

City and County of Honolulu ISWMP Advisory Committee Presentation

Section 11: System Cost Analysis
Section 12: Implementation Plan
Draft ISWMP

October 2, 2018

ch2m now part of **JACOBS**

Agenda Review

- i. Welcome and Agenda Overview
- ii. July 10, 2018 Meeting Minutes - Comments or Corrections
- iii. Review of Comment/Resolution on Sections 2 and 10
- iv. Presentation and Discussion - Section 11, System Cost Analysis
- v. Public Comments on Section 11
- vi. Presentation and Discussion - Section 12, Implementation Plan
- vii. Public Comments on Section 12
- viii. Discussion – Other Comments on the Complete ISWMP
- ix. ISWMP Approval Schedule
- x. Next Steps, Thank You, and Adjournment

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July 10, 2018 Meeting Minutes

- Comments
- Corrections

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Review Comment/Resolution

- Section 2
- Section 10

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Section 11: System Cost Analysis

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Goals and Objectives

The objective of this section is to ensure that the City and County of Honolulu (City) can adequately fund all its programs related to solid waste management.



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Legislative

- Per Hawaii Revised Statutes (HRS), Sections 342G-25(b)(11) and 342G-26(k), the county solid waste management plan must include a program funding component. Specifically, the section will include the following:
 - Provide for each of the components, where applicable, the estimated cost to the county of program implementation
 - Demonstrate the county’s economic self-sufficiency in managing solid waste pursuant to the implementation of the approved plan, including the identification of county funding sources that will be used to implement the plan as well as other viable sources of funding

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Solid Waste Fund Revenue Sources FY 2019 Estimate

Table 11-1. Solid Waste Fund Revenues, FY 2019 Budget

Revenues	Primary Source of Revenue	Estimate FY 2019
Refuse Division		
Refuse General Operating Account	Landfill and Transfer Station Disposal Fees; Business Collection	\$2,750,900
Solid Waste Disposal Facility Account	H-Power Disposal Fees and Electrical Revenue	\$127,036,000
Glass Incentive Account	State DOH ADF Reimbursement	\$500,000
Recycling Account	12% Surcharge on Disposal Fees	\$6,500,000
User Fees	Residents Served by Refuse Division	\$0
Refuse Division Total		\$136,786,900
Other Sources		
Miscellaneous Revenue	Interest	\$888,660
General Fund Subsidy	General Fund (Property Tax)	\$116,337,603
Other Sources Total		\$117,226,263
Total Revenue		\$254,013,163

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Solid Waste Fund Revenue Projections FY 2019 – FY 2025 Estimate

Table 11-2. Solid Waste Fund Revenue Projections, FY 2019-FY 2025

Revenues	Budgeted		Projected				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Refuse Division							
Refuse General Operating Account	\$2,750,900	\$2,757,000	\$2,763,000	\$2,769,000	\$2,775,000	\$2,781,000	\$2,787,000
Solid Waste Disposal Facility Account	\$127,036,000	\$127,328,000	\$127,621,000	\$127,915,000	\$128,209,000	\$128,504,000	\$128,800,000
Glass Incentive Account	\$500,000	\$501,000	\$502,000	\$503,000	\$504,000	\$505,000	\$506,000
Recycling	\$6,500,000	\$6,515,000	\$6,530,000	\$6,545,000	\$6,560,000	\$6,575,000	\$6,590,000
Refuse Division Total	\$136,786,900	\$137,101,000	\$137,416,000	\$137,732,000	\$138,048,000	\$138,365,000	\$138,683,000
Other Sources							
Miscellaneous Revenue	\$888,660	\$889,000	\$889,000	\$889,000	\$889,000	\$889,000	\$889,000
General Fund Subsidy	\$117,709,703	\$123,867,812	\$129,135,435	\$134,005,714	\$137,317,342	\$143,387,717	\$147,558,426
Other Sources Total	\$118,598,363	\$124,756,812	\$130,024,435	\$134,894,714	\$138,206,342	\$144,276,717	\$148,447,426
Total Revenue	\$255,385,263	\$261,857,812	\$267,440,435	\$272,626,714	\$276,254,342	\$282,641,717	\$287,130,426

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Solid Waste Fund Operating Expenses Estimated FY 2019 Budget

Table 11-3. Solid Waste Operating Expenses, FY 2019 Budget

Expense	Estimated Final Budget FY 2019
Refuse Division	
Administration	\$1,503,786
Inspection and Investigation	\$425,883
Collection	\$21,207,362
Maintenance and Waste Diversion	\$1,373,718
Landfill	\$18,819,504
Transfer Station	\$7,686,608
H-POWER	\$102,872,650
Recycling	\$10,319,022
Glass Recycling	\$700,000
Subtotal Refuse Division Operating Expenses	\$164,908,533

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Solid Waste Fund Operating Expenses Estimated FY 2019 Budget (Continued)

Other Costs	
Accounting and Fiscal Service Support	\$102,965
Treasury Support	\$5,000
Information Technology Support	\$59,616
Refuse Vehicle Fleet Maintenance and Fuel Support	\$8,681,249
Environmental - Administrative Support	\$231,620
Environmental - Custodial Support	\$87,000
Retirement System Contribution – Employers' Share	\$6,278,000
Federal Insurance Contributions Act (FICA) Tax – Employers' Share	\$2,431,000
Health Benefits Trust Fund	\$3,633,000
Workers Compensation	\$1,500,000
Unemployment Compensation	\$5,000
Provision for Salary Adjustments and Accrued Vacation	\$700,000
Provision for Other Post Employee Benefits	\$6,675,000
Provision for Vacant Positions	\$2,675,946
CIP Debt Service	\$43,502,494
Rent	\$263,500
Other Central Administrative Services	\$12,609,200
Subtotal Other Costs	\$89,104,630
Additional Operating Costs for ISWMP Implementation	\$95,100
Additional CIP Debt Service Expense	\$1,277,000
Total Operating Expenses	\$255,385,263

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Solid Waste Fund Operating Expense Projections Estimated FY 2019 – FY 2025 Budget

Table 11-4. Projected Solid Waste Operating Expenses

Expenses	Budgeted		Projected				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Refuse Division							
Administration	\$1,503,786	\$1,541,000	\$1,580,000	\$1,620,000	\$1,661,000	\$1,703,000	\$1,746,000
Inspection and Investigation	\$425,883	\$437,000	\$448,000	\$459,000	\$470,000	\$482,000	\$494,000
Collection	\$21,207,362	\$21,786,000	\$22,381,000	\$22,992,000	\$23,620,000	\$24,265,000	\$24,927,000
Maintenance and Waste Diversion	\$1,373,718	\$1,411,000	\$1,450,000	\$1,490,000	\$1,531,000	\$1,573,000	\$1,616,000
Landfill	\$18,619,504	\$19,333,000	\$19,861,000	\$20,403,000	\$20,960,000	\$21,532,000	\$22,120,000
Transfer Station	\$7,686,608	\$7,896,000	\$8,112,000	\$8,333,000	\$8,560,000	\$8,794,000	\$9,034,000
H-POWER	\$102,872,650	\$105,681,000	\$108,566,000	\$111,530,000	\$114,575,000	\$117,703,000	\$120,916,000
Recycling	\$10,319,022	\$10,601,000	\$10,890,000	\$11,187,000	\$11,492,000	\$11,806,000	\$12,128,000
Glass Recycling	\$700,000	\$719,000	\$739,000	\$759,000	\$780,000	\$801,000	\$823,000
Refuse Division Total	\$164,908,533	\$169,405,000	\$174,027,000	\$178,773,000	\$183,649,000	\$188,659,000	\$193,804,000
Other Costs							
Accounting and Fiscal Service Support	\$102,965	\$106,000	\$109,000	\$112,000	\$115,000	\$118,000	\$121,000
Treasury Support	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Information Technology Support	\$59,616	\$61,000	\$63,000	\$65,000	\$67,000	\$69,000	\$71,000
Refuse Vehicle Fleet Maintenance and Fuel Support	\$8,681,249	\$8,918,000	\$9,161,000	\$9,411,000	\$9,668,000	\$9,932,000	\$10,203,000
Environmental - Administrative Support	\$231,620	\$238,000	\$244,000	\$251,000	\$258,000	\$265,000	\$272,000
Environmental - Custodial Support	\$87,000	\$89,000	\$91,000	\$93,000	\$96,000	\$99,000	\$102,000
Retirement System Contribution – Employers' Share	\$6,278,000	\$6,449,000	\$6,625,000	\$6,806,000	\$6,992,000	\$7,183,000	\$7,379,000
FICA Tax – Employers' Share	\$2,431,000	\$2,497,000	\$2,565,000	\$2,635,000	\$2,707,000	\$2,781,000	\$2,857,000
Health Benefits Trust Fund	\$3,633,000	\$3,732,000	\$3,834,000	\$3,939,000	\$4,047,000	\$4,157,000	\$4,270,000
Workers Compensation	\$1,500,000	\$1,541,000	\$1,583,000	\$1,626,000	\$1,670,000	\$1,716,000	\$1,763,000
Unemployment Compensation	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Provision for Salary Adjustments and Accrued Vacation	\$700,000	\$719,000	\$739,000	\$759,000	\$780,000	\$801,000	\$823,000
Provision for Other Post Employee Benefits	\$6,675,000	\$6,857,000	\$7,044,000	\$7,236,000	\$7,434,000	\$7,637,000	\$7,845,000

Solid Waste Fund Operating Expense Projections Estimated FY 2019 – FY 2025 Budget (Continued)

Table 11-4. Projected Solid Waste Operating Expenses

Expenses	Budgeted	Projected					
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Provision for Vacant Positions	\$2,675,946	\$2,749,000	\$2,824,000	\$2,901,000	\$2,980,000	\$3,061,000	\$3,145,000
CIP Debt Service	\$43,166,534	\$43,256,012	\$41,380,635	\$40,900,314	\$40,225,942	\$40,226,217	\$38,173,926
Rent	\$263,500	\$270,000	\$277,000	\$284,000	\$291,000	\$298,000	\$305,000
Other Central Administrative Services	\$12,609,200	\$12,924,000	\$13,247,000	\$13,578,000	\$13,917,000	\$14,265,000	\$14,622,000
Other Costs Total	\$89,104,630	\$90,416,012	\$89,796,635	\$90,606,314	\$91,257,942	\$92,618,217	\$91,961,926
Additional O&M for ISWMP Implementation	\$95,100	\$759,800	\$2,339,800	\$1,970,400	\$70,400	\$87,500	\$87,500
ISWMP CIP Debt Service	\$1,277,000	\$1,277,000	\$1,277,000	\$1,277,000	\$1,277,000	\$1,277,000	\$1,277,000
Total Operating Budget	\$255,385,263	\$261,857,812	\$267,440,435	\$272,626,714	\$276,254,342	\$282,641,717	\$287,130,426

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Capital Improvement Program

Table 11-5. Capital Improvement Program (\$000s)

Facility Type	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Landfill	\$4,102	\$0	\$0	\$0	\$0	\$0
H-POWER	\$39,074	\$8,952	\$4,248	\$23,036	\$0	\$0
Transfer Station	\$5,301	\$7,161	\$0	\$0	\$0	\$0
Closure Activities	\$2,751	\$0	\$0	\$0	\$0	\$0
Convenience Center and Collection Yard	\$19,305	\$0	\$0	\$0	\$0	\$0
Other Facilities	\$8,158	\$1,391	\$1,432	\$1,475	\$1,519	\$1,519
Total Planned CIP	\$78,691	\$17,503	\$5,680	\$24,511	\$1,519	\$1,519
Implementation Plan Projects	\$300	\$15,000	\$0	\$0	\$0	\$300
Cumulative	\$78,991	\$111,494	\$117,174	\$141,685	\$143,204	\$145,023

Note: Costs shown exclude the \$70-million biosolids project that will be funded by the City's Department of Environmental Services.

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System Cost Analysis Conclusions

- The City has a stable financial system that includes adequate funding of the Solid Waste Fund primarily from disposal fees, electrical revenue, and a subsidy from the City's General Fund.
- In forming the overall budget for the City, the Administration balances new program needs against the other priorities of City government; however, the City has always provided for adequate funding to deliver the existing services detailed in the ISWMP.
- If user fees for residential refuse collection service are implemented in the future, it is expected that the General Fund subsidy to the Solid Waste Fund can be lessened and those funds may be used for other City priorities.
- Cost estimates have not been developed yet for a small number of activities included in the implementation plan (Section 12). It is assumed that as these costs become known, the Division will secure the required revenues to pay for them through added disposal fees or transfers from the General Fund.

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Section 12: Implementation Plan

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Draft ISWMP: Other Comments

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ISWMP Approval Schedule

Milestones	Per HRS with many comments		Aggressive with few comments	
	Duration (days)	Delivery/End Dates	Duration (days)	Delivery/End Dates
Draft Plan to AC		18-Sep-18		18-Sep-18
AC Meeting 07: Future System Cost Analysis (11), Implementation Plan (12), Draft ISWMP		2-Oct-18	14	2-Oct-18
End "Unofficial" AC Review Period			30	11/1/2018 ^a
Revised Draft ISWMP to HDOH (and AC), Begin HDOH Review Period			21	22-Nov-18
End "Official" AC Review Period (120 days)	120	16-Jan-19	55	16-Jan-19
Revised Draft ISWMP to HDOH (and AC), Begin HDOH Review Period	30	15-Feb-19		
End HDOH Review Period	90	16-May-19	14/69	1/30/2019 ^b
Revised ISWMP Draft to Public (AC and HDOH), Begin Public Comment Period	30	15-Jun-19	21	20-Feb-19
Public Hearing	30	15-Jul-19	30	22-Mar-19
Public Comment Period Concludes	30	14-Aug-19	30	21-Apr-19
Revise and Submit Final ISWMP and Responses to all Comments	60	13-Oct-19	41	1-Jun-19

^aAssumes **ALL** AC members confirm they have provided all of their comments until the Public Comment Period)

^b14 days from "Official" (per HRS) end of AC Review Period (assumes **ALL** AC members confirm they have provided all of their comments until the Public Comment Period)/ 69 days total.

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Next Steps

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