



SOLID WASTE AGENCY OF LAKE COUNTY, IL

MEMORANDUM

To: Michael Talbott, Chairman, Executive Committee

From: Walter S. Willis, Executive Director *WSW*

Subject: October 2017 Meeting Notice Information

Date: September 29, 2017

Attached you will find the agenda for this month's meeting on October 5th, the minutes from the September 2017 meeting, and the referenced consent, action and information items.

Please let Amy Bartemio know if you will be attending, and what your lunch order is.

SOLID WASTE AGENCY OF LAKE COUNTY, IL

EXECUTIVE COMMITTEE

Thursday, October 5, 2017 12:00 pm
1311 N. Estes Street Gurnee, IL 60031

1. CALL TO ORDER Chairman Talbott
2. ROLL CALL Secretary
3. APPROVAL OF MINUTES
September 7, 2017
4. NEW AGENDA ITEMS
5. PUBLIC COMMENT ON AGENDA ITEMS
6. EXECUTIVE COMMITTEE ITEMS Chairman Talbott

Consent Item

1. Expenditure Report (*August 2017*)

Action Items

1. Proposed FY 2018 SWALCO Budget
2. Funds for Capital Improvements
3. Stericycle - Sharps Disposal Agreement (E.R.P.)

Information Items

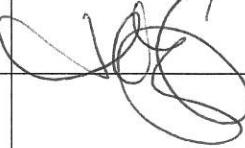
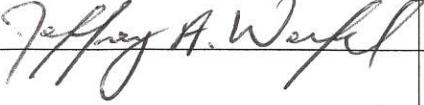
1. Long Term Funding Options for the Agency

7. EXECUTIVE SESSION
8. ADJOURNMENT

SOLID WASTE AGENCY OF LAKE COUNTY (SWALCO) EXECUTIVE COMMITTEE

SIGN IN SHEET

September 7, 2017

COMMUNITY	REPRESENTATIVE	TITLE
ELLIS	Mike Ellis	VILLAGE MANAGER
MUETZ		VILLAGE ADMINISTRATOR
NORRIS		MAYOR
ROTHING		VILLAGE PRESIDENT
TALBETT		VILLAGE ADMINISTRATOR
WAGENER		TRUSTEE
WARDA		SENIOR PLANNER
WERFEL		LAKE COUNTY BOARD

RYBACK		SWALCO BOD CHAIRMAN
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Mike Kettner from Waukegan was in attendance

REPRESENTATIVE		SWALCO EXECUTIVE BOARD VOTING RECORD/09.07.17							
		NONE							
Attendance		A	N	A	N	A	N	A	N
MIKE ELLIS	✓								
PATRICK MUETZ	✓								
JOHN NORRIS	✓								
BUD ROTHING	✓								
MICHAEL TALBETT	✓								
JOHN WAGENER	✓								
NIMROD WARD									
JEFF WERFEL	✓								

(7)

PUBLIC SIGN-IN SHEET

(Executive Committee Meeting)

Name

Address

Representing

NONE

A blue line graph is plotted on a grid of 12 horizontal lines. The line starts at the top left, dips slightly, and then trends downwards and to the right, ending at the bottom right corner. The grid lines are evenly spaced and provide a scale for the graph.

Date: 09/07/17



MINUTES

SOLID WASTE AGENCY OF LAKE COUNTY, IL

EXECUTIVE COMMITTEE

Thursday, September 7, 2017 12:00 pm

1311 N. ESTES STREET, GURNEE, IL 60031

CALL TO ORDER

Chairman Talbott called the meeting to order at 12:00 am with 7 members present.

APPROVAL OF MINUTES

Motion by *John Norris* seconded by *John Wagener* to approve the Executive meeting minutes of 07.13.17

Motion was unanimously approved.

NEW AGENDA ITEMS

PUBLIC COMMENT - *None*

EXECUTIVE COMMITTEE ITEMS - *None*

CONSENT ITEM - *None*

ACTION ITEMS - *None*

INFORMATION ITEMS

1. Proposed FY 2018 SWALCO Budget

Walter Willis presented the FY 2018 budget, highlighting proposed expenditures and estimated revenues including the reviews of the cash replacement and cash balance funds. Proposed expenditures for FY 2018 are \$1,053,163 compared to \$1,015,937 in FY 2017, an increase of \$37,226 or approximately 3.7%. The increase includes the assumed salary increase, consultants for the host fee/local surcharge audit, County's requirement to update the office desktop computers and painting the truck. Revenues are estimated at \$1,060,246 compared to \$1,016,160 in FY 2017, an increase of \$44,086 or approximately 4.3%. Walter noted that the current cash reserve balance is approximately \$1.8 million and capital project reserve is \$500,000. Executive Committee feedback will be incorporated into a final draft and the final version, which also include the five-year budget projection, will be presenting at the Board of Directors in October for approval.

EXECUTIVE SESSION: *None*

NEXT EXECUTIVE COMMITTEE MEETING: Thursday, October 5, 2017 - 12:00 p.m.

NEXT BOARD MEETING: Thursday, October 19, 2017 - 7:00 p.m. Hainesville Village Hall, 100 N. Hainesville Road, Hainesville, IL 60030

ADJOURNMENT (12:25 p.m.): Motion by *Mike Ellis*, seconded by *John Norris* to adjourn.
Motion was approved.

Memo to the Executive Committee

October 5, 2017

Consent - 1. Expenditure Approval

ISSUE: Approve Expenditures

RECOMMENDATION: We recommend approval

TIMING: Routine

BACKGROUND: The Board of Directors authorized the Executive Director to pay expenditures under \$20,000. The Executive Director submits the monthly expenditures to the Board for approval.

The total for Administration \$49,474.07; Education \$ 3.75 Household Chemical Waste \$5,774.47; Recycling \$ 0.00 **Total expenditures for August 2017 - \$55,252.29**

ENCLOSED DOCUMENTS: Account Analysis Report

STAFF: Walter Willis, Executive Director
Amy Bartemio, Executive Office Manager

SWALCO - AUGUST 2017 EXPENDITURE REPORT

SWALCO I- Solid Waste Prog-SWALCO Administration-Regular Salaries And Wages----			
Budget	367,278.000	Funds Available:	Beginning Balance for Period
Amount:			254,169.78
			Total Expenditures
			28,666.01
			Ending Balance for Period
			282,835.79
SWALCO I- Solid Waste Prog-SWALCO Administration-Part Time Salaries And Wages----			
Budget	50,643.00	Funds Available:	Beginning Balance for Period
Amount:			38,767.92
			Total Expenditures
			3,766.27
			Ending Balance for Period
			42,534.19
SWALCO I- Solid Waste Prog-SWALCO Administration-Special Pay----			
Budget	17,100.00	Funds Available:	Beginning Balance for Period
Amount:			11,256.84
			Total Expenditures
			1,250.76
			Ending Balance for Period
			12,507.60
SWALCO I- Solid Waste Prog-SWALCO Administration-Office Supplies----			
Budget	1,250.00	Funds Available:	Beginning Balance for Period
Amount:			818.71
			Total Expenditures
			55.46
			Ending Balance for Period
			874.17
SWALCO I- Solid Waste Prog-SWALCO Administration-Food and Provisions----			
Budget	2,000.00	Funds Available:	Beginning Balance for Period
Amount:			887.07
			Total Expenditures
			137.85
			Ending Balance for Period
			1,024.92
SWALCO I- Solid Waste Prog-SWALCO Administration-Trips And Training----			
Budget	8,400.00	Funds Available:	Beginning Balance for Period
Amount:			2,780.66
			Total Expenditures
			2,046.49
			Ending Balance for Period
			4,827.15
SWALCO I- Solid Waste Prog-SWALCO Administration-Dues And Subscriptions----			
Budget	6,500.00	Funds Available:	Beginning Balance for Period
Amount:			2,274.00
			Total Expenditures
			345.00
			Ending Balance for Period
			2,619.00
SWALCO I- Solid Waste Prog-SWALCO Administration-Gas For Heating----			
Budget	14,000.00	Funds Available:	Beginning Balance for Period
Amount:			8,193.47
			Total Expenditures
			337.31
			Ending Balance for Period
			8,530.78
SWALCO I- Solid Waste Prog-SWALCO Administration-Electricity ----			
Budget	14,000.00	Funds Available:	Beginning Balance for Period
Amount:			9,716.44
			Total Expenditures
			782.49
			Ending Balance for Period
			10,498.93

SWALCO I- Solid Waste Prog-SWALCO Administration-Water And Sewer ----				
Budget	300.00	Funds Available:	106.08	Beginning Balance for Period
Amount:				Total Expenditures
				52.60
Ending Balance for Period				
				193.92
SWALCO I- Solid Waste Prog-SWALCO Administration-Telephone----				
Budget	6,000.00	Funds Available:	1,196.93	Beginning Balance for Period
Amount:				Total Expenditures
				514.75
Ending Balance for Period				
				4,803.07
SWALCO I- Solid Waste Prog-SWALCO Administration-Cell Phone Allowance----				
Budget	0.00	Funds Available:	-110.00	Beginning Balance for Period
Amount:				Total Expenditures
				55.00
Ending Balance for Period				
				110.00
SWALCO I- Solid Waste Prog-SWALCO Administration-Equip Rental----				
Budget	3,700.00	Funds Available:	-147.44	Beginning Balance for Period
Amount:				Total Expenditures
				172.37
Ending Balance for Period				
				2,266.50
SWALCO I- Solid Waste Prog-SWALCO Administration-H/L/D Employee Benefits----				
Budget	75,706.95	Funds Available:	19,450.21	Beginning Balance for Period
Amount:				Total Expenditures
				6,262.94
Ending Balance for Period				
				56,256.74
SWALCO I- Solid Waste Prog-SWALCO Administration-Retirement Benefits/FICA----				
Budget	31,971.03	Funds Available:	7,986.69	Beginning Balance for Period
Amount:				Total Expenditures
				2,481.36
Ending Balance for Period				
				23,984.34
SWALCO I- Solid Waste Prog-SWALCO Administration-Retirement Benefits/IMRF----				
Budget	3,552.00	Funds Available:	874.12	Beginning Balance for Period
Amount:				Total Expenditures
				263.92
Ending Balance for Period				
				2,677.88
SWALCO I- Solid Waste Prog-SWALCO Administration-Miscellaneous Contingency----				
Budget	2,000.00	Funds Available:	1,277.15	Beginning Balance for Period
Amount:				Total Expenditures
				30.00
Ending Balance for Period				
				722.85

SWALCO I- Solid Waste Prog-Administration-Miscell Contractual Services----				
Budget	11,250.00	Funds Available:	803.71	Beginning Balance for Period
Amount:				Total Expenditures
				599.74
Ending Balance for Period				
				5,626.29
SWALCO I- Solid Waste Prog-Administration-Computer System Software----				
Budget	1,575.00	Funds Available:	-78.75	Beginning Balance for Period
Amount:				0.00
				Total Expenditures
				1,653.75
Ending Balance for Period				
				1,653.75
SWALCO I- Solid Waste Prog-Education-Miscellaneous Commodities----				
Budget	6,000.00	Funds Available:	5,771.25	Beginning Balance for Period
Amount:				225.00
				Total Expenditures
				3.75
Ending Balance for Period				
				228.75
SWALCO I- Solid Waste Prog-Household Hazard Waste-Operational Supplies----				
Budget	14,500.00	Funds Available:	1,986.39	Beginning Balance for Period
Amount:				10,969.40
				Total Expenditures
				364.94
Ending Balance for Period				
				11,334.34
SWALCO I- Solid Waste Prog-Household Hazard Waste-Consultants----				
Budget	152,300.00	Funds Available:	5,760.21	Beginning Balance for Period
Amount:				71,432.93
				Total Expenditures
				4,804.36
Ending Balance for Period				
				76,237.29
SWALCO I- Solid Waste Prog-Household Hazard Waste-Garbage Disposal----				
Budget	8,900.00	Funds Available:	3,750.00	Beginning Balance for Period
Amount:				2,615.65
				Total Expenditures
				166.26
Ending Balance for Period				
				2,781.91
SWALCO I- Solid Waste Prog-Household Hazard Waste-Motor Vehicle Maintenance----				
Budget	1,300.00	Funds Available:	-8,558.50	Beginning Balance for Period
Amount:				9,536.52
				Total Expenditures
				321.98
Ending Balance for Period				
				9,858.50
SWALCO I- Solid Waste Prog-Household Hazard Waste-All Other Maintenance----				
Budget	16,750.00	Funds Available:	7,444.12	Beginning Balance for Period
Amount:				8,019.95
				Total Expenditures
				116.93
Ending Balance for Period				
				8,136.88

TOTAL EXPENDITURES \$ 55,252.29

A – 1. Proposed FY 2018 SWALCO Budget

ISSUE: Whether to recommend that the Board of Directors approve the proposed fiscal year 2018 SWALCO budget.

RECOMMENDATION: SWALCO staff recommends that the Executive Committee recommend approval of the 2018 SWALCO budget.

BACKGROUND: Attached to this memo are the proposed FY 2018 budget and a spreadsheet comparing the FY 2017 budget vs. the proposed FY 2018 budget. This item also provides an estimate of the depreciation and pension expenses, and an update on the Cash Balance Fund.

Proposed FY 2018 Budget

The highlights of the proposed budget are as follows:

1. Proposed expenditures for FY 2018 are \$1,053,163 compared to \$1,015,937 in FY 2017, an increase of \$37,226 or approximately 3.7%. Please note the following: 1) a 2.25% salary increase was assumed (we have yet to get final word from the county on whether there will be an increase and by how much), 2) the primary increase in expenditures, besides salary increases, was the budgeting for a consultant to assist with the host fee/local surcharge payment audit (\$20,000), the need to purchase 5 new computers per the County's requirement (\$6,000) and the need to paint the truck (\$3,500). Each of these items is a one-time expense.
2. Total FY 2018 revenues are estimated at \$1,060,246 compared to \$1,016,160 in FY 2017, an increase of \$44,086 or approximately 4.3%. Revenue from the landfill surcharge for FY 2018 is estimated at \$605,000 a decrease of \$10,000 from last year as the volume at both landfills continues to slowly decrease. The anticipated host fee from the Round Lake Park Transfer Station is \$63,720 per year, a slight increase from last year as volumes slowly increase at the Transfer Station. Other significant revenue increases include Waukegan's O&M fee of \$36,490, which was not paid last fiscal year, and increased revenue (\$16,000) assumed from the WMI recycling agreement.
3. Revenues are expected to exceed expenditures by \$7,083 (\$1,060,246 - \$1,053,163). The current cash reserve balance is approximately \$1.8 million and capital project reserve is \$500,000.

The following table shows the estimated revenues, from the six primary funding sources that support SWALCO's operations, and expected expenditures for fiscal years 2018-2022. The table also shows the approximate cash fund balance moving forward.

SWALCO Revenue, Expenditure and Fund Balance Projections - Fiscal Years 2018 - 2022					
<u>Revenues/Expenditures</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Operations & Maintenance Fee	\$278,726	\$278,726	\$278,726	\$278,726	\$278,726
Landfill surcharge, TS host fees,	\$668,720	\$668,720	\$668,720	\$668,720	\$668,720
Textile and Shoe Income	\$28,060	\$29,463	\$30,936	\$32,483	\$34,107
Interest Income	\$8,800	\$8,800	\$8,800	\$8,800	\$8,800
Rain barrel, composter income	\$11,500	\$11,500	\$11,500	\$11,500	\$11,500
Misc. Revenue (hauler licensing, WMRA per ton, surcharge payments, ePaint and eWorks revenue)	\$64,440	\$60,000	\$60,000	\$60,000	\$60,000
Estimated Revenue	\$1,060,246	\$1,057,209	\$1,058,682	\$1,060,229	\$1,061,853
Estimated Exp.	\$1,053,163	\$1,033,900	\$1,044,239	\$1,054,680	\$1,065,228
Surplus/Deficit	\$7,083	\$23,309	\$14,443	\$5,549	(\$3,375)
Estimated Cash Balance	\$1,870,721	\$1,894,030	\$1,908,473	\$1,914,022	\$1,910,647

Several assumptions were made in preparing the above table:

- The O&M fee will remain at \$1.25 per household per year, and all members pay their fee each year.
- Local landfill surcharge and transfer station host fee revenues will remain steady for FY 2018 through FY2022. The Countryside Landfill indicated in its January 1, 2017 annual capacity report to IEPA that it will be out of capacity in 2025 (two years later than what they predicted in 2016, primarily due to decreased volumes), and the Zion Landfill indicated it would run out of capacity in 2026 (this does not include the land they have purchased for an expansion but have yet to receive local siting approval).
- Textile and shoe income will increase 5% per year.
- Interest paid on the surcharge balance will continue to be approximately \$8,800 per year.
- Rain barrel and composter sales income will remain stable through 2022.
- Miscellaneous revenue will decrease in FY 2019 to \$60,000 per year (no longer will receive \$4,300 payment from Mundelein for its refuse leaving Lake County) and remain steady through 2022. The main driver of the misc. revenues is the per ton payment to SWALCO under the WMRA agreement, it is not possible to forecast commodity markets for such a long period of time, so this revenue source is highly volatile.
- Expenditures will increase by 1% per year using \$1,023,663 as the base expenditure in FY 2018 (1,053,163 minus \$29,500 in one-time expenses in FY 2018). Given SWALCO's recent budgets (the expenditures budgeted in FY 2010 were \$1,013,600, an increase of a little over \$10,000 in 8 years) assuming a 1% increase is reasonable.

FY 2018 Depreciation and Pension Expenses

To more completely budget for FY 2018 and to assist with the annual audit process, this year SWALCO's budget will include estimates for FY 2018 depreciation and pension expenses. These estimates are based on expenses incurred in FY 2016 per the 2016 financial audit.

Depreciation expenses are based on the Agency's capital assets which include land improvements, buildings, and office equipment and furniture. Annual depreciation expense in FY 2018 is estimated to be \$62,044.

Pension expenses are based on the amount of money the Agency is expending on past employees who are now collecting a pension from the Agency. Annual pension expense in FY 2018 is estimated to be \$163,950 (a 5% increase from last year).

Cash Balance Fund

As of September 13, 2017, the Cash Fund Balance was \$1,870,721. At the June 25, 2015 Board of Directors meeting the Board also established a Cash Balance Fund Policy and approved a minimum cash fund balance of \$1,200,000, that if met would trigger the re-formation of the Finance Committee to evaluate long term funding for the Agency. Based on the projected spending for the next 5 fiscal years the Agency will not come close to reaching the \$1.2 million threshold. There are many factors that may impact the Agency's revenues and expenditures over the next five years, and it will be up to the Executive Director, the Executive Committee and the Board of Directors to recommend and to take action at the appropriate time to ensure the long term financial stability of the Agency.

ENCLOSED DOCUMENTS: Proposed FY 2018 Budget, and spreadsheet comparing FY 2017 vs. FY 2018 expenditures and revenues, and spending on the 2017 budget through August 31st.

STAFF: Walter Willis, Executive Director

Solid Waste Agency of Lake County
FY 2018 Budget

Fund:	Management Center	Account	DESCRIPTION	2018 APPROVED	DETAIL
ADMINISTRATION 9200010					
930	51110	SW0	REGULAR SALARIES AND WAGES	\$ 379,796	Assumes 2.25% increases, Exec. Director increase effective August 1, 2018 per employment contract at 3%
930	51120	SW0	PART TIME SALARIES AND WAGES	\$ 51,913	Assumes 2.25% increase, maintaining 28 hours per week
930	51150	SW0	SICK PAY REIMBURSEMENT	\$ -	- Assumes no sick pay reimbursement
930	51180	SW0	SPECIAL PAY - AUTO ALLOWANCE	\$ 17,100	3 FT (\$385/mo.) and 1 PT (\$270/mo.) Employee
50000 SERIES TOTAL (Administrative)				\$ 448,809	
930	61010	SW0	OFFICE SUPPLIES	\$ 1,250	Office supplies; petty cash; recycling specific supplies
930	61040	SW0	OPERATIONAL SUPPLIES	\$ 250	Plaques and awards
930	61080	SW0	FOOD & PROVISIONS	\$ 1,750	Executive Committee lunches, staff meeting lunches, and BOD meetings
930	65180	SW0	MISCELLANEOUS COMMODITIES	\$ 250	Misc. purchases
60000 SERIES TOTAL (Administrative)				\$ 3,500	
930	71110	SW0	AUDITING AND ACCOUNTING	\$ 8,500	County is out to bid, assumed \$400 increase from last year
930	71140	SW0	LEGAL SERVICES	\$ 7,000	Larry Clark
930	71150	SW0	CONSULTANT FEES	\$ 48,000	Mike Grady, Strategic Advocacy Group, year one of two year contract (\$28,000); \$20k for consultant to assist with LF and TS audits of fees paid
930	71500	SW0	TRIPS AND TRAINING	\$ 8,400	ILCSWMA/SWANA(3 people, \$1,500); OSHA Training (2 people, \$400); IDOT Training (1 person, \$500); SWANA Wastecon (\$2,000); Resource Recycling Conf (\$2,000); NAHMMA (\$2,000)
930	71810	SW0	DUES AND SUBSCRIPTIONS	\$ 6,500	Official Board Markets, Resource Recycling, BioCycle, Recycled Products Guide (\$1,100); Membership dues for IRA, SWANA, ILCSWMA, LCML, CHMM, NAHMMA, PSI, IFSC and IEC (\$5,400)
930	71910	SW0	GAS FOR HEATING	\$ 14,000	Air make-up, hot water, furnace
930	71920	SW0	ELECTRICITY	\$ 15,000	Parking lights, storage facility and office lights and baseboard heat
930	71930	SW0	WATER AND SEWER CHARGES	\$ 300	Water and sewer services
930	71940	SW0	TELEPHONE	\$ 6,100	Line charges, local and AT&T; cell phones and Ipad
930	71955	SW0	CELL PHONE ALLOWANCE	\$ 660	Reimburse Amy B. cell phone costs

Fund:	Management Center	Account	DESCRIPTION	2018 APPROVED	DETAIL
930	71970	SW0	COURIER SERVICES	\$ 75	Federal Express
930	72110	SW0	LIABILITY INSURANCE	\$ 53,769	Public Officials (\$7,220 last year); Building and property (\$11,750 last year); general/Pollution liability insurance (\$31,261 last year); auto (\$1,972 last year); assumed approximate 3% increase in premiums
930	72140	SW0	UNEMPLOYMENT COMPENSATION	\$ 625	\$125 per employee (5)
930	72260	SW0	OFFICE EQUIP MAINT AND REPAIRS	\$ 1,300	Fire alarm and burglar alarm
930	72410	SW0	ALL OTHER MAINT AND REPAIRS	\$ -	
930	72530	SW0	EQUIPMENT RENTAL	\$ 3,700	Copy machine lease fee and copy fee
930	72820	SW0	POSTAGE	\$ 25	Postage for meter, supplies for meter
930	72830	SW0	PRINTING SERVICES	\$ -	
930	73195	SW0	INDIRECT COST ALLOCATIONS	\$ 53,857	12% of all 50000 series payroll costs
930	74080	SW0	H/L/D EMPLOYEE BENEFITS	\$ 75,156	Assumes no increase from 2017 monthly costs of \$6,263
930	74100	SW0	RETIREMENT CONTRIBUTIONS FICA	\$ 33,026	All employee salaries x 7.65%
930	74110	SW0	RETIREMENT CONTRIBUTIONS IMRF	\$ 3,411	Employee Salaries x 0.79%, still low due to switch from County IMRF
930	79930	SW0	MISCELLANEOUS CONTINGENCY	\$ 2,000	Contingency for unanticipated expenses
930	79940	SW0	MISC CONTRACTUAL SERVICES	\$ 11,250	Office Cleaning (\$2,100), special facility handyman (\$500); snow and lawn maint. (\$8,000); pest control (\$200); and window cleaning (\$450)
70000 SERIES TOTAL (Administrative)				\$ 352,654	
930	82010	SW0	BUILDINGS AND STRUCTURES	\$ -	Misc. Unknown capital expenses
930	84040	SW0	COMPUTER, WEB HOSTING	\$ 1,750	Website hosting fee from CivicPlus
930	84060	SW0	FURNITURE AND OFFICE EQUIPMENT	\$ 6,750	Misc. office furnishings; recycled art; New desktop computers for staff (\$6,000)
80000 SERIES TOTAL (Administrative)				\$ 8,500	
TOTAL 9200010 ADMINISTRATION				\$ 813,463	

Solid Waste Agency of Lake County
FY 2018 Budget

Fund:	Management Center	Account	DESCRIPTION	2018 APPROVED	DETAIL
EDUCATION 9200020					
930	61040	SW2	OPERATIONAL SUPPLIES	\$ 2,500	Public information/school education: plaques, flags, awards, promo items. Supplies for other events
930	65180	SW2	MISCELLANEOUS COMMODITIES	\$ 4,000	Supplies, materials & other expenses for workshops, displays, open houses, programs, training, etc. Supplies for member events and to assist schools with events
930	65179	SW2	RAIN BARREL, COMPOST SUPPLIES	\$ 8,000	Purchase of supplies for rain barrel and compost bin annual sale
60000 SERIES TOTAL (Education)				\$ 14,500	
930	72830	SW2	PRINTING SERVICES	\$ 500	Print work: guides, annual report, newsletters, brochures, flyers, workshop invites, media kits, and other needed public info materials
930	79940	SW2	MISC CONTRACTUAL SERVICES	\$ 4,800	Funding for entertainers and speakers for schools
930	71635	SW2	TEXTILE AND SHOE PAYOUTS	\$ 4,800	Payouts to textile and shoe collection partners based on last year's payout of \$4,610, assumes increase in collections and therefore payouts
930	71850	SW2	ADVERTISING	\$ 2,650	Special ads for SWALCO programs
70000 SERIES TOTAL (Education)				\$ 12,750	
930	85070	SW2	ALL OTHER CAPITAL OUTLAY	\$ -	
80000 SERIES TOTAL (Education)					
TOTAL 9200020 EDUCATION				\$ 27,250	

Fund:	Management Center	Account	DESCRIPTION	2018 APPROVED	DETAIL
HOUSEHOLD CHEMICAL WASTE (HCW) 9200030					
930	65020	SW2	LABORATORY SUPPLIES	\$ 100	Supplies for Unknown Test Kit
930	61040	SW2	OPERATIONAL SUPPLIES	\$ 15,000	Safety Gear, OilDry, Brooms, Tape, Visqueen, Spill Cleanup, FirstAid Kits, Respirator Cartridges, Pallets, Etc.
930	65180	SW2	MISCELLANEOUS COMMODITIES	\$ 500	Grease for crusher, bottled water, etc.
60000 SERIES TOTAL (HCW)				\$ 15,600	
930	71150	SW2	CONSULTANT FEES	\$ 151,900	Mobile events \$67k (\$13k/event x 5 + 3%); Public Drop-offs \$59.5k (\$2.4k/event x 24 + 3%); Paint Bulking \$14.8k (\$1.2k/month x 12 + 3%); Suppl Labor \$1.6k (\$50/hrx2x8hrsx2events); Food \$3k; PHARM Labor \$6k (\$840/event x 7+3%)
930	71630	SW2	GARBAGE DISPOSAL	\$ 8,900	Mobile Events 2.6k(\$500 x 5 events +3%) + Office \$2k (\$165/month x 12 months +3%) + Xtra Service(\$300). PHARM \$4k (1.5 drums/event X 6 events x \$450/drum)
930	79940	SW2	MISC. CONTRACTUAL SERVICES	\$ 4,000	Burris fork lift=\$2.5k (\$425/event x 5 events+3%) Tents=\$1k (\$1,000/event x 1 events); LZ Oil Program (\$150); Porta John (\$350) (\$165 per event x 2 events + 3%)
930	72110	SW2	LIABILITY INSURANCE	\$ -	Covered under Administrative 930-72110, Liability Insurance
930	72210	SW2	MOTOR VEHICLE MAINT & REPAIR	\$ 5,800	Truck (\$1k), Fuel (\$200), Truck safety inspections (\$100), Annual tune up (\$1k), Paint truck cab and decals (\$3.5k)
930	72410	SW2	ALL OTHER MAINT AND REPAIRS	\$ 17,750	Dock Lock\$1k, Plumbing \$1k, Fire sys PM \$2.5k, Whouse Maint \$3k, Generator \$1.5k, HVAC \$4.5k, Elec Services \$1.5k, Fork lift \$500, Can Crusher \$500, Alarm \$500, Overhead Doors \$500, Fire Exting \$750
70000 SERIES TOTAL (HCW)				\$ 188,350	
930	82010	SW2	BUILDINGS AND STRUCTURES	\$ -	
930	83010	SW2	MOTOR VEHICLES	\$ -	
930	84060	SW2	FURNITURE AND OFFICE EQUIPMENT	\$ -	
930	85070	SW2	ALL OTHER CAPITAL OUTLAY	\$ -	
80000 SERIES TOTAL (HCW)				\$ -	

Solid Waste Agency of Lake County
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Fund:	Management Center	Account	DESCRIPTION	2018 APPROVED	DETAIL
			TOTAL 9200030 HCW	\$ 203,950	

Fund:	Management Center	Account	DESCRIPTION	2018 APPROVED	DETAIL
RECYCLING 9200040					
930	65180	SW8	MISCELLANEOUS COMMODITIES	\$ 4,500	Electronics Collections, supplies, signage and labels (\$2,000); Special Events/collection containers (\$2,000); and Signage and labels (\$500)
			60000 SERIES TOTAL (Recycling)	\$ 4,500	
930	72830	SW8	PRINTING SERVICES	\$ -	
930	79940	SW8	MISC. CONTRACTUAL SERVICES	\$ 4,000	Electronics collection costs associated with drop off program, and current vendor, ERI
			70000 SERIES TOTAL (Recycling)	\$ 4,000	
			TOTAL 9200040 RECYCLING	\$ 8,500	

Solid Waste Agency of Lake County FY 2018 Budget

Fund:	Management Center	Account	DESCRIPTION	2018 APPROVED	DETAIL
REVENUES 40000					
930	47230	SW0	REVENUE FROM LANDFILL SURCHARGE & TS HOST FEE	\$ 668,720	Countryside LF (\$190,000); Zion LF (\$415,000); Groot TS (\$63,720)
930	48010	SW0	INTEREST INCOME FROM SURCHARGE BALANCE	\$ 8,800	Based on FY 2016 Interest Income
930	45380	SW0	REVENUE FROM MUNICIPALITIES	\$ 278,726	O&M Fee at \$1.25 per hh per year
930		SW0	REVENUE FROM TEXTILES AND SHOES	\$ 28,060	Shoes (\$21,460), Textiles/Bin Program (\$6,600)
930		SW0	REVENUE FROM RAIN BARRELS AND COMPOSTERS	\$ 11,500	Based on income from FY 2017 with slight increase due to increased sale options (SWALCO special event sale)
930	49910	SW0	MISCELLANEOUS REVENUES	\$ 64,440	Hauler Licensing (\$1,750); WMRA Per Ton Payment (\$34,000); WMRA bonus payment (\$12,000); ePaint paint collections (\$1,500); eWorks business scrap program (\$2,000); and Surcharge reimbursement from WMI for Deerfield (\$6,350), Lincolnshire (\$2,540) and from Mundelein (\$4,300)
TOTAL REVENUES			\$ 1,060,246		

Solid Waste Agency of Lake County
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Fund:	Management Center	Account	DESCRIPTION	2017 APPROVED	2017 Expended YTD (%)	2018 REQUESTED	DETAIL
ADMINISTRATION 9200010							
930	51110	SW0	REGULAR SALARIES AND WAGES	\$ 367,278	73.0%	\$ 379,796	Assumes 2.25% increases, Exec. Director increase effective August 1, 2018 per employment contract at 3%
930	51120	SW0	PART TIME SALARIES AND WAGES	\$ 50,643	80.0%	\$ 51,913	Assumes 2.25% increase, maintaining 28 hours per week
930	51150	SW0	SICK PAY REIMBURSEMENT	\$ -	\$ -	\$ -	Assumes no sick pay reimbursement
930	51180	SW0	SPECIAL PAY - AUTO ALLOWANCE	\$ 17,100	69.5%	\$ 17,100	3 FT (\$385/mo.) and 1 PT (\$270/mo.) Employee
50000 SERIES TOTAL (Administrative)				\$ 435,021	74.0%	\$ 448,809	
930	61010	SW0	OFFICE SUPPLIES	\$ 1,250	66.0%	\$ 1,250	Office supplies; petty cash; recycling specific supplies
930	61040	SW0	OPERATIONAL SUPPLIES	\$ 500	3.0%	\$ 250	Plaques and awards
930	61080	SW0	FOOD & PROVISIONS	\$ 2,000	44.0%	\$ 1,750	Executive Committee lunches, staff meeting lunches, and BOD meetings
930	65180	SW0	MISCELLANEOUS COMMODITIES	\$ 250	4.0%	\$ 250	Misc. purchases
60000 SERIES TOTAL (Administrative)				\$ 4,000	43.0%	\$ 3,500	
930	71110	SW0	AUDITING AND ACCOUNTING	\$ 8,100	100.0%	\$ 8,500	County is out to bid, assumed \$400 increase from last year
930	71140	SW0	LEGAL SERVICES	\$ 7,000	0.0%	\$ 7,000	Larry Clark
930	71150	SW0	CONSULTANT FEES	\$ 37,750	64.0%	\$ 48,000	Mike Grady, Strategic Advocacy Group, year one of two year contract (\$28,000); \$20k for consultant to assist with LF and TS audits of fees paid
930	71500	SW0	TRIPS AND TRAINING	\$ 8,400	33.0%	\$ 8,400	ILCSWMA/SWANA(3 people, \$1,500); OSHA Training (2 people, \$400); IDOT Training (1 person, \$500); SWANA Wastecoin (\$2,000); Resource Recycling Conf (\$2,000); NAHIMA (\$2,000)
930	71810	SW0	DUES AND SUBSCRIPTIONS	\$ 6,500	35.0%	\$ 6,500	Official Board Markets, Resource Recycling, BioCycle, Recycled Products Guide (\$1,100); Membership dues for IRA, SWANA, ILCSWMA, LCML, CHMM, NAHIMA, PSI, IFSC and IEC (\$5,400)
930	71910	SW0	GAS FOR HEATING	\$ 14,000	59.0%	\$ 14,000	Air make-up, hot water, furnace
930	71920	SW0	ELECTRICITY	\$ 14,000	75.0%	\$ 15,000	Parking lights, storage facility and office lights and baseboard heat
930	71930	SW0	WATER AND SEWER CHARGES	\$ 300	47.0%	\$ 300	Water and sewer services
930	71940	SW0	TELEPHONE	\$ 6,000	80.0%	\$ 6,100	Line charges, local and AT&T; cell phones and Ipad
930	71955	SW0	CELL PHONE ALLOWANCE	\$ -	\$ -	\$ 660	Reimburse Amy B. cell phone costs
930	71970	SW0	COURIER SERVICES	\$ 75	0.0%	\$ 75	Federal Express
930	72110	SW0	LIABILITY INSURANCE	\$ 56,158	93.0%	\$ 53,769	Public Officials (\$7,220 last year); Building and property (\$11,750 last year); general/Pollution liability insurance (\$31,261 last year); auto (\$1,972 last year); assumed approximate 3% increase in premiums
930	72140	SW0	UNEMPLOYMENT COMPENSATION	\$ 625	100.0%	\$ 625	\$125 per employee (5)
930	72260	SW0	OFFICE EQUIP MAINT AND REPAIRS	\$ 1,200	87.0%	\$ 1,300	Fire alarm and burglar alarm
930	72410	SW0	ALL OTHER MAINT AND REPAIRS	\$ -	\$ -	\$ -	
930	72530	SW0	EQUIPMENT RENTAL	\$ 3,700	62.0%	\$ 3,700	Copy machine lease fee and copy fee
930	72820	SW0	POSTAGE	\$ 50	53.0%	\$ 25	Postage for meter, supplies for meter
930	72830	SW0	PRINTING SERVICES	\$ -	\$ -	\$ -	
930	73195	SW0	INDIRECT COST ALLOCATIONS	\$ 52,203	100.0%	\$ 53,857	12% of all 50000 series payroll costs
930	74080	SW0	H/D EMPLOYEE BENEFITS	\$ 75,707	70.0%	\$ 75,156	Assumes no increase from 2017 monthly costs of \$6,263
930	74100	SW0	RETIREMENT CONTRIBUTIONS FICA	\$ 31,971	71.0%	\$ 33,026	All employee salaries x 7.65%
930	74110	SW0	RETIREMENT CONTRIBUTIONS IMRF	\$ 3,552	72.0%	\$ 3,411	Employee Salaries x 0.79%, still low due to switch from County IMRF

Fund:	Management Center	Account	DESCRIPTION	2017 APPROVED	2017 Expended YTD (%)	2018 REQUESTED	DETAIL
930	79930	SW0	MISCELLANEOUS CONTINGENCY	\$ 2,000	35.0%	\$ 2,000	Contingency for unanticipated expenses
930	79940	SW0	MISC CONTRACTUAL SERVICES	\$ 11,250	35.0%	\$ 11,250	Office Cleaning (\$2,100); special facility handyman (\$500); snow and lawn maint. (\$8,000); pest control (\$200); and window cleaning (\$450)
70000 SERIES TOTAL (Administrative)				\$ 340,541	69.0%	\$ 352,654	
930	82010	SW0	BUILDINGS AND STRUCTURES	\$ -	\$ -	\$ -	Misc. Unknown capital expenses
930	84040	SW0	COMPUTER, WEB HOSTING	\$ 1,575	105.0%	\$ 1,750	Website hosting fee from CivicPlus
930	84060	SW0	FURNITURE AND OFFICE EQUIPMENT	\$ 1,000	20.0%	\$ 6,750	Misc. office furnishings; recycled art; New desktop computers for staff (\$6,000)
80000 SERIES TOTAL (Administrative)				\$ 2,575	72.0%	\$ 8,500	
TOTAL 9200010 ADMINISTRATION				\$ 782,137	77.0%	\$ 813,463	

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Fund:	Management Center	Account	DESCRIPTION	2017 APPROVED	2017 Expended YTD (%)	2018 REQUESTED	DETAIL
EDUCATION 9200020							
930	61040	SW2	OPERATIONAL SUPPLIES	\$ 4,000	16.0%	\$ 2,500	Public information/school education: plaques, flags, awards, promo items. Supplies for other events
930	65180	SW2	MISCELLANEOUS COMMODITIES	\$ 6,000	4.0%	\$ 4,000	Supplies, materials & other expenses for workshops, displays, open houses, programs, training, etc. Supplies for member events and to assist schools with events
930	65179	SW2	RAIN BARREL, COMPOST SUPPLIES	\$ -	0.0%	\$ 8,000	Purchase of supplies for rain barrel and compost bin annual sale
60000 SERIES TOTAL (Education)				\$ 10,000	10.0%	\$ 14,500	
930	72830	SW2	PRINTING SERVICES	\$ 500	0.0%	\$ 500	Print work: guides, annual report, newsletters, brochures, flyers, workshop invites, media kits, and other needed public info materials
930	79940	SW2	MISC CONTRACTUAL SERVICES	\$ 4,800	0.0%	\$ 4,800	Funding for entertainers and speakers for schools
930	71635	SW2	TEXTILE AND SHOE PAYOUTS	\$ 6,000	0.0%	\$ 4,800	Payouts to textile and shoe collection partners based on last year's payout of \$4,610, assumes increase in collections and therefore payouts
930	71850	SW2	ADVERTISING	\$ 2,650	61.0%	\$ 2,650	Special ads for SWALCO programs
70000 SERIES TOTAL (Education)				\$ 13,950	12.0%	\$ 12,750	
930	85070	SW2	ALL OTHER CAPITAL OUTLAY			\$ -	
80000 SERIES TOTAL (Education)							
TOTAL 9200020 EDUCATION				\$ 23,950	23.0%	\$ 27,250	

Fund:	Management Center	Account	DESCRIPTION	2017 APPROVED	2017 Expended YTD (%)	2018 REQUESTED	DETAIL
HOUSEHOLD CHEMICAL WASTE (HCW) 9200030							
930	65020	SW2	LABORATORY SUPPLIES	\$ 100	207.0%	\$ 100	Supplies for Unknown Test Kit
930	61040	SW2	OPERATIONAL SUPPLIES	\$ 14,500	77.0%	\$ 15,000	Safety Gear, OilDry, Brooms, Tape, Visqueen, Spill Cleanup, FirstAid Kits, Respirator Cartridges, Pallets, Etc.
930	65180	SW2	MISCELLANEOUS COMMODITIES	\$ 500	63.0%	\$ 500	Grease for crusher, bottled water, etc.
60000 SERIES TOTAL (HCW)				\$ 15,100	77.0%	\$ 15,600	
930	71150	SW2	CONSULTANT FEES	\$ 152,300	49.0%	\$ 151,900	Mobile events \$67k (\$13k/event x 5 + 3%); Public Drop-offs \$59.5k (\$2.4k/event x 24 + 3%); Paint Bulking \$14.8k (\$1.2k/month x 12 + 3%); Suppl Labor \$1.6k (\$50/hr x 20hrs x 2events); Food \$3k PHARM Labor \$6k (\$840/event x 7+3%)
930	71630	SW2	GARBAGE DISPOSAL	\$ 8,900	31.0%	\$ 8,900	Mobile Events 2.8k(\$500 x 5 events +3%) + Office \$2k (\$165/month x 12 months +3%) + Xtra Service(\$300), PHARM \$4k (1.5 drums/event X 8 events x \$450/drum)
930	79940	SW2	MISC. CONTRACTUAL SERVICES	\$ 5,000	44.0%	\$ 4,000	Burns fork lift=\$2.5k (\$425/event x 5 events+3%) Tents=\$1k (\$1,000/event x 1 events); L2 Oil Program (\$150); Porta John (\$350) (\$165 per event x 2 events + 3%)
930	72110	SW2	LIABILITY INSURANCE	\$ -		\$ -	Covered under Administrative 930-72110, Liability Insurance
930	72210	SW2	MOTOR VEHICLE MAINT & REPAIR	\$ 1,300	733.0%	\$ 5,800	Truck (\$1k), Fuel (\$200), Truck safety inspections (\$100), Annual tune up (\$1k), Paint truck cab and decals (\$3.5k)
930	72410	SW2	ALL OTHER MAINT AND REPAIRS	\$ 16,750	48.0%	\$ 17,750	Dock Lock\$1k, Plumbing \$1k, Fire sys PM \$2.5k, Whouse Maint \$3k, Generator \$1.5k, HVAC \$4.5k, Elec Services \$1.5k, Fork lift \$500, Can Crusher \$500, Alarm \$500, Overhead Doors \$500, Fire Exting \$750
70000 SERIES TOTAL (HCW)				\$ 184,250	53.0%	\$ 188,350	
930	82010	SW2	BUILDINGS AND STRUCTURES	\$ -		\$ -	
930	83010	SW2	MOTOR VEHICLES	\$ -		\$ -	
930	84060	SW2	FURNITURE AND OFFICE EQUIPMENT	\$ -		\$ -	
930	85070	SW2	ALL OTHER CAPITAL OUTLAY	\$ -		\$ -	
80000 SERIES TOTAL (HCW)				\$ -		\$ -	
TOTAL 9200030 HCW				\$ 199,350	55.0%	\$ 203,950	

Solid Waste Agency of Lake County
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Fund:	Management Center	Account	DESCRIPTION	2017 APPROVED	2017 Expended YTD (%)	2018 REQUESTED	DETAIL
RECYCLING 9200040							
930	65180	SW8	MISCELLANEOUS COMMODITIES	\$ 4,500	13.0%	\$ 4,500	Electronics Collections, supplies, signage and labels (\$2,000); Special Events/collection containers (\$2,000); and Signage and labels (\$500)
60000 SERIES TOTAL (Recycling)				\$ 4,500	13.0%	\$ 4,500	
930	72830	SW8	PRINTING SERVICES	\$ -	\$ -	\$ -	
930	79940	SW8	MISC. CONTRACTUAL SERVICES	\$ 6,000	30.0%	\$ 4,000	Electronics collection costs associated with drop off program, and current vendor, ERI
70000 SERIES TOTAL (Recycling)				\$ 6,000	30%	\$ 4,000	
TOTAL 9200040 RECYCLING				\$ 10,500	23.0%	\$ 8,500	

Solid Waste Agency of Lake County
FY 2018 Budget v. 2017

Fund:	Management Center	Account	DESCRIPTION	2017 APPROVED	2017 Expended YTD (%)	2018 REQUESTED	DETAIL
REVENUES 40000							
930	47230	SW0	REVENUE FROM LANDFILL SURCHARGE & TS HOST FEE	\$ 677,100	60.0%	\$ 668,720	Countryside LF (\$190,000); Zion LF (\$415,000); Groot TS (\$63,720)
930	48010	SW0	INTEREST INCOME FROM SURCHARGE BALANCE	\$ 9,000	75.0%	\$ 8,800	Based on FY 2018 Interest Income
930	45380	SW0	REVENUE FROM MUNICIPALITIES	\$ 241,160	100.0%	\$ 278,726	O&M Fee at \$1.25 per hh per year
930		SW0	REVENUE FROM TEXTILES AND SHOES	\$ 37,600	75.0%	\$ 28,060	Shoes (\$21,460), Textiles/Bin Program (\$6,600)
930		SW0	REVENUE FROM RAIN BARRELS AND COMPOSTERS	\$ 9,000	113.0%	\$ 11,500	Based on income from FY 2017 with slight increase due to increased sale options (SWALCO special event sale)
930	49910	SW0	MISCELLANEOUS REVENUES	\$ 42,300	100.0%	\$ 64,440	Hauler Licensing (\$1,750); WMRA Per Ton Payment (\$34,000); WMRA bonus payment (\$12,000); ePaint paint collections (\$1,500); eWorks business scrap program (\$2,000); and Surcharge reimbursement from WMI for Deerfield (\$6,350), Lincolnshire (\$2,540) and from Mundelein (\$4,300)
TOTAL REVENUES				\$ 1,016,160	73.0%	\$ 1,060,246	

A – 2. Transfer of Funds from the Cash Balance Fund to the Capital Improvement Fund

ISSUE: Whether to recommend to the Board of Directors that \$84,000 (or the actual cost of the parking lot re-pavement) be transferred from the Cash Balance Fund to the Capital Replacement Fund so that its balance is again \$500,000.

RECOMMENDATION: SWALCO staff recommends that the Executive Committee recommend approval of the transfer of funds.

BACKGROUND: At the June 25, 2015 Board of Directors meeting the Board approved transferring funds from the Cash Balance Fund to the Capital Replacement Fund so that the Capital Replacement Fund balance was \$500,000 (originally the Fund balance had been set at a goal of \$120,000 in December 2008). The June 25, 2015 action item did not include direction on whether the Capital Replacement Fund should be kept at a \$500,000 balance if money had been spent on a capital project. Given that the Board approved a capital expenditure of \$84,000 to repave the Agency's parking lot in FY 2017, it is appropriate to have the Board determine if the fund balance should be replenished to again be at \$500,000 or if we should continue to spend the fund balance down before transferring funds.

Steve Nelson has prepared an updated spreadsheet (attached) on future facility related capital expenses. Since the building is now 15 years old we can expect some of these expenses to start occurring.

ENCLOSED DOCUMENTS: Spreadsheet on future capital replacement fund expenses.

STAFF: Walter Willis, Executive Director, and Steve Nelson, HCW Engineer

OFFICE/HCW FACILITY**CAPITAL ITEM REPLACEMENT TABLE***New Construction - April 2002*

Item Number	Item Description	Purchase Price est.	Life Expectancy est.	End of Life Replacement Cost*
1	HVAC	\$103,500	15 Yrs.	\$129,399
2	Roofing	\$50,000	15 Yrs.	\$62,512
3	Fork Lift	\$78,000	20 Yrs.	\$105,055
4	Site Concrete	\$44,600	15 Yrs.	\$55,760
5	Epoxy Flooring	\$19,000	25 Yrs.	\$27,568
6	Fire Suppression System **	\$25,000	25 Yrs.	\$36,274
7	Backup Generator	\$25,000	15 Yrs.	\$31,256
8	Paint Can Crusher	\$20,000	15 Yrs.	\$25,005
9	24ft. Box Truck	\$52,000	25 Yrs.	\$75,449
				\$548,278

* End of Life Replacement Cost based on a 1.5% annual cost escalator

** Includes Foam Generators and Booster Pumps

I – 1. Long Term Funding Options for the Agency

BACKGROUND: The Agency has historically relied on the two in-county landfills to provide much of the funding for the Agency, for the proposed FY 2018 budget the landfills account for 57% of the projected revenue of \$1,060,246. While the Agency has been successful in diversifying its revenue stream over the past several years, it is still necessary to continue planning for the day when the landfill revenue is no longer available. The Countryside LF has a reported closure date of 2025 and the Zion LF's expected closure is 2026 (but this does not include the potential expansion to the north, which if sited would add about 10 more years of capacity).

At the last couple of meetings, the Executive Committee members have expressed an interest in having the Executive Director develop long-term funding options as the landfill capacity in the county is depleted. The following are funding options for the Executive Committee and Board of Directors to consider:

- As the landfills close, continue to allow garbage transfer stations as an option in the Plan and require the payment of host fees to the Agency, and continue to require in the Plan that waste exported out of the county be allowed only under an agreement with the Agency that makes it whole on the local surcharge fee (we collect \$0.9525 per ton) for that exported waste. This policy, already in place, will allow the Agency to continue to receive an ongoing revenue stream on its waste, but at a lower rate than the landfill would generate due to host fees for transfer stations being about half of what the Agency would receive if landfilled in the county.
- Increase the O&M fee as needed to fill the funding gaps as the landfills close and/or lose volume. Currently the fee is \$1.25 and is applied to 222,980 households. Every \$.25 increase in the fee results in \$55,745 in new revenue. For perspective, if we assume the current budget of approximately \$1,060,000, the O&M fee would need to be \$4.75 per household per year to cover all expenditures. The challenge with the fee is the negative impact it has on members and the requirement to have a 75% supermajority vote to increase the fee. One way to minimize the impact to the village/city budgets is to have the members pass the fee on directly to its residents. Many members currently do this and it should be more strongly encouraged.
- Continue to diversify the Agency's funding sources by growing the textile programs (clothing and shoes), the latex paint collections, business escrap, rain barrel/compost bins sales, etc. While not a significant component of funding for the agency, all options to generate revenue from collections and sales should be considered.
- Direct money from the WMI Per Ton Agreement from the members to the Agency. This could range from all the money being allocated to the Agency or a portion of it. Currently the Agency receives \$1 per ton when markets are strong and members are being paid per the Agreement, plus a bonus of \$6 per ton if we direct more than 42,000 tons per year to the MRF. The FY 2018 budget assumed \$46,000 from these sources. This funding source is highly volatile and has ranged from \$1,133,814 in 2011 to \$19,300 in 2015. Some members also rely on this funding source to cover the O&M fee, to fund local green programs or put into the general fund. To manage the volatility, it may make sense to create a separate revenue fund in the budget and hold money in reserve for years when markets are weak and no payments are being made by WMI. By having a fund with

adequate surplus, the Agency could draw down what it needed for that fiscal year. If the fund reached a certain level payment to the members could be initiated or increased.

- Continue to work with Senator Link, IMA, IRMA and other key stakeholders on a bag bill that would provide for a fee for local environmental programs, similar to SB1597 as discussed last legislative session. SB 1597, as amended by a proposal from IMA and IRMA, would provide for a 5-cent fee on bags, of which local government would keep 3 cents that would have to be spent on environmental programs. A 3 cent per bag fee could generate significant revenue based on the following assumptions: 702,000 residents in Lake County x 50 bags per person (this assumes a 60% drop in bag use due to the fee, Chicago has experienced a 40% drop with a 7-cent fee) x \$0.03 = \$1,053,000. This funding source could be a key long-term funding option, the unknown being the long-term fate of plastic bag use.

ENCLOSED DOCUMENTS: None

STAFF: Walter Willis, Executive Director