



INTERIM EXECUTIVE DIRECTOR'S REPORT



STAFF REPORT

To: SBWMA Board Members
From: Hilary Gans, Interim Executive Director
Date: May 26, 2016 Board of Directors Meeting
Subject: Interim Executive Director's Report

Board Agenda/Packet Items

FY16/17 SBWMA Budget Process

The FY16/17 SBWMA Budget is being brought back to the Board at the May meeting for consideration and adoption. Board Members who have questions that have not been addressed at any of the above dates are encouraged to contact the Interim Executive Director or the Finance manager prior to the May Board meeting.

The Interim Executive Director presented the FY16/17 Budget at the April Board Meeting. The presentation included: 1) an overview of the budgeting process and how the SBWMA's budget relates to Member Agency Rate Setting Process, 2) a breakdown of the revenue and cost components of the SBWMA budget, and 3) a review of the SBWMA Programmatic Budget detailing variances between the FY15/16 and the FY16/17 Budget. Two Budget Workshops were held in May to provide Board Members the opportunity for an in depth discussion of the FY16/17 Budget prior to the May Meeting where a Resolution to Adopt the FY16/17 SBWMA Budget is being considered. Key dates in the budget process are as follows:

- March 24th - Finance Committee preliminary review of Draft 2016/17 Budget
- April 28th - Board Meeting –FY16/17 SBWMA Budget Report and Presentation
- May 11&12th – Budget Workshops held (responses to questions issued May 19th)
- May 26th - Board Meeting – Resolution to Adopt the of FY16/17 SBWMA Budget

Collection Services Updates

Contract Negotiation Process

- A TAC meeting was held on May 12th where the SBWMA High-Level Review of Recology was discussed.
- Commitments have been received from Member Agencies on their intent to participate in the negotiations process.
 - o 7 Member Agencies have committed to participate unconditionally in the Plan and Process
 - o 2 Members Agencies have the item ajenized (see staff report 8C)
 - o 1 Member Agency has agreed conditionally to participate (see letter from San Mateo City Manager, Attachment1 to staff report 8.C)
- Staff will be setting a date for the first Ad Hoc Contract Negotiations Committee meeting for June or July.

Program and Operational Updates

MRF Commodity Market Update

There has been a steady increase in the fiber commodity value since the beginning of 2016 (January \$77, February \$83, March \$89, April \$97). Fiber sales make up the majority of the commodity volume sold from Shoreway and are therefore an important component of commodity revenue. Staff has closely followed the commodity price trends and they are consistent with the projections in the FY16/17 Budget.

MRF Commodity Pricing (2014-2016)

