

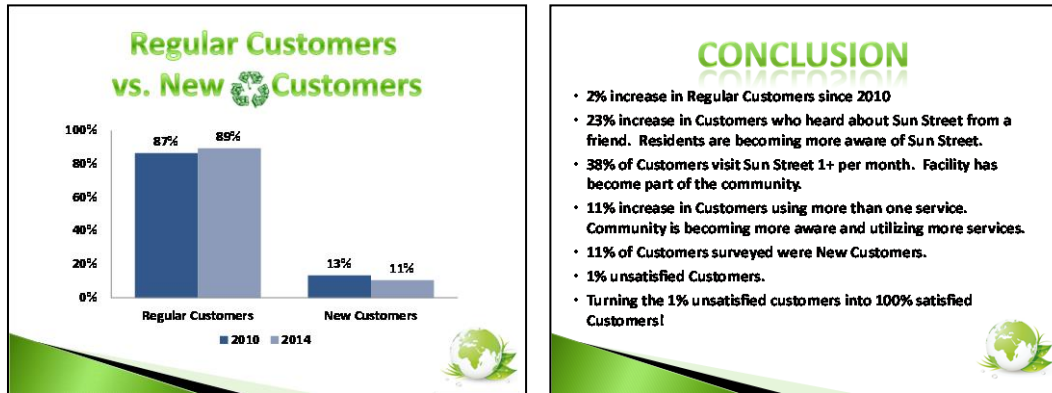


## BOARD OF DIRECTORS

# MEETING HIGHLIGHTS

### November 20, 2014

#### Sun Street Materials Recovery Center/Transfer Station Customer Survey



#### Comprehensive Annual Financial Report for the Year Ending June 30, 2014

The Authority once again did not receive a management letter from the auditors, meaning that there are no internal weaknesses or material deficiencies. The report reflected net deficit due to unfunded liabilities. The next financial report will include employee pension as liabilities.

#### Change in Sunday Operations – Close Johnson Canyon Landfill in Gonzales and Open Sun Street Materials Recovery Center/Transfer Station in Salinas

A cost comparison for operating the facilities on Sundays was presented. The report showed that the Authority loses money with the landfill operation on Sundays. Staff estimates that the revenue received by opening the Sun Street facility will pay for itself and will generate additional revenue. Staff will be working on options to lessen the impact on South County customers. After discussing the item, the Board approved moving forward with the change in Sunday operations. Staff will proceed with revising the facilities permits.

#### Tonnage Report for Quarter Ended September 2014

The total tons landfilled this quarter increased by 3.6% over the same quarter in 2013 and decreased by 27.8% over the same period of the previous year, due to the ending of imported waste from Recology South Valley. Total tons diverted in this quarter decreased 0.7% over the same quarter in 2013.

#### Financial Report for Month Ended September 2014 (25% of the Fiscal Year)

Revenue collected	\$ 4,216,985 (26.83% of Estimated Revenue of \$15,717,700)
Expenditures for operations	\$ 3,460,847 (22.83% of Operating Budget of \$15,157,834)
Cash balance	\$14,841,133

REDUCE

REUSE

RECYCLE

“To manage Salinas Valley solid waste as a resource, promoting sustainable, environmentally sound and cost effective practices through an integrated system of waste reduction, reuse, recycling, innovative technology, customer service, and education.”



Item No. 8

# ***Sun Street Transfer Station Customer Survey***



***Board of Directors Meeting  
November 20, 2014***

# PURPOSE OF THE. . .

**Sun Street Transfer Station survey is to document:**

- **where the customers come from**
- **assess the quality of service provided by SVR**
- **calculate how often customers use our services, whether it's weekly, monthly or yearly**
- **marketing and public outreach communication efforts**

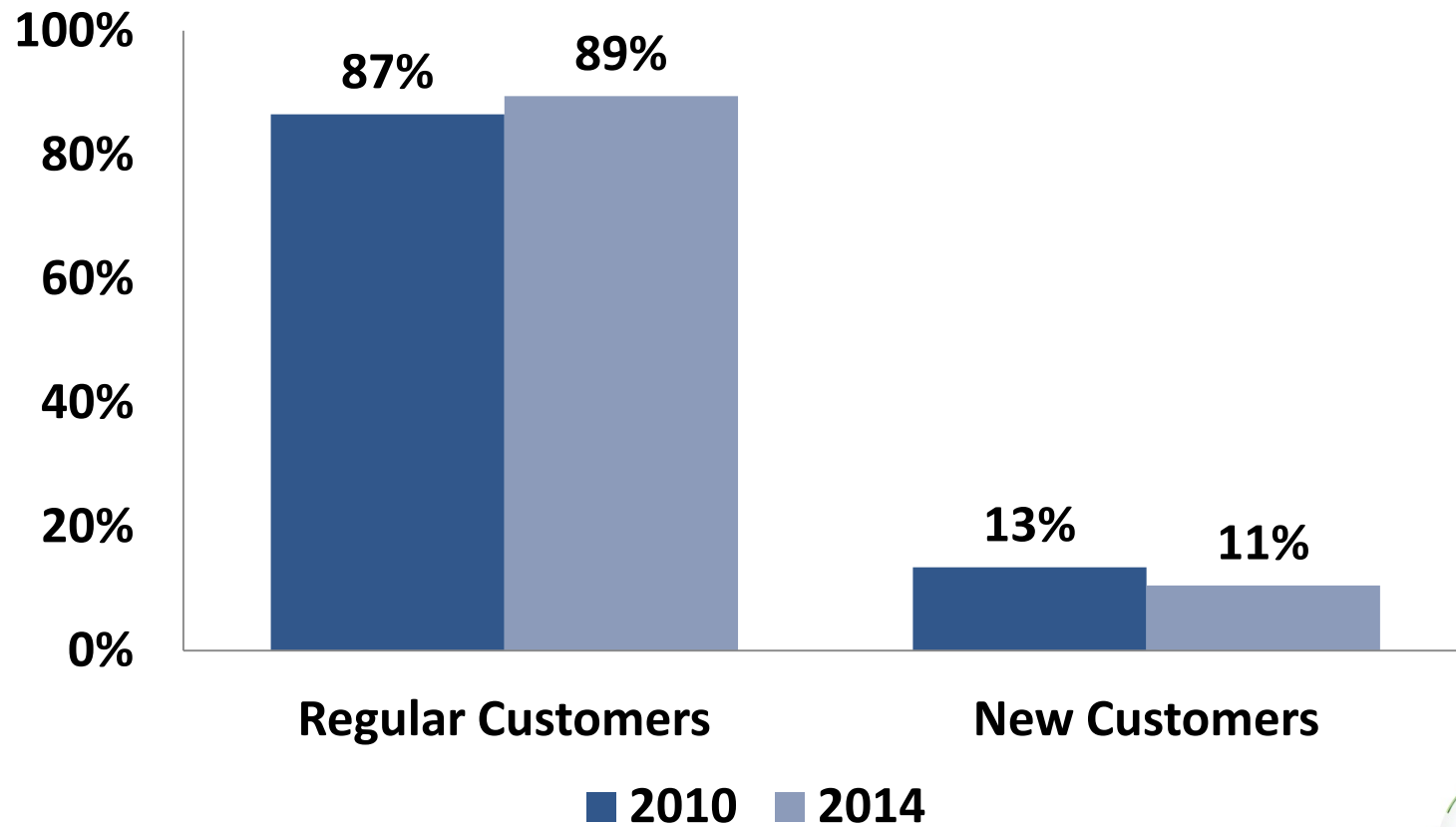


# QUESTIONS ASKED. . .

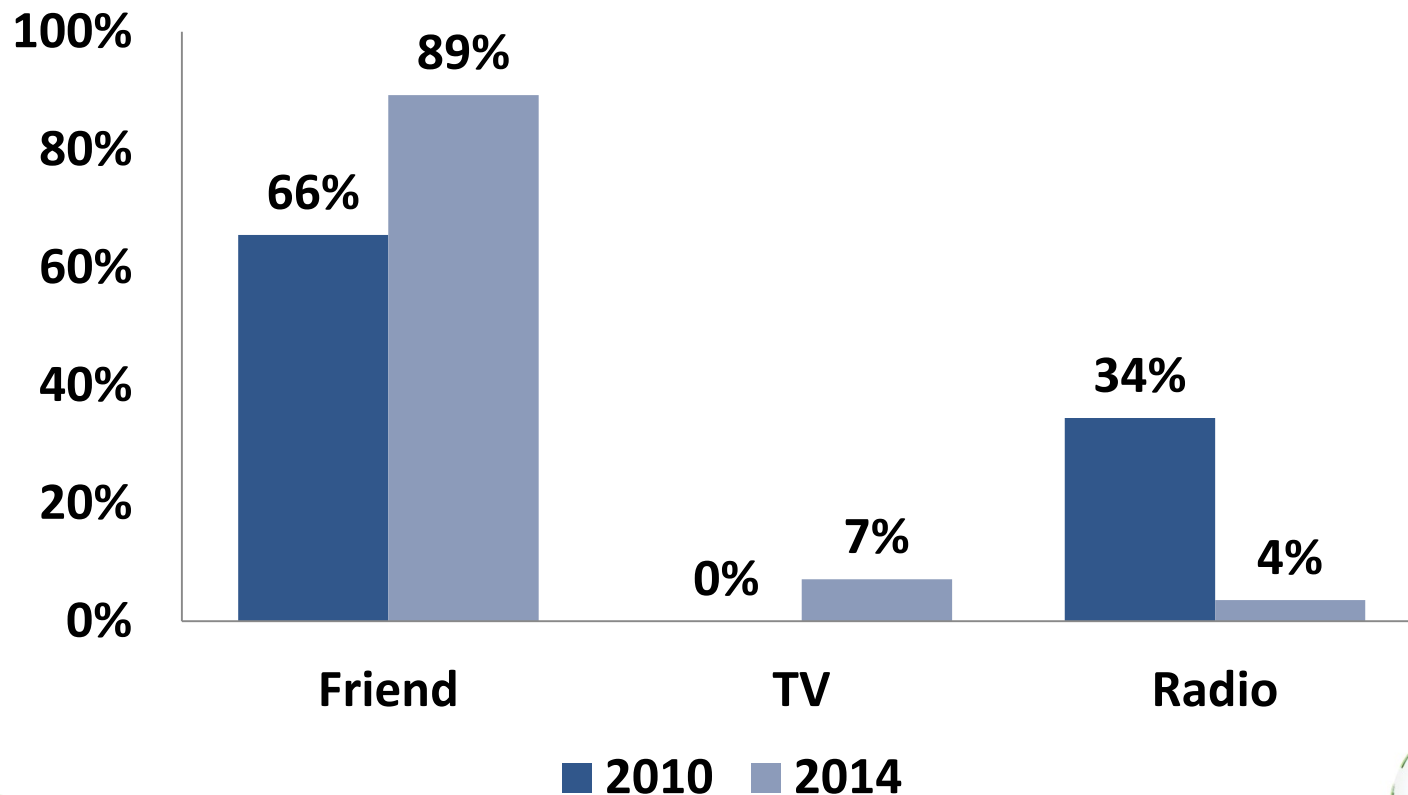
1. Is this your first time as the Sun Street Transfer Station?
2. If yes, how did you hear about the Sun Street Transfer Station?
3. If no, how often do you come to the Sun Street Transfer Station?
4. What services do you use?
5. Are you pleased with our services?
6. Would you like to see any improvements? What type?
7. What district are you recycling from?



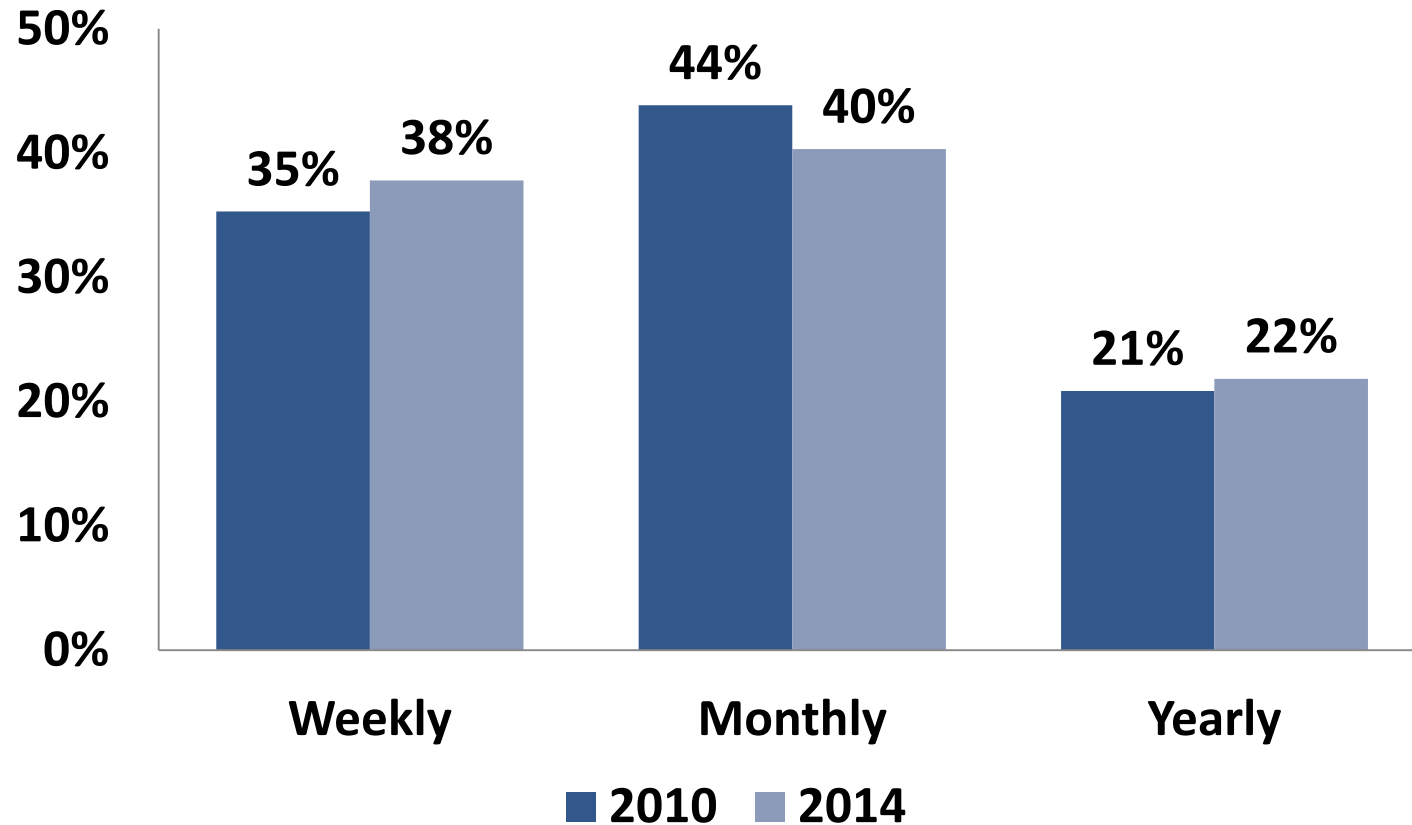
# Regular Customers vs. New Customers



## Question 2: How did you (new customer) hear about the Sun Street Transfer Station?

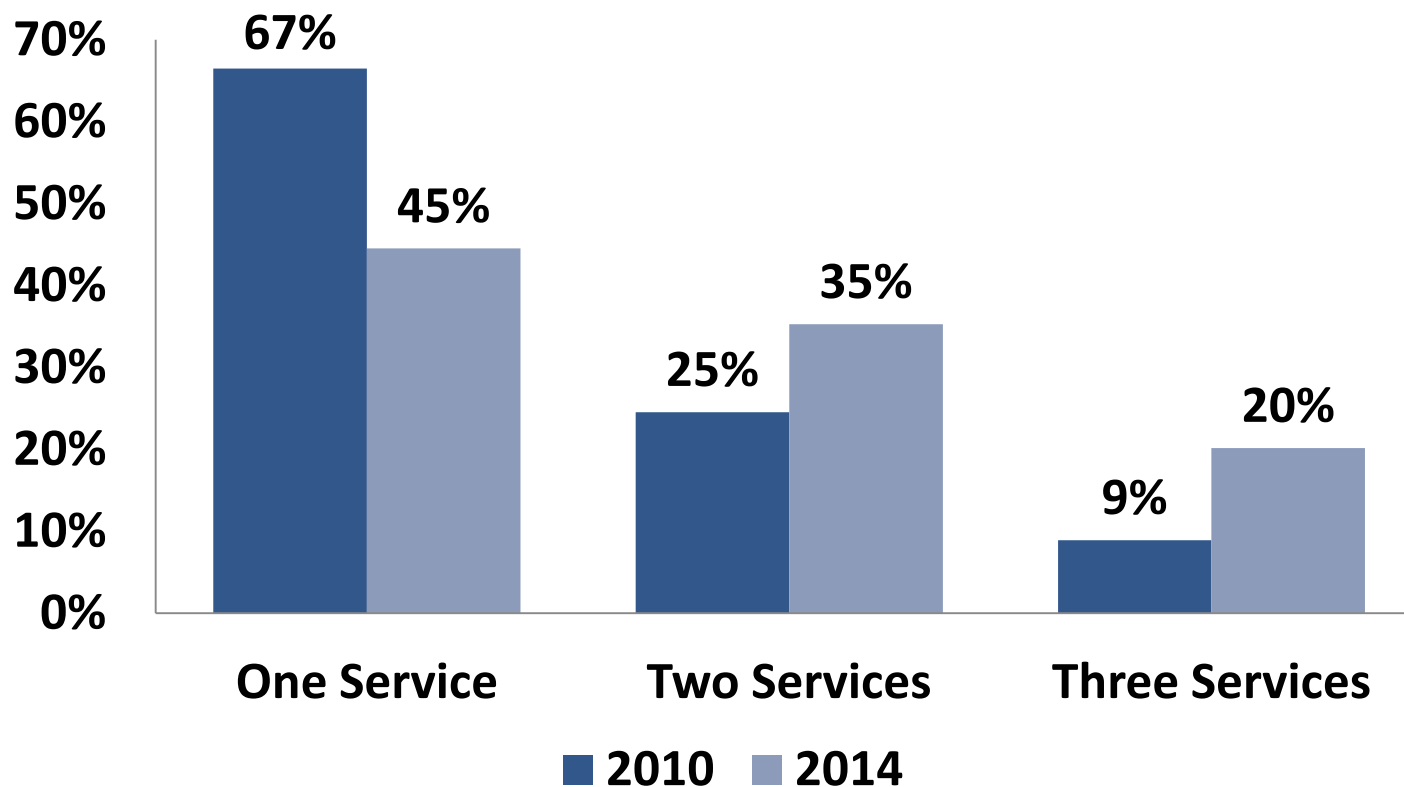


# Question 3: How often do you visit the Sun Street Transfer Station?



# Question 4: What services do you use?

Services Provided: Waste, Recycling, and Hazardous Waste Disposal





# Question 5: Are you pleased with our services?



# Question 6: Would you like to see any improvements?

3% would like to see changes in 2014.



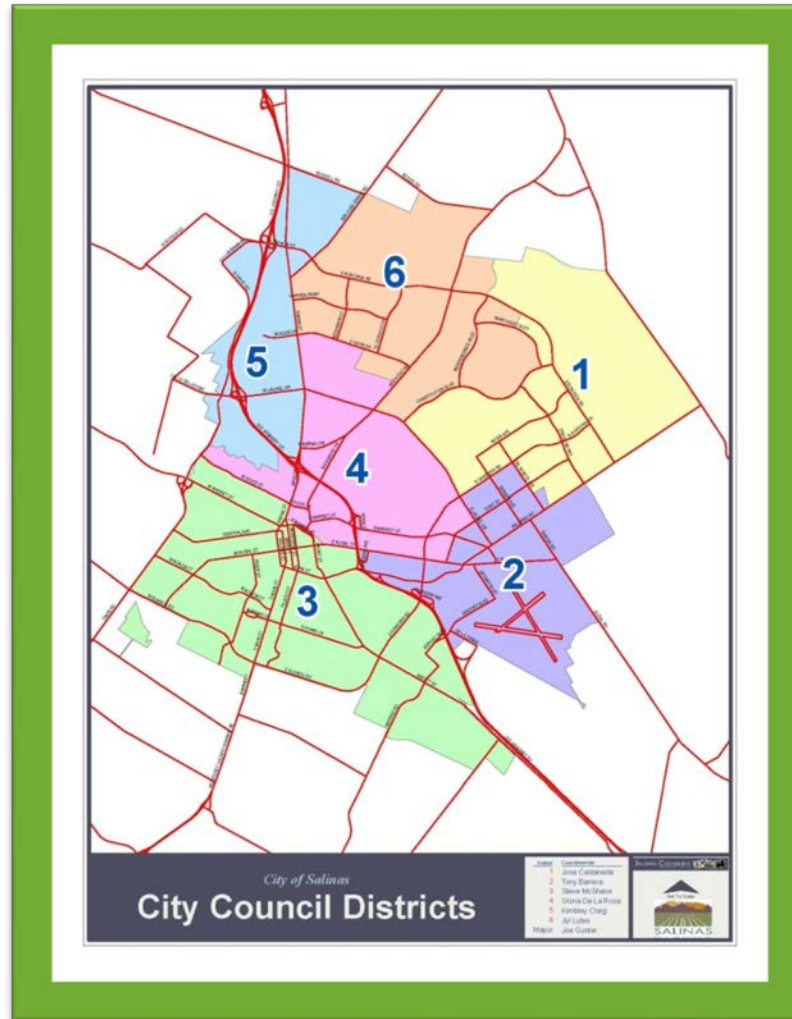
# Question 7:

What district are you recycling from?

**District 1**  
**Jose Castaneda**  
**7.42%**

**District 2**  
**Tony Barrera**  
**11.40%**

**District 3**  
**Steve McShane**  
**25.75%**



**District 4**  
**Gloria De La Rosa**  
**24.25%**

**District 5**  
**Kimbley Craig**  
**14.85%**

**District 6**  
**Jyl Lutes**  
**16.33%**



# CONCLUSION

- **2% increase in Regular Customers since 2010**
- **23% increase in Customers who heard about Sun Street from a friend. Residents are becoming more aware of Sun Street.**
- **38% of Customers visit Sun Street 1+ per month. Facility has become part of the community.**
- **11% increase in Customers using more than one service. Community is becoming more aware and utilizing more services.**
- **11% of Customers surveyed were New Customers.**
- **1% unsatisfied Customers.**
- **Turning the 1% unsatisfied customers into 100% satisfied Customers!**





# Working for A FUTURE without landfills!

[facebook.com/SalinasValleyRecycles](https://facebook.com/SalinasValleyRecycles)

[twitter.com/SalinasValleyRecycles](https://twitter.com/SalinasValleyRecycles)

[www.SalinasValleyRecycles.org](http://www.SalinasValleyRecycles.org)





# Comprehensive Annual Financial Report

Board of Directors Meeting

November 20, 2014

# Comprehensive Annual Financial Report

- Auditors
  - McGilloway, Ray, Brown & Kaufman
- Finance Staff
  - Ray Hendricks – Interim Finance Manager
  - JD Black – Accountant
  - Ernesto Natera – Accounting Technician

# Report Highlights

- No Management Letter
  - Fifth Year in a Row
- Comprehensive Annual Financial Report
  - First Time for Authority
  - Includes Statistical Section
  - Will be submitted to Government Finance Officers Association (GFOA) after the board meeting for review under the Certificate of Achievement for Excellence in Financial Reporting (CAFR Program)



Salinas Valley Solid Waste Authority  
Condensed Statement of Revenues, Expenses and Changes in Net Position  
For the years ended June 30, 2014 and 2013

	2014	2013	Change	% Change
Operating Revenues				
Charges for Services	\$ 17,534,111	\$ 15,438,514	\$ 2,095,597	13.6%
Sales of Materials	594,056	392,958	201,098	51.2%
Operating Grants and Contributions	116,780	149,473	(32,693)	-21.9%
Total Operating Revenues	18,244,947	15,980,945	2,264,002	14.2%
Operating Expenses				
Personnel Services	4,089,205	3,763,121	326,084	8.7%
Contractual Services	1,666,689	1,453,881	212,808	14.6%
Operating Contracts	4,737,350	4,783,575	(46,225)	-1.0%
Depreciation	1,412,742	1,289,903	122,839	9.5%
Other Operating Expenses	2,752,391	2,836,715	(84,324)	-3.0%
Total Operating Expenses	14,658,377	14,127,195	531,182	3.8%
Operating Income/(Loss)	3,586,570	1,853,750	1,732,820	93.5%
Non-operating Revenues/(Expenses)				
Investment Earnings	28,013	39,180	(11,167)	-28.5%
Other Non-Operating Revenue	18,094	17,619	475	2.7%
Interest Expense	(2,728,361)	(2,026,114)	(702,247)	34.7%
Bond Underwriter	(561,881)	-	(561,881)	-
Change in Net Position	342,435	(115,565)	458,000	-396.3%
Net Position - Beginning	(11,585,099)	(10,079,386)	(1,505,713)	14.9%
Prior Period Adjustment - Note 19	-	(1,390,148)	1,390,148	-100.0%
Net Position - Ending	<u>\$ (11,242,664)</u>	<u>\$ (11,585,099)</u>	<u>\$ 342,435</u>	<u>-3.0%</u>

# FY 2012-13 Adjustment

## – \$(1,390,148) Prior Period Adjustment

- Underwriter's Discount
- Cost of Issuance
  - Administrative, Consulting Engineer, Rating Agency, Legal, Trustee, Bond Insurance, Printing Costs
- GASB 65

# Financial Highlights

- Operating Revenues
  - Increased \$2,264,002
- Tons Landfilled
  - Increased 6,267 tons
- Operating Expenses
  - Increased \$531,182
- Recology Waste Systems
  - \$2,877,345
- Net Position
  - deficit of \$11,242,664

# Salinas Valley Solid Waste Authority



## **AUDITOR PRESENTATION**

**PRESENTED BY PATRICIA KAUFMAN,  
PARTNER**

**MCGILLOWAY, RAY, BROWN &  
KAUFMAN, ACCOUNTANTS &  
CONSULTANTS**

# Required Auditor Communications Letter



- Management is responsible for the selection and use of appropriate accounting policies. –
  - We noted no transactions entered into by the Organization during the year for which there is lack of authoritative guidance or consensus.
- All significant transactions have been recognized in the financial statements in the proper period.
- Accounting estimates –
  - Evaluated the underlying assumptions in estimates and found them to be appropriate.
- We encountered no difficulties in working with management in performing the audit and found that staff was well prepared and provided us all of the documentation requested.
- Timing of the audit – Timing went according to schedule and we found no delays, and we had no disagreements with management.

# Management Letter – Material Deficiency



○ None noted!

# Upcoming Accounting Standards



- Statement 65 – Items Previously Reported as Assets and Liabilities **Implemented this year ended 6/30/14.**
- Statement 68 – Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 **Will be implemented next year.**

# GASB 65



- GASB 65 requires certain items previously reported as an Asset to be charged to Expense and certain items reported as a Liability to be included in Revenues
- Specific transactions identified by the GASB include:
  - **Debt issuance costs – was expensed in current year.**
  - **Deferred inflow of resources – gain on refunding**



# GASB 68



- **Under GASB 68**
  - Pension liability will be reported as employees earn their pension benefits in providing services
  - Changes in Pension Liability will be immediately recognized in Pension Expense or reported as Deferred Outflows/Deferred Inflows of resources depending upon the nature of the change

# Employer liability (cost-sharing)



- **Now:**
  - Liability only if employer contribution is less than the contractually required amount
- **Future:**
  - Liability equal to the employer's proportionate share of the total Net Pension Liability (NPL) of all participating employers
- **Implementation first required**
  - **Fiscal year ending 6/30/15**