



Preliminary Budget

FY 2015-16

February 4, 2015

Budget Assumptions

- Slight increase in landfilled tonnage (.3%)
- Increase Republic transfer costs by \$3 per ton
- Increase AB939 Fees by \$434,100
- Equalize greenwaste tipping fees to \$29.50
- Use Operating Surplus to fund
 - Capital improvements
 - Reserves

SVSWA Tonnage

	2011-12	2012-13	2013-14	2014-15	2015-16	%
	Actual	Actual	Actual	Budget	Budget	Change
Republic Services	91,753	93,236	91,878	91,200	91,800	.7
Rural Dispose-All	25,660	24,298	24,395	24,500	24,200	(1.2)
Jolon Road	14,326	14,170	14,008	13,900	14,000	.7
City of Soledad	6,147	6,294	6,253	6,100	6,100	-
City of Greenfield	5,702	5,809	5,875	5,800	5,800	-
Tri-Cities Disposal	2,660	3,422	3,845	3,700	3,700	-
City of Gonzales	2,800	2,844	2,943	2,800	2,800	-
Total Franchise Waste Tons	149,048	150,073	149,197	148,000	148,400	.3
Self-Haul	15,330	14,923	15,977	15,800	16,000	1.3
Madison Lane Self Haul	1,414	897	585	600	500	(16.6)
Total Self Haul Tons	16,744	15,820	16,562	16,400	16,500	.6
Field Plastics	299	76	201	100	100	-
Total Field Plastics	299	76	201	100	100	-
Total Landfilled Tons	166,091	165,969	165,960	164,500	165,000	.3
South Valley Tonnage	77,358	78,300	79,226	-	-	
Grand Total Tonnage	243,449	244,269	245,186	164,500	165,000	.3

Fiscal Year 2015-16 Preliminary Budget

	2014 2015 BUDGET	2015 2016 PROPOSED	Increase / (Decrease)	% Change
Tipping Fees - Solid Waste	11,005,500	11,055,800	50,300	0.5%
Tipping Fees - Surcharge	1,276,800	1,560,600	283,800	22.2%
Tipping Fees - Diverted Materials	1,017,700	1,155,100	137,400	13.5%
AB939 Service Fee	1,732,000	2,166,100	434,100	25.1%
Charges for Services	124,500	124,500	-	0.0%
Sales of Materials	309,500	309,500	-	0.0%
Landfill Gas Royalties	220,000	220,000	-	0.0%
Investment Earnings	31,700	31,700	-	0.0%
Total Revenues	<u>15,717,700</u>	<u>16,623,300</u>	<u>905,600</u>	5.8%
Administration	2,394,340	2,423,570	29,230	1.2%
AB939 Services	2,064,910	2,303,480	238,570	11.6%
Recycling	761,950	670,350	(91,600)	-12.0%
Transfer Stations	2,874,375	3,106,975	232,600	8.1%
Landfill Operations	3,556,755	3,184,475	(372,280)	-10.5%
Postclosure Maintenance	956,970	1,104,650	147,680	15.4%
Debt Service	2,340,700	2,706,500	365,800	15.6%
Total Expenditures	<u>14,950,000</u>	<u>15,500,000</u>	<u>550,000</u>	3.7%
Total Revenues/Expenditures	<u><u>767,700</u></u>	<u><u>1,123,300</u></u>	<u><u>355,600</u></u>	

Capital Projects

Funded from FY 2015-16 Operating Revenue

	<u>2014-15 Proposed</u>
Crazy Horse Landfill - CAP	50,000
Johnson Canyon Gloria/Iverson Project	365,000
Johnson Canyon Equipment Replacement	42,400
Johnson Canyon Leachate System	30,000
Johnson Canyon LFG System (Flare)	200,000
Johnson Canyon LFG Monitoring Wells	25,000
SSTS Equipment Replacement	<u>200,000</u>
Grand Total	<u>912,400</u>

Changes in Staffing

- Freeze Business Services Supervisor
 - Reduce salaries and benefits by \$123,800
- Add Administrative Assistant
 - Increase salaries and benefits by \$91,000
- Add Driver
 - Sun Street Materials Recovery Center
 - Increase salaries and benefits by \$100,000

Salary & Benefits

\$5,599,350

- Net Change: \$671,450
- Johnson Canyon Operations - \$431,300
 - Previously Covered Under Operations Contract
- COLA – Net Increase \$48,400
- New Driver \$100,000
- Other Salary and Labor Related Increases \$91,750
 - Annual Step Increases
 - Health Insurance
 - Worker’s Comp
 - OPEB

Other Increases in Operating Budget

- Postclosure Maintenance \$135,000
 - \$100,000 401/404 Improvements at CH Landfill
 - Additional Maintenance for LR and JR
- Transfer Stations \$125,000
 - Sun Street Fuel, vehicle maintenance \$76K
 - Jolon Road \$31K
 - Madison Lane \$18K
- JC Landfill \$50,000

Residential Rates (Estimate)

Hauler	Service Level	FY 2014-15 Disposal Rate	FY 2015-16 Disposal Rate	Green Waste Equalization	Net Increase
Republic	32 gal	\$ 6.09	\$ 6.47	\$.52	\$.90
Tri-Cities	48 gal	\$ 9.18	\$ 9.53	(\$.25)	\$.10
WM- County	35 gal	\$ 6.03	\$ 6.26	\$.47	\$.70
WM- King City	32 gal	\$ 9.68	\$ 10.04	tbd	\$.36
Republic	64 gal	\$ 10.14	\$ 10.78	\$.52	\$ 1.16
Tri-Cities	65 gal	\$ 18.37	\$ 19.07	(\$.25)	\$.45
WM- County	64 gal	\$ 11.03	\$ 11.45	\$.47	\$.89
WM- King City	64 gal	\$ 12.13	\$ 12.59	tbd	\$.46

* Does not include jurisdiction fees (i.e. franchise fees) outside of SVSWA control



Commercial Rates (Estimate)

Hauler	Service Level	FY 2014-15 Disposal Rate	FY 2015-16 Disposal Rate	Increase
Republic	1cy	\$ 20.49	\$ 21.78	\$ 1.29
Tri-Cities	1cy	\$ 45.92	\$ 47.66	\$ 1.74
WM- County	1cy	\$ 25.31	\$ 26.28	\$.98
WM- King City	1cy	\$ 40.67	\$ 42.21	\$ 1.54
Republic	2cy	\$ 41.01	\$ 43.60	\$ 2.59
Tri-Cities	2cy	\$ 91.87	\$ 95.36	\$ 3.49
WM- County	2cy	\$50.63	\$ 52.55	\$ 1.92
WM- King City	2cy	\$ 64.97	\$ 67.44	\$ 2.47

* Does not include jurisdiction fees (i.e. franchise fees) outside of SVSWA control



Projections Assumptions

- There will be some savings in the Jolon Road Operations beginning FY 2016-17
- All other services are status quo
- CPI 2.5%
 - All urban consumer CPI last three years
 - 2012 - 2.7%
 - 2013 - 2.2%
 - 2014 - 2.8%

5 Year Operating Projections

Description	2014-15 Budget	2015-16 Proposed	2016-17 Estimate	2017-18 Estimate	2018-19 Estimate	2019-20 Estimate
Landfilled Tonnage	164,500	165,000	165,000	165,000	165,000	165,000
CPI			2.5%	2.5%	2.5%	2.5%
Estimated Tipping fee	67.00	67.00	67.00	69.00	72.00	72.00
Salinas Surcharge per Ton	14.00	17.00	19.00	19.50	20.00	20.50
AB939 Service Fee	1,732,000	2,166,100	2,433,100	2,493,900	2,556,200	2,620,100
Total Revenues	15,717,700	16,623,300	17,073,900	17,510,400	18,113,300	18,223,100
Total Expenditures	13,029,000	13,591,200	13,672,600	13,996,100	14,292,200	14,215,700
Net Revenues	2,688,700	3,032,100	3,401,300	3,514,300	3,821,100	4,007,400
Total Debt Service	1,921,000	1,908,800	1,907,900	2,051,300	3,136,100	3,134,100
Net Income After Debt Service	767,700	1,123,300	1,493,400	1,463,000	685,000	873,300
Debt Coverage Ratio	140%	159%	178%	171%	122%	128%

5 Year Capital Plan

Description	2014-15 Budget	2015-16 Proposed	2016-17 Estimate	2017-18 Estimate	2018-19 Estimate	2019-20 Estimate
Gloria Iverson Road	-	365,000	365,000	-	-	-
Repayment to Expansion Fund (Amaresco Project)	-	-	-	376,000	-	-
Equipment Replacement	115,000	242,400	242,400	317,400	92,400	716,100
JC Landfill Improvements	85,000	255,000	180,000	130,000	205,000	30,000
Transfer Station Improvements	450,000	-	82,000	82,000	-	-
Closed Landfill Improvements	-	50,000	382,000	482,000	370,000	110,000
Resource Recovery	25,000	-	-	-	-	-
Total CIP's Funded From Operations	675,000	912,400	1,251,400	1,387,400	667,400	856,100

5 Year Projected Surplus

Description	2014-15 Budget	2015-16 Proposed	2016-17 Estimate	2017-18 Estimate	2018-19 Estimate	2019-20 Estimate
Net Income After Debt Service	767,700	1,123,300	1,493,400	1,463,000	685,000	873,300
Total CIP's Funded From Operations	<u>675,000</u>	<u>912,400</u>	<u>1,251,400</u>	<u>1,387,400</u>	<u>667,400</u>	<u>856,100</u>
Budgeted Surplus for Reserves	92,700	210,900	242,000	75,600	17,600	17,200

Direction Requested

- Staffing Changes
 - Hire new driver for SS MRC
 - Hire new Admin Assistant I
 - Freeze Business Services Supervisor Position
- Rate Adjustments
 - Increase AB939 Fees
 - Equalize Greenwaste Fees to \$29.50
 - Increase Salinas Transportation surcharge to \$17.00

