

MIRA DISSOLUTION AUTHORITY

BOARD OF DIRECTORS MEETING – FEBRUARY 27, 2024

Attachment 3 (Exhibit A) Proposed Fiscal Year 2025 CSWS Budget

- ▶ Planning Level Assumptions
- ▶ Summary Proposed FY 2025 Budget
 - ▶ FY 2025 Participating Town Fees
 - ▶ Disposal Fee Trend
 - ▶ FY 2025 Operating Expense Budget
 - ▶ FY 2025 Non Disposal Fee Revenue
 - ▶ Hypothetical Bifurcated Rate Model
 - ▶ FY 2025 CSWS Major Maintenance
- ▶ Exhibit A: CSWS Expenditure Detail

Planning Level Budget Assumptions

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- MSA Deliveries:
 - Torrington MSW – 23,048 Tons
 - Torrington Recycling – 4,945 Tons
 - Essex MSW – 38,542 Tons
 - Essex Recycling – 6,592 Tons
- Non Participating Deliveries – 1,458 Tons to Covanta Preston
- FY 2025 Budget Contract Rates (Including Fuel Surcharges):

Facility	MSW	Recycling
Torrington Transportation	\$54.89	\$26.99
Torrington Process / Dispose	\$45.89	\$82.00
Essex Transportation	\$16.50	\$32.99
Essex Process / Dispose	\$102.75	\$82.00

Summary Proposed FY 2025 Budget

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• Total Operating Revenues -	\$ 8,916,682
• Total Operating Expenses -	<u>\$12,583,167</u>
• Loss Before Reserve Contributions -	\$ (3,666,485)
• Updated Reserve (Use) / Contribution:	
○ Uniform Base Disposal Fee Deficit Funding -	\$ (3,432,627)
○ Additional Tier 1 Long Term Discount -	\$ (12,502)
○ Additional Tier 1 Short Term Discount -	<u>\$ (221,356)</u>
○ Total Deficit Funding -	\$(3,666,485)
○ Use of Tip Fee Stabilization Fund (Per MSA Schedule) -	\$ 3,292,219
○ Drawdown of CSWS Operating Fund -	\$ 374,266
○ Represents a \$470,806 Reduction from FY 2024 Total Deficit Funding (Excluding Use of Major Maintenance in Advance of Transfer)	

FY 2025 Participating Town Fees

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• Cost of Operation -	\$ 12,583,167
○ Direct Cost of MSW and Recycling Operations - \$10,303,407 (Contractor O&M, transportation, disposal and processing)	
○ Authority Allocated Cost – 2,279,760 (Authority CSWS operating, Authority Budget, Insurance, Direct / Indirect Personnel)	
○ Total Cost of Operation - \$12,583,167 (Excluding Use of Major Maintenance in Advance of Transfer)	
• Non Disposal Fee Revenue -	\$835,890
• Net Cost of Operation -	\$11,747,277
• Add: Cost of Service Discounts -	\$ 233,858
○ Tier 1 Long Term – 6,251 Tons @ \$2.00 = \$12,502	
○ Tier 1 Short Term – 55,339 Tons @ \$4.00 = \$221,356	
• Deduct: Deficit Funding -	\$ (3,666,485)
○ Through use of Tip Fee Stabilization & CSWS Operating Fund - \$3,666,484	

MIRA “shall set the Base Disposal Fee such that the product of the Base Disposal Fee and the Aggregate Tons, shall produce funds estimated as sufficient to pay the estimated Net Cost of Operation”

FY 2025 Participating Town Fees

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- Total Rate Base - \$8,314,650
 - Net Cost of Operation + Cost of Service Discounts - Deficit Funding

- Aggregate Tons - 61,590
 - Service Discounted (Tier 1 Long) – 6,251
 - Tier 1 Short Term – 55,339
 - Total - 61,590

- Uniform Base Disposal Fee - \$135.00 / Ton
- Less Tier 1 Long Term Service Discount - \$2.00 / Ton
- Tier 1 Long Term Disposal Fee - \$133.00 / Ton
- Less Tier 1 Short Term Discount - \$4.00 / Ton
- Tier 1 Short Term Disposal Fee - \$131.00 / Ton
- Total Member Disposal Fees - \$8,080,792
 - Tier 1 Long Term - 6,251 Tons * \$133.00 = \$831,383
 - Tier 1 Short Term – 55,339 Tons * \$131.00 = \$7,249,409

Disposal Fee Trend

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Period	Tier 1 Long	Tier 1 Short
FY 2025 Proposed	\$133.00	\$131.00
FY 2024 Adopted	\$118.00	\$116.00
FY 2023 Adopted	\$116.00	\$111.00
FY 2022 Adopted	\$105.00	N/A
FY 2021 Adopted	\$ 91.00	N/A

FY 2025 Operating Expense Budget

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• MSW Transportation -		\$1,901,048
○ Torrington -	\$1,265,105	
○ Essex -	<u>\$ 635,943</u>	
○ Total -	\$1,901,048	
• MSW Disposal -		\$5,167,673
○ Torrington -	\$1,057,673	
○ Essex -	\$3,960,191	
○ Essex (Non Participating) -	<u>\$ 149,810</u>	
○ Total -	\$5,167,673	
• Transfer Station Contract Operations -		\$1,534,993
○ Torrington -	\$ 707,491	
○ Essex -	<u>\$ 827,502</u>	
○ Total -	\$1,534,993	
• Recycling Contract Operations -		\$1,296,034
○ Torrington -	\$ 405,490	
○ Essex -	\$ 540,544	
○ Management Fee -	<u>\$ 350,000</u>	
○ Total -	\$1,296,034	
• Recycling Transportation -		\$ 350,935
○ Torrington -	\$ 133,465	
○ Essex -	<u>\$ 217,470</u>	
○ Total -	\$ 350,935	

FY 2025 Operating Expense Budget

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• Authority CSWS Operating Expense -		\$ 338,969
○ Essex -	\$ 51,300	
○ Torrington -	\$ 21,950	
○ Enforcement / Administration	<u>\$ 265,719</u>	
○ Total -	\$ 338,969	
• Host Community Benefits-		\$ 52,724
○ Essex -	\$ 32,542	
○ Torrington -	<u>\$ 20,182</u>	
○ Total -	\$ 52,724	
• Insurance -		\$ 232,578
• Authority Budget-		\$1,005,900
○ Indirect Personnel -	\$ 625,070	
○ Non Personnel -	<u>\$ 380,830</u>	
○ Total -	\$1,005,900	
• Direct Personnel-		<u>\$ 702,313</u>
• Total Operating Expense Budget -		\$12,583,167

FY 2025 Non Disposal Fee Revenue

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○ Transfer Station Capacity Shares -		\$ 1,000
○ Sale of Recovered Products -		\$ 0
○ Other -		\$ 834,890
× <u>Interest Income:</u>		
× CSWS Division		
○ Excluding Tip Fee Stabilization Fund		
○ Including South Meadows Transition Contingency Reserve		
○ Average Declining Balance is \$14.4 Million (7/1/2024 – 6/30/2025)		
× Interest Rate –	5.0%	
× Estimated Interest Income –	<u>\$720,000</u>	
× <u>Non Participating Disposal Fees:</u>		
× Cover Preston Shortfall -	\$ 114,890	
(1,458 Tons @ \$78.80)		
× Total Other -	\$ 833,890	
○ Total Non Disposal Fee Revenue -		\$835,890

Hypothetical Bifurcated Rate Model

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FY 2025 Draft Operating Budget Cost of Operation:	Torrington	Essex	Total
MSW Transportation	\$ 1,265,105	\$ 635,943	\$ 1,901,048
MSW Disposal	\$ 1,057,673	\$ 4,110,000	\$ 5,167,673
Transfer Station Contract Operations	\$ 707,491	\$ 827,502	\$ 1,534,993
Recycling Contract Operations	\$ 555,507	\$ 740,527	\$ 1,296,034
Recycling Transportation	\$ 133,466	\$ 217,470	\$ 350,936
Host Community Benefits	\$ 20,183	\$ 32,542	\$ 52,725
<i>Authority CSWS Operating Expense*</i>	<i>\$ 123,667</i>	<i>\$ 215,302</i>	<i>\$ 338,969</i>
<i>Insurance*</i>	<i>\$ 89,031</i>	<i>\$ 143,547</i>	<i>\$ 232,578</i>
<i>Authority Budget*</i>	<i>\$ 385,058</i>	<i>\$ 620,842</i>	<i>\$ 1,005,900</i>
<i>MIRA Direct Personnel Services*</i>	<i>\$ 268,845</i>	<i>\$ 433,468</i>	<i>\$ 702,313</i>
Total Cost of Operation	\$ 4,606,026	\$ 7,977,142	\$ 12,583,167
Non Disposal Fee Revenue:			
Transfer Station Capacity Shares	\$ 1,000	\$ -	\$ 1,000
Other <i>Including Interest*</i>	<i>\$ 275,616</i>	<i>\$ 559,274</i>	<i>\$ 834,890</i>
Total Non Disposal Fee Revenue	\$ 276,616	\$ 559,274	\$ 835,890
Net Cost of Operation	\$ 4,329,410	\$ 7,417,868	\$ 11,747,277
Add Cost of Service Discounts	\$ 92,192	\$ 141,666	\$ 233,858
Total Rate Base	\$ 4,421,602	\$ 7,559,534	\$ 11,981,135
Aggregate MSW Tons	23,048	38,542	61,590
Use of Reserve (Tip Fee Stabilization / Other)	\$ (1,310,122)	\$ (2,356,364)	\$ (3,666,484)
Uniform Base Disposal Fee	\$ 135.00	\$ 135.00	\$ 135.00
Tier 1 Long Term Discounted	\$ 133.00	\$ 133.00	\$ 133.00
Tier 1 Short Term Discounted	\$ 131.00	\$ 131.00	\$ 131.00

* Authority charges allocated on the basis of MSW and Recycling tonnage (38.3% Torrington and 61.7% Essex) - PENDING DETAIL ANALYSIS

FY 2025 CSWS Major Maintenance

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• Fund Balance @ November 30, 2023 -		\$1,959,137
• Contributions FY 2024 / FY 2025 -		\$ 0
• Transfer Station Expenditures FY 2024 -		\$ 0
• Projects Proposed in Advance of Transfer:		\$ 555,000
○ Essex Tip Floor -	\$100,000	
○ Essex Roof Repairs -	\$200,000	
○ Essex Roof Ridge Vent Repair -	\$ 15,000	
○ Essex Phase 1 Environmental -	\$ 10,000	
○ Torrington Drainage Repair -	\$ 20,000	
○ Torrington Roof Repair –	\$200,000	
○ Torrington Phase 1 Environmental -	<u>\$ 10,000</u>	
○ Total	\$555,000	
• Funds Remaining -		\$1,404,137