

APPENDIX I
FINANCIAL PROJECTIONS

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The Solid Waste Division utilizes a financial planning model to forecast revenue and expenditures and to forecast the need for tipping fee adjustments. The model projects annual total revenues which are then compared to annual expenditures.

In Table I-1, lines 1 and 2 show the current forecast for the tipping fee and tonnage volumes. Line 4 is the rate ceiling based on the Executive's commitment to maintain rates at or below the rate of inflation until Cedar Hills closes (base year 2001).

Lines 7-14 project revenue. The disposal fee is the primary source of revenue for the division.

Expenditures begin on Line 18. Existing debt obligations will be paid off by the year 2013. Projections regarding new debt assume Package 1 costs, as this is the most capital intensive package. Line 19 details the effects of various debt issues coming online as the construction of new stations proceeds. Annual cost of debt service peaks in 2011. All new bond issues are assumed to have 20-year maturities.

Other major cost items include:

- The Capital Equipment Replacement Program (CERP), Line 20, which rises until 2011 when it begins to decline in anticipation of the Cedar Hills Landfill closure at the end of 2015. CERP costs begin growing again in 2016 to address various equipment needs throughout the transfer and transport system.
- The Landfill Reserve Fund, Line 21, has been calculated to provide sufficient money to maintain Cedar Hills for 30 years after it is closed. This becomes zero in 2016, once the landfill is closed.
- The rent on the landfill, Line 25, also goes to zero after 2015, as do the disposal costs shown in lines 35 and 36.
- Line 29 reflects the cost of exporting, which is assumed to also include any expenses involved with future intermodal facilities. Under the current forecast the tipping fee is expected to rise sharply in 2016.
- Line 42 reflects the division's 45 days cash reserve requirement. Dropping below the 45 day cash reserve may prompt a rate increase.

Table I-1: Financial Model Summary

	2006	2007	2008	2009	2010	2011	2012	2013
1 Disposal Fee Projection (\$/ton)	82.50	82.50	95.00	95.00	95.00	105.00	105.00	105.00
2 Total Disposal Tonnage	978,200	1,022,300	1,050,800	1,080,800	1,115,200	1,133,800	1,160,200	1,178,800
3								
4 Rate Commitment Ceiling	95.37	98.23	101.18	104.22	107.34	110.56	113.88	117.30
5								
6 Revenues								
7 Net Disposal Fees	80,031,481	83,761,632	99,514,593	102,386,953	105,637,747	118,737,117	121,495,605	123,438,921
8 MRW	2,973,435	3,062,638	3,154,517	3,249,153	3,346,627	3,447,026	3,550,437	3,656,950
9 Interest Earnings	930,330	815,954	308,259	433,818	399,206	347,016	498,066	575,822
10 Grants	588,286	200,000	180,000	180,000	250,000	250,000	250,000	250,000
11 LF gas / energy	-	-	200,000	350,000	360,500	371,315	382,454	393,928
12 Leases, rental Income	22,800	22,800	23,484	24,189	24,914	25,662	26,431	27,224
13 Other	743,999	751,439	758,953	766,543	774,208	781,950	789,770	797,668
14 Total	85,290,331	88,614,463	104,139,807	107,390,655	110,793,202	123,960,086	126,992,764	129,140,513
15								
16								
17 Expenditures								
18 Debt Service - Existing Debt	6,272,857	6,290,636	2,714,284	2,711,743	2,722,137	1,190,338	1,191,803	0
19 Debt Service - New Debt	-	4,343,490	6,961,358	10,692,765	10,692,765	17,888,422	17,888,422	17,888,422
20 CERP	3,398,342	3,534,276	3,675,647	3,822,673	3,975,579	2,976,914	2,665,992	2,325,433
21 Landfill Reserve Fund	5,634,432	6,065,101	6,421,212	6,802,671	7,229,764	7,570,857	7,979,555	8,350,706
22 Construction Fund Transfer	2,386,808	4,000,000	1,000,000	1,000,000	2,000,000	2,000,000	4,000,000	4,000,000
23 Overhead, Cx/DNRP	3,841,375	3,956,616	4,075,315	4,197,574	4,323,501	4,453,206	4,586,803	4,724,407
24 SWD Admin	5,722,331	5,894,001	6,070,821	6,252,946	6,440,534	6,633,750	6,832,762	7,037,745
25 Rent, Cedar Hills	7,426,300	7,649,089	7,878,562	8,114,919	8,358,366	8,609,117	8,867,391	9,133,412
26 Legal	655,549	675,215	695,472	716,336	737,826	759,961	782,760	806,243
27 Finance & Admin	4,167,469	4,292,493	4,421,268	4,553,906	4,690,523	4,831,239	4,976,176	5,125,461
28 Recycling & Enviro Svs	9,186,400	9,461,992	9,745,852	10,038,227	10,339,374	10,649,555	10,969,042	11,298,113
29 Waste Export Costs	0	0	0	0	0	0	0	0
30 Transfer and Transportation								
31 Variable	16,786,720	17,720,235	18,856,835	19,846,728	21,095,567	22,112,743	23,288,870	24,367,788
32 Savings from Compaction	0	0	0	0	(1,155,481)	(1,210,230)	(1,851,778)	(1,937,771)
33 Fixed	11,508,748	11,854,011	12,209,631	12,575,920	12,953,198	13,341,794	13,742,048	14,154,309
34 Disposal								
35 Variable	6,598,400	6,965,340	7,412,106	7,801,206	8,292,090	8,691,915	9,154,218	9,578,311
36 Fixed	8,353,729	8,604,340	8,862,471	9,128,345	9,402,195	9,684,261	9,974,789	10,274,032
37								
38 Solid Waste Div. Total Costs	91,939,460	101,306,836	101,000,833	108,255,959	112,097,939	120,183,842	125,048,852	127,126,612
39								
40								
41 Ending Fund Balance	20,398,841	7,706,467	10,845,441	9,980,138	8,675,400	12,451,644	14,395,556	16,409,457
42 Target	8,238,171	8,559,153	8,919,835	9,260,283	9,507,862	9,856,627	10,165,770	10,532,298
43 Above / Below	12,160,670	(852,686)	1,925,606	719,854	(832,462)	2,595,017	4,229,786	5,877,159

Table I-1: Financial Model Summary

	2014	2015	2016	2017	2018	2019	2020	2021
1 Disposal Fee Projection (\$/ton)	105.00	105.00	128.00	128.00	144.00	144.00	140.00	140.00
2 Total Disposal Tonnage	1,210,200	1,242,100	1,264,900	1,295,700	1,327,700	1,353,800	1,388,500	1,402,500
3								
4 Rate Commitment Ceiling	120.81	124.44	128.17	132.02	135.98	140.06	144.26	148.59
5								
6 Revenues								
7 Net Disposal Fees	126,719,878	130,053,058	161,532,927	165,459,054	169,538,145	189,112,473	193,951,818	195,903,346
8 MRW	3,766,658	3,879,658	3,996,048	4,115,929	4,239,407	4,366,590	4,497,587	4,632,515
9 Interest Earnings	656,378	723,364	827,899	856,911	787,699	609,016	946,668	1,192,022
10 Grants	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
11 LF gas / energy	405,746	417,918	430,456	443,370	456,671	470,371	484,482	499,016
12 Leases, rental Income	28,041	28,882	29,749	30,641	31,561	32,507	33,483	34,487
13 Other	805,644	813,701	821,838	830,056	838,357	846,740	855,208	863,760
14 Total	132,632,346	136,166,581	167,888,917	171,985,961	176,141,839	195,687,696	201,019,245	203,375,145
15								
16								
17 Expenditures								
18 Debt Service - Existing Debt	0	0	0	0	0	0	0	0
19 Debt Service - New Debt	17,888,422	17,888,422	17,888,422	17,888,422	17,888,422	17,888,422	17,888,422	17,888,422
20 CERP	1,953,364	1,547,808	1,609,720	1,674,109	1,741,074	1,810,717	1,883,145	1,958,471
21 Landfill Reserve Fund	8,830,340	9,334,995	0	0	0	0	0	0
22 Construction Fund Transfer	4,000,000	4,000,000	0	0	0	0	0	0
23 Overhead, Cx/DNRP	4,866,139	5,012,123	5,162,487	5,317,361	5,476,882	5,641,189	5,810,424	5,984,737
24 SWD Admin	7,248,878	7,466,344	7,690,334	7,921,044	8,158,676	8,403,436	8,655,539	8,915,205
25 Rent, Cedar Hills	9,407,415	9,689,637	0	0	0	0	0	0
26 Legal	830,430	855,343	586,748	604,350	622,481	641,155	660,390	680,202
27 Finance & Admin	5,279,225	5,437,602	5,600,730	5,768,752	5,941,814	6,120,069	6,303,671	6,492,781
28 Recycling & Enviro Svs	11,637,057	11,986,168	12,345,753	12,716,126	13,097,610	13,490,538	13,895,254	14,312,112
29 Waste Export Costs	0	0	75,939,451	79,655,483	83,581,686	87,270,133	91,655,171	94,801,217
30 Transfer and Transportation								
31 Variable	25,773,346	27,243,547	28,582,551	30,155,699	31,826,900	33,424,930	35,318,833	37,013,963
32 Savings from Compaction	(2,048,890)	(3,533,515)	(3,709,370)	(3,915,894)	(4,135,352)	(4,345,189)	(4,593,470)	(4,812,057)
33 Fixed	14,578,938	15,016,306	15,466,796	15,930,799	16,408,723	16,900,985	17,408,015	17,930,255
34 Disposal								
35 Variable	10,130,797	10,708,693	0	0	0	0	0	0
36 Fixed	10,582,253	10,899,721	0	0	0	0	0	0
37								
38 Solid Waste Div. Total Costs	130,957,713	133,553,194	167,163,621	173,716,253	180,608,916	187,246,385	194,885,394	201,165,308
39								
40								
41 Ending Fund Balance	18,084,090	20,697,476	21,422,772	19,692,475	15,225,393	23,666,700	29,800,546	32,010,380
42 Target	10,957,583	11,230,562	18,205,333	19,005,254	19,846,779	20,656,510	21,589,377	22,354,326
43 Above / Below	7,126,507	9,466,915	3,217,439	687,221	(4,621,386)	3,010,189	8,211,170	9,656,054

Table I-1: Financial Model Summary

	2022	2023	2024	2025	2026	2027	2028
1 Disposal Fee Projection (\$/ton)	140.00	140.00	152.00	152.00	152.00	152.00	152.00
2 Total Disposal Tonnage	1,436,400	1,442,300	1,478,500	1,515,900	1,524,400	1,563,400	1,588,100
3							
4 Rate Commitment Ceiling	153.04	157.64	162.36	167.23	172.25	177.42	182.74
5							
6 Revenues							
7 Net Disposal Fees	200,630,982	201,452,408	224,081,710	229,743,766	231,027,202	236,931,450	240,669,056
8 MRW	4,771,490	4,914,635	5,062,074	5,213,936	5,370,354	5,531,465	5,697,409
9 Interest Earnings	1,280,415	1,247,899	1,001,337	1,308,505	1,496,805	1,461,233	1,447,032
10 Grants	250,000	250,000	250,000	250,000	250,000	250,000	250,000
11 LF gas / energy	513,987	529,406	545,289	561,647	578,497	595,852	613,727
12 Leases, rental income	35,522	36,587	37,685	38,815	39,980	41,179	42,415
13 Other	872,397	881,121	889,933	898,832	907,820	916,898	926,067
14 Total	208,354,794	209,312,058	231,868,027	238,015,502	239,670,659	245,728,078	249,645,706
15							
16							
17 Expenditures							
18 Debt Service - Existing Debt	0	0	0	0	0	0	0
19 Debt Service - New Debt	17,888,422	17,888,422	17,888,422	17,888,422	17,888,422	13,544,931	10,927,064
20 CERP	2,036,810	2,118,282	2,203,014	2,291,134	2,382,779	2,478,091	2,577,214
21 Landfill Reserve Fund	0	0	0	0	0	0	0
22 Construction Fund Transfer	0	0	0	0	0	0	0
23 Overhead, Cx/DNRP	6,164,279	6,349,208	6,539,684	6,735,874	6,937,951	7,146,089	7,360,472
24 SWD Admin	9,182,661	9,458,141	9,741,885	10,034,142	10,335,166	10,645,221	10,964,578
25 Rent, Cedar Hills	0	0	0	0	0	0	0
26 Legal	700,608	721,626	743,275	765,573	788,540	812,196	836,562
27 Finance & Admin	6,687,564	6,888,191	7,094,837	7,307,682	7,526,913	7,752,720	7,985,302
28 Recycling & Enviro Svs	14,741,475	15,183,719	15,639,231	16,108,408	16,591,660	17,089,410	17,602,092
29 Waste Export Costs	99,422,893	102,227,222	107,308,035	112,663,029	116,013,831	121,837,475	126,732,670
30 Transfer and Transportation							
31 Variable	38,937,228	40,942,576	43,033,202	45,212,417	47,483,655	49,850,476	52,316,571
32 Savings from Compaction	(5,062,422)	(5,323,478)	(5,595,641)	(5,879,343)	(6,175,031)	(6,483,169)	(6,804,237)
33 Fixed	18,468,163	19,022,208	19,592,874	20,180,660	20,786,080	21,409,662	22,051,952
34 Disposal							
35 Variable	0	0	0	0	0	0	0
36 Fixed	0	0	0	0	0	0	0
37							
38 Solid Waste Div. Total Costs	209,167,682	215,476,118	224,188,817	233,307,998	240,559,966	246,083,104	252,550,240
39							
40							
41 Ending Fund Balance	31,197,487	25,033,424	32,712,633	37,420,137	36,530,830	36,175,805	33,271,271
42 Target	23,331,262	24,098,969	25,162,691	26,276,109	27,158,889	28,363,572	29,471,420
43 Above / Below	7,866,225	934,455	7,549,942	11,144,028	9,371,942	7,812,233	3,799,852