one year demonstration program using the Sheriff Work Detail Inmate Program to collect litter in eight Hamilton County communities. The litter collection program was approved by the Policy Committee in May, 2008.

Television Collection Event – New program

With the switch to digital broadcast in February, 2009 and the increasing popularity of televisions with new technology, hundreds of residents have called the District seeking an outlet to recycle their old televisions. In addition, Staff met with several communities this year with each identifying televisions as a problem waste stream. The event would take place in the spring of 2009 and potentially again in 2010 and 2011. Demand for television recycling is anticipated to reduce after 2009; therefore, the District estimates a reduction in cost in 2010 and 2011.

Multi-Family Recycling – Program Expansion

This option would allow the District to expand its multi-family recycling program. Through this program, the District provides technical assistance to set up recycling programs in apartments and condominiums. Under a contract, the District pays for the first year of recycling as long as the manager agrees to pay for two additional years. Multi-family dwellings typically do not have access to on-site recycling. Through this program, the District is providing an essential service to increase recycling accessibility.

Enhanced Public Awareness – Program Expansion

Over the past two years, staff has reduced the budget for general recycling awareness in an effort to reduce the overall budget. This option would allow the District to expand its awareness campaign to ensure that Hamilton County residents understand the tangible benefits of recycling and how to take advantage of recycling opportunities in their community. The District's public awareness campaigns have proven to increase recycling. The District currently budgets \$30,000. By accessing carryover funds, the District would increase its outreach budget to \$50,000.

Household Hazardous Waste Drop-Off – Maintenance of program

If the District chooses to continue the household hazardous waste collection program, costs will increase in 2010 and 2011 by approximately \$20,000 and \$65,000 respectively. The cost increase is scheduled to occur if the District accepts the option years in the current contract with Environmental Enterprises, Inc. Each year, approximately 10,000 households drop-off 500 tons of material.

Conclusion

The District currently has approximately \$800,000 in excess carryover funds. The four-year plan for the carryover balance should be viewed as a guideline only and revisited annually due to the following reasons:

1. Future revenues are projections only;
2. Maintain flexibility to use carryover funds for unplanned projects that are brought to the District's attention;
3. Expenditures for current programs could increase over the next few years, such as the yardwaste drop-off sites, and;
4. Many of the programs outlined are estimates only. Actual costs will not be known until the District receives bids or quotes for the services (i.e., plan update, television event, etc.).

Staff Recommendations

Staff recommends, at a minimum, approving the uses of the carryover balance for the year 2009. For these programs to occur, staff needs the necessary time to develop and/or expand programs. Staff further recommends this plan be revised and presented to the Policy Committee for approval in July, 2009 and 2010.