

OCRRA

Serving our community, our families and our future

Our Mission Statement

The Onondaga County Resource Recovery Agency is supported by an experienced team of employees, integrating their diverse skills to manage our community's solid waste system in an efficient, safe, environmentally sound and cost-effective manner.

Onondaga County
Resource Recovery Agency
100 Elwood Davis Road
North Syracuse, NY 13212-4312

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2004 ANNUAL BUDGET SUMMARY



OCRRA

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A Message from the OCRRA Board

The OCRRA Board is extremely pleased to report that the Waste-to-Energy debt restructuring team reached a formal agreement in early October 2003 that will provide both short- and long-range financial stability to the Agency. The restructuring team, composed of Covanta Energy, Covanta's Limited Partners, the bondholders, OCRRA senior management, the Bankruptcy Court and Covanta creditors, with legal and financial services support, set aside legal actions and mutually agreed upon a restructuring plan that would serve to protect all team participants.

This 2004 Budget Summary reflects the OCRRA Board's responsibilities, goals and estimates revenues and expenses required to continue providing the community with a complete range of environmentally safe, efficient and economical solid waste management services. Upon identifying necessary expenses, we examined the revenues and funding sources necessary to provide those services and determined a balanced Budget would result for the first time in four years. This 2004 Budget of \$32,289,000 is \$5,370,540 or 14.3 % less than the 2003 Budget.

The 2004 Budget, for the first time in four years, does not require the use of Agency reserves. With the restructuring now accomplished, the Agency can direct its energies and efforts towards refining our existing programs and services provided to the community.

OCRRA Board of Directors

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Executive Director

Refocusing on the Future

The 2003 restructured WTE bonds significantly lowered expenses for Debt Service and WTE operational/pass-through costs.

This restructuring will preserve the financial integrity of OCRRA and provide assurances to the community that waste will be processed in a cost-effective manner well beyond the next 10 years.

The Agency will now focus its efforts to explore ways to both enhance revenue streams and control and reduce expenses when opportunities become available.

OCRRA's MSW tipping fee revenues are contractually set for 2004 and 2005. Agency management will be working diligently to review existing hauler agreements and plan for new longer-term agreements. Investment revenues have been suppressed by economic factors. Agency management will be exploring alternatives to enhance interest incomes.

The Agency will refocus attention to further promoting and providing recycling opportunities to the community which will reduce or eliminate materials now being added to the waste stream.

OCRRA's future has brightened and new opportunities will be explored.

*Notes to Expense Projections Summary

- (1) Debt Service represents the Principal and Interest Payments on the Series 2003A Refunding Bonds. These Bonds are a direct obligation of the Agency.
- (2) Contingent Debt Reduction represents the annual projected contribution (77%) from Excess Annual Proceeds (net surplus) that is applied to Series 2003B Convertible Capital Appreciation Subordinate Debt (Bonds) pursuant to the Restructuring Agreement.
- (3) Capital Replacement represents the annual projected contribution (23%) from Excess Annual Proceeds (net surplus) that is retainable by the Agency to maintain a 5-Year Capital Improvement Plan (CIP).

OCRRA's Community Related Services

As a public authority, OCRRA is charged with managing a complex solid waste system. In that role, we provide various services to our community, which are supported by this Budget. These Services include the following;

Recycling

- Administer and support Local Law 12, The Source Separation Law, by recycling more than 700,000 tons through mandatory and voluntary recycling with a 98% participation rate
- Work with haulers, residents, businesses, participating municipalities and apartments to collect 17 mandatory items and provide bins and pails
- Research market opportunities for additional recycling
- Promote public education and awareness
- Handle 50,000 hotline calls and speak to 12,000 students annually
- Operate two compost sites for mulch and compost
- Sponsor Household Hazardous Waste days, serving thousands of households
- Sponsor battery, mercury thermometer, computer, television and book collection programs
- Visit apartment complexes to promote recycling
- Assist over 1,500 businesses annually in the community, addressing their waste and recycling needs

Transfer Operations

- Properly dispose of WTE ash residue at a permitted landfill
- Provide a facility to accept and process construction debris
- Provide a disposal site for residents wishing to dispose of their own trash and recyclables

Waste-to-Energy

- Complementing economic growth with adequate trash disposal capacity
- Provide an environmentally safe process to dispose of waste generated in the county
- Convert garbage into electricity reducing our dependence on fossil fuels and foreign oil

WEB Site: www.ocrra.org

Our Goals for 2004

Financial Goals

Maintaining and improving the Agency's long-term post-restructuring viability through operational efficiencies and professional stewardship of OCRRA's resources by:

1. Continuing reduction of operating costs through improved management practices.
2. Maintaining the Agency's reserves through enhanced cash management/investment tools.
3. Identifying and pursuing new revenue opportunities and maximizing current revenue streams.

Environmental Goals

Processing and disposing of the County's solid waste safely and continuing support of the community's nationally recognized recycling programs remain our top priorities.

We will accomplish this by:

1. Continued efforts to remove household hazardous waste from the waste stream with three yearly collection days, ongoing recycling related public education, collection programs for batteries, mercury thermometers, computers, televisions and books, yard waste composting, and education on waste minimization.
2. Strict adherence to EPA and DEC standards with continuous emission monitoring, stack testing, and inspections of the WTE Facility.
3. Conducting tests on ash residue to ensure continued compliance with regulatory standards.
4. Informing the County Public Health Department of testing results and making data available to the public.
5. Benchmarking against others and implementing change where appropriate.

Communication Goals

Educating and communicating effectively with the public by:

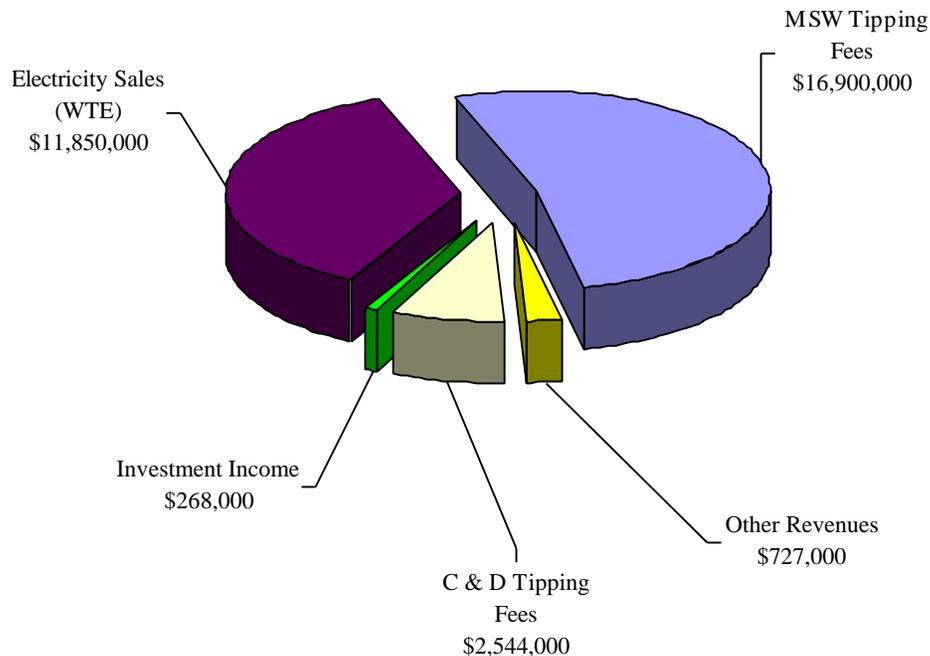
1. Constructively developing and discussing the positive economic and financial impacts achieved with restructuring to reduce costs.
2. Frequently meeting with county and municipal officials, citizen groups, and editorial boards/media to explain OCRRA's environmental mission.
3. Explaining all the options and risks associated with new opportunities with recent flow control court decisions.
4. Educating the public in recycling via media advertising, classroom training, and waste reviews at businesses. We will continue to keep reduction, reuse, and recycling first in our disposal decisions.
5. Publishing results of environmental data and working in harmony with local media and elected officials. We will work to preserve the public's trust in our activities.
6. Continuing to maintain recognition as an Agency respected for its sound fundamental operating procedures and practices.
7. Publishing results and reports to the entire community through the use of our Web Site: www.ocrra.org.

Where Revenue Dollars Come From

OCRRA's 2004 anticipated revenues are produced from the following sources:

<u>Revenue Projections</u>	<u>Amount</u>	<u>%</u>
MSW Tipping Fees	\$ 16,900,000	52.3%
Electricity Sales (WTE)	\$ 11,850,000	36.7%
C&D Tipping Fees	\$ 2,544,000	7.9%
Other Revenues	\$ 727,000	2.3%
Investment Income	\$ 268,000	0.8%
<u>Total Revenues</u>	\$ 32,289,000	100%

Sources of Agency 2004 Budget Revenues
\$32,289,000



How Each Dollar Is Spent

OCRRA's 2004 anticipated expenses are allocated to the following needs:

<u>Expense Projections</u>	<u>Amount</u>	<u>%</u>
Waste-to-Energy	\$ 11,623,900	36.0%
Debt Service (1)*	\$ 9,220,750	28.6%
Transfer/Disposal Services	\$ 6,008,800	18.6%
Recycling and Waste Reduction	\$ 1,648,350	5.1%
Administration and Support	\$ 1,535,200	4.8%
Contingent Debt Reduction (2)*	\$ 1,501,420	4.6%
Capital Replacement (3)*	\$ 448,480	1.4%
Professional Fees	\$ 141,000	0.4%
Operating Contingency	\$ 100,000	0.3%
Property Maintenance	\$ 61,100	0.2%
<u>Total Expenditures</u>	\$ 32,289,000	100%

2004 Expenses By Category
\$32,289,000

