



Solid Waste Convenience Center Workshop

Funding and Financing

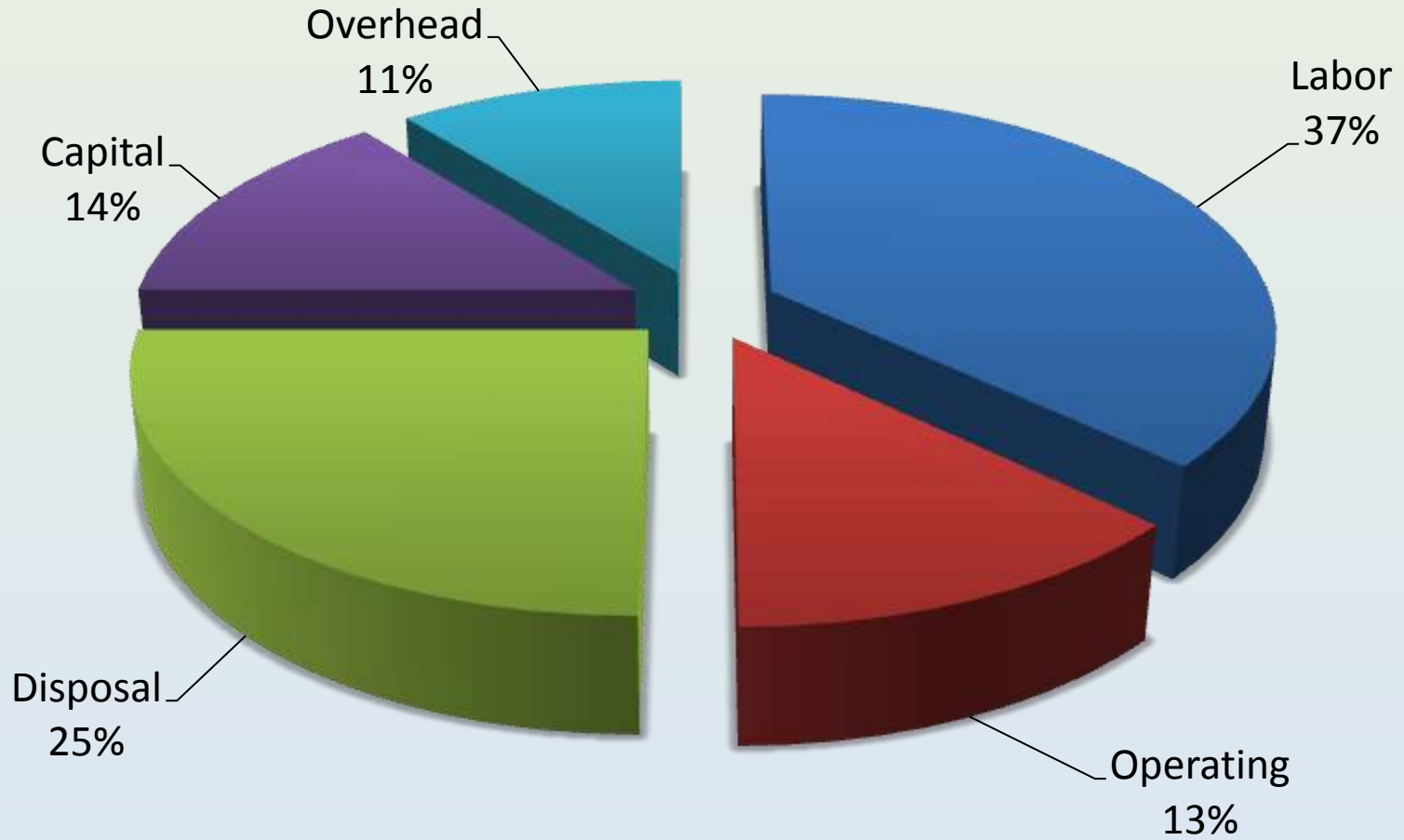
December 13th and 14th 2011

Jim Frey, CEO
Resource Recycling Systems

www.recycle.com



SWCC Cost Example





Accounting for Annual Cost of Capital

Center	Capital Cost Estimate (in thousands of dollars)	Annual Amortization
Large Sites	\$1,085	\$79,000
Large Sites	\$853	\$63,000
Small Sites	\$194	\$13,000
Small Sites	\$216	\$14,000
Small Sites	\$152	\$13,000



Annualizing Capital Replacement Cost

Long Term Capital Improvements

Site Work	Qty	Unit	\$/unit	Cost	# Years	Annualized
Grading/Earthmoving ***	1,500	CY	\$1.25	\$1,875	30	\$63
Tip Wall/Foundation	307	lf	\$200	\$61,400	30	\$2,047
Flatwork- Below tip wall	6,400	sf	\$7.00	\$44,800	30	\$1,493
Flatwork - topside	3,370	sf	\$6.00	\$20,220	30	\$674
Flatwork-shed/recycle slabs	5,540	sf	\$7.00	\$38,780	30	\$1,293
Gravel Surface	50,000	sf	\$2.00	\$100,000	30	\$3,333
Phase Converter **	1	unit	\$12,500	\$12,500	30	\$417
Electrical- wiring/lighting/etc.	1	unit	\$35,000	\$35,000	30	\$1,167
Site Subtotal				\$314,575		\$10,486



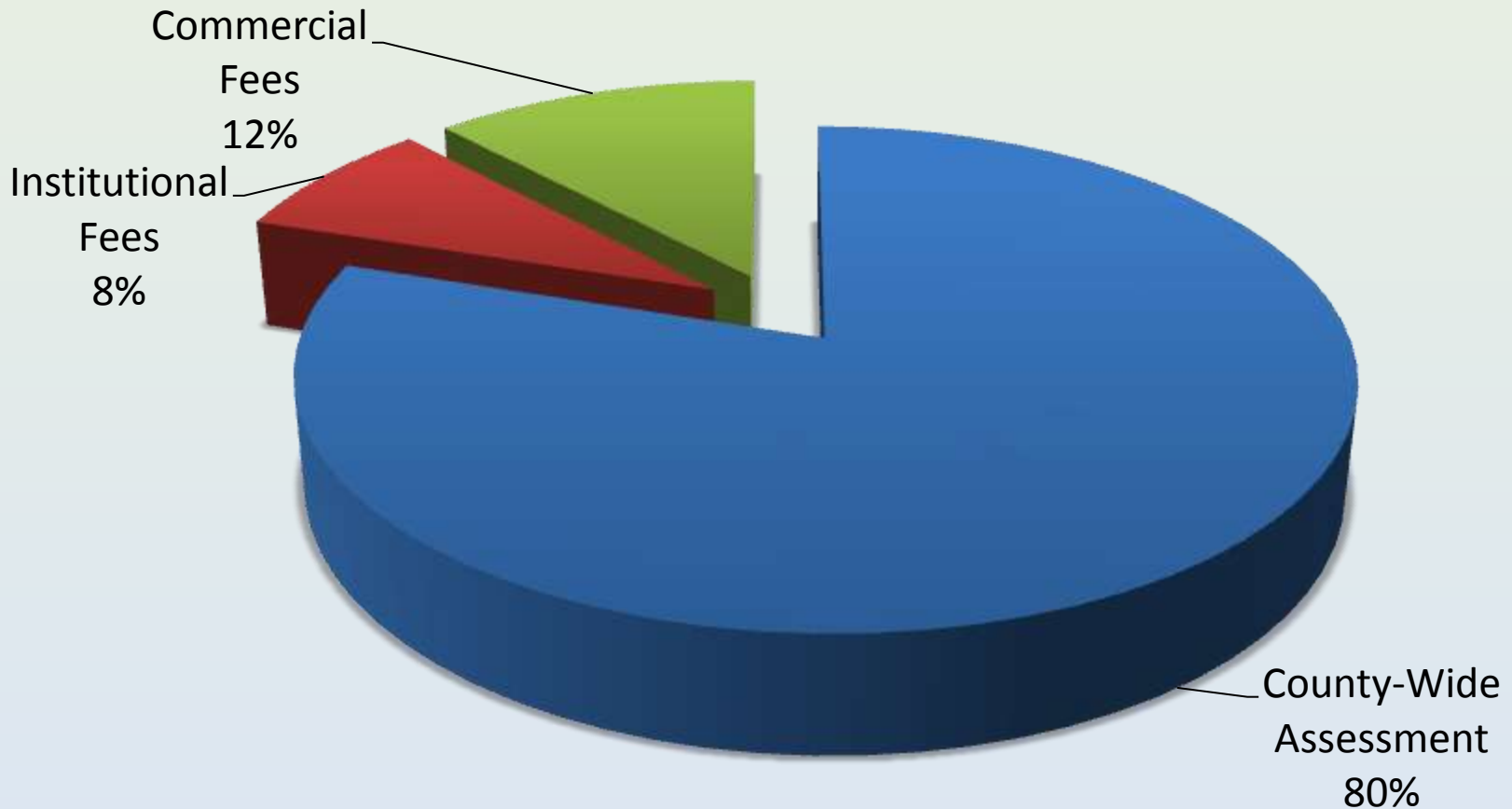
Annualizing Capital Replacement Cost

Shorter Lived Capital Improvements

Equipment						#	Years Annualized
Compactor - 3 CY/10Hp	▼	3	pc	\$18,000	\$54,000	10	\$5,400
Compactor HD - 5 CY/20Hp	▼	2	pc	\$26,000	\$52,000	10	\$5,200
Compactor RO 40 CY	▼	4	pc	\$11,500	\$46,000	10	\$4,600
Compactor RO HD 40 CY	▼	3	pc	\$15,000	\$45,000	10	\$4,500
Roll-off for Recycle (1 set)	▼	4	pc	\$10,000	\$40,000	7	\$5,714
New Staff Hut *	▼	1	pc	\$3,000	\$3,000	10	\$300
New Salvage Shed *	▼	1	pc	\$3,500	\$3,500	10	\$350
New Grey Waste Canopy *	▼	1	pc	\$2,500	\$2,500	10	\$250
			pc		\$0	10	\$0
Equipment Subtotal					\$246,000		\$26,314

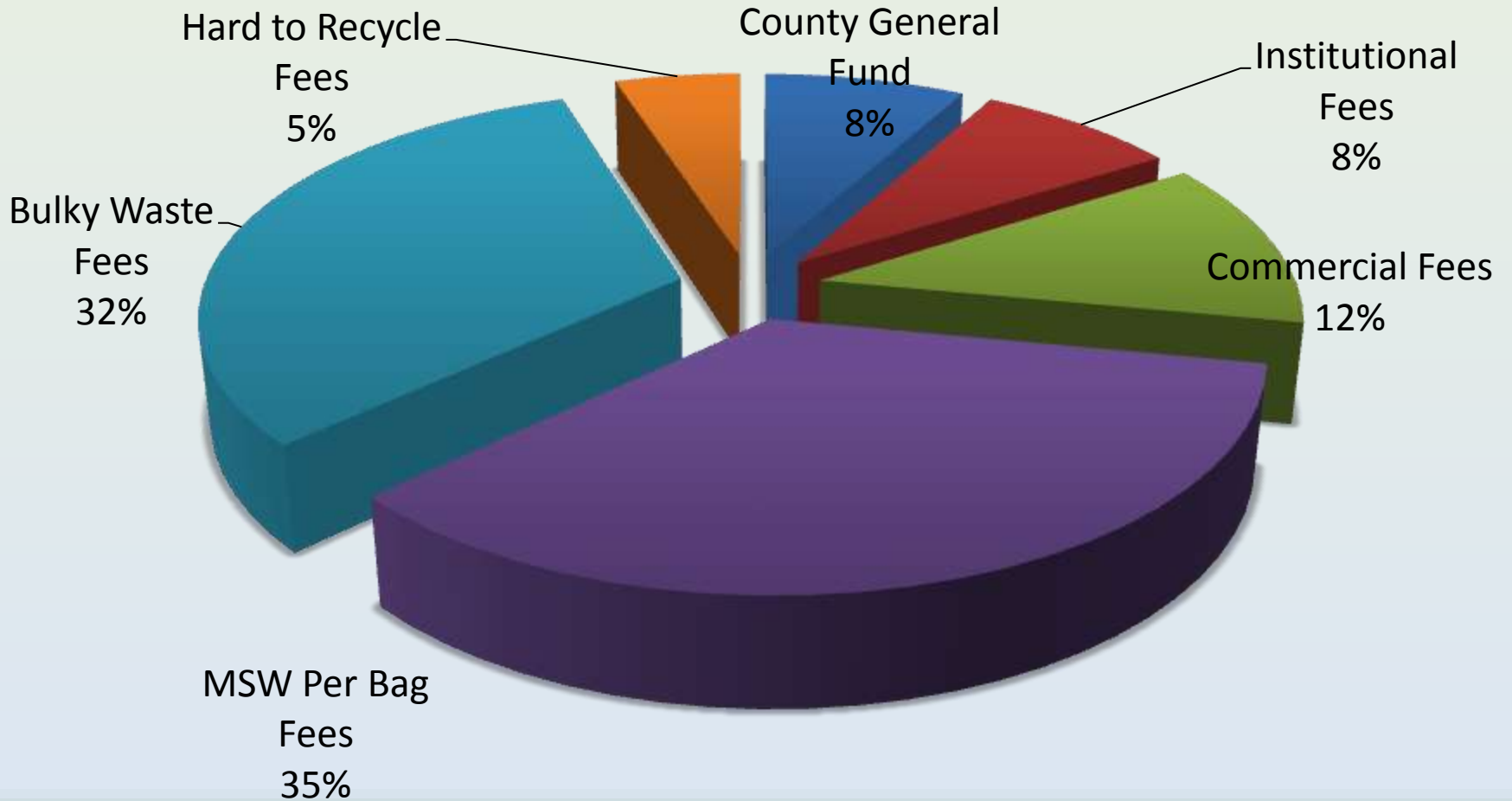


SWCC Revenue Example - Assessment





SWCC Revenue Example – PAYT Fees





SWCC Survey - Who Charges Fees?

	MSW, bagged	Unbagged & Bulky Materials	MSW in cans	C&D	Other Items
Charge	9	9	2	5	1
No Charge	25	22	26	25	0

Counties Charging Fees		
•Brunswick	•Catawba	•Rowan
•Buncombe	•Gaston	•Transylvania
•Cabarrus	•Henderson	•Union



SWCC Survey – Key Revenue Sources

County	General Fund	User Fees	Fees Charged w/ Property Taxes	Other
Brunswick	X	X	X	
Buncombe		X		
Cabarrus		X		
Catawba	X	X		
Gaston		X		X
Henderson		X		X
Rowan		X		
Transylvania	X	X		
Union		X		



Targeted Revenues

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	Walnut Grove Upgrade	Walnut Grove Opens, High Rock Upgrade	High Rock Opens, Eubank Upgrade	Eubanks Opens, Ferguson Upgrade	Ferguson Opens, Bradshaw Quarry Upgrade	Bradshaw Quarry Opens LF Closes	All SWCCs Upgraded
3-R & Operations Revenue							
- Current 3-R Fee (operations)	289,072	293,585	312,021	316,809	321,740	321,740	321,740
- School MSW	63,943	64,582	65,228	65,881	66,539	67,205	67,877
- Commercial Accounts	0	0	22,500	33,750	33,750	59,063	103,359
Total 3-R & Operations Revenue	353,015	358,167	399,749	416,439	422,030	448,007	492,976
Revenue from GF and SWCC Fee							
- General Fund	1,541,581	1,588,730	1,122,203	1,197,484	1,192,011	1,164,689	1,161,629
- Household SWCC Fee	633,000	636,040	1,278,160	1,284,240	1,290,320	1,296,400	1,302,480
Total Revenue	2,527,596	2,582,937	2,800,112	2,898,163	2,904,360	2,909,097	2,957,085
Potential GF Tax Drop	618,419	571,270	1,037,797	962,516	967,989	995,311	998,371



Full Cost Multi-Year Financial Projections

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Targeted Expenses							
- Operating	2,160	2,324	2,428	2,514	2,578	2,655	2,735
- Capital Amortization	364	364	364	364	364	364	364
Expenses Total	2,524	2,688	2,792	2,879	2,942	3,020	3,099
Targeted Revenues							
- Hard to Recycle Item Fees	261	261	261	261	261	261	261
- Fixed General Fund	0	0	0	0	0	0	0
- MSW/Bulky Fees	2,400	2,400	2,600	2,600	2,600	2,750	2,750
- Account Fees (Commercial)	0	23	34	59	103	119	137
Revenue Total	2,661	2,684	2,895	2,920	2,964	3,130	3,148

* Shown in thousands of dollars.



SWCC Household Assessment Fees

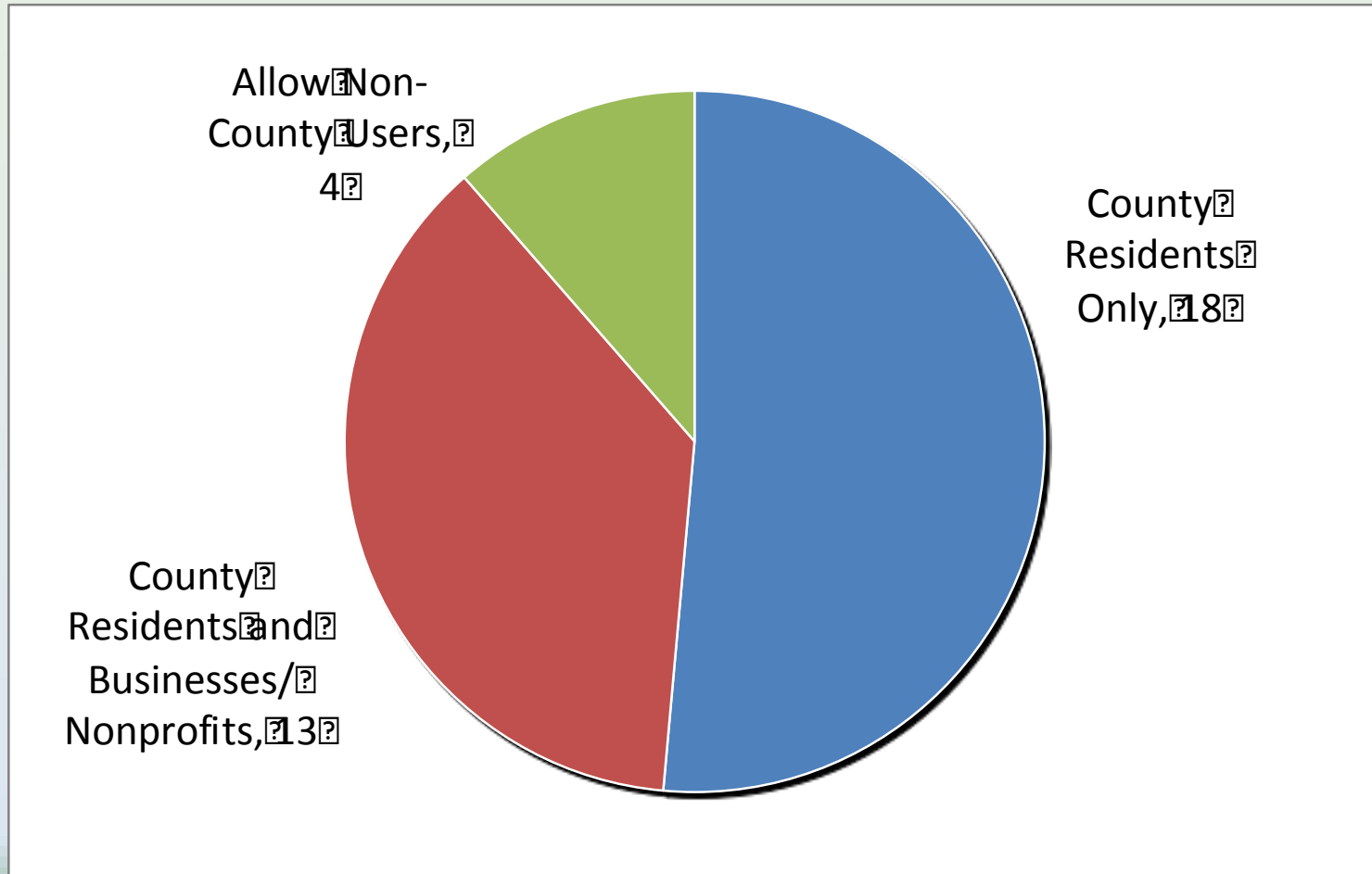
- Flat - Same Across All Households
- Or Tiered to Different User Types

Flat Fee					Tiered Fee			
	Year 1	Year 3	Year 7		Year 1	Year 3	Year 7	
All Households	\$44	\$48	\$51	Rural	\$79	\$86	\$91	
				Urban	\$35	\$38	\$40	
				Multi Family	\$7	\$7	\$7	
	Year 1	Year 3	Year 7		Year 1	Year 3	Year 7	
All Households	\$22	\$33	\$51	Rural	\$38	\$59	\$91	
				Urban	\$17	\$26	\$40	
				Multi Family	\$7	\$7	\$7	



SWCC Survey - Who Can Use?

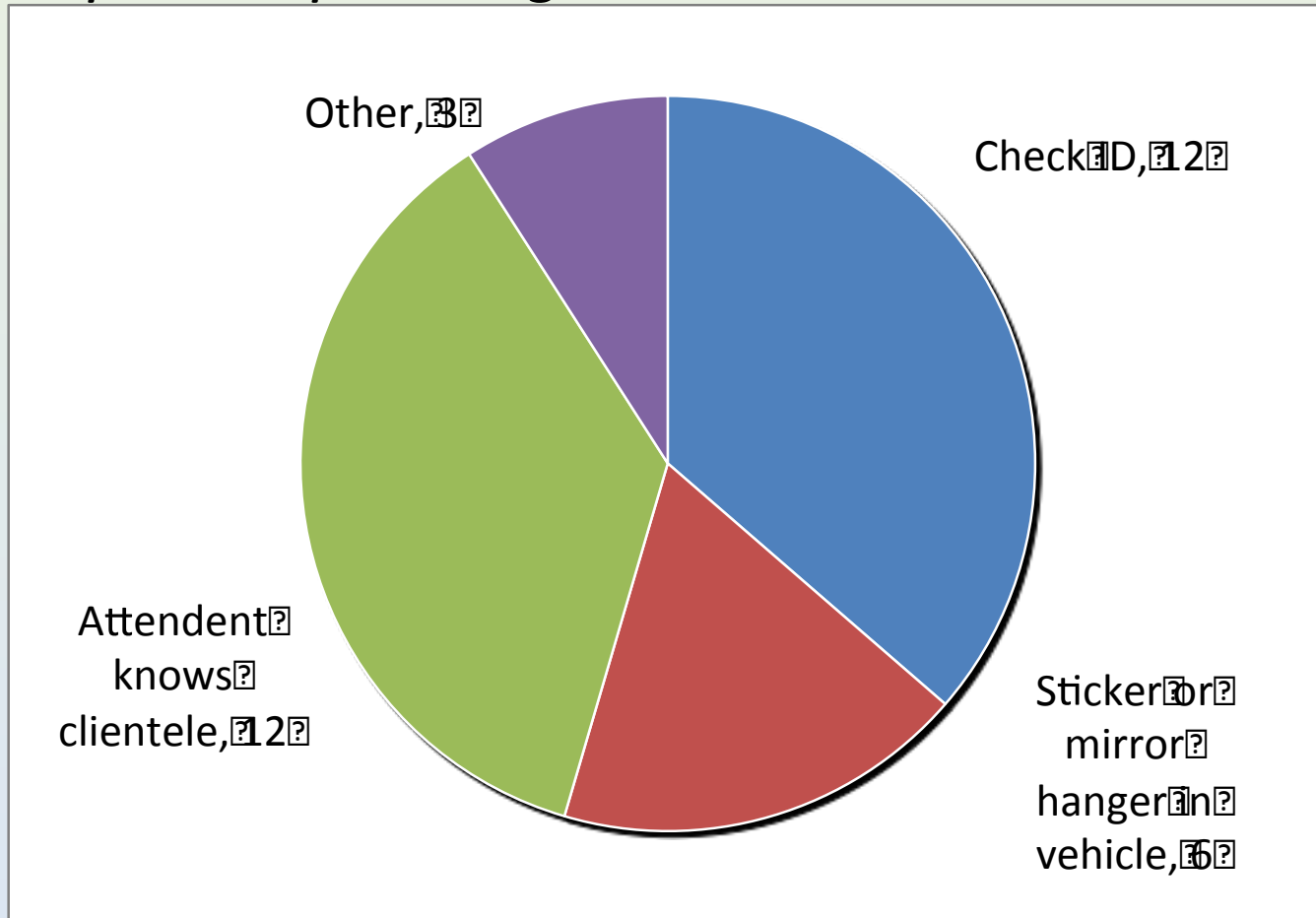
Impacts Revenue Potential and Monitoring Costs





SWCC Survey – Is Residency Checked?

Impacts Operating Costs





SWCC Survey - Catawba County Profile

- 5 convenience centers in county
- Only county residents can use
 - check drivers licenses
 - 147,165 visits per year
- Hybrid Funding System
 - Charge per bag for MSW - \$1.25
 - 72% of funding comes from this per bag fee
 - 28% from general fund
- 4,400 tons of MSW per year
- Accept broad range of waste and recyclables
 - MSW, brush, recyclables, scrap metal, white goods, antifreeze, motor oil, cell phones and ink jet cartridges



SWCC Survey – Cabarrus County Profile

- Unincorporated households – 20,282
- Franchised collection in unincorporated areas
- 12,000 households use franchised hauling service
- 2 convenience centers in county
- No restrictions on types of users
- Wide range of materials accepted
- Funding is 100% User Fee Based
 - Charge \$4 for up to 5 bags of MSW
 - \$6 for up to 10 bags



Cashless PAYT Fee Options - Punchcards

- Buy punchcards/bags at local retailers
 - Each bag equivalent to one punch
 - Bulky material charged multiple punches
 - Common bulky items can be given a standard value
 - Others can be estimated on a cubic yard basis
 - Mattress – 4 punches
 - Small pickup filled to top of bed – 8 punches
 - Large pickup filled to top of bed – 10 punches
 - C&D material – 6 punches/cubic yard
- Punchcard system impact at SWCCs?
 - One worker will need to be stationed either at entrance or near waste disposal area to monitor
 - Efficiencies from upgrading may free up labor



SWCC Fee Options - Technology Solutions

- Self serve automated “Garbage Gobbler”

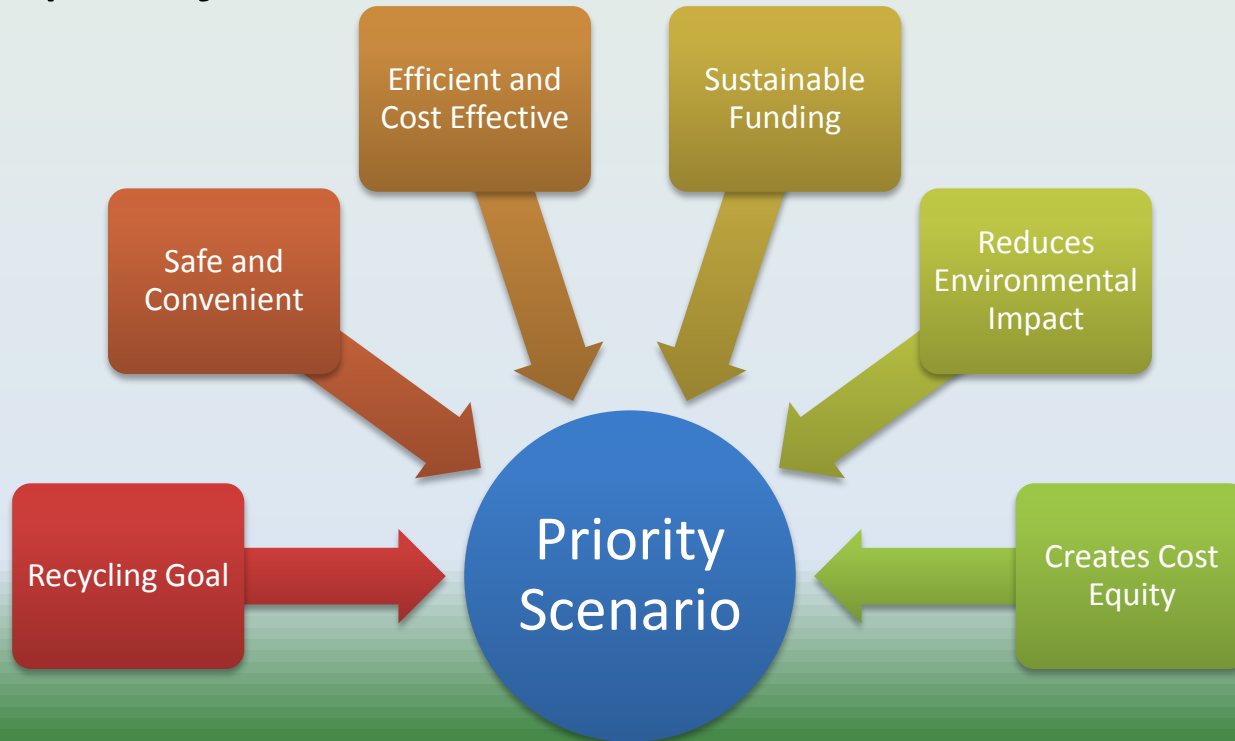


- Allows unattended cash and card service
- Customer loads one bag per cycle



How to Evaluate/Narrow Down Options

- Develop Funding/Fee Scenarios
- Evaluate Features – Develop Projections
- Rate Options Against Weighted Decision Criteria
- Final Ranking and Recommendation





Sorting through SWCC Fee Options

- Pay at gate PAYT fee
 - By bag
 - By estimated volume
- Pre-pay PAYT FEE
 - By bag or tag (purchased at stores)
 - By pre-paid punch card
- Annual Access/Permit Fee on Tax Bill
 - Higher charge to unincorporated area parcels
 - Lower charge to all other parcels



SWCC Fee Options - Pros and Cons

Criteria	Pay at Gate PAYT	Pre-Paid PAYT	Access Fee on Tax Bill
Impact on Operating Cost	Highest	Low	Lowest
Avoids SWCC Cash Handling	No	Yes	Yes
Incentive for Recycling	Yes	Yes	No
Incentive for Curbside	Yes	Yes	No
Charging for Special Materials	Easy	Harder	No
Promotes Choice	Yes	Yes	No
Improves County Cash Flow	No	Yes	Yes
Provides Predictable Revenue	Worst	Medium	Best
Enables Business Use	Easy	Easy	Difficult
Can be Part of Hybrid System	Yes	Yes	Yes
Overall Ranking	#2	#1	#3



Jim Frey, CEO

Resource Recycling Systems

frey@recycle.com

734-996-1361 ext 232

www.recycle.com

QUESTIONS?

Providing Sustainability Solutions Since 1986

For the past 25 years Resource Recycling Systems has been directly engaged in driving environmental innovation and leadership by growing sustainable resource management infrastructure.

