



Refuse Enterprise Fund

2023 Proposed Budget Presentation

September 7, 2022



Intended Outcomes

- ▶ Council discussion
- ▶ Recommendation for final adoption
- ▶ Council endorsement of RFP process

Agenda

- ▶ Enterprise Fund
- ▶ Walter's contract
- ▶ Revenues and Expenditures
- ▶ Fund health





Enterprise Fund

Definition: a public service that generates sufficient revenues to pay for its cost.



Services Provided by Fund

- ▶ Residential solid waste and curbside recycling
- ▶ Organics recycling program
- ▶ Saturday recycling event



Walters Contract

- ▶ Lowest responsible bidder; Headquartered in Blaine
- ▶ 5 ½ year contract period beginning January 2015
- ▶ Extended in 2018 through June 2024
 - ▶ Recyclables market
- ▶ Responsible and valuable corporate partner



Revenues

- ▶ Quarterly per cart fee collected from city residents

	2022 Projected	2023 Proposed	2024 Projected	2025 Projected	2026 Projected	2027 Projected
Households served (est)	22,250	22,205	22,455	22,705	22,955	23,205
Quarterly Rate						
38 gal	\$40.50	\$42.00	\$43.75	\$47.00	\$49.24	\$51.50
68 gal	\$51.00	\$52.50	\$54.00	\$57.25	\$59.00	\$61.25
96 gal	\$64.50	\$66.00	\$67.50	\$70.50	\$72.00	\$73.50

- ▶ SCORE Grant (Anoka County)
 - ▶ Aimed to encourage recycling
 - ▶ Reimbursement of recycling related expenditures



Expenditures

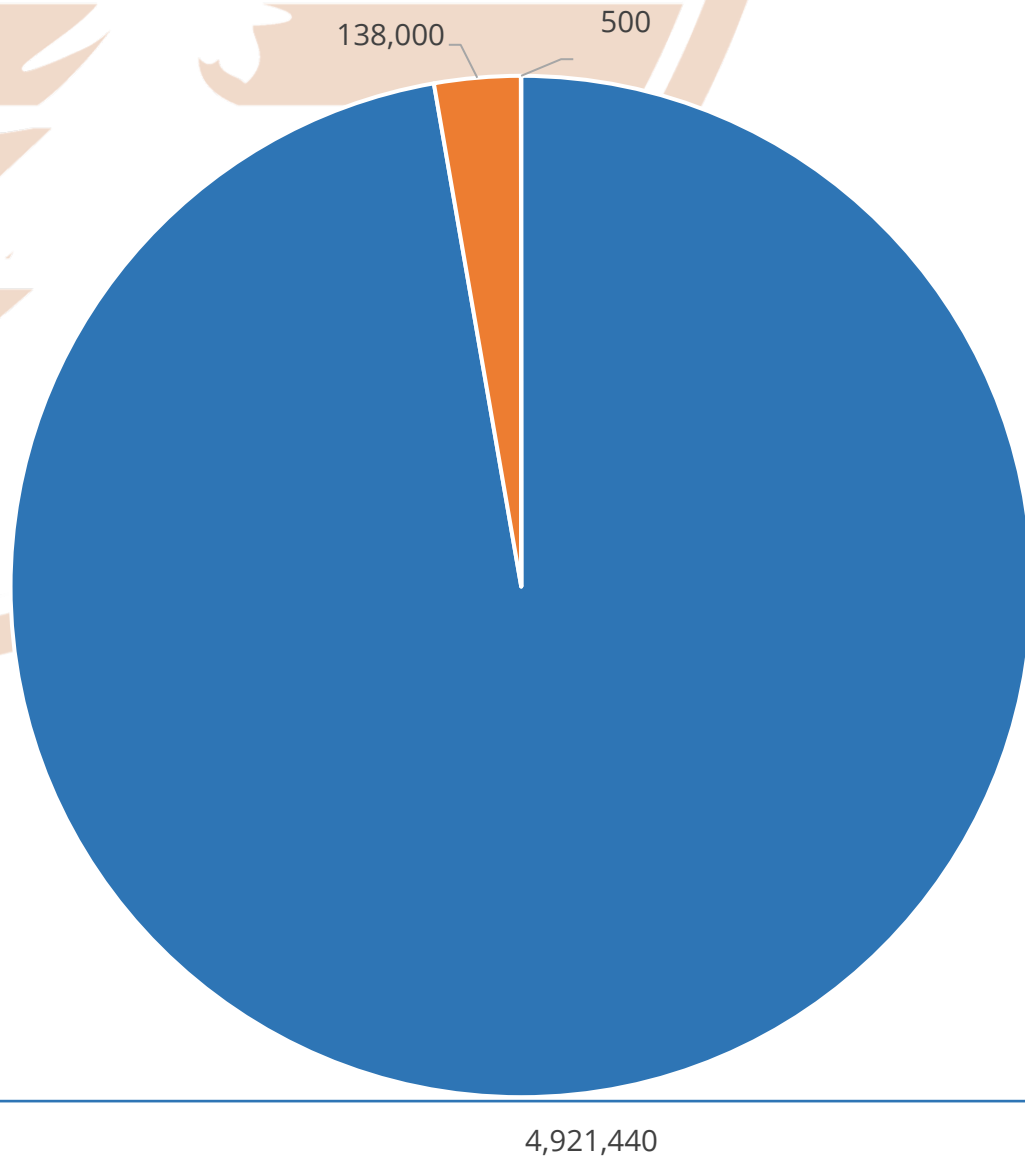
- ▶ Stable charge per resident – 3.3% increase per year
- ▶ Low, predictable tipping fees
- ▶ Recyclables marketed at most favorable rate

Contract expenditures – by category					
\$ thousands					
	2018	2019	2020	2021	2022
Collection	2,613.86	2,734.31	2,859.30	2,993.23	3,127.19
Waste Disposal	1,345.80	1,104.06	1,238.77	1,317.34	1,300.73
Recyclables	0.00	220.77	169.77	(167.51)	(395.00)

2023 Refuse Fund Budget – Proposed

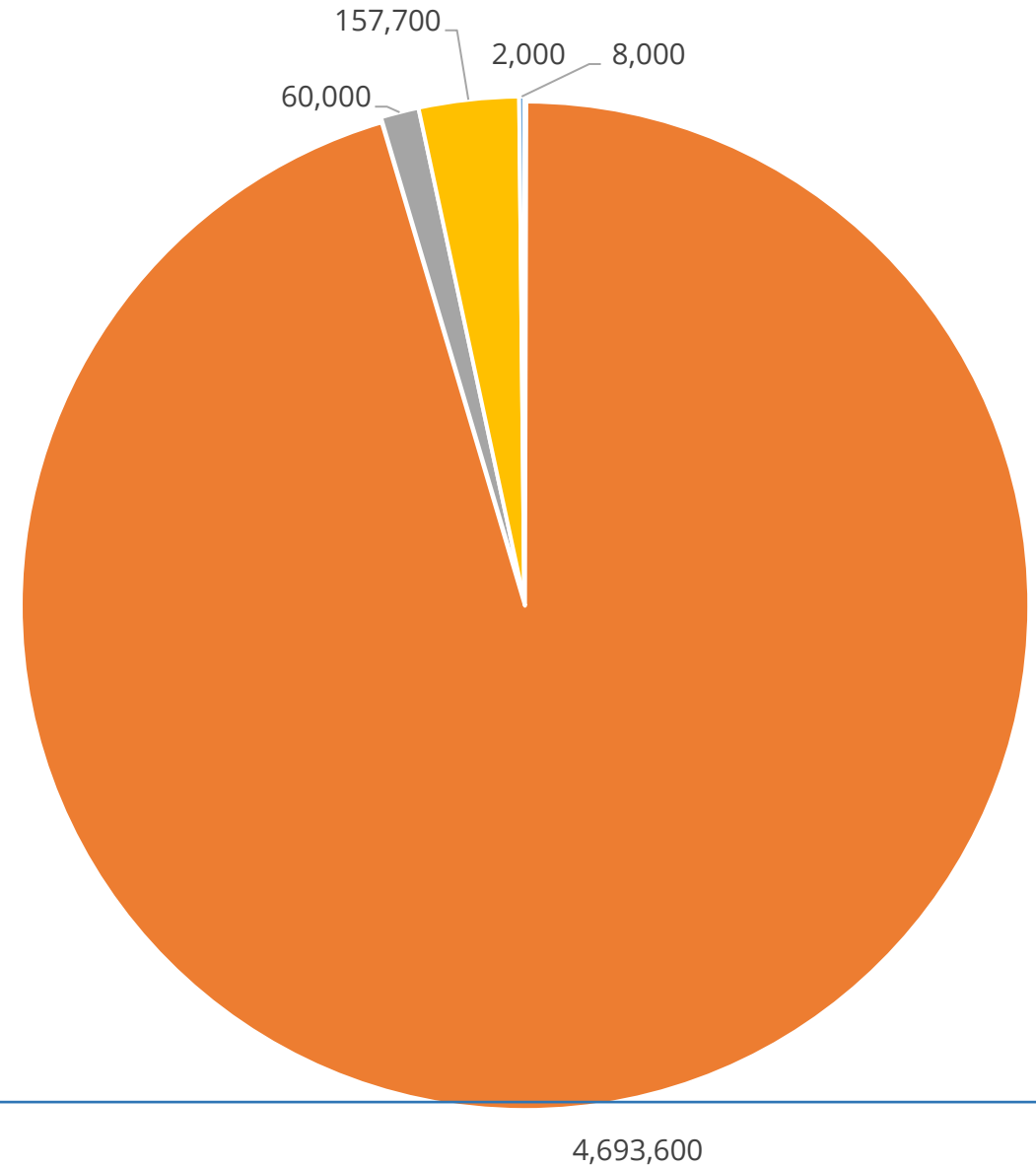
	2020 Actual	2021 Actual	2022 Budget	2022 Projected	2023 Proposed	2024 Projected	2025 Projected	2026 Projected	2027 Projected
BEGINNING BALANCE	\$ 447,177	\$ 405,374	\$ 647,222	\$ 647,222	\$ 1,214,922	\$ 1,353,562	\$ 1,445,302	\$ 1,619,472	\$ 1,738,542
<i>Balance in Cash</i>				-	567,700	706,340	798,080	972,250	1,091,320
<u>REVENUES AND OTHER SOURCES</u>									
Charges for services	\$ 4,278,456	\$ 4,596,817	\$ 4,669,500	\$ 4,770,700	4,921,440	\$ 5,102,440	\$ 5,427,070	\$ 5,626,570	\$ 5,837,870
Intergovernmental - SCORE*	152,000	-	138,000	52,000	138,000	138,000	138,000	138,000	138,000
Interest	(2,986)	1,422	500	500	500	500	500	500	500
Total revenues and other sources	4,427,470	4,598,239	4,808,000	4,823,200	5,059,940	5,240,940	5,565,570	5,765,070	5,976,370
<u>EXPENDITURES AND OTHER USES</u>									
Supplies	235	72	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Contracted Refuse service	4,263,226	4,135,954	4,579,200	4,034,500	4,693,600	4,916,000	5,152,800	5,401,900	5,663,600
Other Contractual services	54,612	56,614	60,000	59,000	60,000	61,600	63,000	64,400	65,900
Administrative Charges	151,200	156,700	152,000	152,000	157,700	161,600	165,600	169,700	173,900
Other services and charges	-	7,051	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Total expenditures and other uses	4,469,273	4,356,391	4,801,200	4,255,500	4,921,300	5,149,200	5,391,400	5,646,000	5,913,400
Increase (decrease) in fund balance	(41,803)	241,848	6,800	567,700	138,640	91,740	174,170	119,070	62,970
FUND BALANCE AT END OF YEAR	\$ 405,374	\$ 647,222	\$ 654,022	\$ 1,214,922	\$ 1,353,562	\$ 1,445,302	\$ 1,619,472	\$ 1,738,542	\$ 1,801,512

2023 Revenue



■ Charges for services ■ Intergovernmental - SCORE* ■ Interest

2023 Refuse Expense



■ Supplies ■ Contracted Refuse service ■ Other Contractual services ■ Administrative Charges

Cash Flow



healthy reserve
healthy cashflow

- Residents pay for services received
- Annual rate increase: \$6 (\$1.50 per bill)





Questions and Discussion 2023 Proposed Refuse Budget