



Agenda
EXECUTIVE COMMITTEE
THURSDAY, February 2, 2017
4:00 p.m.

Conference Room
128 Sun Street, Suite 101, Salinas, California

CALL TO ORDER

ROLL CALL

President	Simón Salinas (County of Monterey)
Vice President	Robert Cullen (City of King)
Alternate Vice President	Gloria De La Rosa (City of Salinas)

GENERAL MANAGER AND DEPARTMENT MANAGER COMMENTS

COMMITTEE MEMBER COMMENTS

PUBLIC COMMENTS

Receive public communications from audience on items which are not on the agenda. Speakers are limited to three minutes.

CONSIDERATION ITEMS

1. [Minutes of January 5 Meeting](#)
 - A. Committee Discussion
 - B. Public Comment
 - C. Recommended Committee Action – Approval
2. [December 2016 Claims and Financial Reports](#)
 - A. Receive a report from Finance Manager Ray Hendricks
 - B. Committee Discussion
 - C. Public Comment
 - D. Recommended Committee Action – Forward to the Board for Approval
3. [Fiscal Year 2017-18 Preliminary Budget Direction](#)
 - A. Receive a report from Finance Manager Ray Hendricks
 - B. Committee Discussion
 - C. Public Comment
 - D. Recommended Committee Action – Provide Input

FUTURE AGENDA ITEMS

4. [Future Agenda Items – View Ahead Calendar](#)

ADJOURNMENT

This meeting agenda was posted at the Salinas Valley Solid Waste Authority office at 128 Sun Street, Suite 101, Salinas, on **Friday, January 27, 2017**. The Executive Committee will next meet in regular session on **Thursday, March 2, 2017, at 4:00 p.m.** Staff reports for the Authority Executive Committee meetings are available for review at 128 Sun Street, Suite 101, Salinas, California 93901, Phone 831-775-3000 and at www.salinasvalleyrecycles.org.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meeting, please contact Erika J. Trujillo, Clerk of the Board, at 831-775-3000. Notification 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II)

**MINUTES OF MEETING
SALINAS VALLEY SOLID WASTE AUTHORITY
EXECUTIVE COMMITTEE
January 5, 2017**

DRAFT

CALL TO ORDER

President Salinas called the meeting to order at 4:00 p.m.

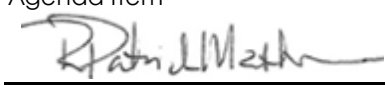
Committee Members Present

Simón Salinas President
Gloria De La Rosa Alternate Vice President

Staff Members Present

Patrick Mathews, *General Manager/CAO*
Cesar Zuniga, *Asst. General Manager/
Operations Manager*
Ray Hendricks, *Finance Manager*
Mandy Brooks, *Resource Recovery Manager*
Rose Gill, *Human Resources/Organizational
Development Manager*

Erika J. Trujillo, *Clerk of the Board*
Thomas Bruen, *General Counsel
(via telephone)*

ITEM NO. 1
Agenda Item

General Manager/CAO
N/A
General Counsel

GENERAL MANAGER AND DEPARTMENT MANAGER COMMENTS

(4:01) General Manager/CAO Mathews reminded the Executive Committee of the Strategic Planning retreat scheduled on January 25, 2017. He commented on the new appointment to Board of Directors for the County of Monterey. John Philips was officially appointed on Monday.

PUBLIC COMMENT

None

CONSIDERATION ITEMS

1. Minutes of November 3, 2016, Meeting

(4:02)

Public Comment: None

Committee Action: Vice President Salinas made a motion to approve the minutes as presented. Alternate Vice President De La Rosa seconded the motion. The motion passed unanimously; 2-0.

2. November 2016 Claims and Financial Reports

(4:03) Finance Manager Hendricks provided a report indicating that operating revenue exceeded expenditures this month. He explained Construction and Demolition tonnage has increased and are projecting it will continue with discussions of the Monterey Regional Waste Management closing from February 2017 to October 2017 for reconstruction.

Public Comment: None

Committee Discussion: The Committee discussed the report and the potential fallouts of the District being closed.

Committee Action: Vice President Salinas made a motion forward to the Board for approval. Alternate Vice President De La Rosa seconded the motion. The motion passed unanimously; 2-0.

3. A Resolution Approving an Adjustment to the Operating Budget for Fiscal Year 2016-17

(4:08) Finance Manager Hendricks provided a report based on the activity during the first six months of the fiscal year, providing options for budget adjustments. He explained that with the increases in green waste and construction and demolition tonnage require some adjustments to the budget in order to process increases in diverted materials. With the additional revenue from the options offsetting the additional cost.

Public Comment: None

Committee Discussion: The Committee discussed the report and expressed general support for the recommendation.

Committee Action: Vice President Salinas made a motion forward to the Board for approval. Alternate Vice President De La Rosa seconded the motion. The motion passed unanimously; 2-0.

4. Self-Funding Programs and Services Report

(4:16) Finance Manager Hendricks provided a report focusing on the three programs; Franchise Transportation Surcharge, Green Waste Disposal fees, and Construction and Demolition. Each was analyzed to determine if they are self-funding.

Public Comment: None

Committee Discussion: The Committee discussed the report.

Committee Action: Vice President Salinas made a motion forward to the Board for discussion. Alternate Vice President De La Rosa seconded the motion. The motion passed unanimously; 2-0.

5. Request for Fiscal Year 2017-18 Preliminary Budget Direction

(4:23) Finance Manager Hendricks provided a report with option on potential increases for the fiscal year 2017-18 budget. Increases in payroll due to Health Insurance, Other Post-Employment Benefits, Cola, and a full year of the longevity program. The Sun Street Transfer Station is running at capacity and has to rely on Madison Lane to take a higher amount of the Salinas Franchise waste raising the cost to utilize it. Madison Lane transfer is also much more expensive than Sun Street. A need for a new Diversion Worker 1 for the Sun Street Transfer Station to direct and assist customer is being requested given that it is running at capacity. With the increase in the Construction and Demolition a new transfer truck is needed that can hold the material and a new driver would be needed to transport the material from the Sun Street Station to Johnson Canyon Landfill. Hendricks went on to report that the first principal payment increase on the bond refinancing will be due in 2017-18.

Public Comment: None

Committee Discussion: The Committee discussed the report and expressed general support for the recommendations.

Committee Action: Vice President Salinas made a motion forward to the Board for discussion. Alternate Vice President De La Rosa seconded the motion. The motion passed unanimously; 2-0.

FUTURE AGENDA ITEMS

6. Agenda Items – View Ahead

(4:39) The Committee reviewed the future agenda items.

CLOSED SESSION

(4:40) Receive public comment before entering into closed session:

- 7.** Pursuant to **Government Code Section 54957 (b)** Performance Evaluation of the General Manager/Chief Administrative Officer.

RECONVENE

(4:45) President Salinas reconvened the meeting to open session reporting the Executive Committee considered the results of the GM/CAOs Board evaluations that qualified General Manager/Chief Administrative Officer, Mathews for a 5% merit increase in Base Salary under section 3(b) of the Employment Agreement. After discussion with Mathews he accepted a merit increase of 2.5 % in Base Salary effective January 1, 2017.

ADJOURNMENT

(4:47) President Salinas adjourned the meeting.

APPROVED: _____
Simón Salinas, President

ATTEST: _____
Erika J. Trujillo, Clerk of the Board



Report to the Executive Committee

ITEM NO. 2

Finance Manager/Controller-Treasurer

General Manager/CAO

N/A
General Counsel

Date: February 02, 2017
From: Ray Hendricks, Finance Manager
Title: December 2016 Claims and Financial Reports

RECOMMENDATION

Staff recommends acceptance of the December 2016 Claims and Financial Reports.

DISCUSSION & ANALYSIS

Please refer to the attached financial reports and checks issued report for the month of December for a summary of the Authority's financial position as of December 31, 2016. Following are highlights of the Authority's financial activity for the month of December.

Results of Operations (Consolidated Statement of Revenues and Expenditures)

For the month of December 2016, FY 2016-17 operating revenue exceeded expenditures by \$516,963. Year to Date operating revenues exceeded expenditures by \$2,799,817.

Revenues (Consolidated Statement of Revenues and Expenditures)

After six months of the fiscal year, (50.00% of the fiscal year), revenues total \$10,093,879 or 58.2% of the total annual revenues forecast of \$17,354,800. December Tipping Fees totaled \$1,087,241 and for the year to date totaled \$6,813,887 or 58.50% of the forecasted total of \$11,645,600.

Operating Expenditures (Consolidated Statement of Revenues and Expenditures)

As of December 31, (50.00% of the fiscal year), year-to-date operating expenditures total \$7,294,062. This is 45.9% of the operating budget of \$15,902,000.

Capital Project Expenditures (Consolidated Grant and CIP Expenditures Report)

For the month of December 2016, capital project expenditures totaled \$33,136. \$12,719 of the total was for the long range facility needs EIR.

Claims Checks Issued Report

The Authority's Checks Issued Report for the month of December 2016 is attached for review and acceptance. December disbursements total \$1,138,834.17 of which \$437,450.17 was paid from the payroll checking account for payroll and payroll related benefits.

Following is a list of vendors paid more than \$50,000 during the month of December 2016.

Vendor	Service	Amount
QUINN COMPANY		
	836H TRANSMISSION REPLACEMENT	85,505.56
	JCLF EQUIPMENT MAINTENANCE	4,866.10
	JCLF VEHICLE MAINTENANCE	19,373.37
	MISC	638.96
	SSTS EQ & VEHICLE MAINTENANCE	4,858.08
VISION RECYCLING INC		
	C&D GRINDING SERVICES	25,544.44
	ORGANICS & GREENWASTE PROCESSING	143,269.04
STATE WATER RESOURCES CONTROL BOARD		
	CHLF ANNUAL PERMIT FEES	70,781.00

Cash Balances

The Authority's cash position increased \$645,801.18 during December to \$19,485,298.58. Most of the cash balance is restricted, committed, or assigned as shown below:

Restricted by Legal Agreements:

Johnson Canyon Closure Fund	\$ 3,700,275.67
State & Federal Grants	82,496.41
BNY - Bond 2014A Payment	-
BNY - Bond 2014B Payment	-
BNY - Sub Pmt Cap One 2014 Eq Lease	-
GEO Deposit (CEQA)	5,894.74

Funds Held in Trust:

Central Coast Media Recycling Coalition	119,077.96
Employee Unreimbursed Medical Claims	4,811.70

Committed by Board Policy:

AB939 Services	673,612.47
Designated for Capital Projects Reserve	1,018,128.87
Designated for Environmental Impairment Reserve	593,903.31
Designated for Operating Reserve	593,903.31
Expansion Fund (South Valley Revenues)	7,993,946.95
Salinas Rate Stabilization Fund	24,324.06

Assigned by Budget

Assigned for Capital Projects	3,171,092.57
Assigned for OPEB	291,400.00

Available for Operations

1,212,430.56

Total

\$ 19,485,298.58

ATTACHMENTS

1. December 2016 Consolidated Statement of Revenues and Expenditures
2. December 2016 Consolidated Grant and CIP Expenditures Report
3. December 2016 Checks Issued Report



Salinas Valley Solid Waste Authority
Consolidated Statement of Revenues and Expenditure
For Period Ending December 31, 2016

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<u>Revenue Summary</u>							
Tipping Fees - Solid Waste	11,645,600	1,087,241	6,813,887	58.5 %	4,831,713	0	4,831,713
Tipping Fees - Surcharge	1,751,000	132,375	896,501	51.2 %	854,499	0	854,499
Tipping Fees - Diverted Materials	1,043,600	193,739	987,036	94.6 %	56,564	0	56,564
AB939 Service Fee	2,228,900	185,742	1,114,452	50.0 %	1,114,448	0	1,114,448
Charges for Services	124,500	0	32,614	26.2 %	91,886	0	91,886
Sales of Materials	309,500	36,518	117,881	38.1 %	191,619	0	191,619
Gas Royalties	220,000	0	73,547	33.4 %	146,453	0	146,453
Investment Earnings	31,700	6,043	53,481	168.7 %	(21,781)	0	(21,781)
Grants/Contributions	0	0	0	0.0 %	0	0	0
Other Non-Operating Revenue	0	3,355	4,480	0.0 %	(4,480)	0	(4,480)
Total Revenue	17,354,800	1,645,013	10,093,879	58.2 %	7,260,921	0	7,260,921
<u>Expense Summary</u>							
Executive Administration	446,000	25,771	153,268	34.4 %	292,732	557	292,175
Administrative Support	508,490	19,966	206,515	40.6 %	301,975	65,710	236,266
Human Resources Administration	363,250	28,913	165,424	45.5 %	197,826	6,040	191,787
Clerk of the Board	186,460	10,143	72,031	38.6 %	114,429	3,223	111,206
Finance Administration	625,250	34,854	261,386	41.8 %	363,864	13,017	350,848
Operations Administration	426,200	22,155	124,820	29.3 %	301,380	11,128	290,252
Resource Recovery	826,650	51,430	366,981	44.4 %	459,669	24,480	435,190
Marketing	75,000	3,368	18,565	24.8 %	56,435	53,685	2,750
Public Education	206,500	10,954	49,957	24.2 %	156,543	94,069	62,474
Household Hazardous Waste	781,600	34,340	284,339	36.4 %	497,261	5,467	491,794
C & D Diversion	80,000	25,544	56,465	70.6 %	23,535	0	23,535
Organics Diversion	690,200	143,144	280,423	40.6 %	409,777	409,777	0
Diversion Services	18,000	125	7,494	41.6 %	10,506	6,231	4,275



Salinas Valley Solid Waste Authority
Consolidated Statement of Revenues and Expenditure
For Period Ending December 31, 2016

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
Scalehouse Operations	484,650	37,642	245,046	50.6 %	239,604	6,272	233,332
JR Transfer Station	400,800	19,400	243,009	60.6 %	157,791	3,794	153,996
JR Recycling Operations	124,200	6,262	27,771	22.4 %	96,429	0	96,429
ML Transfer Station	185,000	39,606	177,015	95.7 %	7,985	0	7,985
SS Disposal Operations	730,100	75,827	422,194	57.8 %	307,906	40,002	267,903
SS Transfer Operations	938,200	79,169	459,953	49.0 %	478,247	15,492	462,755
SS Recycling Operations	590,000	47,095	217,442	36.9 %	372,558	0	372,558
JC Landfill Operations	2,365,900	224,296	962,219	40.7 %	1,403,681	191,968	1,211,713
JC Recycling Operations	374,300	21,014	124,780	33.3 %	249,520	2,094	247,427
Crazy Horse Postclosure Maintenance	609,200	88,669	318,813	52.3 %	290,387	61,621	228,766
Lewis Road Postclosure Maintenance	222,800	8,434	85,152	38.2 %	137,648	53,797	83,852
Johnson Canyon ECS	309,700	27,364	96,701	31.2 %	212,999	81,136	131,863
Jolon Road Postclosure Maintenance	204,650	5,282	144,116	70.4 %	60,534	12,743	47,792
Sun Street ECS	185,300	15,221	66,833	36.1 %	118,467	11,489	106,978
Debt Service - Interest	1,653,300	0	831,062	50.3 %	822,238	0	822,238
Debt Service - Principal	1,052,300	0	685,868	65.2 %	366,432	0	366,432
Closure Set-Aside	238,000	22,060	138,420	58.2 %	99,580	0	99,580
Total Expense	15,902,000	1,128,049	7,294,062	45.9 %	8,607,938	1,173,788	7,434,150
Revenue Over/(Under) Expenses	1,452,800	516,963	2,799,817	192.7 %	(1,347,017)	(1,173,788)	(173,229)



Salinas Valley Solid Waste Authority

Consolidated Grant and CIP Expenditure Report

For Period Ending December 31, 2016

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<u>Fund 180 - Expansion Fund</u>							
180 9804 Long Range Facility Needs EIR	531,664	12,719	54,169	10.2 %	477,495	456,772	20,723
180 9805 Harrison Road	75,000	0	1,250	1.7 %	73,750	0	73,750
180 9806 Long Range Financial Model	95,000	3,200	18,879	19.9 %	76,121	37,176	38,945
180 9807 GOE Autoclave Final Project	100,000	0	0	0.0 %	100,000	0	100,000
Total Fund 180 - Expansion Fund	801,664	15,919	74,298	9.3 %	727,366	493,948	233,418
<u>Fund 211 - State Grants</u>							
211 9206 HHW HD25-15-0003	23,870	0	772	3.2 %	23,098	0	23,098
211 9208 Tire Amnesty 2015-16	23,193	2,200	7,102	30.6 %	16,091	2,400	13,691
211 9209 Tire Derived Aggregate 5-15-0004	66,373	0	0	0.0 %	66,373	0	66,373
211 9247 Cal Recycle - CCP	95,345	550	25,208	26.4 %	70,137	1,100	69,037
211 9248 Cal Recycle - 2014-15 CCP	19,517	0	19,517	100.0 %	0	0	0
Total Fund 211 - State Grants	228,299	2,750	52,600	23.0 %	175,699	3,500	172,199
<u>Fund 216 - Reimbursement Fund</u>							
216 9802 Autoclave Demonstration Unit	141,499	220	349	0.2 %	141,150	0	141,150
216 9804 Long Range Facility Needs EIR	274,569	12,500	18,757	6.8 %	255,812	244,148	11,664
Total Fund 216 - Reimbursement Fund	416,067	12,720	19,105	4.6 %	396,962	244,148	152,814
<u>Fund 800 - Capital Improvement Projects Fund</u>							
800 9103 Closed Landfill Revenue Study	31,769	0	0	0.0 %	31,769	0	31,769
800 9316 CH Corrective Action Program	253,000	0	0	0.0 %	253,000	0	253,000
800 9319 CH LFG System Improvements	116,500	0	0	0.0 %	116,500	0	116,500
800 9401 LR LFG Replacement	67,500	452	1,417	2.1 %	66,083	0	66,083
800 9502 JC Flare Station Improvements	274,996	128	275,106	100.0 %	(110)	0	(110)
800 9506 JC Litter Control Barrier	50,000	0	0	0.0 %	50,000	0	50,000
800 9507 JC Corrective Action	100,000	0	0	0.0 %	100,000	0	100,000
800 9508 JC Drainage Modifications	35,000	0	0	0.0 %	35,000	0	35,000



Salinas Valley Solid Waste Authority

Consolidated Grant and CIP Expenditure Report For Period Ending December 31, 2016

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
800 9509 JC Groundwater Wells	150,000	0	6,355	4.2 %	143,645	2,338	141,307
800 9510 JC LFG System (Vertical Wells)	30,000	0	0	0.0 %	30,000	0	30,000
800 9511 JC LFG System (Horizontal Wells)	30,000	136	24,679	82.3 %	5,321	0	5,321
800 9526 JC Equipment Replacement	80,900	0	0	0.0 %	80,900	0	80,900
800 9527 JC Module 7 Engineering and Constr	350,000	0	0	0.0 %	350,000	0	350,000
800 9528 JC Roadway Improvements	2,218,937	0	0	0.0 %	2,218,937	0	2,218,937
800 9529 JC Leachate Handling Sys	55,531	0	0	0.0 %	55,531	0	55,531
800 9601 JR Transfer Station Improvements	82,000	1,030	54,048	65.9 %	27,952	18,076	9,876
800 9602 JR Equipment Purchase	556,454	0	506,448	91.0 %	50,006	11,727	38,279
800 9701 SSTS Equipment Replacement	191,260	0	0	0.0 %	191,260	0	191,260
800 9702 SSTS NPDES Improvements	12,062	0	0	0.0 %	12,062	0	12,062
Total Fund 800 - Capital Improvement Projects	4,685,909	1,746	868,054	18.5 %	3,817,855	32,140	3,785,715
Total CIP Expenditures	6,131,939	33,136	1,014,057	16.5 %	5,117,882	773,737	4,344,146

Salinas Valley Solid Waste Authority
Checks Issued Report for 12/1/2016 to 12/31/2016

Check #	Name	Check Date	Amount	Check Total
17406	PATRICIA ANN BERGSTROM MANAGERS LEADERSHIP TEAM TRAINING	12/1/2016	3,690.00	3,690.00
17407	ASBURY ENVIRONMENTAL SERVICES HHW DISPOSAL & HAULING	12/7/2016	135.00	135.00
17408	AT&T SERVICES INC TELEPHONE SERVICES	12/7/2016	852.88	852.88
17409	BECKS SHOES AND REPAIR SSTS UNIFORMS	12/7/2016	180.87	180.87
17410	BRENDON OSMER JCLF VEHICLE MAINTENANCE	12/7/2016	750.00	750.00
17411	CARDLOCK FUELS SYSTEM, INC. JCLF BIODIESEL FUEL	12/7/2016	3,144.89	3,144.89
17412	COAST COUNTIES TRUCK & EQUIPMENT CO. SSTS VEHICLE MAINTENANCE	12/7/2016	701.37	701.37
17413	COMCAST INTERNET SERVICE	12/7/2016	359.71	359.71
17414	CONSOLIDATED FABRICATORS CORP SSTS EQUIPMENT JCLF EQUIPMENT	12/7/2016	13,089.66 3,965.60	17,055.26
17415	CSC OF SALINAS/YUMA JRTS VEHICLE MAINTENANCE	12/7/2016	517.34	517.34
17416	EAST BAY TIRE CO. SSTS EQUIPMENT MAINTENANCE	12/7/2016	1,299.99	1,299.99
17417	ELIA ZAVALA BD MTG REFRESHMENTS/SUPPLIES 11-17-16	12/7/2016	179.21	179.21
17418	ERNEST BELL D. JR ALL SITES JANITORIAL SERVICES ALL SITES	12/7/2016	2,774.00	2,774.00
17419	FERGUSON ENTERPRISES INC #795 CH FACILITY MAINTENANCE	12/7/2016	80.63	80.63
17420	FULL STEAM STAFFING LLC JC & SSTS CONTRACT LABOR	12/7/2016	7,536.10	7,536.10
17421	GOLDEN STATE TRUCK & TRAILER REPAIR ALL SITES VEHICLE MAINTENANCE	12/7/2016	8,047.23	8,047.23
17422	**VOID**	12/7/2016	0.00	0.00
17423	GRAINGER FACILITY MAINTENANCE SUPPLIES	12/7/2016	290.69	290.69

Salinas Valley Solid Waste Authority
Checks Issued Report for 12/1/2016 to 12/31/2016

Check #	Name	Check Date	Amount	Check Total
17424	GUERITO SITES PORTABLE TOILET SERVICES	12/7/2016	1,028.00	1,028.00
17425	HD SUPPLY CONSTRUCTION SUPPLY, LTD BRANCH #6186 JCLF FACILITY MAINTENANCE	12/7/2016	7,662.50	7,662.50
17426	HERC RENTALS INC. SS & JC EQUIPMENT RENTAL	12/7/2016	1,737.18	1,737.18
17427	JOSE RAMIRO URIBE SSTS VEHICLE MAINTENANCE	12/7/2016	170.00	170.00
17428	JULIO GIL SSTS VEHICLE MAINTENANCE	12/7/2016	281.94	281.94
17429	KELLY-MOORE PAINT COMPANY INC. SSTS EQUIPMENT MAINTENANCE	12/7/2016	231.99	231.99
17430	MANUEL PEREA TRUCKING, INC. CH JC SS EQUIPMENT TRANSPORTATION	12/7/2016	1,300.00	1,300.00
17431	MARTA M. GRANADOS FY16-17 BD MEETING INTERPRETER	12/7/2016	180.00	180.00
17432	MONICA AMBRIZ PARKING FOR TRAINING	12/7/2016	23.00	23.00
17433	MONTEREY COUNTY HEALTH DEPARTMENT JCLF PERMITS MONTEREY COUNTY REGIONAL FEE SSTS PERMIT FEES	12/7/2016	731.25 27,072.84 1,958.00	29,762.09
17434	OFFICE DEPOT ADMIN & OPS OFFICE SUPPLIES	12/7/2016	865.70	865.70
17435	PACIFIC GAS AND ELECTRIC COMPANY MONTHLY ELECTRICITY SERVICE	12/7/2016	6,364.77	6,364.77
17436	PERSONAL AWARDS INC ALL SITES EMPLOYEE UNIFORMS	12/7/2016	3,734.28	3,734.28
17437	PINNACLE MEDICAL GROUP EMPLOYMENT EXAM	12/7/2016	631.00	631.00
17438	PITNEY BOWES - POSTAGE POSTAGE METER REFILL	12/7/2016	356.98	356.98
17439	QUINN COMPANY JCLF VEHICLE MAINTENANCE	12/7/2016	23,468.91	23,468.91
17440	**VOID**	12/7/2016	0.00	0.00
17441	R&B COMPANY JC LFG HORIZONTAL WELLS	12/7/2016	136.13	136.13

Salinas Valley Solid Waste Authority
Checks Issued Report for 12/1/2016 to 12/31/2016

Check #	Name	Check Date	Amount	Check Total
17442	SALINAS NEWSPAPERS, INC. RECRUITMENT ADVERTISEMENT JRTS ADVERTISING NOTICES	12/7/2016	595.00 111.14	706.14
17443	SCS ENGINEERS PROFESSIONAL CONSULTING SERVICES	12/7/2016	2,500.00	2,500.00
17444	SCS FIELD SERVICES ALL SITES ROUTINE ENVIRONMENTAL SERVICES	12/7/2016	17,524.50	17,524.50
17445	STURDY OIL COMPANY SSTS EQUIPMENT FUEL	12/7/2016	823.62	823.62
17446	SUPERIOR HYDROSEEDING, INC. JCLF EROSION CONTROL	12/7/2016	11,325.00	11,325.00
17447	TOYOTA MATERIAL HANDLING SSTS EQUIPMENT MAINTENANCE	12/7/2016	287.33	287.33
17448	UNITED RENTALS (NORTHWEST), INC SSTS FACILITY MAINTENANCE	12/7/2016	292.67	292.67
17449	VISION RECYCLING INC C&D GRINDING SERVICES ORGANICS PROCESSING	12/7/2016	25,544.44 63,957.14	89,501.58
17450	WEST COAST RUBBER RECYCLING, INC TIRE AMNESTY TIRE RECYLING	12/7/2016	1,100.00	1,100.00
17451	GABILAN OAKS, LLC END OF THE YEAR DINNER - ROOM RESERVATION	12/8/2016	1,488.00	1,488.00
17452	A & G PUMPING, INC JRTS PORTABLE TOILETS	12/15/2016	105.76	105.76
17453	ADMANOR, INC SVR MEDIA CAMPAIGNS CCRMC MEDIA & MARKETING DIVERSION MEDIA CAMPAIGN TIRE AMNESTY MEDIA CAMPAIGN	12/15/2016	3,368.25 785.00 325.00 4,681.80	9,160.05
17454	AMERICAN SUPPLY CO. SS JANITORIAL SUPPLIES	12/15/2016	79.66	79.66
17455	AT&T SERVICES INC CALNET 2 ADJUSTMENTS HHW TELEPHONE SERVICE	12/15/2016	(253.11) 317.11	64.00
17456	BC LABORATORIES, INC JC WATER SAMPLES	12/15/2016	12.00	12.00
17457	CALIFORNIA HIGHWAY ADOPTION CO. LITTER CONTROL	12/15/2016	550.00	550.00

Salinas Valley Solid Waste Authority
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Check #	Name	Check Date	Amount	Check Total
17458	CALIFORNIA WATER SERVICE WATER SERVICES	12/15/2016	159.43	159.43
17459	CARDLOCK FUELS SYSTEM, INC. ALL SITES DIESEL FUEL	12/15/2016	25,605.61	25,605.61
17460	CDW GOVERNMENT COMPUTER SOFTWARE	12/15/2016	1,215.90	1,215.90
17461	CH2M HILL, INC LONG RANGE FINANCIAL MODEL	12/15/2016	3,200.00	3,200.00
17462	CHICO COMMUNITY PUBLISHING, INC. OUTREACH & ED FOR LTFN PROJECTS	12/15/2016	25,000.00	25,000.00
17463	COSTCO WHOLESALE ADMINISTRATION OFFICE SUPPLIES	12/15/2016	169.92	169.92
17464	CSC OF SALINAS/YUMA SSTS EQUIPMENT MAINTENANCE	12/15/2016	431.39	431.39
17465	DATA FLOW PAYROLL ACCOUNT CHECKS	12/15/2016	186.78	186.78
17466	DOUGLAS NOLAN SCHOOL ASSEMBLY PROGRAM	12/15/2016	6,250.00	6,250.00
17467	EAST BAY TIRE CO. JCLF VEHICLE MAINTENANCE	12/15/2016	255.00	255.00
17468	FERGUSON ENTERPRISES INC #795 SSTS FACILITY MAINTENANCE	12/15/2016	68.17	68.17
17469	FIRST ALARM JRTS ALARM SERVICES	12/15/2016	208.00	208.00
17470	FULL STEAM STAFFING LLC JC & JRTS CONTRACT LABOR	12/15/2016	5,000.16	5,000.16
17471	GEOLOGIC ASSOCIATES, INC. CH & LR ENGINEERING SERVICES	12/15/2016	10,652.08	10,652.08
17472	GOLDEN STATE TRUCK & TRAILER REPAIR SSTS VEHICLE MAINTENANCE	12/15/2016	15,377.38	15,377.38
17473	**VOID**	12/15/2016	0.00	0.00
17474	GONZALES ACE HARDWARE JCLF FACILITY MAINTENANCE	12/15/2016	468.41	468.41
17475	GREEN RUBBER - KENNEDY AG, LP JC MAINTENANCE SUPPLIES	12/15/2016	601.49	601.49

Salinas Valley Solid Waste Authority
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Check #	Name	Check Date	Amount	Check Total
17476	GREEN VALLEY INDUSTRIAL SUPPLY, INC SSTS VEHICLE MAINTENANCE	12/15/2016	159.79	159.79
17477	HERC RENTALS INC. JCLF EQUIPMENT RENTAL	12/15/2016	886.63	886.63
17478	HOPE SERVICES SSTS DIVERSION LABOR	12/15/2016	24,251.57	24,251.57
17479	INFINITY STAFFING SERVICES, INC. SSTS CONTRACT LABOR	12/15/2016	1,056.38	1,056.38
17480	KING CITY HARDWARE INC. JRTS FACILITY MAINTENANCE	12/15/2016	286.67	286.67
17481	MONICA AMBRIZ PER DIEM REIMBURSEMENT	12/15/2016	108.00	108.00
17482	NEXTEL OF CALIFORNIA, INC CELL PHONE SERVICE	12/15/2016	308.24	308.24
17483	PENINSULA MESSENGER LLC BANK COURIER SERVICES	12/15/2016	620.00	620.00
17484	PITNEY BOWES GLOBAL POSTAGE MACHINE QTR LEASE	12/15/2016	297.66	297.66
17485	PROBUILD COMPANY LLC SSTS FACILITY MAINTENANCE	12/15/2016	129.82	129.82
17486	PURE WATER BOTTLING POTABLE WATER SERVICE	12/15/2016	416.25	416.25
17487	QUINN COMPANY ALL SITES EQUIPMENT MAINTENANCE	12/15/2016	5,973.06	5,973.06
17488	SAN BENITO SUPPLY, CONSTRUCTION, CONCRETE & QUARRY SS FACILITY MAINTENANCE	12/15/2016	1,953.34	1,953.34
17489	SCOTT W GORDON LEGAL SERVICES	12/15/2016	2,227.50	2,227.50
17490	SHARPS SOLUTIONS, LLC HHW HAULING & DISPOSAL	12/15/2016	80.00	80.00
17491	STURDY OIL COMPANY SSTS VEHICLE MAINTENANCE	12/15/2016	229.22	229.22

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<u>Check #</u>	<u>Name</u>	<u>Check Date</u>	<u>Amount</u>	<u>Check Total</u>
17492	US BANK CORPORATE PAYMENT SYSTEM	12/15/2016		
	WORLD CENTRICT: ADMINISTRATION OFFICE SUPPLIES		62.91	
	AMAZON: AMERICA RECYCLES DAY T-SHIRT		22.58	
	GETABSTRACT: ANNUAL SUBSCRIPTION		179.00	
	ASSOCIATION FOR TALENT DEVELOP: TRAINING MATERIALS		77.95	
	AVANT RESOURCES: DISCOVERY QUESTIONS WEBINAR		279.00	
	GRANITEROCK: SSTS FACILITY REPAIRS		38.63	
	VISTAPRINT: BUSINESS CARDS		58.92	
	VISTA PRINT: OFFICE SUPPLIES		34.61	
	EXPERIAN: CREDIT REFERENCE CHECKS		299.70	
	EL POLLO LOCO: MEETING REFRESHMENTS		41.04	
	ORCHARD SUPPLY: SSTS NEW AIR COMPRESSOR		303.08	
	ENVIROTECHNPDES: NETWORKSHOP TRAINING BRIAN K.		50.00	
	INTERMEDIA:EXCHANGE SERVER		273.75	
	NOB HILL: FIX IT CLINIC SUPPLIES		53.42	
	ACE HARDWARE: CHLF REPAIRS		30.64	
	GASB RENEWAL: ANNUAL MEMEBERSHIP RENEWAL		430.00	
	HOME DEPOT: OFFICE SUPPLIES		70.87	
	VISTA PRINT: OFFICE SUPPLIES		103.86	
	MONTEREY MARRIOTT PARKING		62.00	
	SHAREFILE SUBSCRIPTION		32.95	
	ADOBE: SOFTWARE RENEWAL		24.99	
	SMART AND FINAL: OFFICE SUPPLIES		46.77	
	VALS PLUMBING: SSTS AIR COMPRESSOR		40.38	
	VEGETABLE GROWER SUPPLY: EMPLOYEE UNIFORM		279.02	
	VGS: RAIN GEAR		97.06	
	MIKES PIZZA: BOARD MTG REFRESHMENTS		111.36	
	COMMERCIAL SERVICE CO: REFRIGERATION REPAIR		168.91	
	AMAZON: REPLACMENT AMPLIFIER FOR CONF. ROOM		76.38	
	HUGHES.NET: SCALEHOUSE INTERNET SERVICE		171.59	
	SMART N FINAL: ADMIN OFFICE SUPPLIES		24.96	
	SMART&FINAL: EC MTG REFRESHMENTS 11-03-16		15.79	
	GRANITEROCK: BASEROCK MATERIAL		610.77	
	GRANITEROCK: BASEROCK MATERIAL		40.25	
	A TOOL SHED EQUIPMENT RENTALS		102.00	
	AMAZON.COM:WORK GEAR FOR ADMIN I		21.99	
	AMAZON.COM:WORK GEAR FOR ADMIN I		23.06	
				4,360.19
17493	**VOID**	12/15/2016	0.00	
				0.00
17494	**VOID**	12/15/2016	0.00	
				0.00
17495	**VOID**	12/15/2016	0.00	
				0.00
17496	VALLEY PACIFIC PETROLEUM SERVICES, INC.	12/15/2016		
	JCLF BIODIESEL FUEL		5,749.42	
				5,749.42
17497	VALLEY TROPHIES & DETECTORS	12/15/2016		
	NAME PLATE FOR ADRIANNA		15.82	
				15.82

Salinas Valley Solid Waste Authority
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Check #	Name	Check Date	Amount	Check Total
17498	VERIZON WIRELESS SERVICES CELL PHONE SERVICE	12/15/2016	81.06	81.06
17499	VISION RECYCLING INC GREENWASTE CONTAMINATION FY 2015-16 GREEN WASTE PROCESSING	12/15/2016	125.00 17,168.73	17,293.73
17500	WASTE MANAGEMENT INC NOVEMBER REPUBLIC TONNAGE	12/15/2016	39,606.40	39,606.40
17501	WEST COAST RUBBER RECYCLING, INC TIRE AMNESTY TIRE RECYLING	12/15/2016	1,100.00	1,100.00
17502	AIR TOXICS LTD SAMPLE TESTING	12/20/2016	320.00	320.00
17503	ALLEN BROTHERS OIL INC. OPS ADMIN VEHICLE MAINTENANCE	12/20/2016	126.61	126.61
17504	AON RISK INSURANCE SERVICES WEST, INC . AUTO INSURANCE COVERAGE	12/20/2016	30.00	30.00
17505	ASBURY ENVIRONMENTAL SERVICES HHW HAULING & DISPOSAL	12/20/2016	55.00	55.00
17506	AT&T MOBILITY FINANCE INTERNET	12/20/2016	41.65	41.65
17507	AUTOZONE LLC. JCLF VEHICLE MAINTENANCE	12/20/2016	52.16	52.16
17508	BECKS SHOES AND REPAIR JC & JR EMPLOYEE UNIFORMS	12/20/2016	375.66	375.66
17509	CITY OF GONZALES JC LF WATER	12/20/2016	190.07	190.07
17510	CITY OF SALINAS (ENVIRONMENTAL COMPLIANCE BUREAU) SSTS ENVIRONMENTAL INSPECTION	12/20/2016	268.45	268.45
17511	COAST COUNTIES TRUCK & EQUIPMENT CO. SSTS VEHICLE MAINTENANCE	12/20/2016	175.65	175.65
17512	CSC OF SALINAS/YUMA SSTS EQUIPMENT MAINTENANCE	12/20/2016	487.66	487.66
17513	EAGLE STAR SECURITY SECURITY SERVICES	12/20/2016	912.00	912.00
17514	EXPRESS SAFETY INC SSTS SAFETY SUPPLIES	12/20/2016	217.60	217.60
17515	FULL STEAM STAFFING LLC JC & JR CONTRACT LABOR JC & JR CONTRACT LABOR	12/20/2016	476.57 322.09	798.66

Salinas Valley Solid Waste Authority
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Check #	Name	Check Date	Amount	Check Total
17516	GFOA - GOVERNMENT FINANCE OFFICERS ASSOCIATION CAFR AWARD APPLICATION	12/20/2016	435.00	435.00
17517	GOLDEN STATE TRUCK & TRAILER REPAIR SSTS VEHICLE MAINTENANCE	12/20/2016	2,881.18	2,881.18
17518	GONZALES ACE HARDWARE JRFS FACILITY MAINTENANCE	12/20/2016	37.69	37.69
17519	GREEN RUBBER - KENNEDY AG, LP CHLF FACILITY MAINTENANCE	12/20/2016	471.75	471.75
17520	GREEN VALLEY INDUSTRIAL SUPPLY, INC SSTS FACILITY MAINTENANCE	12/20/2016	28.85	28.85
17521	HERC RENTALS INC. JC & SS EQUIPMENT RENTAL	12/20/2016	22.77	22.77
17522	INFINITY STAFFING SERVICES, INC. SSTS CONTRACT LABOR	12/20/2016	1,167.75	1,167.75
17523	KELLY-MOORE PAINT COMPANY INC. JRFS FACILITY MAINTENANCE	12/20/2016	1,368.61	1,368.61
17524	KING CITY HARDWARE INC. JRFS FACILITY MAINTENANCE	12/20/2016	38.89	38.89
17525	MONTEREY AUTO SUPPLY INC SSTS VEHICLE MAINTENANCE	12/20/2016	743.51	743.51
17526	OFFICE DEPOT ADMIN OFFICE SUPPLIES	12/20/2016	384.10	384.10
17527	QUINN COMPANY 836H TRANSMISSION REPLACEMENT SSTS EQUIPMENT MAINTENANCE	12/20/2016	85,505.56 294.54	85,800.10
17528	R&B COMPANY JCLF FACILITY MAINTENANCE	12/20/2016	102.96	102.96
17529	REPUBLIC SERVICES #471 TRASH DISPOSAL SERVICE	12/20/2016	142.92	142.92
17530	ROSSI BROS TIRE & AUTO SERVICE ALL SITES VEHICLE MAINTENANCE	12/20/2016	1,226.65	1,226.65
17531	SALINAS VALLEY CHAMBER OF COMMERCE AGENCY MEMBERSHIP	12/20/2016	1,250.00	1,250.00
17532	SCALES UNLIMITED SSTS SCALE SERVICE	12/20/2016	1,350.00	1,350.00
17533	SCS FIELD SERVICES LR NON ROUTINE SERVICES	12/20/2016	586.00	586.00

Salinas Valley Solid Waste Authority
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Check #	Name	Check Date	Amount	Check Total
17534	SKINNER EQUIPMENT REPAIR, INC. JC VEHICLE MAINTENANCE	12/20/2016	564.69	564.69
17535	SOCIETY FOR HUMAN RESOURCE MANAGEMENT SELF STUDY PROGRAM - TRAINING	12/20/2016	892.54	892.54
17536	STATE WATER RESOURCES CONTROL BOARD CHLF ANNUAL PERMIT FEES	12/20/2016	70,781.00	70,781.00
17537	THOMAS M BRUEN LEGAL SERVICES	12/20/2016	1,450.10	1,450.10
17538	VISION RECYCLING INC NOV. SS GREENWASTE PROCESSING	12/20/2016	62,018.17	62,018.17
17539	WESTERN EXTERMINATOR COMPANY FACILITY VECTOR CONTROL	12/20/2016	369.50	369.50
DFT2016768	WAGEWORKS FSA MONTHLY ADMIN	12/16/2016	128.00	128.00
				128.00
	SUBTOTAL			701,384.32
	PAYROLL DISBURSEMENTS			437,450.17
	GRAND TOTAL			1,138,834.49



Report to the Executive Committee

ITEM NO. 3


 Finance Manager/Controller-Treasurer


 General Manager/CAO

N/A
 General Counsel

Date: February 2, 2017
From: C. Ray Hendricks, Finance Manager
Title: Fiscal Year 2017-18 Preliminary Budget Direction

RECOMMENDATION

Staff recommends the Executive Committee approve this item for presentation to the Board of Directors for discussion and comment prior to returning it for the scheduled rate hearing and final budget adoption at the March 16, 2017 Board meeting.

DISCUSSION & ANALYSIS

The preliminary budget fully funds necessary operation for FY 2017-18. Following is a summary of the budget. Please refer to the attached budget worksheets for more detail.

Operations Budget Increases (\$572,000)

FY 2017-18 Projected Operating Budget Increase	
Payroll Increases	\$ 230,450
New C&D Driver	109,000
New Diversion Worker	80,900
Debt Service Increase	143,400
Closure Set-Aside	7,000
All other adjustments (net)	1,250
Total Increase	\$ 572,000

Payroll Increase

The net increase to payroll is scheduled to be **\$230,450**. Increases are due to Health Insurance, Other Post-Employment Benefits (OPEB), Cola (Net), and a full year of longevity. All other benefit and decreases offset each other. Following is a summary of the increases.

Description	Payroll Budget Increases
Jolon Road	\$ 76,400
Health Insurance	64,600
OPEB	34,700
COLA (Net)	89,700
Longevity	43,000
Net All Other Increases/(Decreases)	(1,550)
Total Payroll Increases	306,850
Jolon Road Contract Ending	(76,400)
Net Payroll Increases	\$ 230,450

Madison Lane Transfer Increase

The Sun Street Transfer Station is running at capacity and has had to rely on Madison Lane to take a higher amount of Salinas Franchise Waste. The FY 2016-17 mid-year budget adjustment includes an **\$80,000** increase for the use of Madison Lane. This amount will need to be carried over to FY 2017-18. Following is a summary of the amounts paid to Madison Lane for transporting Salinas Franchise Waste that could not be transferred from the Sun Street Transfer Station due to tonnage permit limits since FY 2013-14. The mid-year budget adjustment approved on January 19, 2017 used Construction and Demolition excess revenues to fund the estimated additional use of Madison Lane. This cannot be counted on to fund this going forward.

<u>Fiscal Year</u>	<u>Total Spent (\$)</u>
2013-14	166,505
2014-15	182,621
2015-16	263,176
2016-17 (Through November)	177,015

New Construction and Demolition (C&D) Driver

Sun Street staff is unable to handle the increased tonnage from C&D and wood waste at Sun Street. Transfer trucks cannot hold as much of this material as compared to solid waste and therefore require additional trips to handle. An additional driver is necessary to manage this tonnage and would increase the payroll budget by **\$109,000**. Adequate equipment replacement reserves are available for purchase of an additional transfer truck and trailer, specific for the C&D/Wood Waste transfer.

New Diversion Worker

The Sun Street Transfer Station currently has four Diversion Workers I to assist with the six-day operations of the facility. The Diversion Workers' tasks include greeting customers, parking vehicles, diverting recyclables from waste, load checking loads for hazardous materials, facility maintenance, and equipment maintenance and cleaning. The facility continues to increase its customer base and the demands placed on the employees are overwhelming at times receiving up to 400 customers. An additional diversion worker is necessary to manage this added traffic and improve safety, and would increase the payroll budget by **\$ 80,900**. Adding a new Diversion Worker I position will help ease the impact the current employees face daily due to the increase in customer trips to the facility. The facility received a total of 77,153 trips in calendar year 2016 compared to 69,006 in 2015 an increase of 12%.

Debt Service Increase

The first principal increase on the bond refinance is due in 2017-18. The total amount of the increase is **\$143,400**. FY 2018-19 will be the first year of the full bond payment with an additional increase of \$1.1 million in FY 2018-19 with \$3.1 million annual payments for nine years.

Revenue Increases (\$622,900)

<u>FY 2017-18 Projected Operating Revenue Increase</u>	
5,000-ton increase in solid waste tonnage projection	342,500
1.46% Increase to tipping fees	175,000
3.6% increase to AB939 Fees	80,900
2.9% Increase to Franchise Transportation Surcharge	52,000
Sales of Materials	(65,500)
Rental Revenue	30,300
All other revenue adjustment	<u>7,700</u>
Total Increase	<u>622,900</u>

The following options are available to balance the budget. For reference, the current cost-of-living index for All Urban Consumers in the Greater Bay Area is running approximately **3.6%** for the previous 12 months through October 2016.

Increasing the projected tonnage by 5,000 tons

This would increase the budgeted revenue by **\$342,500**. Tonnage has increased the last two fiscal years, and has so far held steady in FY 2016-17. Tonnage projections are currently running about 12,000 tons over estimates for this fiscal year, so conservatively increasing tonnage by 5,000 for 2017-18 is reasonable. Increases in tonnage will increase some fees and closure funding, but amounts are minimal and will be incorporated in the budget. Increased tonnage requires setting aside additional closure funds. The \$7,000 required for this was included in the budgeted increases above.

Increase tipping fees by 1.46% (\$1.00/ton)

This would increase our budgeted revenue by **\$175,000**. Tipping fees are currently \$68.50 per ton.

Increase Franchise Transportation Surcharge by 2.9% (\$0.50/ton)

This would increase our budgeted revenue by **\$52,000**. The transportation surcharge was last increased in FY 2015-16 to \$17.00. This will help partially offset the increase in Madison Lane Transfer costs due to the ongoing increases in Salinas area waste.

Sales of Materials

Markets for sales of recycled materials continue to remain low. Based on current trends a reduction of **(\$65,500)** to \$244,000 is necessary in order to maintain realistic projections.

Rental Revenue

With the operations of Jolon Road being taken over by staff from Waste Management in September 2016, a lease for the Corp Yard was negotiated with Waste Management. This will produce an additional **\$30,300** in revenue.

Capital Improvement Projects Budget

The Board's approval of refinancing the 2002 Revenue Bonds and the Crazy Horse Installment Purchase Agreement has allowed SVR to generate operating surpluses, which have allowed SVR to fund and complete some much-needed and previously deferred Capital Improvements. The following Projects need to be funded in FY 2017-18:

Johnson Canyon LFG System (Vertical Wells)	60,000
Johnson Canyon Equipment Replacement	50,000
Johnson Canyon LFG System (Horiz Wells)	30,000
Johnson Canyon Litter Control Fence	50,000
Johnson Canyon Module 7/8 Construction	540,000
Repayment of Expansion Fund	376,000
Jolon Road Transfer Station Improvements	84,000
Jolon Road Equipment Purchase/Replacement (Repayment)	120,000
Lewis Road LFG Well Replacement	30,000
SSTS Equipment Replacement	<u>300,000</u>
Total Operating Surplus Allocations	<u>1,640,000</u>

Johnson Canyon Landfill (\$190,000)

As landfill operations continue at the Johnson Canyon Landfill, so is the need to assure effective environmental control system are in place. For example, installing landfill gas wells in areas of new waste disposal, addressing drainage to continue with storm water pollution prevention, and expanding the litter control fence are some of the features required to for effective landfill operations. In addition, SVR entered into a corrective action program via a pledge of revenue agreement requiring further action for ensure the groundwater is legally monitored.

JC Module 7 Engineering and Construction (\$540,000)

As the agency works towards deciding its long range facility needs, it is time to begin planning for the next cell at Johnson Canyon. Initial Engineer estimates have the new cell being built in 5 years (FY 2021-22) at a cost of \$4-6,000,000. Staff is in the process of working with consultants in order to determine what options are available for the construction schedule as well as revisiting the original estimates. We may be able to spread out the construction over a longer period of time in order to spread out the needed funding. However, the CIP for this project only has \$350,000 allocated to it. While the direction that the board takes greatly impacts the date that the new cell will be needed, it is critical that we begin to fund this project now in order to ensure that there is adequate funding when the construction of the cell is necessary.

Repayment of Expansion Fund (\$376,000)

In order to supply landfill gas to the Ameresco power project at the Johnson Canyon Landfill, SVR was required to pre-treat landfill gas prior to delivery to the project. This required installation of gas pre-treatment equipment is necessary to remove various contaminants that can foul the generation equipment and engines. At the time the

project was approved, the Board approved a temporary loan from reserves to fund this equipment purchase and installation, and agreed to repay this loan as offsetting royalties become available. This capital cost reflects full repayment of the equipment loan.

Jolon Road Transfer Station (\$204,000)

Staff took-over of the Jolon Road Transfer Station in September 2016. Rather than take out a private loan, the Board approved borrowing \$398,500 from CIP reserve funds with the remaining \$201,500 coming from operating surpluses in 2016-17. Repayment of these funds are budgeted at \$120,000 per year. Once these funds are repaid, the funds will be allocated to a Capital Equipment Replacement CIP in order to have cash available when the equipment purchased in FY 2016-17 requires replacement.

In addition, there are other site upgrades and repairs that needed to be completed. These include repairs to the tipping pad, push wall and drainage modifications. The first half was completed in FY 2016-17, with the second (\$82,000) being funded in FY 2017-18.

Lewis Road (\$30,000)

Monitoring at closed landfills is required for a minimum of 30 years. In order to meet the regulatory needs, replacement of some of the landfill gas wells at Lewis Road are required.

Sun Street Transfer Station Equipment Replacement (\$300,000)

The Board approved the Sun Street Equipment replacement plan on August 22, 2013. In order to meet CIP requirements, some of the equipment replacement has been delayed. To replace necessary equipment, money is set aside every year.

BACKGROUND

As part of SVR's three-part budget process, the Executive Committee and the Board of Directors received a report requesting budget direction in January summarizing the various issues, expenses and revenue changes identified by staff that effect the upcoming budget. The second step in this process is presentation of the draft budget in February, followed by approval of the final budget and rates in March.

This structured budget approval schedule is necessary to support the member agency's franchise hauler rate setting processes that occur in April and May of each year. The haulers need to know what SVR's rates will be in order to complete their rate package submittals for each jurisdiction. This structured process has worked very in the last two cycles and allowed for timely approval of the final franchise rates and distribution of advanced public noticing by the haulers.

ATTACHMENT(S)

1. FY 2017-18 Preliminary Budget - Two-Year Budget Comparison

Salinas Valley Recycles
Two-Year Budget Comparison
FY 2017-18

	2016-17 Budget	Proposed 2017-18 Budget	Increase/ (Decrease)	% Change
<u>Revenues</u>				
51.1 - Tipping Fees - Solid Waste	11,645,600	12,162,500	516,900	4.4%
51.2 - Tipping Fees - Surcharge	1,751,000	1,803,000	52,000	3.0%
51.3 - Tipping Fees - Diverted Materials	1,434,400	1,442,700	8,300	0.6%
51.4 - AB939 Service Fee	2,228,900	2,309,800	80,900	3.6%
52.1 - Charges for Services	124,500	124,500	-	0.0%
53.1 - Sales of Materials	309,500	244,000	(65,500)	-21.2%
53.2 - Gas Royalties	220,000	220,000	-	0.0%
54.1 - Investment Earnings	31,700	62,000	30,300	95.6%
Total Revenues	<u>17,745,600</u>	<u>18,368,500</u>	<u>622,900</u>	<u>3.5%</u>
<u>Expenditures</u>				
1110 - Executive Administration	431,000	444,850	13,850	3.2%
1120 - Administrative Support	507,790	532,740	24,950	4.9%
1130 - Human Resources Administration	363,950	381,250	17,300	4.8%
1140 - Clerk of the Board	186,460	170,560	(15,900)	-8.5%
1200 - Finance Administration	625,250	653,450	28,200	4.5%
1300 - Operations Administration	441,200	466,500	25,300	5.7%
2100 - Resource Recovery	826,650	833,300	6,650	0.8%
2150 - Marketing	75,000	75,000	-	0.0%
2200 - Public Education	206,500	206,500	-	0.0%
2300 - Household Hazardous Waste	781,600	784,000	2,400	0.3%
2400 - C & D Diversion	140,000	140,000	-	0.0%
2500 - Organics Diversion	796,200	796,200	-	0.0%
2600 - Diversion Services	18,000	18,000	-	0.0%
3100 - Scalehouse Operations	484,650	529,550	44,900	9.3%
3600 - JR Transfer Station	400,800	349,800	(51,000)	-12.7%
3630 - JR Recycling Operations	124,200	152,900	28,700	23.1%
3650 - ML Transfer Station	265,000	265,000	-	0.0%
3710 - SS Disposal Operations	713,800	743,000	29,200	4.1%
3720 - SS Transfer Operations	954,500	1,084,300	129,800	13.6%
3730 - SS Recycling Operations	590,000	685,600	95,600	16.2%
4500 - JC Landfill Operations	2,365,900	2,386,050	20,150	0.9%
4530 - JC Recycling Operations	374,300	387,500	13,200	3.5%
5300 - Crazy Horse Postclosure Maintenance	609,200	611,400	2,200	0.4%
5400 - Lewis Road Postclosure Maintenance	222,800	224,900	2,100	0.9%
5500 - Johnson Canyon ECS	309,700	311,300	1,600	0.5%
5600 - Jolon Road Postclosure Maintenance	204,650	206,050	1,400	0.7%
5700 - Sun Street ECS	185,300	186,300	1,000	0.5%
6100 - Debt Service - Interest	1,653,300	1,619,100	(34,200)	-2.1%
6200 - Debt Service - Principal	1,052,300	1,229,900	177,600	16.9%
6605 - Closure Set-Aside	238,000	245,000	7,000	2.9%
Total Expenditures	<u>16,148,000</u>	<u>16,720,000</u>	<u>572,000</u>	<u>3.5%</u>
Operating Budget Surplus	1,597,600	1,648,500		
Less New CIP Allocation	(2,084,000)	(1,144,000)		
Repayment of Expansion Fund	-	(376,000)		
Jolon Road Equipment Repayment	-	(120,000)		
Use of CIP Reserves	763,500	-		
Balance Used to Fund Reserves	<u>277,100</u>	<u>8,500</u>		

SVR Agenda Items - View Ahead 2017

	Feb	Mar	Apr	May	Jun	Jul	Aug
A							
1	Minutes	Minutes	Minutes	Minutes	Minutes	Minutes	Minutes
2	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)
3	Member Agencies Activities Report	Member Agencies Activities Report	Member Agencies Activities Report	Member Agencies Activities Report	Member Agencies Activities Report	Member Agencies Activities Report	Member Agencies Activities Report
4	New Strategic Plan	Strategic Plan Update	Strategic Plan Update	Strategic Plan Update	Strategic Plan Update	Strategic Plan Update	Strategic Plan Update
5	CAG Appointments	Public Hearing: Fee Sched Amend	LTFN EIR Qtrly Update (sp)	1st Qtr Tonnage & Diversion Report		LTFN EIR Qtrly Update (sp)	2nd Qtr Tonnage & Diversion Report
6	Purchase of 2 New Used Trucks (Replacements)	New FY 17-18 Budget	QTE March Cash & Investments	FY Investment Policy (EC)		QTE June Cash & Investments	Annual Tonnage & Diversion Performance Report
7	4th Qtr Tonnage & Diversion Report	JCLF Organics CEQA	1st Qtr Facilities Customer Survey	New/Ext Agreements & Contracts		QTE June Facilities Customer Survey	
8	City of King Franchise Contract Administration		Earth Day Recognition				
9	Vision Recycling Overview/Making Color Mulch						
10	FY Preliminary Operating & CIP Budget (EC)						
11							
12							
13							

Consent
Presentation
Consideration
<i>Closed Session</i>

[Other] (Public Hearing, Recognition, Informational, etc.)
(EC) Executive Committee
(sp) Strategic Plan Item