

2024 TSO Modernization Plan February 14, 2024 Analysis and Financial Projections

CITY OF MADISON TRANSFER STATION OPERATIONS HISTORICAL ANALYSIS

Receipts:		Audited 2017	Audited 2018	Audited 2019	Audited 2020		Audited 2021		Audited 2022	Actual 2023	P	rojected 2024		Totals
	Charges for Trash Services Charge for Recycling and HH Compost	\$ 903,485	\$ 963,984	\$ 951,724	\$ 930,922	\$	1,009,867	\$	1,085,244	\$ 1,179,722		1,593,608 150,780	•	17.50 2.50
	Other Receipts for Compost & Metal	\$ 6,018	\$ 6,421	14,108	26,335		17,179	\$	21,817	\$ 20,000	\$	15,000		
	Total Receipts	\$ 909,503	\$ 970,405	\$ 965,832	\$ 957,257	\$	1,027,046	\$	1,107,061	\$ 1,199,722	\$	1,759,388	\$	20.00
Disburse	nents:													
	Personal Services	\$ 542,237	\$ 600,962	\$ 565,351	\$ 691,342	\$	781,832	\$	717,427	\$ 807,499	\$	689,799		
	Supplies	\$ 32,342	\$ 36,168	\$ 34,043	\$ 18,754	\$	21,692	\$	31,160	\$ 53,552	\$	55,694		
	Other Services and Charges	\$ 321,339	\$ 353,442	\$ 376,000	\$ 423,922	\$	483,305	\$	658,465	\$ 605,408	\$	730,738		
	Capital Replacement Funding		\$ 10,000		\$ -	\$	-							
	PILOT										\$	13,000		
	Debt Service/Lease P&I	\$ -	\$ -		\$ -	\$	-				\$	228,000		
	Total Disbursements	\$ 895,918	\$ 1,000,572	\$ 975,394	\$ 1,134,018	\$	1,286,829	\$	1,407,052	\$ 1,466,459	\$	1,717,231		
	Excess (Deficiency)	\$ 13,585	\$ (30,167)	\$ (9,562)	\$ (176,761)	\$	(259,783)	\$	(299,991)	\$ (266,737)	\$	42,157	\$	(1,029,416)
	Ending Cash Balance	\$ 83,440	\$ 53,273	\$ 43,711	\$ 23,302	\$	-							
	General Fund or Utility Transfers	\$ -	\$ -	\$ -	\$ 156,352	\$	236,481	\$	285,069	\$ 300,000	\$	-	\$	977,902
	City Collected Tons Processed	2,920	2,931	3,022	3,234		3,253		3,101	3,076		3,100		
	, Jefferson County Trash Processed	-	-	-	-		1,258		1,732	1,723		1,700		
	Non-City Collected Tons Processed	3,894	4,621	4,484	4,461		4,464		4,650	6,223		5,112		
	Total Rumpke Tons Processed	6,814	7,552	7,506	7,695		8,975		9,483	11,022		9,912		28%
	Recyclable Tons Processed	587	593	597	632		638		562	538		592		72%
	Compost Leaves and Limbs Collected											1,398		
	Total Tons Processed at TSO											11,902		
	HH Rate Per Month - Fixed	\$	\$ 9.85	9.85	\$ 9.85		9.85	•		\$	\$	20.00		
	Rumpke Per Ton Rate - Adjustable	\$ 36.88	\$	\$ 39.13	43.00	•	43.00		44.77	46.11		47.50		
	Rumpke Recycling Rate Per Ton Equiv	\$ 36.35	\$ 37.44	\$ 38.56	81.29		83.73		86.24	\$ 88.83	\$	91.49		
	Rumpke Recycling Rate Per Haul	\$ 255.56	\$ 263.23	\$ 271.12	\$ 1,523.39	\$	1,569.09	\$	1,616.16	\$	•	1,714.59		
	Jefferson County Rate Per Ton					\$	62.00	\$	63.86	\$ 79.00	\$	81.37		
	Annual Inflation Rate 2017-2023	2.1%	2.4%	1.8%	1.2%		4.7%		8.0%	3.4%		23.6%		
	Cumulative Inflation since 1985											183.2%		
	Cumulative Inflation since 1996											96.2%		
	Cumulative Inflation since 2000											76.9%		
	Cumulative Inflation since 2008											41.5%		
	Cumulative Inflation since 2013											30.8%		
	Number of Households Served									5,026		5,026		
	DSCR Before PILOT and Capex											1.24		
	Monthly Increase Since 1996 @\$7.50	\$ 2.35	\$ 2.35	\$ 2.35	\$ 2.35	\$	2.35	\$	2.35	\$ 2.35	\$	12.50		
	Weekly Increase since 1996-2013	\$ 0.59	\$ 0.59	\$ 0.59	\$ 0.59	\$	0.59	\$	0.59	\$ 0.59	\$	2.54		
	Weekly Cost of Service to Residents	\$ 2.46	\$ 2.46	\$ 2.46	\$ 2.46	\$	2.46	\$	2.46	\$ 2.46	\$	5.00		

Notes: 1 The above analysis includes six years of audited results, one year actuals, and 2024 projections.

- 2 Personal Services includes salary, benefits, pension, and payroll taxes. Trend comparisons are difficult due to classifications of benefits to each department beginning in 2021.
- 3 Base case assumes that TSO per ton rate for non-collected trash is increased from \$62/ton to \$79/ton matching cumulative inflation.
- 4 Rumpke contract was renewed in 2020 for a period of 10yrs subject to an approximately \$1 million investment in the TSO to accommodate larger containers.
- 5 Jefferson County trash processing began in summer 2021 which contains provisions for CPI adjustments and per ton rate increases.
- 6 Opex includes \$35K insurance costs and reduction in force by 3 staff plus benefits. Also includes \$100,000 annual compost costs.
- 7 Inflation during the evaluation period has gone from 2.1% annually to 8.0% in 2021. Cumulative inflation since 2013 is 30.8% and is 96.2% since 1996.
- 8 Rumpke's cost for recycling is based on a per haul amount. Due to improvements at the TSO, capacity per haul has increased from 7.03 tons to 18.74 tons per haul.
- 9 It is estimated that property and liability insurance for the TSO is \$35,000, which has been added to the 2024 projections.
- 10 The above analysis is for a full year beginning 2024, therefore, interim implementation will reduce the benefit by the elapsed time resulting in additional deficits.
- 11 HH compost is for leaves and small branches NTE four inches in diameter.
- 12 Transition to one 96-gallon container for weekly HH capacity from current ordinance limit of one 64-gallon container or two 33-gallon containers.
- 13 The new equipment and process will create an environment safer from biohazards and the manual lifting of 7.4 million pounds of solid waste and recyclables.
- 14 Point of Sale techonology will be incorporated for processing and data capture which will improve customer experience, internal controls, and information management.
- 15 Solid waste, recycling, and compost services have been historically low-cost. New investment must be made to preserve the city provided service at affordable rates.

CITY OF MADISON TRANSFER STATION OPERATIONS FINANCIAL TREND ANALYSIS

Receipts:	Actual	Projected	Projected	Projected	Projected	Projected	Totals
	2023	2024	2025	2026	2027	2028	
Charges for Trash Services	\$ 1,179,722 \$	1,593,608	\$ 1,796,070	\$ 1,867,913	\$ 1,942,629	\$ 2,020,334	
Charge for Recycling and HH Compost	\$	150,780	150,780	156,811	163,084	169,607	
Other Receipts for Compost & Metal	\$ 20,000 \$	15,000	15,000	15,000	15,000	15,000	
Total Receipts	\$ 1,199,722 \$	1,759,388	1,963,875	2,041,750	2,122,740	2,206,969	
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Disbursements:							
Personal Services	\$ 807,499 \$	689,799	\$ 717,391	\$ 746,087	\$ 775,930	\$ 806,967	
Supplies	\$ 53,552 \$	55,694	\$ 57,922	\$ 60,239	\$ 62,648	\$ 65,154	
Other Services and Charges	\$ 605,408 \$	730,738	\$ 709,967	\$ 738,366	\$ 767,901	\$ 798,617	
Total Disbursements	\$ 1,466,459 \$	1,476,231	\$ 1,485,280	\$ 1,544,691	\$ 1,606,479	\$ 1,670,738	
Excess/Deficit Before New Investment	\$ (266,737) \$	283,157	\$ 478,595	\$ 497,059	\$ 516,261	\$ 536,231	
New Investment:							
Capital Replacement Funding	\$	-	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	
PILOT	\$	13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	
Debt Service/Lease P&I	\$	228,000	\$ 228,000	\$ 228,000	\$ 228,000	\$ 228,000	
Excess/Deficit After New Investment	\$ (266,737) \$	42,157	\$ 37,595	\$ 56,059	\$ 75,261	\$ 95,231	
Excess Percentage of Revenues	 -22.2%	2.4%	1.9%	2.7%	3.5%	4.3%	
City Collected Tons Processed	3,076	3,100	3,100	3,100	3,100	3,100	
Jefferson County Trash Processed	1,723	1,700	1,700	1,700	1,700	1,700	
Non-City Collected Tons Processed	6,223	5,112	5,112	5,112	5,112	5,112	
Total Rumpke Tons Processed	11,022	9,912	9,912	9,912	9,912	9,912	
Recyclable Tons Processed	538	592	592	592	592	592	
Compost Leaves and Limbs Collected		1,398	1,398	1,398	1,398	1,398	
Total Tons Processed at TSO		11,902					
HH Rate Per Month - Fixed	\$ 9.85 \$	20.00	\$ 23.00	\$ 23.92	\$ 24.88	\$ 25.87	
Rumpke Per Ton Rate - Adjustable	\$ 46.11 \$	47.50	\$ 48.92	\$ 50.39	\$ 51.90	\$ 53.46	
Rumpke Recycling Rate Per Ton Equiv	\$ 88.83 \$	91.49	\$ 94.24	\$ 97.06	\$ 99.98	\$ 102.98	
Rumpke Recycling Rate Per Haul	\$ 1,664.65 \$	1,714.59	\$ 1,766.03	\$ 1,819.01	\$ 1,873.58	\$ 1,929.78	
Jefferson County Rate Per Ton	\$ 79.00 \$	81.37	\$ 83.81	\$ 86.33	\$ 88.92	\$ 91.58	
Annual Inflation Rate 2017-2023	3.4%	23.6%	4.0%	4.0%	4.0%	4.0%	
Cumulative Inflation since 1985		183.2%					
Cumulative Inflation since 1996		96.2%					
Cumulative Inflation since 2000		76.9%					
Cumulative Inflation since 2008		41.5%					
Cumulative Inflation since 2013		30.8%					
Number of Households Served	5,026	5,026					
DSCR Before PILOT and Capex		1.24	2.10	2.18	2.26	2.35	
Monthly Increase Since 1996 @\$7.50	\$ 2.35 \$	12.50					
Weekly Increase since 1996	\$ 0.59 \$	2.54					
Weekly Cost of Service to Residents	\$ 2.46 \$	5.00	\$ 5.75	\$ 5.98	\$ 6.22	\$ 6.47	

1,700 6,812 28%

72% 1,398

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- 10 The above analysis is for a full year beginning 2024, therefore, interim implementation will reduce the benefit by the elapsed time resulting in additional deficits.
- 11 Determine TSO charge for compost brought to the center. HH compost is for leaves and small branches NTE four inches in diameter.
- Transition to one max 96-gallon container for weekly HH capacity from current ordinance limit of one 64-gallon container or two 33-gallon containers. 12
- 13 The new equipment and process will create an environment safer from biohazards and the manual lifting of 7.4 million pounds of solid waste and recyclables.
- 14 Point of Sale techonology will be incorporated for processing and data capture which will improve customer experience, internal controls, and information management.
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