



For Recording Stamp Only

Deschutes County Board of Commissioners
1300 NW Wall St., Bend, OR 97701-1960
(541) 388-6570 - Fax (541) 385-3202 - www.deschutes.org

MINUTES OF BUDGET MEETING – SOLID WASTE DEPARTMENT

WEDNESDAY, JUNE 1, 2016

Allen Room, Deschutes Services Building

Present were Commissioners Anthony DeBone, Alan Unger and Tammy Baney. Also present were Tom Anderson, County Administrator; Erik Kropp, Deputy County Administrator; Mike Maier, Jimm Burton and Bruce Barrett, citizen members of the Budget Committee; Wayne Lowry and Loni Burk, Finance; Timm Schimke, Solid Waste, and Phil Henderson, Public.

Meeting minutes were taken by Natalie Jones.

Chair Bruce Barrett opened the meeting at 10:50 a.m.

Mr. Schimke gave a general overview of budget – revenues are up 8% from last year. Expenses have increased 20+%. Reasons for this include DEQ increased disposal fees, difficulty finding vendors to grind wood waste (which is not being used as a fuel source any more), the recycling market is down and costs are up, and the cost of sorting and hauling to Bend is not offset by revenues.

Despite these increases, transfer reserves are about the same. Most of these accounts have expenditures each year; however, they are losing some ground in the overall balance. Timm said it is unsustainable at the current level.

The group discussed the disposal statistics handout.

Reviewed was Exhibit “B”, Revenue and Expenditure Forecasting model, for the expected life of the landfill through 2029. Timm said that in FY18-19 he expects to have to build a new cell, with 4% growth and all other aspects staying the same; the fund would go into the negative in FY18-19. Page 2 showed that with changes, they would not go negative until FY 21-22. Page 3 showed with they must have an 8% increase to avoid going negative. Page 4 showed that with 3% inflation of the average tip fee, costs could be covered.

The Negus Transfer station needs to be upgraded due to use, and capital will be needed. Some improvements were added at the SW station, but just repairs were done at Negus, i.e. the flow was updated and yard debris was moved to one side. This makes up about half of their usage. Timm said that Negus is heavily used all the time and something will need to be done soon.

Some money will need to be allocated to look at alternatives to filling cells. The landfill will be full in the near future and there is new technology out there that does not go into the waste stream. Timm said we will always need a landfill, but with new processes for incoming waste streams and reduced volume (by 75-80%); this could extend life of the landfill by several years.

Someone asked about the last page of Exhibit “B”, where the landfill could continue to FY30-31. Timm said that the last increase of fees was \$5.00 in 2010. With an increase in services and with a cost increase, the landfill’s life could possibly be extended.

Mike asked how Deschutes County compares with other like entities. Timm said it is low. The cost is \$75-\$80 in Portland. Timm said that the last estimate was done in 2009, as growth was exceeding capacity. With the recession, the number was revised to 2029. With recent growth, the capacity has moved closer again.

Mike was fine with a rate increase. Timm said that he had not incorporated an increase into his current budget and it would take time to implement. The gate rate could go up as early as July 1, 2016, with increases to franchise collectors on Jan 1, 2017, or a bulk change January 1 or July 1, 2017 could be implemented if Timm got an okay to move in that direction. Tammy said she would like to see numbers on this. Timm thought maybe a small increase now of \$5, with another in 5 to 7 years, would work.

The group was comfortable with Timm projecting costs without a third party consultant's input. Tammy would like to ride as long as possible without an increase and look at new technologies. Timm said the last consultant laid out three increases over a 10 year period. He said they did this, and it put almost \$14M in reserves. This carried them through the recession. Reserves are at a low, and an increase now would help to build those up in case of another recession in the future. Additional funds might be needed to implement new technologies as well.

There may be other opportunities where our capital cost would be low. Timm is hearing more options where capital would be required, possibly \$7M. Tom suggested looking at a range of items and maybe waiting for the price of gas to go up again, or have an agent of record to bring options to the County for consideration.

Tammy asked about the rolling seven year contract. She said they have not done an open process since she's been here. Timm said they had never been put out to bid; they utilize the franchise ordinance and the four existing companies. He said that in the mid-80's they went to the seven-year term due to the life of equipment. If they were going to go out for bids, they would have to give notice that in seven years the bid would happen. Tammy thought we had a business responsibility to go out. Mike asked why go out for a bid when we have reasonable prices, low complaints, and good service.

They thought maybe a highbred to an RFP could be used for this purpose or they could articulate why we aren't doing a bid. Tony suggested a talk regarding this, along with the three opportunities Timm suggested earlier. Mike suggested it would have to be done in cooperation with the cities of Bend, Redmond, and La Pine to have them all together in the bid. Timm said that the City of Bend has discussed it several times and the system has never been changed. Tom suggested that the County set this as a 'to do' for next year.

They discussed past efforts researching the possible opening of a new site.

A final discussion of a \$5 increase indicated that this equates to \$12/load versus \$11/load. Timm suggest this would help, and they should look at this again in five years to assess needs. \$5 will be put on the list for recommendation to the Board on Friday.

Being no further discussion, the session ended at 11:45 a.m.

DATED this 6th Day of July 2016 for the
Deschutes County Board of Commissioners.

Alan Unger

Alan Unger, Chair

Tammy Baney

Tammy Baney, Vice Chair

ATTEST SIGNATURES:

Bonnie Baker

Recording Secretary

Anthony DeBone

Anthony DeBone, Commissioner

BUDGET COMMITTEE AGENDA

Wednesday, June 1st, 2016

Program
Budget
Tab/Page

9:00 AM	<ul style="list-style-type: none">• Reconvene the Deschutes County budget meeting	
9:00 – 9:30 AM	<u>Fair and Expo Center (Funds 617-619 and 601)</u> <ul style="list-style-type: none">• Introductions• Budget discussion; Special Requests 14/428	4 / 161
9:30 – 10:00 AM	<u>County Assessor's Office (Fund 001-02)</u> <ul style="list-style-type: none">• Introductions• Budget discussion	4 / 131
10:00 – 10:15 AM	Break	
10:15 – 10:45 AM	<u>County Clerk's Office (Funds 001-05, 001-06 and 218)</u> <ul style="list-style-type: none">• Introductions• Budget discussion	4 / 137
10:45 – 11:45 AM	<u>Solid Waste (Funds 610-614)</u> <ul style="list-style-type: none">• Introductions• Budget discussion	4 / 185
11:45 – 12:30 PM	Elected Officials Compensation Committee (Lunch – Discussion)	
12:30 – 1:00 PM	<u>Natural Resources Protection (Funds 326-327)</u> <ul style="list-style-type: none">• Introductions• Budget discussion	4 / 181
1:00 – 2:00 PM	<u>Road (Funds 325, 328-340, 465)</u> <ul style="list-style-type: none">• Introductions• Budget discussion; Special Requests 14/427	4 / 168
2:00 – 3:00 PM	<u>Community Development (Funds 290-303)</u> <ul style="list-style-type: none">• Introductions• Budget discussion; Special Requests 14/422	4 / 145
3:00 – 3:15 PM	Break	

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Monthly % change	YTD % change
Jan	8,899	7,225	7,875	7,483	8,585	9,387	11,148	10,488	10,894	13,900	13,168	10,482	9,521	8,516	8,412	7,988	9,124	9,585	11,247	11,137	-1%	-1%
Feb	8,300	6,954	6,969	7,897	8,696	8,451	9,611	10,319	10,563	12,103	11,939	10,790	7,898	7,924	7,027	7,528	7,711	7,853	9,835	11,378	16%	7%
Mar	7,121	8,097	9,088	9,343	9,376	8,888	10,224	13,554	12,601	14,133	14,933	11,425	8,787	9,184	8,847	8,311	8,809	10,221	11,521	12,816	11%	8%
Apr	7,593	8,377	8,961	9,014	9,212	10,664	10,787	12,848	12,901	14,591	14,598	12,052	9,402	9,552	8,825	9,080	9,870	10,822	11,933	13,640	14%	10%
May	8,463	8,853	8,936	10,877	11,179	11,512	11,904	12,147	14,590	17,331	18,477	13,204	10,788	9,673	9,743	10,338	10,755	12,008	12,506			
Jun	9,729	9,928	11,105	9,729	11,822	11,255	13,172	14,089	15,521	18,259	18,444	13,410	11,607	10,811	10,622	10,725	10,438	11,481	13,985			
Jul	9,459	10,114	10,861	10,509	11,941	12,128	12,886	13,783	15,489	17,371	18,962	14,102	11,241	10,636	10,408	10,905	11,573	12,797	14,040			
Aug	9,714	10,003	11,683	11,408	11,916	12,122	12,928	15,107	15,645	18,383	18,582	13,473	10,730	10,742	10,942	10,980	11,498	12,132	12,918			
Sep	8,635	9,436	10,480	10,697	9,793	11,394	12,467	13,131	14,721	18,496	13,791	12,158	10,078	10,439	9,790	9,612	10,215	11,480	12,333			
Oct	8,479	8,949	9,784	9,764	10,490	11,299	12,145	13,056	13,773	16,231	14,151	11,866	9,574	9,787	9,268	10,161	11,009	12,093	12,466			
Nov	7,057	7,969	9,106	8,633	8,933	9,859	9,772	12,072	13,794	14,805	12,585	9,578	8,283	8,622	8,544	9,275	9,392	9,449	10,712			
Dec	7,221	8,236	8,474	7,959	8,118	10,989	10,618	11,554	11,868	12,969	10,684	9,162	8,878	8,421	8,100	7,936	8,875	10,694	11,485			
TOTAL	96,670	104,141	113,072	113,313	120,059	127,948	137,642	152,148	162,360	186,572	172,294	141,700	116,767	114,307	110,528	112,859	119,269	130,615	144,981			
Change		8%	9%	0%	6%	7%	8%	11%	7%	15%	-8%	-18%	-18%	-2%	-3%	2%	6%	10%	11%	(from previous year)		
											-24%	-37%	-39%	-41%	-40%	-36%	-30%	-22%		(from 2006 tons)		
																			11%	9%	(rolling 12 months change)	
								Average annual increase all years					3%						18%	8%	(first quarter change)	
								Average annual increase select years					5%						12%		(second quarter change)	
								Average annual increase positive years					7%						8%		(third quarter change)	
																			8%		(fourth quarter change)	

**DESCHUTES COUNTSOLID WASTE PROGRAM
REVENUE AND EXPENDITURE FORECASTING MODEL**

No Change

	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	
COST OF OPERATIONS:																
1	Personnel/Labor	2,121,009	2,184,639	2,250,178	2,317,684	2,387,214	2,458,831	2,532,596	2,606,574	2,686,831	2,767,436	2,850,459	2,935,972	3,024,052	3,114,773	3,208,216
2	Materials & Service	4,018,598	4,140,153	4,284,358	4,382,288	4,524,067	4,658,779	4,799,572	4,943,559	5,091,868	5,244,822	5,401,981	5,564,019	5,730,940	5,902,868	6,079,954
3	Road Department Transfer	382,453	377,873	382,675	408,362	424,718	441,706	459,375	477,750	496,580	516,734	537,403	558,900	581,256	604,508	628,666
4	Debt Service	830,944	833,828	833,258	834,068	834,175	833,288	836,378	839,420	839,304	839,480	839,495	839,485	839,425	839,425	839,425
5	Capital Outlay	158,000	162,740	167,622	172,651	177,830	183,165	188,660	194,320	200,150	206,154	212,339	218,709	225,270	232,028	238,968
6	TOTAL OPERATING EXPENSES \$	7,691,872	7,798,733	8,008,090	8,225,671	8,447,994	8,675,769	8,916,591	9,163,622	9,415,010	9,674,406	9,938,657	10,202,425	10,471,834	10,747,134	11,022,634
RESERVE FUNDS																
CAPITAL RESERVE FUND																
7	Capital Reserve Deposits	491,825	733,023	585,220	744,080	881,793	889,098	1,071,404	1,513,154	1,487,885	1,632,654	1,861,301	2,066,919	1,849,204	4,006,077	4,262,304
8	Interest Earnings	18,000	19,370	22,894	0	0	0	0	0	0	0	0	0	0	0	0
9	Capital Expenditures	-1,148,106	-400,000	-4,000,000	-425,000	-437,750	-4,500,000	-450,000	-4,750,000	-475,000	-489,250	-5,000,000	-500,000	-515,000	-530,450	-548,364
10	Subtotal Capital Reserve Activity	-638,181	352,394	-3,391,886	319,080	-424,043	-3,610,902	-821,404	-3,236,846	-982,895	-1,143,404	-3,138,699	2,199,919	1,334,204	3,478,627	3,735,940
11	Capital Reserve Fund Balance	1,937,046	2,289,440	-1,102,446	-783,386	-359,343	-3,970,246	-3,348,840	-5,585,687	-5,582,782	-4,449,387	-7,668,086	-5,368,167	-4,053,864	-675,336	3,160,604
CLOSURE FUND																
12	Closure Fund Deposits	800,000	800,000	800,000	800,000	800,000	750,000	750,000	500,000	750,000	750,000	750,000	750,000	2,000,000	100,000	100,000
13	Interest Earnings	20,000	31,381	38,945	42,885	46,280	53,991	22,031	29,001	33,491	1,328	8,038	14,798	21,595	1,811	1,989
14	Closure Expenditures	-283,500	-75,000	-75,000	-73,000	-75,190	-4,000,000	-75,000	-80,000	-4,000,000	-80,000	-82,400	-84,872	-4,000,000	-86,000	-86,000
15	Subtotal Closure Fund Activity	536,500	556,381	561,945	569,885	571,070	-3,196,009	697,031	449,001	-3,216,509	671,328	675,638	679,924	-1,978,405	15,811	15,989
16	Closure Fund Balance	3,136,135	3,694,518	4,256,462	4,826,026	5,399,096	2,203,087	2,900,118	3,349,119	132,811	803,637	1,479,576	2,159,500	181,095	196,908	212,875
POST-CLOSURE FUND																
17	Post Closure Fund Deposits	0	0	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
18	Interest Earnings	5,000	7,816	7,894	10,973	14,063	17,224	20,398	23,600	26,836	30,104	33,405	36,740	40,107	43,508	46,943
19	Post-Closure Fund Balance	781,622	789,438	1,097,333	1,408,308	1,722,388	2,038,613	2,360,009	2,683,609	3,010,445	3,340,550	3,673,955	4,010,695	4,350,802	4,694,310	5,041,253
EQUIPMENT RESERVE FUND																
20	Equipment Reserve Deposits	250,000	150,000	150,000	150,000	200,000	200,000	200,000	200,000	200,000	250,000	250,000	250,000	100,000	100,000	100,000
21	Interest Earnings	1,500	505	2,010	3,530	1,068	3,078	1,107	3,118	1,149	3,181	1,192	3,704	1,241	2,254	3,278
22	Equipment Expenditures	-437,500	0	0	-400,000	0	-400,000	-400,000	-400,000	-400,000	-450,000	-450,000	-500,000	0	0	0
23	Subtotal Equipment Reserve Activity	-186,000	150,505	152,010	-246,470	201,068	-198,924	201,107	-196,882	201,149	-196,838	251,192	-246,296	101,241	102,254	103,278
24	Equipment Reserve Fund Balance	50,522	201,027	353,037	108,568	307,634	110,710	311,817	114,935	318,085	119,245	370,438	124,142	225,384	327,637	430,914
REVENUE REQUIREMENTS																
25		8,933,897	8,281,756	9,643,310	10,018,131	10,406,787	10,815,868	11,237,985	11,676,776	12,132,905	12,607,080	13,099,958	13,612,344	14,144,993	14,698,712	15,274,337
WASTE FLOWS (Tons)																
26		151,029	157,070	163,353	169,887	176,683	183,750	191,100	198,744	206,694	214,961	223,580	232,502	241,802	251,474	261,533
PROJECTED REVENUES \$																
27	AVERAGE TIP FEE	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56
28	FUND BALANCE CARRYFORWARD	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
29	TIP FEE REVENUE	8,457,596	8,795,829	9,147,766	9,513,677	9,894,224	10,289,993	10,701,592	11,126,856	11,574,842	12,037,836	12,519,350	13,020,124	13,540,929	14,082,568	14,645,866
30	OTHER	478,301	485,927	495,544	506,454	515,564	525,675	536,392	547,120	558,063	569,224	580,606	592,220	604,085	616,146	628,469
31	TOTAL REVENUES GENERATED	9,533,897	9,881,756	10,243,310	10,818,131	11,009,787	11,415,868	11,837,985	12,276,776	12,732,905	13,207,080	13,699,958	14,212,344	14,744,993	15,298,712	15,874,337
32	REVENUE REQUIREMENTS (from above)	8,933,897	8,281,756	9,643,310	10,018,131	10,406,787	10,815,868	11,237,985	11,676,776	12,132,905	12,607,080	13,099,958	13,612,344	14,144,993	14,698,712	15,274,337
NET OPERATING REVENUE																
33		1,091,925	1,333,023	1,185,220	1,344,080	1,461,793	1,489,098	1,671,404	2,113,154	2,067,885	2,232,654	2,461,301	3,299,919	2,449,204	4,609,077	4,882,304
CONTINGENCY																
34		800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000

3% Assumed Annual Cost Increase
1% Assumed Interest Earnings
4% Assumed Annual Waste Flow Growth

EXHIBIT "B"

**DESCHUTES COUNTSOLID WASTE PROGRAM
REVENUE AND EXPENDITURE FORECASTING MODEL**

Rate Increase \$5 per ton

	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
COST OF OPERATIONS:															
1 Personnel/Labor	2,121,009	2,184,839	2,250,178	2,317,684	2,387,214	2,458,831	2,532,598	2,608,574	2,686,631	2,767,438	2,850,459	2,935,972	3,024,052	3,114,773	3,208,216
2 Materials & Service	4,019,566	4,140,153	4,264,358	4,392,288	4,524,057	4,659,779	4,799,872	4,943,559	5,091,866	5,244,622	5,401,981	5,564,019	5,730,940	5,902,868	6,079,954
3 Road Department Transfer	362,453	377,573	392,675	408,382	424,718	441,706	459,375	477,750	496,860	516,734	537,403	558,900	581,256	604,506	628,666
4 Debt Service	930,944	933,626	933,256	934,066	934,175	933,288	936,378	939,420	939,304	939,460	936,495	934,825	934,272	935,450	936,186
5 Capital Outlay	158,000	162,740	167,622	172,651	177,830	183,185	188,680	194,320	200,150	206,154	212,339	218,709	225,270	232,028	238,989
6 TOTAL OPERATING EXPENSES \$	7,591,872	7,798,733	8,008,090	8,228,071	8,447,994	8,678,769	8,918,581	9,163,622	9,415,010	9,674,406	9,938,957	10,212,425	10,495,789	10,789,834	11,084,234
RESERVE FUNDS															
CAPITAL RESERVE FUND															
8 Capital Reserve Deposits	491,825	1,518,374	1,401,985	1,593,495	1,745,208	1,807,848	2,026,803	2,506,873	2,501,363	2,707,461	2,979,100	3,862,430	3,058,215	5,266,449	5,589,970
9 Interest Earnings	18,000	19,370	30,746	5,075	18,811	30,054	3,433	19,236	0	17,261	39,815	19,803	53,825	79,593	127,749
10 Capital Expenditures	-1,148,106	-400,000	-4,000,000	-425,000	-437,750	-4,500,000	-450,000	-4,750,000	-475,000	-489,250	-5,000,000	-500,000	-515,000	-530,450	-546,364
11 Subtotal Capital Reserve Activity	-638,181	1,137,744	-2,567,269	1,173,570	1,324,267	-2,662,099	1,580,336	-2,223,891	2,026,363	2,235,472	-1,981,284	3,382,232	2,598,840	4,815,593	5,171,356
12 Capital Reserve Fund Balance	1,937,046	3,074,790	507,523	1,681,094	3,005,361	343,262	1,923,598	-300,293	1,726,070	3,961,542	1,980,258	5,362,490	7,959,330	12,774,923	17,946,279
CLOSURE FUND															
14 Closure Fund Deposits	600,000	600,000	600,000	600,000	600,000	750,000	750,000	500,000	750,000	750,000	750,000	750,000	2,000,000	100,000	100,000
15 Interest Earnings	20,000	31,381	36,945	42,565	48,290	53,991	22,031	29,001	33,491	1,328	8,038	14,798	21,595	1,811	1,969
16 Closure Expenditures	-263,500	-75,000	-75,000	-73,000	-75,190	-4,000,000	-75,000	-80,000	-4,000,000	-80,000	-82,400	-84,872	-4,000,000	-86,000	-86,000
17 Subtotal Closure Fund Activity	356,500	556,381	561,945	569,565	573,070	-3,196,009	697,031	449,001	-3,216,509	671,328	675,638	679,924	-1,978,405	15,811	15,969
18 Closure Fund Balance	3,138,135	3,694,516	4,256,462	4,826,026	5,399,096	2,203,067	2,900,118	3,349,119	132,611	803,937	1,479,578	2,159,500	161,085	196,908	212,675
POST-CLOSURE FUND															
20 Post Closure Fund Deposits	0	0	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
21 Interest Earnings	5,000	7,616	7,894	10,873	14,063	17,224	20,396	23,600	26,836	30,104	33,405	36,740	40,107	43,508	46,943
22 Post-Closure Fund Balance	761,622	789,436	1,097,333	1,408,306	1,722,389	2,039,613	2,360,009	2,683,609	3,010,445	3,340,550	3,673,955	4,010,695	4,350,802	4,694,310	5,041,253
EQUIPMENT RESERVE FUND															
24 Equipment Reserve Deposits	250,000	150,000	150,000	150,000	200,000	200,000	200,000	200,000	200,000	250,000	250,000	250,000	100,000	100,000	100,000
25 Interest Earnings	1,500	505	2,010	3,530	1,066	3,076	1,107	3,118	1,149	3,161	1,192	3,704	1,241	2,254	3,276
26 Equipment Expenditures	-437,500	0	-400,000	-400,000	-400,000	-400,000	-400,000	-400,000	-400,000	-450,000	-500,000	-500,000	-500,000	-500,000	-500,000
27 Subtotal Equipment Reserve Activity	-186,000	150,505	152,010	-246,470	201,066	-196,924	201,107	-198,862	201,149	-196,839	251,192	-248,296	101,241	102,254	103,276
28 Equipment Reserve Fund Balance	50,522	201,027	353,037	106,568	307,634	110,710	311,817	114,935	316,085	119,245	370,438	124,142	225,384	327,637	430,914
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
REVENUE REQUIREMENTS	8,933,897	10,047,107	10,480,075	10,868,567	11,293,200	11,734,617	12,193,484	12,670,496	13,166,373	13,681,867	14,217,757	14,774,855	15,354,005	15,956,084	16,582,004
33 WASTE FLOWS (Tons)	151,029	157,070	163,353	169,867	176,863	183,750	191,100	198,744	206,894	214,961	223,560	232,502	241,802	251,474	261,533
PROJECTED REVENUES \$															
34 AVERAGE TIP FEE	56	81	81	81	81	81	81	81	81	81	81	81	81	81	81
35 FUND BALANCE CARRYFORWARD	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
36 TIP FEE REVENUE	8,457,596	9,581,280	9,984,531	10,363,112	10,777,637	11,206,742	11,657,082	12,123,376	12,608,311	13,112,643	13,637,149	14,182,635	14,749,940	15,339,938	15,953,535
37 OTHER	478,301	465,827	495,544	505,454	515,564	525,875	536,392	547,120	558,063	569,224	580,608	592,220	604,065	616,146	628,489
38 TOTAL REVENUES GENERATED	9,533,897	10,867,107	11,080,075	11,468,567	11,893,200	12,334,617	12,793,484	13,270,496	13,786,373	14,281,867	14,817,757	15,374,855	15,954,005	16,556,084	17,182,004
39 REVENUE REQUIREMENTS (from above)	8,933,897	10,047,107	10,480,075	10,868,567	11,293,200	11,734,617	12,193,484	12,670,496	13,166,373	13,681,867	14,217,757	14,774,855	15,354,005	15,956,084	16,582,004
40 NET OPERATING REVENUE	1,091,925	2,118,374	2,001,985	2,193,495	2,345,208	2,407,848	2,626,903	3,106,873	3,101,363	3,307,461	3,579,100	4,462,430	3,658,215	5,886,449	6,189,970
41 CONTINGENCY	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000

3% Assumed Annual Cost Increase
1% Assumed Interest Earnings
4% Assumed Annual Waste Flow Growth

EXHIBIT "B"

**DESCHUTES COUNTSOLID WASTE PROGRAM
REVENUE AND EXPENDITURE FORECASTING MODEL**

Reserves Adjustment

	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
COST OF OPERATIONS:															
1 Personnel/Labor	2,121,009	2,184,639	2,250,178	2,317,684	2,387,214	2,458,831	2,532,598	2,608,574	2,686,831	2,767,436	2,850,459	2,935,972	3,024,052	3,114,773	3,208,218
2 Materials & Service	4,019,566	4,140,153	4,264,358	4,392,288	4,524,057	4,659,779	4,799,572	4,943,559	5,091,866	5,244,622	5,401,961	5,564,019	5,730,940	5,902,868	6,079,954
3 Road Department Transfer	362,453	377,573	392,675	406,382	424,718	441,706	459,375	477,750	496,860	516,734	537,403	558,900	581,256	604,506	628,686
4 Debt Service	930,944	933,628	933,256	934,086	934,175	933,286	936,378	939,420	938,304	939,460	936,405	934,825	934,272	935,459	936,186
5 Capital Outlay	158,000	162,740	167,622	172,651	177,830	183,165	188,660	194,320	200,150	206,154	212,339	218,709	225,270	232,026	238,989
6 TOTAL OPERATING EXPENSES \$	7,591,972	7,798,733	8,008,090	8,226,071	8,447,984	8,675,769	8,918,581	9,163,622	9,416,910	9,674,406	9,938,657	10,212,425	10,495,789	10,789,634	11,082,034
RESERVE FUNDS															
CAPITAL RESERVE FUND															
Capital Reserve Deposits	491,925	1,333,023	1,485,220	744,080	981,793	889,096	1,071,404	1,513,154	1,467,895	1,632,654	1,861,301	2,699,919	1,849,204	4,009,077	4,282,304
Interest Earnings	18,000	19,370	28,894	4,036	7,286	11,590	0	0	0	0	0	0	0	0	9,535
Capital Expenditures	-1,148,106	-400,000	-4,000,000	-425,000	-437,750	-4,500,000	-450,000	-4,750,000	-475,000	-489,250	-5,000,000	-500,000	-515,000	-530,450	-546,364
Subtotal Capital Reserve Activity	-638,181	952,394	-2,485,886	323,095	431,306	-3,599,322	621,404	-3,236,846	892,895	1,143,404	-3,136,689	2,199,919	1,334,204	3,478,627	3,745,475
Capital Reserve Fund Balance	1,937,046	2,689,440	403,554	726,850	1,157,850	-2,441,363	-1,819,959	-5,056,805	-4,063,910	-2,920,506	-6,059,204	-3,856,286	-2,525,082	953,545	4,899,021
CLOSURE FUND															
Closure Fund Deposits	800,000	0	0	800,000	800,000	750,000	750,000	500,000	750,000	750,000	750,000	750,000	2,000,000	100,000	100,000
Interest Earnings	20,000	31,861	30,945	30,605	36,080	41,689	9,605	16,451	20,816	0	0	1,900	8,570	0	0
Closure Expenditures	-283,500	-75,000	-75,000	-73,000	-75,190	-4,000,000	-75,000	-80,000	-4,000,000	-80,000	-82,400	-84,872	-4,000,000	-86,000	-86,000
Subtotal Closure Fund Activity	356,500	-43,139	-44,055	557,605	560,890	-3,208,311	684,605	436,451	-3,229,184	670,000	667,600	667,028	-1,991,430	14,000	14,000
Closure Fund Balance	3,138,135	3,094,516	3,050,462	3,607,968	4,168,856	960,544	1,645,150	2,081,601	-1,147,583	-477,583	190,017	857,045	-1,134,384	-1,120,384	-1,106,384
POST-CLOSURE FUND															
Post Closure Fund Deposits	0	0	0	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Interest Earnings	5,000	7,816	7,894	7,873	11,053	14,164	17,305	20,478	23,863	26,920	30,189	33,491	36,826	40,194	43,596
Post-Closure Fund Balance	781,622	788,436	797,333	1,105,306	1,418,359	1,730,523	2,047,628	2,368,305	2,691,989	3,018,909	3,349,098	3,682,589	4,019,415	4,359,609	4,703,205
EQUIPMENT RESERVE FUND															
Equipment Reserve Deposits	250,000	150,000	150,000	150,000	200,000	200,000	200,000	200,000	200,000	250,000	250,000	250,000	100,000	100,000	100,000
Interest Earnings	1,500	505	2,010	3,530	1,086	3,078	1,107	3,118	1,149	3,181	1,192	3,704	1,241	2,254	3,278
Equipment Expenditures	-437,500	0	0	-400,000	0	-400,000	0	-400,000	0	-450,000	0	-500,000	0	0	0
Subtotal Equipment Reserve Activity	-186,000	150,505	152,010	-246,470	201,086	-196,824	201,107	-196,882	201,149	-196,839	251,192	-246,296	101,241	102,254	103,278
Equipment Reserve Fund Balance	50,522	201,027	353,037	108,568	307,634	110,710	311,817	114,935	316,085	119,245	370,438	124,142	225,384	327,637	430,914
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
REVENUE REQUIREMENTS	8,833,897	9,281,758	9,843,310	10,018,131	10,409,787	10,815,868	11,237,985	11,678,778	12,132,906	12,607,080	13,099,958	13,612,344	14,144,993	14,698,712	15,274,337
WASTE FLOWS (Tons)	151,029	157,070	163,353	169,887	176,683	183,750	191,100	198,744	206,694	214,961	223,560	232,502	241,802	251,474	261,533
PROJECTED REVENUES \$															
AVERAGE TIP FEE	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56
FUND BALANCE CARRYFORWARD	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
TIP FEE REVENUE	8,457,598	8,795,929	9,147,766	9,513,677	9,894,224	10,289,993	10,701,592	11,129,856	11,574,842	12,037,536	12,519,350	13,020,124	13,540,929	14,082,568	14,645,868
OTHER	476,301	485,827	495,544	505,454	515,564	525,875	536,382	547,120	558,063	569,224	580,606	592,220	604,055	616,146	628,469
TOTAL REVENUES GENERATED	9,533,897	9,881,756	10,243,310	10,619,131	11,009,787	11,415,868	11,837,965	12,276,778	12,732,905	13,207,080	13,699,958	14,212,344	14,744,993	15,298,712	15,874,337
REVENUE REQUIREMENTS (from above)	8,833,897	9,281,758	9,843,310	10,018,131	10,409,787	10,815,868	11,237,985	11,678,778	12,132,906	12,607,080	13,099,958	13,612,344	14,144,993	14,698,712	15,274,337
NET OPERATING REVENUE	1,091,925	1,833,023	2,085,220	1,344,060	1,481,793	1,489,098	1,871,404	2,113,154	2,067,895	2,232,654	2,461,301	3,299,919	2,449,204	4,609,077	4,882,304
CONTINGENCY	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000

3% Assumed Annual Cost Increase
1% Assumed Interest Earnings
4% Assumed Annual Waste Flow Growth

EXHIBIT "B"
DESCHUTES COUNTSOLID WASTE PROGRAM
REVENUE AND EXPENDITURE FORECASTING MODEL

8% Annual waste flow growth

	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31
COST OF OPERATIONS:															
Personnel/Labor	2,121,009	2,184,839	2,250,178	2,317,884	2,387,214	2,458,831	2,532,598	2,608,574	2,688,831	2,787,438	2,850,456	2,935,972	3,024,052	3,114,773	3,208,218
Materials & Service	4,019,586	4,140,153	4,284,358	4,392,288	4,524,057	4,659,779	4,799,572	4,943,559	5,091,866	5,244,622	5,401,981	5,564,019	5,730,940	5,902,888	6,079,954
Road Department Transfer	362,453	377,573	407,778	440,401	475,633	513,683	554,778	599,180	647,093	698,860	754,789	815,151	880,363	950,792	1,028,855
Debt Service	930,944	933,628	933,256	934,086	934,175	933,288	936,378	939,420	939,304	939,480	936,495	934,825	934,272	935,459	936,188
Capital Outlay	158,000	162,740	167,822	172,651	177,830	183,165	188,660	194,320	200,150	206,154	212,339	218,709	225,270	232,028	238,969
6 TOTAL OPERATING EXPENSES \$	7,601,872	7,798,733	8,023,193	8,257,090	8,496,909	8,748,746	9,011,984	9,286,033	9,568,243	9,868,532	10,186,022	10,523,677	10,884,897	11,266,921	11,669,203
RESERVE FUNDS			C7			C8 and CL-B		C9	CL-C		C10		CL-D		
CAPITAL RESERVE FUND															
Capital Reserve Deposits	491,925	1,071,328	1,287,324	1,852,535	2,423,158	2,954,153	3,695,595	4,758,089	5,397,291	6,319,521	7,383,982	9,143,670	9,306,904	12,581,781	14,079,945
Interest Earnings	18,000	19,370	26,277	0	13,689	33,880	18,558	51,200	51,781	101,522	180,840	186,288	274,588	365,252	488,418
Capital Expenditures	-1,148,106	-400,000	-4,000,000	-425,000	-437,750	-4,500,000	-450,000	-4,750,000	-475,000	-489,250	-5,000,000	-500,000	-515,000	-530,450	-548,364
Subtotal Capital Reserve Activity	-638,181	690,699	-2,686,399	1,427,535	1,999,097	-1,512,167	3,284,153	58,168	4,974,072	5,931,793	2,544,802	8,829,958	9,066,492	12,418,583	14,023,000
Capital Reserve Fund Balance	1,937,046	2,627,745	-58,654	1,368,881	3,367,978	1,855,811	5,119,564	5,178,132	10,152,205	16,083,988	18,628,800	27,458,758	38,525,249	48,941,832	62,964,833
CLOSURE FUND															
Closure Fund Deposits	600,000	600,000	600,000	600,000	600,000	750,000	750,000	500,000	750,000	750,000	750,000	750,000	2,000,000	100,000	100,000
Interest Earnings	20,000	31,381	36,945	42,566	48,280	53,991	22,031	29,001	33,491	1,328	8,039	14,796	21,595	1,811	1,989
Closure Expenditures	-263,500	-75,000	-75,000	-73,000	-75,190	-4,000,000	-75,000	-80,000	-4,000,000	-80,000	-82,400	-84,872	-4,000,000	-86,000	-86,000
Subtotal Closure Fund Activity	356,500	556,381	561,945	569,566	573,070	-3,195,009	697,031	449,001	-3,218,509	671,326	675,639	679,924	-1,978,405	15,811	15,989
Closure Fund Balance	3,138,135	3,694,518	4,256,482	4,828,026	5,399,096	2,203,067	2,900,118	3,349,119	132,611	803,937	1,479,578	2,159,500	181,085	198,908	212,875
POST-CLOSURE FUND															
Post Closure Fund Deposits	0	0	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Interest Earnings	5,000	7,618	7,894	10,973	14,083	17,224	20,396	23,600	28,836	30,104	33,405	36,740	40,107	43,508	46,943
Post-Closure Fund Balance	781,622	788,438	1,097,333	1,408,308	1,722,389	2,039,613	2,360,009	2,683,609	3,010,445	3,340,550	3,673,955	4,010,685	4,350,802	4,694,310	5,041,253
EQUIPMENT RESERVE FUND															
Equipment Reserve Deposits	250,000	150,000	150,000	150,000	200,000	200,000	200,000	200,000	200,000	250,000	250,000	250,000	100,000	100,000	100,000
Interest Earnings	1,500	505	2,010	3,530	1,066	3,076	1,107	3,118	1,149	3,161	1,192	3,704	1,241	2,254	3,278
Equipment Expenditures	-437,500	0	0	-400,000	0	-400,000	-400,000	-400,000	-400,000	-450,000	-500,000	-500,000	-500,000	-500,000	-500,000
Subtotal Equipment Reserve Activity	-186,000	150,505	152,010	-246,470	201,066	-196,924	201,107	-196,882	201,149	-196,839	251,192	-246,296	101,241	102,254	103,276
Equipment Reserve Fund Balance	50,522	201,027	353,037	108,568	307,634	110,710	311,817	114,935	316,085	119,245	370,438	124,142	225,384	327,637	430,914
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
REVENUE REQUIREMENTS	8,933,897	9,820,061	10,360,516	11,159,625	12,022,088	12,952,899	13,957,579	15,042,001	16,212,534	17,476,053	18,839,984	20,312,348	21,901,801	23,617,701	25,470,148
WASTE FLOWS (Tons)	151,029	163,111	178,180	190,253	205,473	221,911	239,664	258,837	279,544	301,908	326,080	352,145	380,317	410,742	443,801
PROJECTED REVENUES \$															
AVERAGE TIP FEE	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56
FUND BALANCE CARRYFORWARD	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
TIP FEE REVENUE	8,457,596	9,134,234	9,884,973	10,854,170	11,508,504	12,427,024	13,421,186	14,494,881	15,654,472	16,908,830	18,259,376	19,720,128	21,297,736	23,001,555	24,841,879
OTHER	478,301	485,827	495,544	505,454	515,584	525,875	536,392	547,120	558,083	569,224	580,608	592,220	604,085	616,148	628,489
TOTAL REVENUES GENERATED	9,533,897	10,220,061	10,990,516	11,759,625	12,622,088	13,552,899	14,557,579	15,642,001	16,812,534	18,076,053	19,439,984	20,912,348	22,501,801	24,217,701	26,070,148
REVENUE REQUIREMENTS (from above)	8,933,897	9,820,061	10,360,516	11,159,625	12,022,088	12,952,899	13,957,579	15,042,001	16,212,534	17,476,053	18,839,984	20,312,348	21,901,801	23,617,701	25,470,148
NET OPERATING REVENUE	1,091,925	1,671,328	1,887,324	2,452,535	3,023,158	3,554,153	4,295,595	5,358,089	5,997,291	8,919,521	7,983,982	9,743,670	8,908,904	13,181,781	14,879,945
CONTINGENCY	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000

3% Assumed Annual Cost Increase
1% Assumed Interest Earnings
8% Assumed Annual Waste Flow Growth