7

ADMINISTRATION AND FINANCE

Agenda Item 7

7A

STAFF REPORT

To: SBWMA Board Members
From: Joseph La Mariana, Executive Director
Hilary Gans, Senior Facility & Contracts Manager
Farouk Fakira, Finance Manager
Date: May 25, 2017 Board of Directors Meeting
Subject: Resolution Approving the FY17/18 SBWMA Budget

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2017- 23 attached hereto authorizing the following action: Approving the FY17/18 SBWMA Budget.

Summary

The FY17/18 SBWMA Budget reflects Staff's efforts to manage expenses and revenues to meet the banking covenant ratios, and maintain a healthy capital reserve balance to ensure sufficient funding for future capital projects by the Agency. Staff is recommending no franchise tip fee increases at the Shoreway gate, and an increase of $1.81 per cubic yard on Public offset a processing fee increase by Zanker.

A summary of the changes from the draft document that was presented to the board in April and today's document are highlight below for your quick review in Table 1:

Table 1
CHANGES BETWEEN APRIL'S PRELIMINARY AND MAY'S FINAL BUDGET

Line Number	Account	April's Prelim	May's Final	Change
3	Mandated Compliance Support Staff	$560K	$569K	$9K
9	Accounting Services	143K	145K	2K
21	Office/Tenant Improvement	30K	50K	20K
23	Office Equipment Costs	15K	30K	15K
31	Sponsorships & Donations	20K	30K	10K
32	Legislative & Regulatory Advocacy	0	30K	30K
37	Facility Improvements Oversight	60K	100K	40K
38	Contact Annual Auditing	55K	70K	15K
40	Finance Analysis Support	70K	40K	(30K)
43	Battery Management Planning	65K	85K	20K
49	Recycling Reporting	15K	0	(15K)
50	Event Giveaways	20K	15K	(5K)
Total				$111K

Overview

Budget Process

The process being followed in the presentation of this FY17/18 budget has been structured to provide Board members several opportunities to participate in the budget review and approval process. In addition to budget presentations at the April Board meeting, staff has reviewed the budget with the Finance Committee on April 4th. Due to the complexity of the SBWMA's Budget, Board members are encouraged to contact staff directly with questions prior to the June Board meetings.

Budget's Relationship to the Rate Stetting process

With the approval of the FY17/18 SBWMA Budget, the Board is approving Shoreway tip fees necessary to operate the Agency (Shoreway Operations and SBMWA Program & Administrative). Setting the Shoreway tipping fees is the first step in the overall process of determining the Member Agency collection rate adjustment for calendar year 2018. The collection rates that are paid by each residential and commercial customer and are used to pay three main categories of expenses; 1) the cost to tip the blue/green/black cart materials at Shoreway, 2) payments to Recology for collection services and 3) franchise fees to the Agencies. The Member Agency rate setting process will occur in the fall of 2017 and at that time the SBWMA Operations revenue requirement will be added to the Collection Services revenue requirement to arrive at the collection rates for approval by the Member Agency's governing bodies prior to January 2018.

Organization of the Budget Report

This Preliminary FY17/18 SBWMA Budget report is organized into sections that correspond to sections in the SBWMA budget spreadsheet provided in Attachment A. This report provides analysis of the major budget variance in the report sections titled *Net Income, Reserve Balances & Bond Covenant*; *Budget Revenues*; and *Budget Expense*. Additional details and support information are included in the attachments that are referred to within the body of this report. The Budget expenses include the following major cost components:

- The cost to own and maintain the Shoreway facility
- The cost to pay SBR to operate the facility
- The cost of off-site disposal and processing of materials
- SBWMA program & administrative expenses
- Debt service, and other expenses.

Chart 1. SBWMA FY17/18 Budget as percent of Total Waste System Exp.

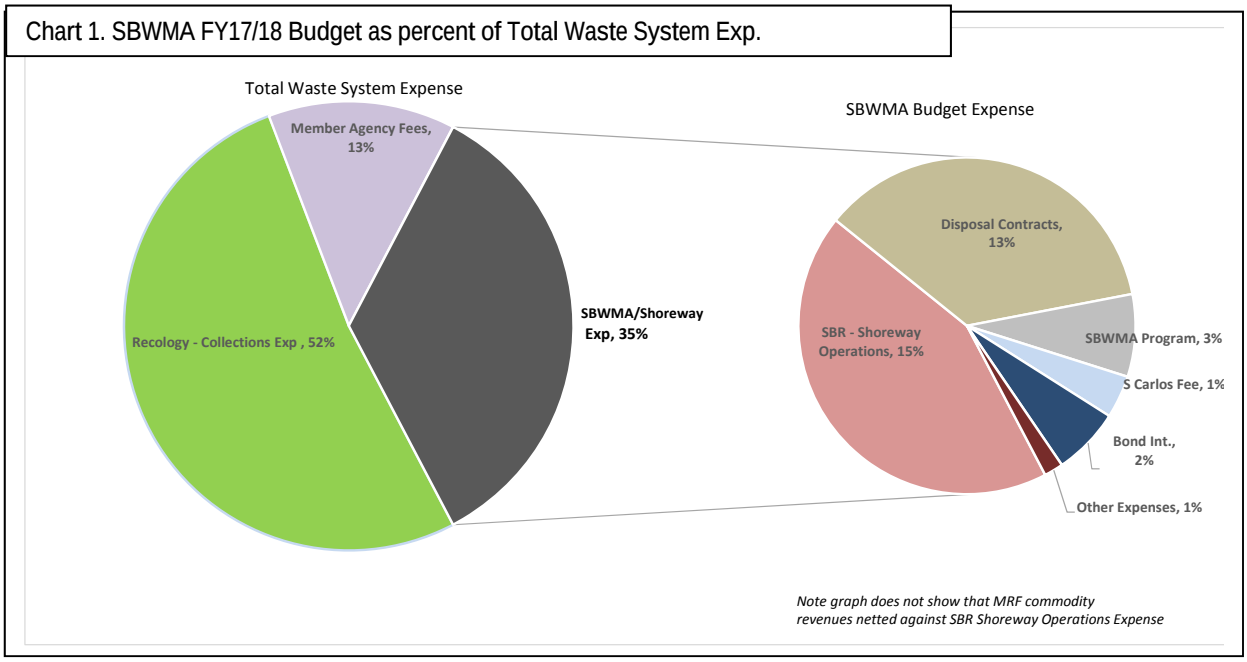


Chart 1 presents the total expense of the "Waste System" and shows how the SBWMA Budget relates to the Recology collection services and Member Agencies' franchise fees. An understanding of the relative proportion of each item in the Budget and its relationship to the overall rate structure provides a good framework for understanding how best to manage the Waste System expenses and rate impacts. A case in point, is the fact that the agency is embarking on a Collection Services contract negotiations process that affects 52% of the total waste system rate structure and is tied to future Collections Services commitments that will likely exceed $60M per year or close to a billion dollars over the full term of the new Collection Services contact. Also notable is the fact that:

1) Most of the Waste System expenses are under contract and as such, the annual adjustments are determined by contractually established indexes such as CPI that help provide rate predictability and stability.

2) The SBWMA Program & Administration expense represents ~3% of the total Waste System and has a minor impact on the Member Agencies' residential and commercial rates.

3) The Member Agency franchise fees are part of the collection rates and represent approximately 13% of total Waste System expense.

SBWMA Budget Analysis

Table 2 below presents a high-level summary of the FY17/18 SBWMA Budget and the variances for major categories from prior year's adopted and mid-year budgets.

Table 2

FY17/18 PROFIT AND LOSS & CASH FLOW SUMMARY					
Categories	FY16/17 Adopted Budget	FY16/17 Mid-Year Projections	FY17/18 Preliminary Budget	FY18 vs. FY17 Adopted Budget	Variance %
Total Revenue	$43,984,065	$44,902,237	$46,960,353	$2,976,288	7%
Total Operating Expense	39,632,555	39,532,267	41,427,295	(1,794,740)	-5%
Net Income Before Interest	$ 4,351,510	$ 5,369,969	$ 5,533,058	$ 1,181,548	27%
Interest Expense	2,747,908	2,747,908	2,710,170	37,739	1%
Net Income	$ 1,603,602	$ 2,622,061	$ 2,822,888	$ 1,219,287	76%
Bond Principal Payment	(1,355,833)	(1,091,667)	(1,183,333)	172,500	-13%
Capital Expenditures, (adjusted) [2]	(515,000)	(515,000)	(1,840,000)	(1,325,000)	257%
Net Cash flow (contribution to Reserve)	($267,231)	$1,015,394	($200,445)	$66,786	-25%

[1] Mid-year FY16/17 projection for capital spending is $515,500

[2] FY17/18 capital net of MRF equipment replacement fund of $1,840,000

Net Income, Reserve Balances, and Bond Covenant

As Shown in Table 1, the SBWMA is experiencing a negative Net Cash Flow of ($200,445) Contribution to Reserves after bond principal and capital expenditures spending for FY17/18.

The SBWMA Finance Committee reviewed the draft budget at the April 4th meeting and considered the major assumptions of the FY17/18 Budget and staff's recommendation not to raise franchise tipping fees at Shoreway. The committee also

considered that the current tipping fee will generate sufficient net income to: 1) cover the agency's expenses, 2) meet the bond covenant obligations, 3) maintain reserves at levels that meets Board policy, and 4) maintain reserves to meet the future capital needs of the agency.

Table 3 below shows the FY17/18 SBWMA Budgeted reserves.

Table 3. SBWMA RESERVES

	ACTUAL FY15/16	ADOPTED BUDGET FY16/17	MID-YEAR BUDGET FY16/17	PRELIMINARY BUDGET FY17/18	FY18 vs. FY17 Mid-Year Budget
UNCOMMITTED RESERVE:					
RATE STABILIZATON (10% of expense)[1]	$ 4,174,238	$ 4,237,586	$ 4,228,018	4,413,746	$ 185,729
EMERGENCY RESERVE (10% of total expens	4,174,238	4,237,586	4,228,018	4,413,746	185,729
CAPITAL RESERVE [2]	3,737,529	2,968,453	4,657,718	4,617,411	(40,307)
TOTAL UNCOMMITTED RESERVES	$ 12,086,005	$ 11,443,626	$ 13,113,753	$ 13,444,904	$ 331,151
COMMITTED RESERVE					
EQUIPMENT REPLACEMENT (ANNUAL) [3]	$ 1,736,098	$ 1,723,744	$ 1,723,744	$ 1,192,148	$ (531,596)
TOTAL COMMITTED RESERVES	$ 1,736,098	$ 1,723,744	$ 1,723,744	$ 1,192,148	$ (531,596)
TOTAL GENERAL RESERVES	$ 13,822,103	$ 13,167,371	$ 14,837,497	$ 14,637,052	$ (200,445)
SHOREWAY REMEDIATION PROJECT	$ 1,233,640	$ 1,233,640	$ 1,233,640	$ 1,233,640	$ -

SBWMA Revenues

Chart 2 illustrates the major SBWMA revenues by source and that most of the Agency's revenue is derived from Shoreway tip fees and to a lesser extent commodity revenues, and other revenues. These tip fees are paid by Recology and the public/non-franchise customers for each ton of material delivered to the Shoreway facility (different tip fee amounts are charged for different material types). (Note that the SBWMA has the goal of aligning each tip fee with the costs for handling/ disposing each of the different material types delivered by franchise and public customers). An important part of correctly forecasting tip fee and commodity revenues is estimating the quantity of tons by material type that will be delivered in the fiscal year. This process is completed by trending-forward actual tonnage received in the prior year and making adjustments to the trend based on known changes in inbound tons.

Chart 2. SBWMA Major Revenues

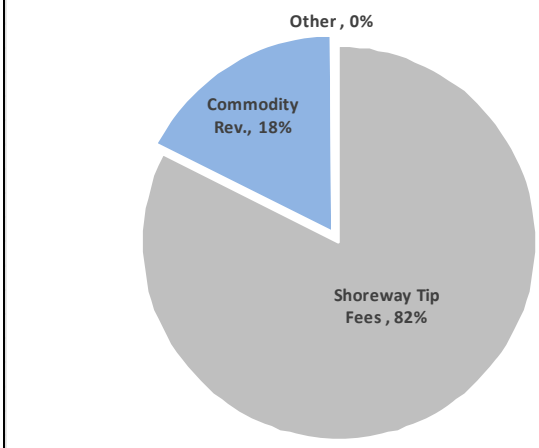


Table 4. FY17/18 Revenues					
FY17/18 REVENUES					
Revenues	FY16/17 Adopted Budget	FY16/17 Mid-Year Projections	FY17/18 Preliminary Budget	FY18 vs. FY17 Adopted Budget	Variance %
Tip Fee Revenues	$36,508,044	$36,902,521	$38,780,135	$2,272,091	6%
Non Franchised	8,114,936	8,038,948	8,691,298	576,362	7%
Franchised	28,393,108	28,863,573	30,088,837	1,695,729	6%
Net Commodity Sales Revenues*	6,943,411	8,155,931	8,015,544	1,072,133	15%
MRF - Host Fees	403,070	172,672	-	(403,070)	-100%
Interest Income	78,940	97,576	106,580	27,640	35%
Other Revenue	50,600	61,101	58,094	7,494	15%
Sub Operation Revenue	$43,984,065	$45,389,801	$46,960,353	$ 2,976,288	7%
Fire Related Revenue:					
Commodity Sales Revenue	-	(3,159,624)	-	-	0%
Commodity revenue Sharing	-	885,327	-	-	0%
MRF Host Fees	-	(131,832)	-	-	0%
Single Stream Revenue	-	608,888	-	-	0%
Insrance Revenue Interruption	-	1,309,676	-	-	0%
Total Revenues:	$43,984,065	$44,902,237	$46,960,353	$2,976,288	7%
*Gross commodity sales – 28.02% revenue share with SBR and buyback payments.					

Table 4 above provides a summary and variance of all the Agency's revenue streams for the 17/18 Budget compared to FY16/17 and mid-year budgets. Total Revenues for the Agency are expected to be $2.9 M higher than prior year. Major variances for each revenue line are discussed below:

Tip Fee Revenues – Tip fees are charged at Shoreway on each ton of material entering the facility (the total tons times the tip fee equals the agency's tip fee revenues). For FY17/18, there are no large changes in anticipated inbound franchise tonnage. The total FY17/18 tip fee revenues of $38.8M shown in the table are based on no tip fees increase on franchise material and a $1.81 per cubic yard increase on public C&D streams January 1, 2018.

- The current franchise tip fee for solid waste delivered to the Shoreway facility by Recology is $104 per ton.
- The public/non-franchised customer's fee for solid waste is charged based on cubic yardage volume at $41.

Net Commodity Sales Revenues - In the middle of FY16/17, commodity prices improved 15% over what was forecasted in the Adopted FY16/17 Budget. The improved net commodity revenue for the FY17/18 Budget is forecasted to be $1,072,133 higher (or $21.69 per ton) than commodity revenue in FY16/17 Budget ($141 vs. $120 per ton. See Attachment D – Commodity Price Information for detail on commodity price trends and projections).

MRF Host fees - The host fees revenues have been discontinued effective January 1st, 2017 due the termination of the contract by Recology. Recology has made a commitment to bring new tonnage to the Shoreway transfer station to help mitigate the loss of the host fees on recyclable tonnage.

Interest Income - Interest income revenue is generated from the interest on the Agency's invested reserves. The Agency's Reserves are invested in funds that emphasize stability of principle (San Mateo County Fund, LAIF). The revenues are a function of interest rates and the amount of money held in reserve.

HHW and Other – The House hold hazardous waste (HHW) program has been discontinued effective January 1st, 2017. There was a slight improvement in the E-Scrap Recycling Revenue of $7,494.

SBWMA Expense Budget

As shown in Chart 3, the Shoreway Operations and Disposal Contracts items represent the majority of the FY17/18 SBWMA Budget expense (approximately 82%). Important points about these major expenses include that they are:

1) Variable according to the quantity of material delivered to the Shoreway facility.

2) Under contract with cost increases indexed so the year-over-year variance is predictable and stable,

3) Linked to offsetting revenues collected from tip fees on inbound tons to the facility.

Chart 3. SBWMA Major Expenses

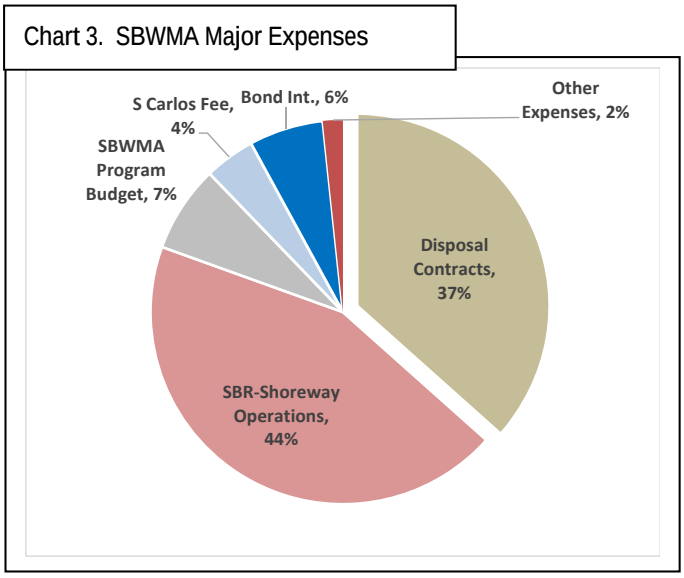


Table 5 below summarizes the expenses for the FY17/18 Budget by major category. The Total Expense is projected to be $44,104,464 and is $1.7M (4.0%) higher than the FY16/17 Adopted Budget. Each expense category shown in the table below is discussed in more detail under section titles matching the expense category line in the Expense Summary below.

Table 5. FY17/18 EXPENSE SUMMARY

EXPENSE CATEGORIES	FY16/17 Adopted Budget	FY16/17 Mid-Year Budget	FY17/18 Preliminary Budget	FY18 vs. FY17 Adopted Budget	FY17/18 Budget % of Total
Shoreway Operations	$34,529,270	$35,196,349	$35,927,570	$1,398,300	81.4%
SBWMA Program	3,364,772	3,066,220	3,653,015	288,243	8.3%
Interest Expense	2,747,908	2,747,908	2,710,170	(37,739)	6.1%
Franchise Fees to San Carlos	1,738,513	1,757,263	1,846,710	108,197	4.2%
Shoreway Fire Related Expenses	-	(487,565)	-	-	0.0%
Total Expense	$42,380,463	$42,280,176	$44,137,464	$1,757,001	100.0%

*** HHW Expenses were deleted**

Shoreway Operations Expense Detail

Table 6 below shows the Shoreway Operations Expense Detail for FY17/18. The total expense for the Shoreway operations are projected to be $40,484,450 which is $1.5M (4%) over FY16/17 Adopted Budget. Variances for each expense line are discussed below:

Table 6. FY17/18 SHOREWAY OPERATIONS EXPENSE DETAIL					
Expenditures	FY16/17 Adopted Budget	FY16/17 Mid-Year Projections	FY17/18 Preliminary Budget	FY18 vs. FY17 Adopted Budget	Variance %
SBR Compensation*	$18,423,627	$18,627,965	$18,936,520	$512,892	3%
Disposal and Processing*	15,329,602	15,845,562	15,859,400	529,798	3%
Insurance Shoreway	238,998	238,998	576,500	337,502	141%
Education Center	60,000	60,000	60,000	-	0%
Credit Cards Charges	173,710	120,491	140,600	(33,110)	-19%
Other Operating Expenses	242,690	242,690	292,690	50,000	21%
Taxes (Sewer)	60,643	60,643	61,860	1,217	2%
Fire Related expenses		(487,565)			0%
Total Shoreway Operations:	$34,529,270	$34,708,784	$35,927,570	$ 1,398,300	0%
Debt Service Bond Interest	2,747,908	2,747,908	2,710,170	(37,739)	-1%
Franchise Fee (San Carlos)**	1,738,513	1,757,263	1,846,710	108,197	6%
Total Shoreway Operating Expenses	$39,015,692	$39,213,956	$40,484,450	$ 1,468,758	4%
* Expense projection based on estimated facility tonnage					
** Expense projection based on estimated gate revenue (tipping fees x estimated tons)					

SBR Compensation Expense: There is a projected 3% increase in the fees paid to SBR to operate the Shoreway facility and transport outbound materials to the disposal and processing facilities resulting largely from an increase in the VRS hourly rates up to $15 from $11 for the MRF sorters, and slightly more tons. SBR's 2017 compensation will increase by approximately $512,892 in 2017 (see Table 4 and Attachment E).

Disposal and Processing Expense: There is 3% increase in disposal and processing expense which is a based mainly on a 3.0% estimated increase in January 1, 2017 rates. The increase in disposal rates are the result of contractual indexing procedures for disposal, composting, C&D and other processors. In addition to making the cost increases predictable, the contractual indexing of cost increases has worked well to contain cost increases and keep rates low for the Member Agencies. This said, there is however, the potential for large cost increases at the expiration of the existing contracts in 2017 and in 2019. The SBWMA staff attempts to manage the Agency's contracts to achieve the best negotiated arrangement for the Member Agencies. During the FY16/17 budget year, the Zanker Road Resource Recovery for C&D processing rate increase of $60 per ton has taken place effective February 1st, 2017. The rate goes up to $65 effective February 1st, 2018. Since C&D is a public/non-franchise material stream, the actual increase in C&D costs will be targeted to that stream and will have no impact on franchise tip fees. (See Table 5, Attachment E).

Other Operating Expense: Credit card transaction fees paid by SBR and reimbursed by the Agency for public/non-franchisee customer transactions has decreased by $33K due to a change in banking by SBR and which resulted in a favorable banking fees.

Taxes (sewer): Sewer usage fees paid on the property tax bill are based on the potable water usage (water meter) at the site. Water conserving measures are being considered for next year to reduce the sewer tax.

Franchise Fee (San Carlos): Under the terms of the land use permit granted by the City of San Carlos to the JPA, the SBWMA is obligated to pay the City 5% of the total Shoreway tip fee revenue. It is 6% higher than last budget due to projected higher revenues.

SBWMA Program & Administrative Expense

The total SBWMA Program & Administrative expense is shown is $3,620,015 (see Table 4 and Attachment A - FY17/18 Capital & Operating Budget Detail with expense variances described in line-by-line detail in the budget). The SBWMA Program & Administrative budget includes the staff, administrative, and program related expenses to operate the JPA. (The agency uses consultants to supplement staff time and expertise to fulfil the contract compliance, agency reporting, program and administrative functions to meet the goals established by the Board, the agency's contracts and regulatory bodies). The anticipated wage and benefit increase is 3% over prior year. The staff merit increase pool assumes a 3% increase on total wages (adjustments are made on a calendar year basis). The SBWMA provides non-PERS benefits that are low-cost when compared to other public agencies. Per the Agency Assessment (approved on March 27, 2017), two reclassified positions are reflected in this year's budget, the new Senior Facility & Contracts Manager and the Environmental Education Programs Manager. Further staff expense detail and a discussion on staff wages and benefit costs can be found in Attachment C – Organization chart and Personnel Summary.

SBWMA staff will be working to complete critical projects during the FY17/18 that are detailed in Attachment B – SBWMA Programmatic Detail. A summary of the key projects for FY17/18 include:

- Conducting the Collection Services contract negotiations process with Recology and providing support to the Member Agencies relating to the collection contract extension.
- Completing commercial collection efficiency pilot to boost aid cost reduction and recycling capture.
- Completion of a technical and financial feasibility analysis of a waste processing system to recover organic materials and other recyclables from solid waste to boost JPA diversion.
- Implementation of programs and projects that have been approved by the Board and that are part of the Long Range Plan and the Zero Landfill Workgroup efforts. These projects include implementation of the following:
  - Enhanced commercial recycling outreach targeting businesses and multi-family.
  - Environmental education program supporting in-school recycling and composting efforts.
  - Piloting gasification technologies for green waste and MRF residue.

Capital Expenditures

The FY17/18 Capital Expenditures budget is $1,840,000 (see Attachment A - FY17/18 Capital & Operating Budget Detail). Per Board feedback, staff is forecasting capital spending on a five-year basis. The forecast includes the recommended capital projects presented in the 2015 Long Range Plan.

Background

The SBWMA Budget is reviewed by the Board in April and is considered for approval at the May Board meeting each year. On April 4th the Finance Committee reviewed the assumptions of the Preliminary FY17/18 SBWMA Budget. The Preliminary FY17/18 Budget was presented to the Board at the April Board meeting and is being considered at the May meeting for approval.

Fiscal Impact

The FY17/18 Budget forecasts a Net Income of $2,855,888 which is $1.25 million higher than FY16/17 Adopted Budget (see Table 1 on page 3 of the staff report). The Net Income projection are primarily a function of the following factors:

- Higher non-franchised revenue of $.57 million, higher franchised revenue of $1.69 million, higher net commodity revenues of $1.07 million from mainly higher commodity prices.
- Higher Total Shoreway Operations expense of $1,468,758 primarily due to annual cost adjustments included in the SBR and Disposal & Processing contracts, $186,372 due to tonnage increase, $337,502 in higher property insurance and $ 50,000 in higher Shoreway maintenance expenses.

The Shoreway no tip fee increase for franchise customers is estimated to have a neutral impact on franchise collection services rates effective January 1, 2018.

Attachments:

A. SBWMA FY17/18 Capital & Operating Budget Detail
B. SBWMA Programmatic Detail (Staff Resources and Description of Key Projects and Work Activities)
C. Organization Chart & Personnel Summary
D. Commodity Price Information
E. Supporting Financial and Operational Data (Tonnage, Commodities, Other)

RESOLUTION NO. 2017-23

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS ADOPTING THE FY17/18 SBWMA BUDGET

WHEREAS, the South Bayside Waste Management Authority (SBWMA) proposed budget as presented is balanced and provides sufficient funds for normal operations.

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the South Bayside Waste Management Authority that the Board adopts the FY17/18 SBWMA Budget.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 25rd day of May, 2017, by the following vote:

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton					Menlo Park				
Belmont					Redwood City				
Burlingame					San Carlos				
East Palo Alto					San Mateo				
Foster City					County of San Mateo				
Hillsborough					West Bay Sanitary District				

I HEREBY CERTIFY that the foregoing Resolution No. 2017-23 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on May 25, 2017.

ATTEST:

_____
Bob Grassilli, Chairperson of SBWMA

_____
Cyndi Urman, Board Secretary

ATTACHMENT A

CAPITAL EXPENDITURE BUDGET FORECAST

Capital Project Name	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	*NOTES*
Transfer station tipping floor resurfacing	$ 225,000	$ -	$ 250,000	$ -	$ 250,000	*Tipping floor repair*
Site paving repairs and restriping	50,000	-	500,000	500,000	-	*Recology area repaving*
Truck shop building maintenance	25,000	25,000	25,000	25,000	25,000	*Reserve for unplanned expenses*
Transfer station building maintenance	50,000	50,000	50,000	50,000	50,000	*Reserve for unplanned expenses*
MRF building maintenance	50,000	50,000	50,000	50,000	150,000	*Reserve for unplanned expenses*
Administration building maintenance	75,000	40,000	40,000	200,000	40,000	*New roof 17/18,building remodel 20/21*
Site maintenance	150,000	50,000	50,000	50,000	50,000	*Reserve for unplanned expenses*
Enhanced fire suppression	325,000	200,000	50,000	100,000	-	*Enhanced fire suppression (Fire Rover 17/18)*
Repairs to landfill tipper	15,000	15,000	15,000	-	-	*Ox Mtn. contract expires 2019*
Education center exhibits	15,000	-	-	30,000	-	*Refresh of MRF tour exhibits*
Electric vehicle charging station	15,000	-	15,000	-	-	*Installation in public parking lot*
Storm water treatment system	30,000	1,200,000	50,000		50,000	*Continuous improvement plan items*
Glass conveyance and loadout system	550,000	-	-	-	-	*System for MRF glass handling*
Enhancements to Public Recycling Center	200,000	-	-	-	-	*Confidential doc shredder & PRC remodel*
Polystyrene recycler/densifier	65,000	-	-	-	-	*Equipment to densify PS packaging materials*
Baler reline	-	-	-	-	175,000	*MRF fiber baler*
Transfer station building expansion [1]	-	2,865,437				*Estimated 5,000 sq ft for MWPS*
MRF Equipment Replacement [4]	-	-	-	1,206,940	470,000	
Total	$ 1,840,000	$ 4,495,437	$ 1,095,000	$ 2,211,940	$ 1,260,000	
Mixed waste processing equipment [2]	-	*13,984,400*	-	-	-	*Waste processing/organic to AD system*
Fueling system replacement [3]	-	-	*1,500,000*	-	-	*Replace USTs w/ code compliant ASTs*
MRF sorting equipment replacement [4]	-	-	-			*Scheduled component replacement*

Special Funding for Above Italic Items

1. Proposed funding from Capital Reserves (Mid-Year FY16/17 balance $4.66M)
2. Proposed funding though new JPA debt
3. Proposed funding from Shoreway Remediation Fund (Mid-Year FY16/17 balance $1.20M)
4. MRF Equipment Replacement Reserve (Mid-Year FY16/17 balance $1.5M)

Attachment A - SBWMA Reserve Balance

	ACTUAL FY16/17	ADOPTED BUDGET FY16/17	MID-YEAR BUDGET FY16/17	PRELIMINARY BUDGET FY17/18	FY18 vs. FY17 Mid-Year Budget
Uncommitted Reserves					
RATE OF STABILIZATON (10% of expense)[1]	$ 4,174,238	$ 4,237,586	$ 4,228,018	$ 4,413,746	*$ 185,729*
EMERGENCY RESERVE (10% of total expense)	$ 4,174,238	$ 4,237,586	$ 4,228,018	$ 4,413,746	185,729
CAPITAL RESERVE	$ 3,737,529	$ 2,968,453	$ 4,657,718	$ 4,617,411	(40,307)
TOTAL UNCOMMITTED RESERVES	$ 12,086,005	$ 11,443,626	$ 13,113,753	$ 13,444,904	*$ 331,151*
Committed Reserves:					
EQUIPMENT REPLACEMENT (ANNUAL)[3]	$ 1,736,098	$ 1,723,744	$ 1,723,744	$ 1,192,148	$ (531,596)
TOTAL COMMITTED RESERVES	$ 1,736,098	$ 1,723,744	$ 1,723,744	$ 1,192,148	*$ (531,596)*
TOTAL GENERAL RESERVES[4]	$ 13,822,103	$ 13,167,371	$ 14,837,497	$ 14,637,052	*$ (200,445)*
SHOREWAY REMEDIATION PROJECT	$ 1,233,640	$ 1,233,640	$ 1,233,640	$ 1,233,640	$ -

Attachment A - RESERVES CASH FLOW

Attachment A - FY17/18 Budget Revenues by Major Source

	REVENUE SUMMARY	ACTUAL FY15/16	ADDOPTED BUDGET FY16/17	MID-YEAR BUDGET FY16/17	YTD SPENT 02/28/2017	PROPOSED BUDGET FY17/18	Variance to Adopted Budget	Variance % to Adopted Budget	Notes
1	ADMINISTRATIVE REVENUES								
2	INVESTMENT INCOME	$ 86,504	$ 78,940	$ 97,576	$ 57,706	$ 106,580	$ 27,640	35.0%	Due to adjustment to FMV.
3	INVESTMENT (GASB 31) MARKET VALUE ADJ	21,421	-	-	-		-	0.0%	
4	TOTAL ADMINISTRATIVE	*$ 107,925*	*$ 78,940*	*$ 97,576*	*$ 57,706*	*$ 106,580*	*$ 27,640*	*35.0%*	
5	OPERATIONS REVENUES								
6	SHOREWAY TIP FEES - Non Franchised	$ 7,720,588	$ 8,114,936	$ 8,038,948	$ 5,823,290	$ 8,691,298	$ 576,362	7.1%	$55.6K due to volume, rest is due to FY16/17 tipping fee increase plus $1.81 per c/yd for public C&D effective 01/18.
7	SHOREWAY TIP FEES - Franchised	26,924,354	28,393,108	28,863,573	18,816,269	30,088,837	1,695,729	6.0%	$1.4 Milion is due Tip fee increase 01/01/2017
8	COMMODITY SALES REVENUE	9,112,974	8,565,216	10,186,056	3,491,126	10,046,673	1,481,457	17.3%	Inc. in MRF commodity blended rate by $21.69 per ton.
9	COMMODITY REVENUE SHARING W/ SBR	(1,076,765)	(825,285)	(1,138,812)	(435,897)	(1,139,814)	(314,530)	38.1%	In line with the increase in commodities reveue.
10	BUY BACK CENTER - Payment to Customers	(879,726)	(796,519)	(891,313)	(468,894)	(891,314)	(94,795)	11.9%	In line with the increase in commodities reveue.
11	E-SCRAP COMMODITY REVENUES	7,611	5,600	16,101	14,057	13,094	7,494	133.8%	A slight enhancement in E-waste commodity markets
12	MRF HOST FEE - SBR Third-Party Contracted Tons	401,228	403,070	172,672	81,603	-	(403,070)	-100.0%	Contract discontinued.
13	COMMERCIAL RECYCLING ORDINANCE FEE	6,375	15,000	15,000	15,000	15,000	-	0.0%	Ordinance fee rev. paid by comm.recycler
14	MISCELLANEOUS REVENUE	54,999	30,000	30,000	124,034	30,000	-	0.0%	CA Paint Care program & One time $55K from PG&E.
15	**SUB OPERATIONS**	$ 42,271,638	$ 43,905,125	$ 45,292,225	$ 27,460,587	$ 46,853,773	$ 2,948,648	6.7%	
16	FIRE RELATED REVENUE:								
17	COMMODITY SALES LOSS	-	-	$ (3,159,624)	$ -	$ -	$ -	0.0%	Lost commodity revenue
18	COMMODITY REVENUE SHARING	-	-	885,327	-	-	-	0.0%	Saving of SBR shared revenue due to loss of revenue.
19	MRF HOST FEES	-	-	(131,832)	-	-	-	0.0%	Loss of host fees revenue
20	SINGLE STREAM SALES	-	-	608,888	-	-	-	0.0%	Revenue from sales of single stream tons.
21	INS. REVENUE INTERRUPTION COMPENASATION	-	-	1,309,676	-	-	-	0.0%	Insurance claim
22	SUB FIRE REVENUE	-	-	$ (487,565)	$ -	$ -	$ -	0.0%	
23	TOTAL OPERATING REVENUES	$ 42,271,638	$ 43,905,125	$ 44,804,661	$ 27,460,587	$ 46,853,773	$ 2,948,648	6.7%	
24	TOTAL REVENUE	$ 42,379,563	$ 43,984,065	$ 44,902,237	$ 27,518,294	$ 46,960,353	$ 2,976,288	6.8%	
25	TOTAL OPERATING EXPENSES	$ 41,732,971	$ 42,380,463	$ 42,280,176	$ 25,828,177	$ 44,137,464	$ 1,757,001	4.1%	
26	NET OPERATING INCOME	$ 646,592	$ 1,603,602	$ 2,622,061	$ 1,690,117	$ 2,822,888	$ 1,219,287	76.0%	
27	*DEPRECIATION EXPENSE*	$ 3,337,059	$ 3,306,785	$ 3,306,785	$ 3,153,342	$ 3,144,496	$ (162,289)	-4.9%	
28	NET OPERATING INCOME AFTER DEPRECIATION	$ (2,690,467)	$ (1,703,183)	$ (684,724)	$ (1,463,226)	$ (321,608)	$ 1,381,576	-81.1%	

*** We deleted the HHW revenues.**

Attachment A - REVENUE

Attachment A. FY17/18 Budget Expense Detail											
line		EXPENDITURE SUMMARY	ACTUAL FY15/16	ADDOPTED BUDGET FY16/17	MID-YEAR BUDGET FY16/17	YTD SPENT 02/28/2017	PROPOSED BUDGET FY17/18	*Variance to Adopted Budget*	*Variance % to Adopted Budget*	Staff	Notes
1		ADMINISTRATIVE EXPENSES									
2	520305	ADMINISTRATIVE STAFF	$ 503,424	$ 547,648	$ 526,917	$ 320,399	$ 538,710	$ *(8,938)*	*-1.6%*	FF	Variance between old Executive Director and the new one compensation.
3	520306	MANADATED COMPLIANCE SUPPORT STAFF	690,515	738,889	451,068	335,765	569,370	*(169,519)*	*-22.9%*	FF	Consolidation of Recycling and Sustainability Managers positions.
4	520328	EMPLOYEE RECRUITMENT/HR SUPPORT	4,431	5,000	15,000	1,625	15,000	*10,000*	*200.0%*	CU/FF	On call human resources planning, organization development services
6	520337	PEO COST (RGS/LGS ADMIN FEES)	10,963	11,400	11,400	2,366	-	*(11,400)*	*-100.0%*	FF	Discontinuation of administrative service for the recycling manager contract position.
7	520312	BOARD COUNSEL	37,039	65,000	65,000	51,609	65,000	-	*0.0%*	CU	Legal expenses
8	520300	BOARD MEETINGS	2,712	4,500	4,500	3,705	5,000	*500*	*11.1%*	CU	Includes Board meeting and Event food
9	520310	ACCOUNTING SERVICES	136,530	139,929	139,929	93,300	145,000	*5,071*	*3.6%*	FF	Payment to City San Carlos for account services contracted-out
10	520334	INFORMATION SYSTEMS	26,241	27,000	27,000	17,257	30,240	*3,240*	*12.0%*	CU	Expenses to maintain the information system
12	520338	WEBSITE	11,077	12,100	12,100	8,983	12,100	-	*0.0%*	CU	Expenses to maintain the Web information system
13	520301	ANNUAL AUDIT	11,400	10,216	10,216	775	8,860	*(1,356)*	*-13.3%*	FF	Fees paid to auditors to complete FY & Calendar year financial statements.
14	520701	D&O INSURANCE	42,898	48,200	48,200	44,890	45,890	*(2,310)*	*-4.8%*	FF	Annual insurance premium for director's and officer's insurance
15	520202	BANK FEES	6,480	8,492	8,492	4,516	9,240	*748*	*8.8%*	FF	Bank fees inclusive of fees paid to BNY as the Bond Trustee.
16	520203	RENT	53,467	55,073	55,073	36,564	56,000	*927*	*1.7%*	CU	Rent for the office from the City of San Carlos
17	520204	PRINTING AND POSTAGE	240	150	150	119	500	*350*	*233.3%*	CU	Prints and postage
20	520107	UTILITIES	16,886	17,500	17,500	8,113	20,000	*2,500*	*14.3%*	CU	Includes phone and janitor services.
21	520905	OFFICE/TENANT IMPROVEMENTS	400	1,000	1,000	1,748	50,000	*49,000*	*4900.0%*	CU	Tennant improvement & office services
22	520201	OFFICE SUPPLIES	10,417	15,500	15,500	9,772	16,000	*500*	*3.2%*	CU	Office supplies
23	520215	OFFICE EQUIPMENT COSTS	15,033	15,000	15,000	9,061	30,000	*15,000*	*100.0%*	CU	Includes Copier $600 per mo. base lease and $200 per month for copies
24	520504	PUBLICATIONS & PUBLIC NOTICES	482	3,000	3,000	-	3,000	-	*0.0%*	CU	Estimate for two public notices if doing more than one public bid this item will need to go up
25	520501	PROFESSIONAL DUES & MEMBERSHIPS	4,217	2,000	2,000	3,197	2,500	*500*	*25.0%*	CU	Memberships to trade and community organizations (CRRA, SWMA, NCRA, CCAC)
26	520801	VEHICLE MILEAGE & TOLLS	37	75	75	-	75	-	*0.0%*	CU	Auto allowance.
27	520105	CELL PHONES	2,291	4,500	4,500	597	5,000	*500*	*11.1%*	CU	Cell phone business expense.
28	520503	CONFERENCE & MEETINGS	8,789	10,500	10,500	5,980	20,000	*9,500*	*90.5%*	CU	CRRA conference, progress seminar, SWANA meetings, lunch for SBWMA meetings, State of the City addresses.
29	520502	TRAINING	3,148	5,000	5,000	1,320	10,000	*5,000*	*100.0%*	CU	Staff training opportunities.
31	520511	SPONSORSHIPS & DONATIONS	9,500	9,500	9,500	8,000	30,000	*20,500*	*215.8%*	CU	CAW,CRRA,SWANA. Acterra, Sustainable San Mateo, CPSC, NCRA conference and meetings.
32	522001	LEGISLATIVE & REGULATORY ADVOCACY	-	-	-	-	30,000	*30,000*	*100.0%*	JL	Extend producer responsibilities (battery safety & diversion program support).
33	522706	COMPUTER PURCHASE	5,687	6,000	6,000	2,896	12,000	*6,000*	*100.0%*	CU	Computer for Farouk, Ed Center and two new hires.
34		TOTAL ADMINISTRATIVE	$ 1,614,305	$ 1,763,172	$ 1,464,621	$ 972,559	$ 1,729,485	$ *(33,687)*	*-2.3%*		
35		MEMBER AGENCY SUPPORT & CONTRACT COMPLIANCE									
36	520307	RATE REVIEW	$ 14,265	$ 60,000	$ 60,000	$ 6,776	$ 59,030	$ *(970)*	*-1.6%*	FF	30k financial auditing office temp support, $30k support to align rates and cost.
37	520308	FACILITY IMPROVEMENT OVERSIGHT	8,405	50,000	50,000	13,002	100,000	*50,000*	*100.0%*	HG	Engineering and construction management support
38	520309 HCM01	CONTRACT ANNUAL AUDITING	46,813	55,000	55,000	-	70,000	*15,000*	*27.3%*	FF	Annual Financial & Reporting Audit of RSMC and SBR at $40K. $15K for reviewing annual route assessment.
39	520309 HCS02	COLLECTION SERVICES FRANCHISE ADMIN.	71,514	180,000	180,000	61,441	55,000	*(125,000)*	*-69.4%*	JL	FA compliance $40k; call center $15k;
40	520309 HFM01	FINANCE ANALYSIS SUPPORT	4,080	70,000	70,000	2,250	40,000	*(30,000)*	*-42.9%*	FF	On-Call consultant support as needed to support Member Agency.
41	520336	WASTE CHARCTERIZATION SUPPORT	46,000	50,000	50,000	17,110	30,000	*(20,000)*	*-40.0%*	HG/JL	Characterization support
42	520309 RFP	COLLECTION RFP CONSULTING SUPPORT	-	-	-	-	450,000	*450,000*	*100.0%*	JL	Placeholder amount if Recology Contract Negotiations are not successful
43	520309 BATT	BATTERY MANAGEMENT PLANNING	-	-	-	-	85,000	85,000	*100.0%*	JL	Consulting support for best-practices studying & recommend change to collection programs
44		TOTAL MEMBER AGENCY SUPPORT & CONTRACT COMPLIANCE	$ 191,076	$ 465,000	$ 465,000	$ 100,579	$ 889,030	$ 424,030	*91.2%*		
45		STATE MANDATED PUBLIC EDUCATION & OUTREACH						-			
46	520311 CIWMB	STATE'S REQUIRED ANNUAL REPORTS	$ 24,774	$ 25,000	$ 25,000	$ 19,960	28,000	$ *3,000*	*12.0%*	JL	Annual AB 939 submittal of EARs for 10-MAs .

Attachment A. FY17/18 Budget Expense Detail											
line		EXPENDITURE SUMMARY	ACTUAL FY15/16	ADDOPTED BUDGET FY16/17	MID-YEAR BUDGET FY16/17	YTD SPENT 02/28/2017	PROPOSED BUDGET FY17/18	*Variance to Adopted Budget*	*Variance % to Adopted Budget*	Staff	Notes
47	520341	SBWMA ANNUAL REPORT	270	5,000	5,000	-	10,000	*5,000*	*100.0%*	JL	Expense for report printing and postage
48	520309 HDV01	DIVERSION PROGRAM SUPPORT	4,255	50,000	50,000	-	50,000	-	*0.0%*	JL	Support with diversion programs $10k and public spaces recycling assistance $40k.
49	520508	RECYCLING REPORTING EXPENSES [1]	15,429	15,000	15,000	245	-	*(15,000)*	*-100.0%*	JL	
50	522705 EVG01	EVENT GIVEAWAYS	-	2,500	2,500	-	15,000	*12,500*	*500.0%*	JL	
51	520340 LRPU1	DIVERSION AND COMPLIANCE PROGRAMS	273,432	495,000	495,000	8,208	395,000	*(100,000)*	*-20.2%*	JL	See detail of Diversion and LRP programs to be implemented in fiscal year
52	520331	LARGE EVENT/VENUE SUPPORT/SHREDDING	-	7,500	7,500	-	12,500	*5,000*	*66.7%*	JL	Shredding support
53	520608	CLIMATE ACTION PLANNING	20,815	27,000	27,000	9,025	29,000	*2,000*	*7.4%*	JL	Annual climate register & Member Agency support.
54	520604 COE01	RECYCLING TECHNICAL ASSISTANCE	34,427	70,000	70,000	-	30,000	*(40,000)*	*-57.1%*	JL	AB1826 & 341 Compliance
55	520604 COE02	COMMERCIAL/MFD CONTAINERS	49,237	60,000	60,000	31,253	60,000	-	*0.0%*	JL	MFD recycle bags $20, internal R containers $20 MA containers $20 per Franchise Agreements.
56	520604 MF001	MULTI-FAMILY OUTREACH	6,638	50,000	50,000	1,545	50,000	-	*0.0%*	JL	AB341&1826 Compliance $10; MFD Toolkit $20; Battery phones subscription $10; Annual MFD awards $10
57	520604 QNL01	MEMBER AGENCY & RATE PAYER EDUCATION	65,070	110,000	110,000	-	110,000	-	*0.0%*	JL	Quarterly news letters to Agencies.
58	520604 RES01	RESIDENTIAL OUTREACH PROGRAMS	61,067	125,000	125,000	6,806	65,000	*(60,000)*	*-48.0%*	JL	Outreach per FA $40k; Annual Service Notice FA $10k; website & Social media $15k;
59	520604 COMPS	COMMUNITY EVENTS	-	5,000	5,000	-	20,000	*15,000*	*300.0%*	JL	Community events support
60	520604 HHWUW	HHW PROGRAM OUTREACH	59,011	80,000	80,000	40,619	80,000	-	*0.0%*	JL	Education letters regarding HHW disposition.
61	520335	CURBSIDE HOUSEHOLD BATTERY OUTREACH	4,098	5,000	5,000	-	75,000	*70,000*	*1400.0%*	JL	New program to educate customers about risk of battery fires and recycling options
62	522719	SHRED EVENT SERVICE	4,256	4,600	4,600	3,743	5,000	*400*	*8.7%*	JL	
63		TOTAL STATE MANDATED PUBLIC EDUCATION & OUTREACH	$ 622,779	$ 1,136,600	$ 1,136,600	$ 121,405	$ 1,034,500	$ (102,100)	*-9.0%*		
64		TOTAL SBWMA PROGRAM BUDGET	$ 2,428,159	$ 3,364,772	$ 3,066,220	$ 1,194,543	$ 3,653,015	$ 288,243	8.6%		
65		SHOREWAY OPERATIONS									
66	522712	OPERATING CONTRACT - SBR OPERATIONS	$ 18,275,660	$ 18,423,627	$ 18,627,965	$ 12,208,203	$ 18,936,520	*$ 512,892*	*2.8%*	FF	"7.7% increase in VRS sort labor rates (compliance with SMC LWO); $38K due to the small volume increase.
67	522713	DISPOSAL	15,757,108	15,329,602	15,845,562	10,391,579	15,859,400	*529,798*	*3.5%*	FF	$1.51 per ton blended rate increase due to CPI.
68	520710	INSURANCE SHOREWAY	212,059	238,998	238,998	179,596	576,500	*337,502*	*141.2%*	FF	Property insurance increase to $550K from $206.5K due to fire loss which was offset by $6K savings in general liability insurance.
69	522714	SHOREWAY FACILITY COST	167,156	150,000	150,000	42,681	200,000	*50,000*	*33.3%*	HG	Budget for unanticipated routine Shoreway maintenance items that are non-CapEx
70	570300	SHOREWAY MAINTENANCE - NEW	2,742	-	-	-	-	-	*0.0%*	HG	
71	520202 Shore	CREDIT CARDS CHARGES	268,744	173,710	120,491	71,320	140,600	*(33,110)*	*-19.1%*	FF	SBR changed banks and that resulted in favorable charges in comparison to the old bank.
72	520207	SHOREWAY CHARGES	15,569	26,690	26,690	17,793	26,690	-	*0.0%*	FF	Amortization of trailer cost
73	522718	EDUCATION CENTER OPERATIONS	57,138	60,000	60,000	11,891	60,000	-	*0.0%*	JL	Expense for Shoreway tours program and busing, (w/o staff expense)
74	522716	MAINTENANCE - OX MTN TIPPER	30,310	36,000	36,000	8,422	36,000	-	*0.0%*	HG	Maintenance expense for truck tipper located at Ox Mtn and owned by JPA
75	520901	SHOREWAY MRF EQUIP. MAINTENANCE > $10k	-	30,000	30,000	-	30,000	-	*0.0%*	HG	Unanticipated MRF equipment maintenance (non-CapEx) expense
76	520324	SEWER FEES (PROPERTY TAX)	57,747	60,643	60,643	60,351	61,860	*1,217*	*2.0%*	FF	Sewer fees paid as part of property tax for Shoreway operation. Potable water meter reading.
77		SUB SHOREWAY OPERATIONS COST	$ 34,844,233	$ 34,529,270	$ 35,196,349	$ 22,991,836	$ 35,927,570	*$ 1,398,300*	*4.0%*		
78		FIRE RELATED EXPENSES:									
79	522712 MRFS	OPERATING CONTRACT - SBR - FIRE RELATED	$ -	$ -	$ (2,064,723)					FF	Lost commodity revenue due to down time from fire / offset by insurance reimbursement
80	522712 MRFS	TRANSLOAD EXPENSE BY SBR FOR SINGLE STREAM	-	-	871,378					FF	Trans load expense by SBR / offset by insurance reimbursement.
81	522712 MRFS	TRANSPORTAION OF SINGLE STREAM	-	-	705,780					FF	Transportation cost for to single stream customers / offset by insurance reimbursement.
82		SUB FIRE COST	$ -	$ -	$ (487,565)	$ -	$ -	$ -	*0.0%*		
83		TOTAL SHOREWAY OPERATION	$ 34,844,233	$ 34,529,270	$ 34,708,784	$ 22,991,836	$ 35,927,570	$ 1,398,300	*4.0%*		
84		TOTAL OPERATING EXPENSES	$ 37,272,392	$ 37,894,042	$ 37,775,004	$ 24,186,379	$ 39,580,585	$ 1,686,543	4.5%		
85		NON-OPERATING EXPENSES						-			

Attachment A. FY17/18 Budget Expense Detail											
line		EXPENDITURE SUMMARY	ACTUAL FY15/16	ADDOPTED BUDGET FY16/17	MID-YEAR BUDGET FY16/17	YTD SPENT 02/28/2017	PROPOSED BUDGET FY17/18	*Variance to Adopted Budget*	*Variance % to Adopted Budget*	Staff	Notes
86	521116	DEBT SERVICE BOND INTEREST	*$ 2,810,821*	*$ 2,747,908*	*$ 2,747,908*	$ 468,485	$ 2,710,170	*(37,739)*	*-1.4%*	FF	Solid Waste Enterprise Revenue Bond interest payments.
87	522702	FRANCHISE FEE	*1,649,758*	*1,738,513*	*1,757,263*	1,173,313	1,846,710	*108,197*	*6.2%*	FF	5% Franchise fees paid by JPA to the City of San Carlos.(amount changes as Shoreway tip fees change)
88		TOTAL NON-OPERATING EXPENSES	*$ 4,460,579*	$ 4,486,421	$ 4,505,171	$ 1,641,798	$ 4,556,880	*$ 70,458*	*1.6%*		
89		TOTAL SHOREWAY OPERATING EXPENSES	$ 39,304,812	$ 39,015,692	$ 39,213,956	$ 24,633,635	$ 40,484,450	$ 1,468,758	*3.8%*		
90		TOTAL OPERATING EXPENSES (SBWMA Program + Shoreway Operations)	$ 41,732,971	$ 42,380,463	$ 42,280,176	$ 25,828,177	$ 44,137,464	$ 1,757,001	*4.1%*		
		* We deleted the HHW expenses.									
		1. Rolled 2018 budget for line 49 into line 38.									

Attachment B:
FY17/18 Budget SBWMA Administration & Programs Detailed

SBWMA Budget Section: ADMINISTRATION EXPENSE

Staff Resources: Joe La Mariana, *Executive Director*; Farouk Fakira, *Finance Manager*; and Cyndi Urman, *Office Manager/Board Clerk*.

Description: Provides for overall administrative operations of the agency, including: personnel administration, budget development, financial projections, expense payment processing, fiscal management, Board of Directors administration, customer service, risk management, records retention, and information technology. Budget for these functions is captured under "Administrative Expenses." Key efforts include:

Budget and Financial Analysis

- Review the prior year budget to identify budget variances and plan for a mid-year adjustment, if needed.
- Prepare the FY18/19 budget for Board review and approval.
- Prepare two calendar year financial projections to support Shoreway tip fee assumptions and to "test" bond covenant requirements.
- Review existing tipping fees and develop recommended tipping fee adjustments.

Accounting and Fiscal Management

- Complete prior year financial audit and calendar year financial statements for bond reporting.
- Maximize use of competitive bidding for technical consulting services particularly for scopes of work exceeding $25,000.
- Meet bond covenants and reporting requirements as specified in the Indenture to ensure compliance including the two debt coverage ratios.
- Monitor South Bay Recycling (SBR) monthly reporting (per Operations Agreement) of tonnage and review their monthly invoice for accuracy prior to payment.
- Manage monthly cash transfers to/from SBR (per Operations Agreement) for commodity revenue, public revenue, and payments for operations.
- Review and verify SBR's detailed monthly calculation of commodity revenue.
- Manage monthly billings to and payments from Recology for tipping at Shoreway as prescribed in the Member Agency franchise agreements.
- Ensure all procedures are followed and receipts and payments to vendors are supported by proper documentation and made on timely basis.
- Review the Quarterly Investment Report to the Board prepared by the City of San Carlos.
- Renew general insurance policies (property, general liability, EIL, D&O, etc.) and ensure proper coverage is maintained.

Human Resources

- Manage the payroll and benefits administration, including managing the annual renewal of employee benefit plans to ensure cost effective and competitive plans.
- Make timely payments to vendors for payroll, retirement plan, and HSA plan.
- Monitor payroll process and ensure timely and accurate payment to employees.

Board of Directors/Member Agency Services & Administration

- Maintain the Board of Directors webpage to ensure accurate and up to date information is available.
- Update as needed the website's Board Member portal feature to house information of interest.
- Maintain accurate and up-to-date records for the SBWMA, including Board meeting minutes, resolutions, ordinances and contracts.
- Update as necessary the Board of Directors JPA and Contracts Resources Binder.
- Provide Board Packets to the Board of Directors accurately and on time.
- Manage compliance with record retention and other Board adopted policies.
- Meet with Board Members, particularly any new Board Members, to address questions and concerns and any unique Member Agency needs.

- Respond to Board Members, and Member Agency staff communications in a timely, professional and accurate manner.
- Provide high quality customer service to members of the public that contact the SBWMA, including providing helpful, accurate and timely information.

New FY17/18 Projects/Activities

- Evaluate the current model used for outsourced HR and payroll administration by a third party and make recommendations for changes, if appropriate.
- Initiate 3-year contract cycles with proven service providers to minimize board touches and administrative redundancies.
- Continue evaluation on all contracts to determine direct alignment with agency goals

SBWMA Budget Section: MEMBER AGENCY SUPPORT & CONTRACT COMPLIANCE

Staff Resources: Joe La Mariana, *Executive Director;* Hilary Gans, *Senior Facility & Major Contracts Manager*; Farouk Fakira, *Finance Manager;* Vacant, *Recycling and Sustainability Programs Manager*.
Description: Key efforts include:

Contract Administration

- Contract administration support for collection services franchise agreements including follow-up on audit findings, financial auditing, contract extension amendments support.
- Continued oversight of SBR's operations per the Shoreway Operations Agreement (see "Shoreway Operations" budget worksheet).
- Management of the 2018 SBR compensation application review process and completion of the final SBWMA final report
- Hire technical contractor to managethe annual Member Agency rate review process, including review of the 2018 Recology compensation application, and completion of the SBWMA final reports reviewing the Recology compensation application and consolidated rate report for 2018. Contractor will work closely with the agency financial staff during next two years to ensure smooth transition of tasks and responsibilities.
- Initiate audit work and review of operational data included in the 2018 compensation applications. This work will be a combined effort between rate review contractor and agency staff.
- Review 2017 Annual Report from Recology, as required per Member Agency franchise agreements.
- Hire contractor to conduct 2017 rate (calendar) year audit of collection services and facility operations reports, tonnage data and customer service systems. This project is conducted annually due to the fiscal impact associated with the self-reported information contained in the company's annual reports and compliance with related performance standards. Implement 2017 rate year audit findings as appropriate.
- Hire contractor to conduct 2017 rate year audit of financial systems (includes Recology's revenue reconciliation) of both contractors to verify financial risks to SBWMA and its Member Agencies. This project is conducted annually as significant ongoing financial transactions are conducted between the companies.
- Implement 2017 audit findings, as appropriate, and follow up with Recology to ensure progress on implementing audit recommendations.
  .
- Provide prompt responses to questions/issues/complaints from the public and Member Agencies regarding their franchise agreements and the collection services. The RethinkWaste phone number is publicized and staff frequently responds to requests from the public.
- Provide prompt responses to questions/issues/complaints that are raised by the public and Member Agencies regarding their use of the Shoreway facility.
- Develop a Member Agency snapshot report for 2017 and make presentations to Member Agency governing bodies upon request.

Rate Review, Analysis and Projections

- Using staff and technical contracting resources, complete SBWMA final reports providing a review of the Recology and SBR compensation applications and project the revenue requirement needed for the subsequent rate year which directly results in determining the rates that need to be charged by each Member Agency.

Attachment B – SBWMA Programmatic Detail

- In coordination with technical contractor, provide direction and support to Recology with making changes or improvements to their Annual Compensation Application.
- With technical contractor support nalyze the very detailed cost adjustments in the Compensation Applications from Recology and SBR and conduct a detailed review of special issues if needed.
- With technical contractor support, prepare financial analysis for projected revenue and total collection and pass-through costs to determine total rate adjustment for each Member Agency.
- Prepare a collection cost variance analysis by detailed cost categories by Member Agency to aid in understanding collection cost changes.
- Support Member Agencies with analysis of rate issues and attend rate hearings or rate related meetings as requested.
- Update 5-year collection cost projection by Member Agency for collection cost components: Recology cost, disposal expense and Member Agency fees.
- Review Recology's Revenue Reconciliation Report. Recology's report is self-reported and is important to determining revenue requirement needed to establish rates for Recology's annual compensation increase.

New FY17/18 Projects/Activities

- In coordination with staff and technical contractor, rovide rate-related support to assist Member Agencies with implementing rate changes, aligning rates with costs, and diversion incentives.
- Provide technical support for Member Agencies during their (presumed) negotiation of a Potential Franchise Agreement Extension with Recology.
- Implement a plan to transition rate review functions to an expert rate review expert (2-year plan). Year 1—orient contractor to assume full rate review duties in 2019.
- Evaluate/recommend a potential transition plan to convert Agency financial structure from FY to Calendar Year before December 31, 2020 (end of current Franchise term).

Budget Expense Detail	Description of Program for FY17/18
Contract Compliance and Support – Consultant Support	
Rate Review Support/ Transition to contractor	• Rate analysis and support for MA including outside support $70,000 (same as LY). Includes evaluation/selection of 3rd party industry technicalexpert to take on entire rate review process in 2019 and beyond. RY 2018 process involves "shadowing" Agency's Financial Manager. RY 2019 will, if deemed worthy, involve complete transfer of all rate review tasks over to technical consultant.
Facility Improvement Oversight	• Information to follow
Contract Management Support	• Annual financial audit of Recology to review distribution of franchise and other fees to MA, annual revenue reconciliation ($40,000). • Limited route auditing related to Annual Route Assessments ($15,000).
Collection Services Franchise Administration	• Support MA with Franchise contract compliance including: auditing Recology's reporting systems and customer service functions ($40,000) • Follow-up analysis of operational and cost assessment of collection services operations ($25,000). • Consultant and outside counsel support for franchise agreements process to support member agencies with their Recology negotiations ($100,000).
Franchise Agreement Negotiations— Member Agency support	• Supplemental Franchise Agreement extension negotiations analysis and support ($35,000).

Attachment B – SBWMA Programmatic Detail

SBWMA Budget Section: STATE MANDATED PUBLIC EDUCATION & OUTREACH

Staff Resources: Vacant, *Recycling and Sustainability Programs Manager*

Description: Staff services provided to ensure compliance with state-mandated waste reduction, recycling and reporting requirements per AB939, AB341, and AB1826 include: Development and implementation of public education and outreach strategies to promote residential and commercial waste reduction and recycling collection programs and services; oversight of Collection services for Member Agencies; compliance with annual reporting required; and implement Long Range Plan projects. Key efforts include:

Public Education and Outreach

- Develop, implement Pub Ed program to divert Lithium Ion Batteries away from MRF
- Develop, implement Pub Ed program to promote County's HHW drop-off events within SBWMA Service area.
- Collaborate with BAYROC (Regional Advertising collaborative of governmental agencies) to promote environmental diversion goals.
- Work with Peninsula TV and Recology to create series of "day in the life"
- Develop, implement and manage new AB1826 and ongoing AB341 outreach activities, including producing and distributing brochures, inserts and letters of non-compliance for Member Agency and Recology use.
- SBWMA cost effectively manages on behalf of all Member Agencies public education efforts for mandatory commercial recycling law AB341, commercial organics collection AB1826 and AB 1383 Organics diversion from landfills.
- Develop, submit and manage with Recology a Public Education Plan including an evaluation of most cost-effective ongoing outreach activities and tools.
- Promote residential collection services through three *Rethinker* newsletters, five bill inserts and events in collaboration with Recology.
- Develop and implement outreach for CartSMART (residential) and BizSMART (commercial) collection services to meet specific community needs.
- Promote available HHW drop-off collection programs to all twelve Member Agencies.
- Measure the effectiveness of ongoing outreach tools and determine if modifications or improvements are needed or if different tools are required.
- Conduct the annual BizSMART@Work Awards program to recognize businesses and multi-family complexes for their recycling efforts.
- Provide compost giveaways and shred & E-scrap recycling events with Recology.
- Provide three seasonal compost giveaway events to be held at Shoreway.

Recycling (Diversion Programs)

- Implementation of commercial recycling reporting ordinance to gain awareness of recycling activity carried out by the private sector.
- Implement ongoing outreach to multi-family in coordination with Recology.
- Manage the annual audit of Recology's performance – the self-reported data has financial and performance standards impacts.
- Develop/expand education and diversion programs that are targeted to MFDs

New FY17/18 Projects/Activities

Long Range Plan

- Implementation of public space recycling project to increase convenient and cost-effective recycling in public spaces (e.g., parks).
- Develop and implement the Enhanced Residential Public Education and Outreach Pilot Program

Attachment B – SBWMA Programmatic Detail

- Develop and implement a sector-specific focused Commercial Recycling Outreach Pilot Program targeting businesses using new technology
- Implement the Commercial Recycling Subscription & Participation Compliance Status Report and Commercial Recycling Outreach Program
- Implement an in-schools recycling and environmental education enhancement Program.
- Completion of financial and technical validation of Shoreway Transfer Station expansion and waste processing system to recover organics materials and other recyclables from residential and commercial solid waste
- Complete research and start implementation of pilots recommenced by Zero Landfill workgroup

Budget Expense Category	Description of Program for FY16/17
Recycling Outreach and Programs – Mandated Compliance (AB 939; AB 341: 1826: AB 1383 and others)	
CalRecycle Annual Report	• SBWMA annually submits State mandated annual reports for Member Agencies to comply with AB 939. ($28,000)
SBWMA Annual Report	• Agency annual report that provides a snapshot of key metrics and milestones for the prior year. ($5,000).
Diversion Program Support	• MA assistance with diversion related programs as needed; implementation of Public Spaces Recycling project an opportunity to recycle at parks and other public spaces and provide Member Agency assistance with as needed. ($45,000).
Recycling Reporting Ordinance	• Continue implementation of the Commercial Recycling Reporting Ordinance to collect diversion data that is currently unavailable.
Event Giveaways	• Promote the various programs and services at Member Agency community events, primarily held in the spring and summer and include educational and promotional items as giveaways. ($1,500).
Long Range Plan / Zero Landfill Workgroup	• Long Range Plan & Zero Landfill Workgroup Projects ($355,000) - In-School Education & Technical Assistance Program (w/two Fellows) - Enhanced Residential Recycling Outreach - Commercial Subscription and Participation Compliance Reporting - Enhanced Commercial Recycling Outreach - Commercial Focused Outreach - Stakeholder engagement process on education and outreach project - Residential and Commercial Mixed Waste Processing system project development - Recology administration building design assessment - Zero Landfill Working Group research on policy and technology options
Large Event/Venue Consulting	• Staff is in the process of repurposing one trailer for collection of niche/reusable items at events. Staff is also considering repurposing the second trailer as a mobile education trailer to be used at community events. Will be exploring grant funding opportunities. ($7,500).
Large Event Recycling Services	• Use of trailers limited compared to prior years – expense not anticipated ($0).
Climate Change Reporting	• Staff reports GHG emissions for the SBWMA office and Shoreway Environmental Center, and is assisting with SBR's annual reporting framework, both through The Climate Registry ($27,000).
Commercial Recycling Assistance	• Collection services assessment and research to confirm utilization of services and commercial recycling outreach effectiveness ($20,000); • AB 341 & 1826 outreach and education to commercial/MFD sector ($30,000). • Conduct annual Business Awards Program recognizing businesses for their 2015 diversion efforts ($10,000). • Maintain commercial Toolkit with Recology ($20,000).
Commercial/MFD Containers	• Purchase internal containers for commercial and multi-family dwelling customers eg. Buddy Bags($20,000) & MA containers ($20,000).
C&D Recycling Program	Develop an SBWMA list of certified C&D processors based on physical audits conducted by other jurisdictions and provide permit counter and related assistance to increase C&D recycling to Member Agencies upon request.

Multi-Family Outreach	• AB 341 & 1826 outreach and education to the commercial/MFD sector ($10,000). • Provide outreach materials in the form of the toolkit to Recology ($20,000). • Subscriptions to Recology MFD batteries/cell phones collection service through targeted outreach pieces and strategies ($10,000). • Conduct the annual Multi-Family Awards Program recognizing multi-family complexes for their 2014 diversion efforts ($10,000).
Rethinker Newsletter	Reactive *Rethinker* newsletter program to single family and multi-family residents published 3 times per year. (Development of the newsletter content and layout ($20,000). Printing and mailing/insertion of 3 issues ($90,000).
Residential Outreach Programs	• Pub Ed awareness program for Lithium Ion battery diversion programs ($80,000) • Outreach support/maintenance for existing collection programs through brochures, posters, flyers ($70,000). • Update annual residential Service Notice that will provide key program and services related information ($12,000). • RethinkWaste website and social media outreach, includes maintenance and updates to keep current and relevant ($15,000).
Community Events	• Promotion of Community Events, including compost giveaway and shred/e-scrap events, and coats for kids ($2,000). • Provide outreach materials for three seasonal compost and mulch giveaway events to be held at Shoreway ($3,000).
HHW Drop-off Events Outreach	• Produce and mail two postcards (fall/spring) to promote the County's HHW drop off events that are held in SBWMA service area. ($80,000).
Electronics Collection Events	• SBWMA is responsible for assisting Member Agencies with promotion of the E-Scrap and shred events ($0). Now included in Community Events

SBWMA Budget Section: SHOREWAY OPERATIONS

Staff Resources: Hilary Gans, *Senior Facility and Contracts Manager*; Farouk Fakira, *Finance Manager*; Faustina Mututa, *Environmental Education Programs Manager*; Madison Guzman, *Environmental Education Associate*.

Description: Includes SBWMA staff activities regarding Shoreway operations including: oversight of SBR operations and contract compliance and management of financial transactions relating to SBR; Shoreway facility capital repairs and maintenance; education center operations (staff wages and benefits are included in the Administration portion of the budget); management of disposal and processing contracts, including review and payment of invoices; facility insurance; and billing Recology for tons delivered to Shoreway.

Contract Administration

- Continued operational oversight and contract compliance of MRF, transfer station, and transportation operations performed by SBR.
- Ongoing management of third party recycling and disposal contracts for solid waste, organics, and C&D.
- Manage organics processing contracts to meet operational, financial and environmental requirements.
- Oversee third party tonnage and host fee payment for third-party tons used to generate additional agency income and lower Shoreway operating costs.

Management of Facility Infrastructure and Improvements

- Ongoing management of Shoreway Facility capital and maintenance projects at or below budget.

Tour Program

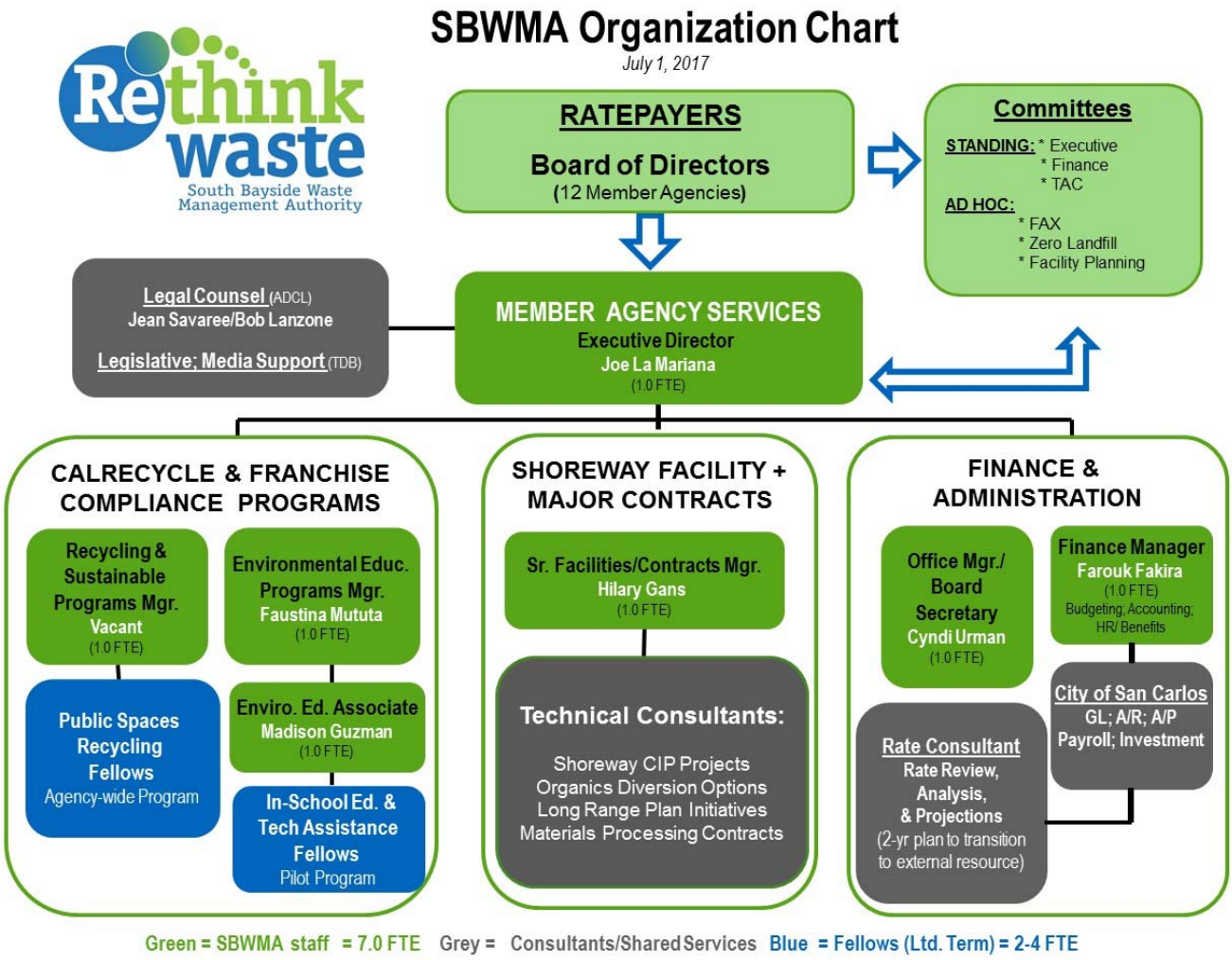
- Conduct the Shoreway schools and public tours program and meet goals to increase tour number of visitors 5% over prior year.
- Conduct onsite community events to promote resource conservation including the following: Earth Day and America Recycles Day events at Shoreway; Recycled Art and Poster contest; School compost donation program; and Night at Shoreway two times per year.

New FY17/18 Projects/Activities

- Develop, implement an In-School Education and Technical Assistance Pilot.
- Completion of designs for a Shoreway transfer station processing system to recover organics materials and other recyclables.
- Complete a Disaster and Emergency Management Plan analyzing Shoreway's structures and operations.
- Develop and implement a storm water mitigation plan for the Shoreway.

Budget Expense Line	Description of Program for FY17/18
Shoreway Operations	
Operator Compensation	• Contractually required payments (per ton and/or per ton mile rates) by SBWMA to SBR to operate the MRF and Public Recycling Center, scale house and Transfer Station, and transport materials for disposal and processing. • Reimbursement of pass-through costs for supplemental processing fees, buyback payments, U-waste disposal, compost backhaul charges, etc.).
Disposal and Processing Costs	• Tipping fees paid by SBWMA to third party vendors for disposal and processing for composting. • Contract rate change calculations and monitoring include per ton rates subject to annual CPI adjustments.
Insurance Shoreway	• Annual insurance premiums paid by SBWMA for Shoreway property and liability insurance, excluding Director's and Officer's insurance which is shown in a line item under Administrative expense.
Shoreway Facility Cost	• Non capital related expenses to maintain the 16-acre Shoreway Environmental Center, including nearly 300,000 square feet of building space and $20 million in equipment owned by SBWMA.
Education Center Operations	• Non labor related expenses to manage Shoreway facility school and public visitor tour program (includes busing assistance, Trash to Art Contest, Earth Day event and America Recycles Day events, compost donations to schools, safety equipment and supplies, and outreach materials.
Maintenance – Ox Mountain Tipper	• Maintenance expenses associated with tipper owned by SBWMA, but operated by Republic at their Ox Mtn. landfill.
Install paper shredder and styrofoam Densifier unit	• More information to follow
Shoreway MRF Equipment Maintenance >10k	• Unplanned MRF equipment repairs greater than $10k are the responsibility of JPA per the Operations Agreement with SBR.
Taxes (sewer)	• Sewer fees paid to the City of San Carlos.
Shoreway Other	
Debt Service Bond Interest	• Annual interest payments on the 2009A Solid Waste Enterprise Revenue Bonds of $53.5 million.
Franchise Fee	• Review and pay fee to San Carlos 5% of gate (tipping) fee revenue (but not on commodity revenues).

ATTACHMENT C: Administrative Staff Organization Chart/Personnel Summary for FY17/18



FY17/18 Proposed Staffing

There is one reduction in headcount from FY 16/17 (Recycling Programs Mgr.). NOTE: With the anticipated renewal of the Franchise Agreement, a staff assessment will determine if the currently reduced 1.0 FTE should be reactivated in FY 18/19.

Staff:	FY 16/17	FY17/18
Executive Director	1.0	1.0
Senior Facility & Contracts Manager*	1.0	1.0
Finance Manager	1.0	1.0
Recycling & Sustainability Programs Manager	1.0	1.0
Recycling Programs Manager**	1.0	0.0
Board Secretary/Office Manager	1.0	1.0
Environmental Education Coordinator***	1.0	1.0
Environmental Education Associate	1.0	1.0
Total Agency Staff:	8.0	7.0

*Previous position title: Facilities Operations & Contracts Manager
**Previous position title: Environmental Education Coordinator
*** Previous position was contract employee employed by Local Government Services

Salary Ranges

The salary ranges for the Staff Positions are presented below for FY17/18. A salary survey was conducted in April 2016. Two positions were recently reclassified. A salary survey will be conducted for the Environmental Education Programs Manager and Office Manager/Board Secretary positions during Q1 of FY 17/18.

Position	Current Salary Range/Year
Executive Director	N/A
Senior Facility & Contract Manager	$133,249 - $166,117
Finance Manager	$112,196 - $140,245
Recycling & Sustainability Programs Manager	$100,976 - $126,220
Office Manager/Board Secretary	$59,659 - $74,573
Environmental Education Programs Manager*	$65,267 - $81,580
Environmental Education Associate	$52,208 - $65,250

Budget Assumptions for Merit Increases

A merit increase pool of 3.0% of wages is assumed for all positions within the current salary ranges. Actual merit increases are awarded by the Executive Director on a calendar year basis per the Board adopted Compensation Policy. The Board will separately consider and approve or not the actual merit increase pool for calendar year 2018.

Employee Benefits

No proposed changes in the employee benefit plans. Total benefit expense as percent of base compensation is estimated at 30.9% for FY17/18. A summary of the current benefits is as follows:

Deferred Compensation (Retirement): SBWMA has adopted a self-directed retirement plan under Section 401(a) of the Internal Revenue Service Code to which the Employer contributes an amount equal to 10 percent of the employee's base salary. The plan is with John Hancock which holds all of the employee accounts. The employee vests in the 401(a) retirement plan immediately. SBWMA also has a 457b plan into which employees can voluntarily contribute. SBWMA matches the first 2% of employee contributions.

Employees may join both plans on the first of the month following the date of hire. The contribution amounts are subject to IRS limitations.

SBWMA does not participate in the federal Social Security system which would cost 6.2% of salary up to the statutory limit of $117,000.

Group Health Insurance – General:

SBWMA strives to offer group insured plans for medical, dental, vision, life insurance, and long term disability insurance for the benefit of the employee and his/her family that are competitive with similar industry benefits. The health insurance is brokered through Arrow Benefits Group.

Medical insurance:

The SBWMA currently offers a high deductible HSA medical plan with United Health Care for employees and their families. There is a 40% copay after the deductible has been met for most services. Currently, four employees participate in the plan and three employees have opted out. The premium is age based – the average premium is $1,098 per month plus the HSA average contribution of $563 per month per employee.

Dental insurance:
Dental insurance is provided by Premier Access Insurance for employees and their families. Basic care is covered 100% and major care (crowns, dentures) is covered at 60% up to the maximum annual benefit of $1,500. The average monthly premium per employee is $126.

Vision Plan:
Vision insurance is provided by Premier Access Insurance for employees and their families. A $10 copay applies to most services. Frames are covered up to $120 once per year. The average monthly premium per employee is $21.

Life Insurance:
Term life insurance is provided by Guardian the employee is provided at 100% of salary up to $200,000. The average monthly premium per employee is $96.

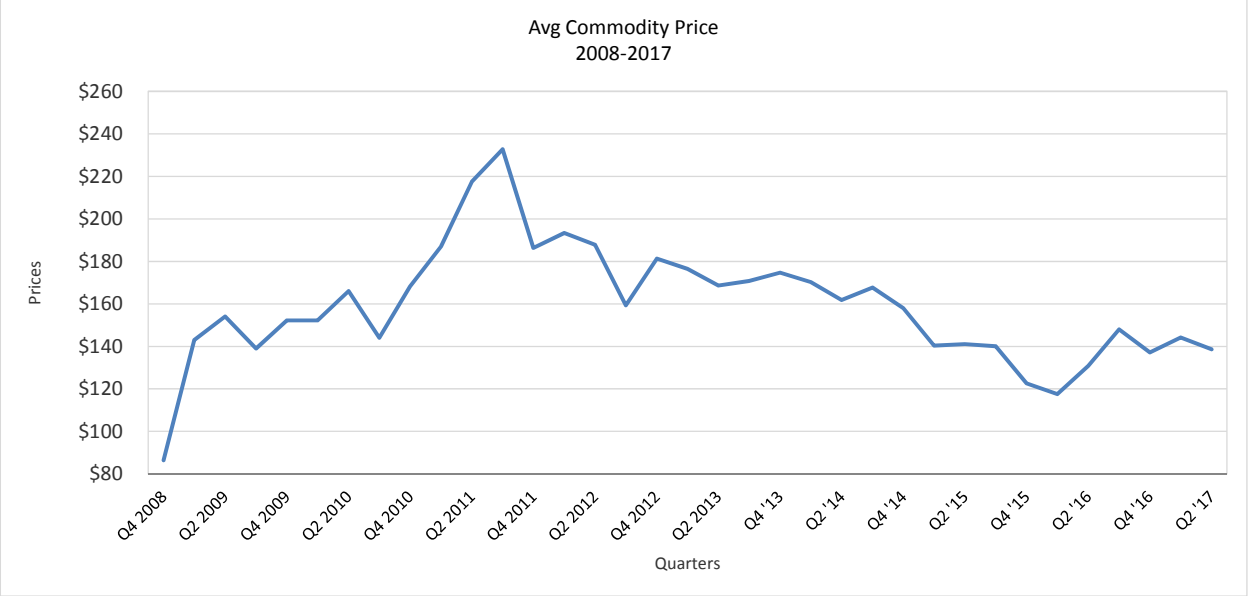
HR and Payroll Support:
The SBWMA contracts with *Modern HR*, a third party professional employment organization for the following scope of work:

(a) As needed, support for human resources issues including, but not limited to, hiring, firing and discipline.
(b) As needed, support for compliance with federal, state and local laws and ordinances regarding employment.
(c) As agreed upon, consult on various Client projects.
(d) Provide payroll and payroll tax filing services.
(e) Workers' Compensation insurance.

We pay $112 /month per employee for their services.

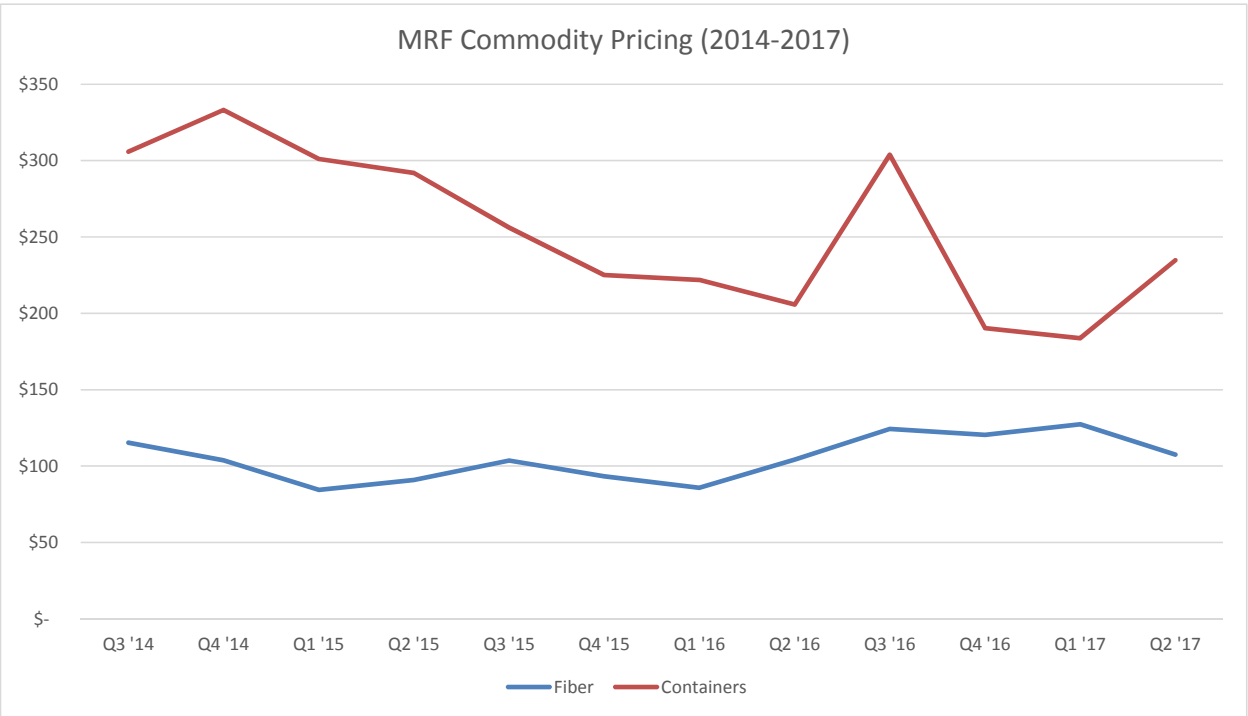
Attachment D. Commodity Price Information

Graph 1 - Price Trend Graph



Source: SBR – Actual through March, 2017.

Graph 2 - MRF Commodity Pricing



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Attachment E - FY17/18 Budget Support Files (tonnage & rate calculations)
Update: February 2017
Summary Tables

Table 1

Total TS Tonnage and Yards		FY16/17 Adopted Budget	FY16/17 Mid-Year Projections	FY17/18 Proposed Budget	FY18 vs. FY17 Adopted Budget	%
Franchise tons						
SBWMA Solid Waste	tons	182,358	182,547	182,408	50	0.03%
SBWMA Organics	tons	98,399	102,228	101,233	2,834	2.88%
SBWMA Food Waste	tons	0	0	-	-	0.00%
SBWMA Dirt, Inert, Other	tons	4,563	5,063	4,209	(355)	-7.78%
Sub-total Franchise		285,320	289,838	287,849	2,529	0.89%
Public tons						
Non-SBWMA SW	tons	816	816	1,888	1,073	131.48%
Non-SBWMA Scrap	tons	167	167	326	159	95.51%
Non-SBWMA FOOD	tons	0	0	870	870	0.00%
Non-SBWMA C&D	tons	1,680	1,680	4,181	2,501	148.81%
Non-SBWMA ORGANIC	tons	1	1	33	32	2131.45%
Non-SBWMA Asphalt Roofing	tons	0	0	1,228	1,228	0.00%
Non-SBWMA Clean Wood	tons	0	0	82	82	0.00%
Public Weighed Dirt	*tons*	7,000	7,000	4,449	(2,551)	-36.44%
Total Tons		294,985	299,503	300,908	5,922	2.01%
Public C/Yds.						
Public Solid Waste Yards	C/Yds.	63,599	62,829	61,726	(1,873)	-2.95%
Public Green Waste Yards	C/Yds.	52,583	40,867	42,898	(9,684)	-18.42%
Public C&D	C/Yds	82,923	90,635	87,608	4,685	5.65%
Total Yards		199,105	194,331	192,232	(6,873)	-3.45%

Table 2

TIP FEE REVENUE	FY16/17 Adopted Budget	FY16/17 Mid-Year Projections	FY17/18 Proposed Budget	FY18 vs. FY17 Adopted Budget	%
Franchise					
Tons	285,320	289,838	287,849	2,529	0.9%
Wtd Avg.Tip Fee	$ 99.51	$ 99.59	$ 104.53	$ 5.02	5.0%
Franchise Revenue	$ 28,393,108	$ 28,863,573	$ 30,088,837	$ 1,695,729	6.0%
Public					
Tons	9,665	9,665	13,058	3,393	35.1%
C/Yards	199,105	194,331	192,232	(6,873)	-3.5%
Public Revenue					
Wtd Avg.Tip Fee Tons	$ 90.10	$ 90.10	$ 101.47	$ 11.37	12.6%
Wtd Avg.Tip Fee C/YDS	$ 36.38	$ 36.89	$ 38.32	$ 1.94	5.3%
Public Revenue Tons	$ 870,790	$ 870,790	$ 1,324,957	$ 454,167	52.2%
Public Revenue C/YDS	$ 7,244,146	$ 7,168,158	$ 7,366,342	$ 122,195	1.7%
Public Revenue	$ 8,114,936	$ 8,038,948	$ 8,691,298	$ 576,362	7.1%
Total Tip Fee Revenue	$ 36,508,044	$ 36,902,521	$ 38,780,135	$ 2,272,091	6.2%

TIP FEE REVENUE - PRICE & VOLUME DETAIL	Volume	Price		Total
Franchise				
Volume Variance	2,529	$ 99.51		$ 251,666
Price Variance	287,849	$ 5.02		1,444,063
Total Change				$ 1,695,729
Note: Franchise rates were lowered from the budget assumptions				
Public				
Volume Variance Tons	3,393	$ 90.10		$ 305,730
Volume Variance C/YDS	(6,873)	$ 36.38		(250,068)
Price Variance Tons	13,058	$ 11.37		148,437
Price Variance C/YDS	192,232	$ 1.94		372,264
Total Change				$ 576,362

Table 3

COMMODITY REVENUE	FY16/17 Adopted Budget	FY16/17 Mid-Year Projections	FY17/18 Proposed Budget	FY18 vs. FY17 Adopted Budget	%
Tons Sold	71,336	48,850	70,869	(466)	-0.7%
Wtd Avg. Price	$ 120.07	$ 143.84	$ 141.76	$ 21.69	18.1%
Gross Revenue	$ 8,565,216	$ 7,026,432	$ 10,046,673	$ 1,481,457	17.3%
Revenue Share w/ SBR	$ (825,285)	$ (1,138,812)	$ (1,139,814)	$ (314,530)	38.1%
Buyback Payments	(796,519)	(891,313)	(891,314)	(94,795)	11.9%
Net Commodity Revenue	$ 6,943,411	$ 4,996,307	$ 8,015,544	$ 1,072,133	15.4%

Price / Volume Impact	Price	Volume	Total
Tonnage Change	$ 120.07	(466)	$ (55,973)
Price Change	$ 21.69	70,869	1,537,430
Total Change (Gross)			$ 1,481,457

Table 4 SBR Operating Expense

SBR OPERATING EXPENSE

a. Summary	FY16/17 Adopted Budget	FY16/17 Mid-Year Projections	FY17/18 Proposed Budget	FY18 vs. FY17 Adopted Budget	%
MRF	$ 6,447,162	$ 6,497,845	$ 6,940,933	$ 493,771	7.7%
Transfer Station	4,655,284	4,715,671	4,736,806	81,522	1.8%
Transportation	7,172,876	7,266,145	7,144,512	(28,365)	-0.4%
MRF Cost Saving Due To Fire	-	(2,064,723)	-	-	0.0%
Single stream transload & transportation	-	1,577,158	-	-	0.0%
Interest	148,305	148,305	114,270	(34,036)	-22.9%
TOTAL SBR EXPENSE	$ 18,423,627	$ 18,140,400	$ 18,936,520	$ 512,893	2.8%

b. SBR Expense Detail	FY16/17 Adopted Budget	FY16/17 Mid-Year Projections	FY17/18 Proposed Budget	FY18 vs. FY17 Adopted Budget	%
MRF					
Tons, net	71,336	48,850	70,869	(466)	-0.7%
Rate	$ 90.38	$ 90.75	$ 97.94	$ 7.56	8.4%
Expense	$ 6,447,162	$ 4,433,122	$ 6,940,933	$ 493,771	7.7%
Transfer Station					
Tons	359,905	364,641	363,382	3,478	1.0%
Rate	$ 12.93	$ 12.93	$ 13.04	$ 0.10	0.8%
Expense	$ 4,655,284	$ 4,715,671	$ 4,736,806	$ 81,522	1.8%
Transportation					
Tons	359,905	364,641	363,382	3,478	1.0%
Wtd. Avg. Rate	$ 19.93	$ 19.93	$ 19.66	$ (0.27)	-1.3%
Expense	$ 7,172,876	$ 7,266,145	$ 7,144,512	$ (28,365)	-0.4%
Single stream transload & transportation	$ -	$ 1,577,158	$ -	$ -	0.0%
Interest	$ 148,305	$ 148,305	$ 114,270	$ (34,036)	-14.1%
	-	-	$ -	-	
TOTAL SBR EXPENSE	$ 18,423,627	$ 18,140,400	$ 18,936,520	$ 512,892	2.8%

Table 5

DISPOSAL & PROCESSING EXPENSE

	FY16/17 Adopted Budget	FY16/17 Mid-Year Projections	FY17/18 Proposed Budget	FY18 vs. FY17 Adopted Budget	%
a. Summary					
Solid Waste	$ 8,827,482	$ 8,913,738	$ 9,077,687	$ 250,204	2.8%
Organics	$ 4,573,610	$ 4,624,534	$ 4,463,552	$ (110,058)	-2.4%
C&D, dirt	$ 1,868,966	$ 2,007,419	$ 2,133,049	$ 264,083	14.1%
Other	$ 365,703	$ 463,209	$ 360,824	$ (4,879)	-1.3%
Subtotal	$ 15,635,761	$ 16,008,900	$ 16,035,111	$ 399,351	2.6%
Paid by SBR	$ (306,159)	$ (163,339)	$ (175,711)	$ 130,447	-42.6%
TOTAL DISPOSAL EXPENSE	$ 15,329,602	$ 15,845,561	$ 15,859,400	$ 529,798	3.5%
B. Detail					
Solid Waste (Ox Mtn.)					
Tons, net	218,717	219,248	219,111	394	0.2%
Rate	$ 40.36	$ 40.66	$ 41.43	$ 1.07	2.6%
Expense	$ 8,827,482	$ 8,913,738	$ 9,077,687	$ 250,204	2.8%
Organics (Newby, Grover)					
Tons, net	109,571	110,850	109,880	309	0.3%
Rate	$ 41.74	$ 41.72	$ 40.62	$ (1.12)	-2.7%
Expense	$ 4,573,610	$ 4,624,534	$ 4,463,552	$ (110,058)	-2.4%
C&D (Zanker)					
Tons, net	31,616	34,543	34,391	2,775	8.8%
Rate	$ 59.11	$ 58.11	$ 62.02	$ 2.91	4.9%
Expense	$ 1,868,966	$ 2,007,419	$ 2,133,049	$ 264,083	14.1%
Other					
Tires	7,507	12,152	8,396	889	11.8%
Mattresses	23,962	38,962	-	(23,962)	-100.0%
Appliances	19,900	55,840	45,680	25,780	129.6%
Hazardous Waste	308,461	341,239	296,400	(12,061)	-3.9%
Misc.	5,874	15,016	10,348	4,474	76.2%
Expense	$ 365,703	$ 463,209	$ 360,824	$ (4,879)	-1.3%
Summary					
TS Tons	359,905	364,641	363,382	3,478	1.0%
Wtd Avg.Rate	$ 42.59	$ 43.46	$ 43.64	$ 1.05	2.5%
Disposal Expense	$ 15,329,602	$ 15,845,561	$ 15,859,400	529,798	3.5%

Detail Disposal Rates- 2018 Budget	**FY16/17 Rate**	**FY16/17 Rate**	**FY17/18 Rate**	**2018 vs. 2017**	**%**
Ox Mountain MSW	$ 40.36	$ 40.66	$ 41.43	$ 1.07	3%
Ox Mountain Aggregates	$ -	$ -	$ -	$ -	0%
Organics (Wtd avg.)	$ 41.74	$ 41.72	$ 40.62	$ (1.12)	-3%
C&D	$ 59.11	$ 58.11	$ 62.02	$ 2.91	5%