

**REQUEST FOR BOARD ACTION**

**HENDERSON COUNTY  
BOARD OF COMMISSIONERS**

**MEETING DATE:** October 5, 2015

**SUBJECT:** **Solid Waste Funding Policy**

**PRESENTER:** Marcus Jones, P. E.

**ATTACHMENTS:** Yes  
1. Presentation

**SUMMARY OF REQUEST:**

With the options presented in the attached presentation, staff requests that the Board give direction on a policy to fund Solid Waste operations. Staff will prepare any required documentation for Board approval during a future meeting prior to the FY2017 budget process.

**BOARD ACTION REQUESTED:** Direct the County Engineer to develop [*insert option from attached presentation*] for Board approval.

**Suggested Motion:**

I move the Board direct the County Engineer to develop [*insert option from attached presentation*] for Board approval.

# SOLID WASTE FUNDING POLICY

OCTOBER 5, 2015

HENDERSON COUNTY ENGINEERING

# SOLID WASTE FUNDING POLICY

## PURPOSE

DETERMINE A FUNDING POLICY FOR SOLID WASTE FOR THE FY2017 BUDGET PROCESS

## PRESENTATION OVERVIEW

- OPERATIONS AND BUDGET OVERVIEW
- CHALLENGES
- FUNDING OPTIONS
- BOARD DIRECTION FOR FY2017 BUDGET



# OPERATIONS AND BUDGET OVERVIEW

## SOLID WASTE PROGRAMS:

- MSW & C&D DISPOSAL
- CONVENIENCE CENTER
- CONCRETE & INERT DEBRIS RECYCLING
- WOOD & PALLET RECYCLING
- SHINGLE RECYCLING
- HAULER RECYCLING
- PAINT RECYCLING
- HOUSEHOLD HAZARDOUS WASTE
- ELECTRONICS RECYCLING
- BATTERY RECYCLING
- MERCURY PRODUCT RECYCLING
- OIL & FILTER RECYCLING
- TIRE RECYCLING



## OPERATIONS AND BUDGET OVERVIEW

- SELF SUPPORTING ENTERPRISE FUND
- FY2016 BUDGET: \$5,428,583
  - \$405,000 CANE CREEK SALARIES & BENEFITS
- FY2016 TIPPING FEE: \$60 PER TON
- HAULING & DISPOSAL: \$35.24 PER TON
- 78,213 TONS OF MATERIAL IN FY2015
- FUND BALANCE HAS TRENDED DOWN SINCE FY2010



## CHALLENGES

- LOSS OF TONNAGE (REVENUE) DUE TO RECESSION (25% AT LOWEST POINT)
- DIESEL PRICES (FUEL SURCHARGE): UP TO \$175,000 PER YEAR
- ANNUAL POST CLOSURE COSTS: \$500,000 (NO ASSOCIATED REVENUE)
- ANNUAL CONVENIENCE CENTER COST: \$300,000 PLUS \$185,000 IN DEBT SERVICE (NO ASSOCIATED REVENUE)
- TONNAGE (REVENUE) LEAVING COUNTY: 20K TO PRIVATE TRANSFER STATION IN BUNCOMBE COUNTY
- NO VIABLE DISPOSAL OPTION TO TRANSFER
- CONTRACTUAL COLA ON EXPENSES (H&D AND S&B)



## FUNDING OPTIONS

### FUNDING OPTIONS:

- TIPPING FEE INCREASES
- REQUIRE HAULERS TO BRING TONNAGE (REVENUE) TO COUNTY FACILITY: (20,000 TONS OR \$400,000 TO \$500,000 NET REVENUE)
- AVAILABILITY FEE / GENERAL FUND ALLOCATION
- FEE AT CONVENIENCE CENTER (NOT STAND ALONE)

## FUNDING OPTIONS

### TIPPING FEE INCREASES

#### PROS:

- LIMITED RISK DUE TO UNKNOWN CONSEQUENCES OF A POLICY CHANGE

#### CONS

- POSSIBLE LARGE FEE INCREASES
- NOT SUSTAINABLE LONG TERM
- REACH A POINT WHERE FEE INCREASE GENERATES LESS REVENUE DUE TO MORE WASTE LEAVING COUNTY.



# FUNDING OPTIONS

REQUIRE HAULERS TO BRING TONNAGE (REVENUE) TO COUNTY FACILITY

PROS:

- GENERATE \$400,000 TO \$500,000 IN NET REVENUE
- LIKELY AVOIDS TIPPING FEE INCREASE CONCERNS
- LONG TERM SUSTAINABILITY LIKELY
- EQUITY TO LOCAL HAULERS AND THEIR CUSTOMERS

CONS:

- IMPACT BUSINESS OF NON-COUNTY HAULERS
- “GOVERNMENT INTERVENTION INTO FREE ENTERPRISE”
- ENFORCEMENT

# FUNDING OPTIONS

## AVAILABILITY FEE / GENERAL FUND ALLOCATION

### PROS:

- DISTRIBUTES REVENUE BURDEN MOST DIRECTLY TO COST GENERATOR
- COST RECOVERY FROM COLAS
- AVOIDS TIPPING FEE INCREASE CONCERNS
- SUSTAINABLE LONG TERM

### CONS:

- INCREASES PROPERTY TAX AS MUCH AS 0.75 CENTS OR ADDS A FEE TO THE TAX BILL THAT EQUATES TO AS MUCH AS 0.75 CENTS (UP TO \$800,000)



# FUNDING OPTIONS

## FEE AT CONVENIENCE CENTER

### PROS:

- RECOVER COSTS SOME COSTS ASSOCIATED WITH THE CENTER

### CONS:

- DOES NOT COMPLETELY SOLVE FUNDING CONCERN
- REMOVES THE NO COST TRASH DEPOSAL OPTION FOR CITIZENS
- LIKELY MEET STRONG RESISTANCE FROM CENTER'S CUSTOMERS

## FUNDING OPTIONS

ARE THERE OTHER OPTIONS THE BOARD WOULD LIKE TO CONSIDER?



# SOLID WASTE FUNDING POLICY

BOARD DIRECTION FOR FY2017 BUDGET

# SOLID WASTE FUNDING POLICY

QUESTIONS?

THANK YOU