



Josephine County

Solid Waste Agency

Budget Message

To: Board Members; Josephine County Solid Waste Agency
Rob Brandes
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Rick Riker
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Budget Committee Members

James Lowe
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Layne Lange
Stephen Haydon
Garry Penning
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Citizens and Residents

From: Jason Canady, Operations Officer
Josephine County/City of Grants Pass Solid Waste Agency

Date: April 5, 2020

THE SOLID WASTE AGENCY

The Josephine County/City of Grants Pass Solid Waste Agency is an intergovernmental agreement between Josephine County, City of Grants Pass, and the City of Cave Junction. Authorized by Oregon Statutes, Chapter 190, the agreement provides for the Agency Board to select projects to resolve ongoing environmental and compliance issues throughout the City and County. The primary projects of concern are the successful closure and environmental mitigation for the municipal solid waste landfills in the County, including Merlin, Marlsan, Kerby, and Foothill. Additionally, the Agency reaffirmed its commitment to funding solid waste clean-up programs for both Josephine County and the City of Grants Pass. This fiscal year also saw the completion of the Southern Oregon Sanitation Recycle Collection Facility which went into operation early in 2020.

THE FINANCING OF THE AGENCY

The Agency receives environmental program fees from Republic Services and Southern Oregon Sanitation. The fees are available for the operating costs of the Agency along

with funding of projects and proposals to mitigate solid waste contamination. The predominant purpose of the environmental program fee is to correct environmental issues created by the deposit or placement of solid waste. As originally envisioned, the fee would be the backstop for Marlsan, Merlin, Kerby and Foothill landfills, and secondarily, for the cleanup of properties and other solid waste related projects.

THE BUDGET

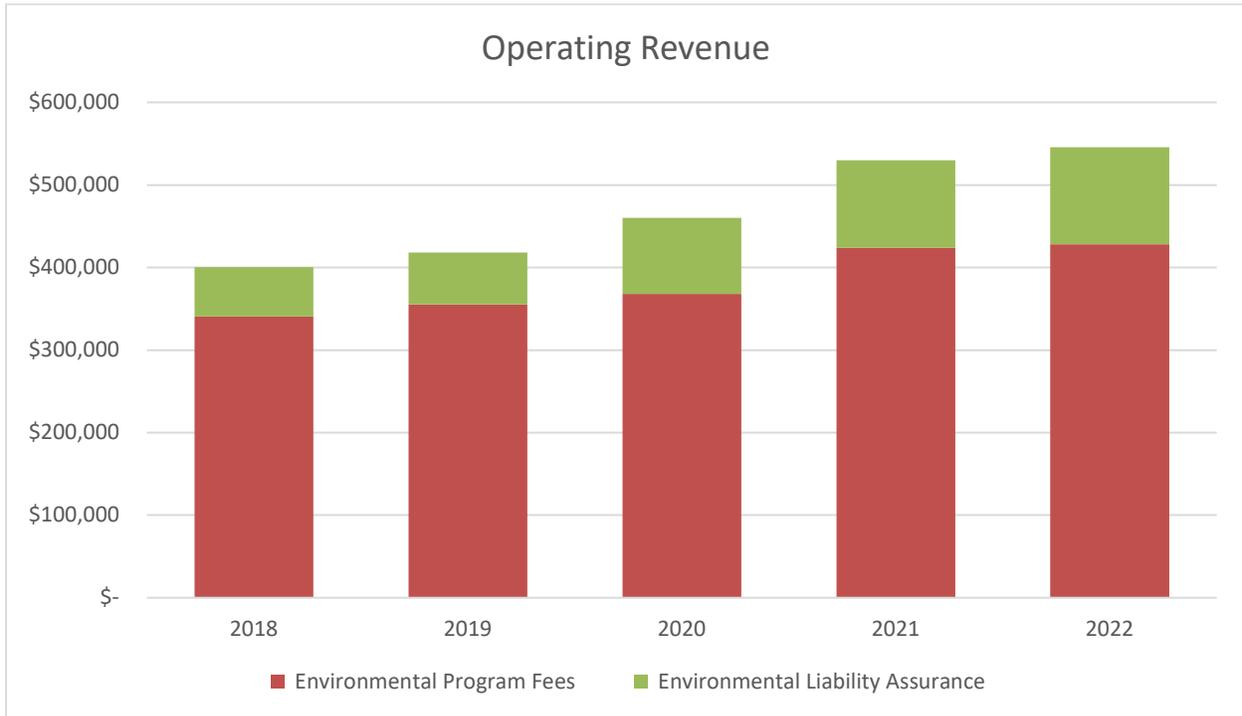
The attached budget provides for Revised FY'20 numbers as well as revenues and appropriations for FY'21 and projected appropriations for FY'22. The presented budget includes both anticipated revenue and project allocations both approved and anticipated.

Agency Operations

The total operating costs of the Agency consist of supplies, audit services, managing agency contract, and debt service. The total operating budget for the period from FY'18 through FY'22 is as follows:

Account Number	Line Item Object	2018 Actuals	2019 Actuals	2020 YTD Actuals	2020 Revised Budget	2021 DIRECTOR Budget	2022 Projected Budget
OPERATING SUPPLIES							
9709701-620101	SUPPLY MISC OFFICE	18	86	-	-	-	-
9709701-620901	SUPPLY RECOGNITION	110	186	-	-	-	-
Total for OPERATING SUPPLIES		128	272	-	-	-	-
CONTRACTUAL SERVICES							
9709701-630102	SERVICE PRINTING	811	7,527	180	3,500	3,500	3,500
9709701-630104	SERVICE ADVERTISING & PSAS	567	413	429	4,000	4,000	4,000
9709701-630201	SERVICE AUDIT	3,895	4,250	4,450	4,500	4,500	4,500
9709701-630299	SERVICE OTHER PROFESSIONAL	51,892	156,072	125,240	300,000	200,000	200,000
9709701-630397	SERVICE HH HAZARD WASTE EVENT	19,022	32,413	16,166	35,000	35,000	35,000
9709701-630448	SERVICE MANAGEMENT	17,000	17,000	9,250	18,500	18,500	18,500
9709701-630540	SWA FRANCHISE PROJ JO CO	-	-	-	-	98,000	98,000
9709701-630541	SWA FRANCHISE PROJ GRANTS PASS	-	-	-	-	45,000	45,000
Total for CONTRACTUAL SERVICES		93,187	217,675	155,714	365,500	408,500	408,500
CAPITAL OUTLAY							
9709701-650299	CAPITAL BUILDINGS/OTHER	-	46,144	853,856	800,000	-	-
9709701-650309	CAPITAL MARLSAN PROJECT	29,229	31,194	26,319	55,000	55,000	55,000
9709701-650312	CAPITAL KERBY LANDFILL PROJECT	52,639	33,874	10,845	40,000	40,000	40,000
Total for CAPITAL OUTLAY		81,868	111,212	891,020	895,000	95,000	95,000
INDIRECT CHARGES							
9709701-670101	INDIRECT CHGS ADMINISTRATION	7,007	23,370	35,667	45,000	17,100	17,100
9709701-670102	INDIRECT CHGS IT	1,752	7,900	10,500	12,600	5,000	5,000
Total for INDIRECT CHARGES		8,759	31,270	46,167	57,600	22,100	22,100
CONTINGENCY							
9709701-791901	CONTINGENCY GENERAL	-	-	-	75,000	75,000	75,000
9709701-791912	CONTINGENCY ENVIRON LIAB	-	-	-	653,813	794,219	901,218
Total for CONTINGENCY		-	-	-	728,813	869,219	976,218
UNAPPROP FUND BAL							
9709701-792201	END BAL OPERATING RESERVE	-	-	-	1,181,386	1,194,334	1,095,635
Total for UNAPPROP FUND BAL		-	-	-	1,181,386	1,194,334	1,095,635
Total Requirements		183,943	360,429	1,092,901	3,228,299	2,589,153	2,597,453

It is important to note that while the Agency has budgeted \$200,000 for projects it is rare that this line would be fully expended; however, it is prudent to budget for the expense and have it available should a project be presented to the agency mid-year that merits funding.



Capital Outlay, Projects and Reserves

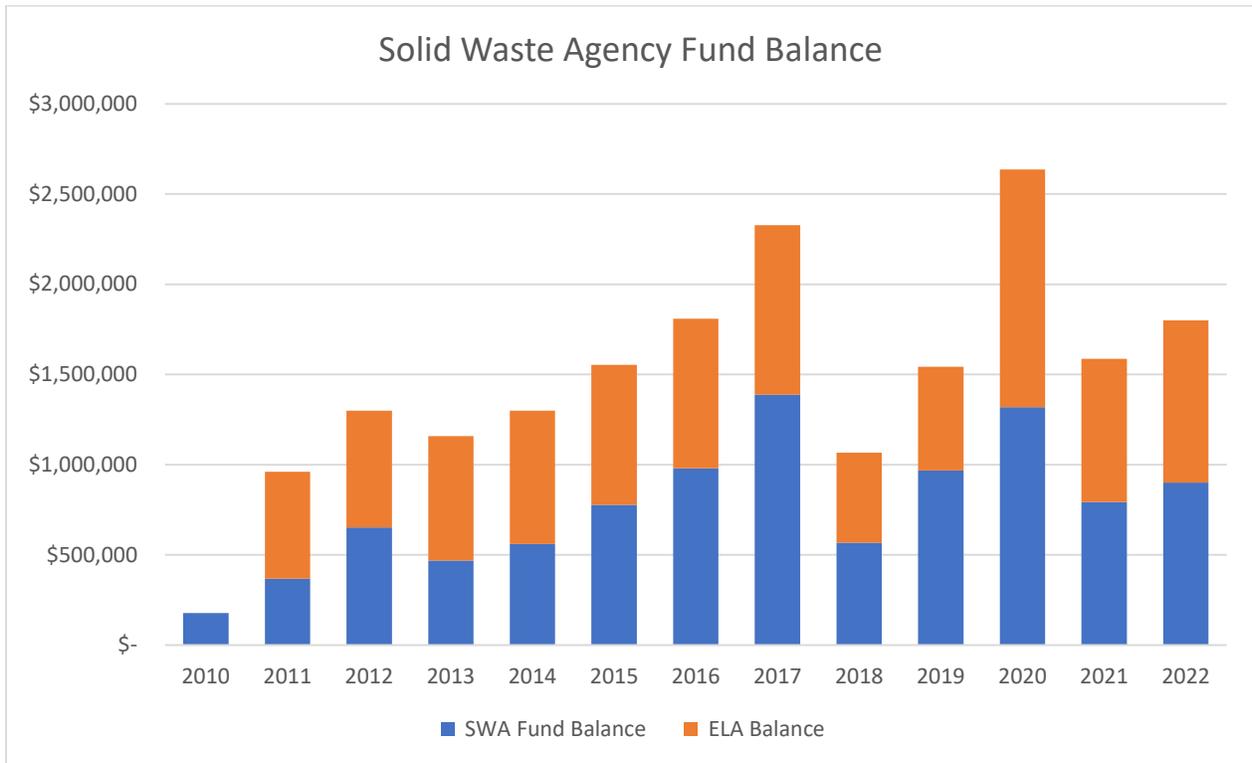
In the budget, the Agency has established two priorities for the FY'21 budget year: Ongoing maintenance of the Kerby Landfill and Marlsan landfill monitoring and funding of expanded Code Enforcement activities in Josephine County and the City of Grants Pass.

Additionally, the Agency expects continued funding of roadside cleanup by Josephine County for \$6,000. The budget also includes \$35,000 for the very successful Household Hazardous Waste Event. The appropriation for yet-to-be specified clean-up projects is a total of \$200,000 in FY'20. Potential projects are likely to include Josephine County Parks Departments Rogue River Clean Up and what here??

The Agency has begun funding the Josephine County Code enforcement program at a level of \$98,000 per year. This year the budget reflects moving this to its own budget line for tracking purposes. Similarly, the City of Grants Pass code enforcement funding has also been moved to an individual line for tracking and reporting purposes.

Your Budget Officer recommends the Agency carefully evaluate future participation in projects such as the SOS MRF. While funds were available for this project, the

\$800,000 required greatly reduced Agency reserves. The graph below depicts the rise and fall of both the General Reserve as well as the Liability Assurance Fund and illustrates that expenditures during that time outstripped revenues. This is the purpose of building the reserves, so funds will be available for larger environmental remediation related projects. But as the budget officer I do caution that multiple years of expenditures like what undertaken in FY19 and FY20 will leave the Agency unable to respond to any large-scale issue that may arise.



ENVIRONMENTAL LIABILITY ASSURANCE FUND

The Budget Committee acted in October of 2001, to designate 15% of all revenue to an Environmental Liability Assurance Fund, with the action ratified by the Board. The long-term intent of the Board is to develop enough resources to respond to major solid waste-related environmental issues throughout the County. For FY'20 the Agency and SWA Budget Committee jointly approved a policy to increase the amount set aside 20% of the EPF's as opposed to the previous 15% and sets a minimum balance in the Liability Assurance Fund of \$2,500,000. When this balance is reached the deduction will return to its original 15%. These funds are appropriated in their entirety as a reserve. This means the resources are not available in the budget year for any expense, even if an emergency were to arise.

THE BUDGET PROCESS

Proposed in the attached is a Budget for FY'21 and a Supplemental Budget for FY'20. Resources and estimated expenditures are identified by specific description. The budget is developed under the statutory guidelines for Councils of Government, requiring a full budget committee review, budget message, hearing before the governing board, and adoption.

The Budget Committee is asked to review the attached draft, request any supplemental information that may be necessary, and conduct hearings on the budget. It is the hope of the Budget Officer that the budget is sufficiently well-structured to allow for approval of the FY'21 budget, and the FY'20 Supplemental, with a single budget committee review.

THE FY'20 SUPPLEMENTAL BUDGET

The Budget Officer is not recommending any revisions to the FY'20 budget.

CONCLUSION

This Agency has tackled several important environmental issues through the course of FY'20 and have pledged to continue their support in FY'21. The FY'22 budget presented is balanced and conservative in its expenditures. The increased support for County and City code enforcement programs serves to meet the Agency goals of protecting the environment by remediating solid waste issues. The Agency remains well funded, and with changes to the appropriations to the ELA the Agency will be well positioned to meet the future challenge of any future environmental issue should one arise.

Sincerely;

Jason Canady
Operations Officer
Budget Officer
Josephine County Solid Waste Agency