

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: September 16, 2026

SUBJECT: Solid Waste Funding

PRESENTER: Marcus A. Jones, P.E.
County Engineer

ATTACHMENTS: Yes
1. Presentation

SUMMARY OF REQUEST:

Staff will present the Board with information to support the need for a long-range funding plan for the Solid Waste Enterprise Fund.

BOARD ACTION REQUESTED:

Information is provided for informational purposes. No action is requested.

Suggested Motion:

No motion is suggested.

SOLID WASTE ENTERPRISE FUND

Funding Plan

September 16, 2026

Need for Long-Range Funding Plan

- The Solid Waste Enterprise fund has a history of insufficient fund net position (reserves). For FY2025, the fund had a deficit in unrestricted fund balance.
- Lack of sufficient net position does not allow for unexpected fluctuations in operating costs or for the purchase of unexpected capital needs.
- Increase in funding from the General Fund, as adopted in FY2027 budget ordinance, provides some relief, but a more robust fund balance and long-term capital funding plan are necessary for continuity of operations.

Solid Waste Enterprise Fund – Fiscal History

- \$5.9M in transfers from the General Fund to the Solid Waste Enterprise fund since FY2023
- History of operating losses
- Increases in tonnage
- Delayed capital purchases and repairs
- Increasing deficit in unrestricted net position

Fiscal Year	Transfers In	Operating Income/(Loss)	Annual Tonnage
2027	2,422,956	TBD	TBD
2026	420,786	TBD	137,592
2025	325,682	(553,601)	153,924
2024	1,305,263	(708,006)	122,440
2023	1,500,000	(859,250)	116,791
2022	-	(1,903)	116,013

Solid Waste Net Position - History



	FY2025	FY2024	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017	FY2016
Net Investment In Capital Assets	10,582,463	10,661,139	8,580,567	8,151,609	7,955,019	7,611,848	7,448,064	7,314,706	7,166,595	7,284,761
Unrestricted Net Position	(1,230,330)	(1,225,733)	(118,465)	(617,372)	(646,945)	(621,381)	47,852	(223,691)	(440,915)	(834,917)
	9,352,133	9,435,406	8,462,102	7,534,237	7,308,074	6,990,467	7,495,916	7,091,015	6,725,680	6,449,844



Flow Control – Identified Funding Option

A Flow Control ordinance would designate the Henderson County Transfer Station as the required location for waste removal, prohibiting removal of waste to other locations. Applies to residential and commercial tonnage.

Pros:

- Creates sustainable tipping fee revenue (no competition, like a utility)
- Improves financial condition – reduces transfers
- Existing precedent in courts for flow control to a public facility
- Capacity exists to process additional tonnage (est 30k tons)
- Easy to implement

Flow Control – Identified Funding Option Continued

- Cons:
 - County could be subjected to lawsuits
 - Budgetary impact for delayed implementation
 - Solid Waste code enforcement officer will be needed during transition
 - Not equitable between customers

Flow Control Impacts

- Requires an ordinance
- Increase in solid waste tonnage received
- Raise tipping fee for increased operating and capital costs
- Potentially eliminates transfer from General Fund
- Recommends adding Solid Waste Code Enforcement Officer

Thank You

Board Discussion and Questions