



MADISON
Indiana

2024 TSO Modernization Plan

February 14, 2024

Analysis and Financial Projections

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 technology 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	
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	\$ 13,000	
Debt Service/Lease P&I	\$ 228,000	\$ 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	1,700
Non-City Collected Tons Processed	6,223	5,112	5,112	5,112	5,112	5,112	6,812
Total Rumpke Tons Processed	11,022	9,912	9,912	9,912	9,912	9,912	28%
Recyclable Tons Processed	538	592	592	592	592	592	72%
Compost Leaves and Limbs Collected		1,398	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	

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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.
- 12 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.
- 13 The new equipment and process will create an enviroment 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 undervalued. New investment must be made to preserve the city provided service at affordable rates.