



# ADMINISTRATION AND FINANCE



## STAFF REPORT

---

To: SBWMA Board Members  
From: Jean Savaree, Deputy General Counsel  
Date: January 26, 2017 Board of Directors Meeting  
Subject: Election of Board Officers for 2017

---

### Recommendation

The Board is required to annually elect a Board Chair and Vice Chair per Article 8, Governance, of the JPA Agreement, Sections 8.5 and 8.6 which provide:

8.5 Chair. The Board shall annually select a Chair, by a vote taken in accordance with Section 10.8 of this Agreement, who shall serve without compensation at the pleasure of the Board. The duties of the Chair include, but are not limited to the following:

- a. Conduct Board meetings.
- b. Review and set meeting agendas with the Executive Director.
- c. Sign any and all SBWMA official documents.

8.6 Vice Chair. The Board shall annually select a Vice Chair, by a vote taken in accordance with Section 10.8 of this Agreement, who serves without compensation at the pleasure of the Board. The Vice Chair shall act in the absence of the Chair, with full powers of the Chair.

This selection traditionally occurred at the Board's January meeting. Staff recommends that the Board now select the Chair and Vice Chair for 2017.

In addition to the duties enumerated in Section 8.5, as a matter of practice, the Board Chair and Vice Chair along with the Executive Director, General Counsel and Board Clerk have traditionally met on a monthly basis as the "Executive Committee" to conduct Board meeting agenda planning and discuss major items of note related to JPA operations. The Executive Director also updates the Executive Committee on a regular basis on any major issues that may come up in the course of day-to-day operations.

### Background

Staff recommends the following process for the Board to follow in electing a Chair and Vice Chair for calendar year 2017:

1. Chair calls for nominations for the position of Chair (nominations do not require a second).
2. Motion is adopted to close nominations.
3. Board votes on nominations in the order in which the nominations were made until a Chair is elected.

4. Sections 8.5 and 10.8 of the JPA Agreement require the successful vote to be by 2/3 of the Directors present.
5. The new Chair takes the gavel and assumes the office and calls for nominations for Vice Chair and the same procedure is followed for electing the Vice Chair.

**Fiscal Impact**

None.

**Attachments:**

None.



A Public Agency

## STAFF REPORT

**To:** SBWMA Board Members  
**From:** Farouk Fakira, Finance Manager  
**Date:** January 26, 2017 Board of Directors Meeting  
**Subject:** Resolution Accepting Mid-Year Review of FY16/17 Annual Operating Budget

### Board Action

It is recommended that the SBWMA Board of Directors approve Resolution No. 2017-04 attached hereto authorizing the following action:

Approval of the Mid-Year Budget Adjustments for FY16/17.

### Analysis

Staff has conducted a thorough analysis of year-to-date revenues and expenditures. **Attachment A** has been prepared to provide the Board with key budget and related information as follows:

- **Attachment A** contains budget worksheets providing line item detail for all projected revenues, expenditures, cash reserve balances and capital spending.

FY16/17 SUMMARY NET INCOME				
Revenues	Approved Budget	Mid-Year Projections	Variance	Variance %
Total Revenues	\$ 44,667,519	\$ 45,243,964	\$ 576,445	1.3%
Total Expenditures	43,063,917	42,621,903	(442,015)	-1.0%
<b>Net Income</b>	<b>\$ 1,603,602</b>	<b>\$ 2,622,061</b>	<b>\$ 1,018,459</b>	<b>63.5%</b>

Net Income is projected at \$2,622,061 which is \$1,018,459 more than was projected in the Approved FY16/17 Budget (see **Table 1**).

As shown in **Table 1 and Table 2**, there was a Total Revenue variance of \$576,445 due to the following:

1. A decrease of \$75,988 in non- franchise revenue is due to a reduction in volume by 542 tons, Increase of \$470,465 in franchise sales is due to an increase of 4,886 tons;
2. Favorable commodity revenue of \$1,620,841 is due to favorable blended rate variance of \$1,605,900 (\$141.71 vs. \$119.24 as budgeted) and favorable volume variance of 125 tons for \$14,941.
3. Unfavorable commodity shared revenue to SBR of \$313,527 in line with the revenue increase due to favorable blended rate.
4. Higher than budgeted buyback payment of \$94,793
5. \$10,502 is due to favorable E Recycling revenue prices.
6. Loss of Host fees revenue of \$230,398 due to the discontinuation of the third party program effective January 1<sup>st</sup>, 2017.
7. Loss of HHW revenue of \$341,727 due to discontinuation of contract with WM effective January 1<sup>st</sup>, 2017;
8. Favorable interest revenue of \$18,636.

9. \$3,159,624 loss due to the fire for most of September and the months of October through December (see Table 6).
10. \$885,327 in favorable shared revenue due to the loss due to the fire at the MRF (see Table 6).
11. Favorable single stream revenue to third party customers of \$608,888 (see Table 6).
12. Favorable \$1,309,676 due to the insurance revenue interruption claim (see Table 6).

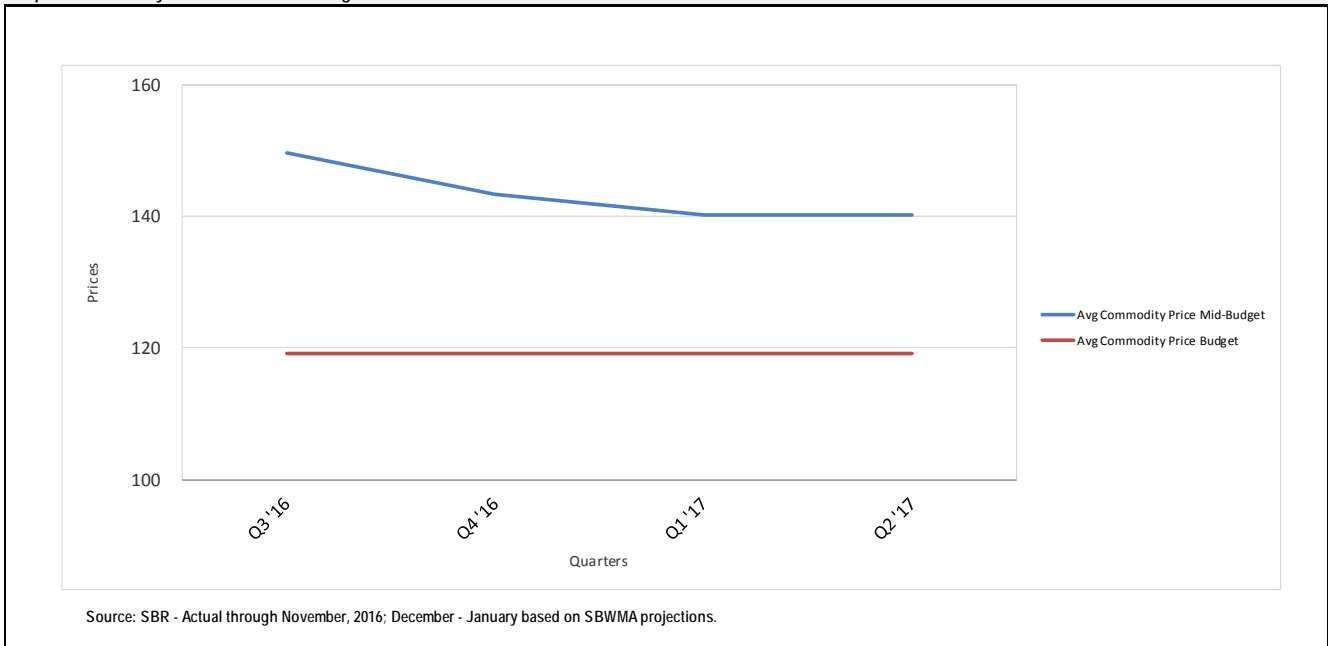
Lower than budgeted Expenditures of \$422,015 are primarily due to the following (see **Table 1 and Table 4**):

1. Favorable administrative cost of \$298,551 mostly due to salary savings relating to extended staff vacancies, including the Sustainability Manager, Recycling Manager, Assistant Education Coordinator, and one month for the Executive Director positions during FY16/17. A small offset of \$10,000 was spent for on call human resources recruiting services.
2. Favorable \$341,727 due to the discontinuation of the HHW program. This saving will be factored into the 2018 Recology Compensation Adjustment Review process to provide proper credit back to each member agency.
3. \$204,338 higher SBR compensation than budgeted due to higher transfer and transportation cost.
4. Higher disposal and processing cost of \$515,960 mainly due to \$129,000 in higher disposal rates than budgeted, \$145,000 due to higher volume in line with the higher revenue, \$97,500 in higher other disposal cost, and \$142,900 in lower residue credit due to the discontinuation of the operation at the MRF for four months
5. Favorable savings of \$53,219 in credit cards charges due the SBR changing banks that charged lower service charges than before.
6. Higher franchise fees of \$18,750 in line with the higher tipping revenues.
7. Saving in processing cost at the MRF of \$2,064,723 due the fire at the MRF and the stoppage of operation from September through December (see Table 6).
8. Incurring of trans-load cost of \$871,378 to SBR at \$36.26 per ton to load the single stream tons to third party trucks
9. Incurring of \$705,780 in trucking cost to haul the single stream tons to the third party customers

## Revenues

Total operating revenues for FY16/17 are projected to be 1.3% higher than originally budgeted primarily due to higher tipping fees revenue of \$394,477, insurance claim of \$1,309,676, and higher commodity prices which have caused an offset against the loss of commodity revenue. A price variance revenue increase of \$1,605,900 as illustrated in **Graph 1** below. There is a positive variance of \$22.47 per ton from the approved budget (Mid-Year at \$141.71 vs \$119.24 as per approved budget).

Graph 1. Commodity Price Mid-Year vs. Budgeted



This positive revenue was supported mostly by an increase in tip fee revenues resulting from higher than budgeted tonnage into Shoreway and insurance claim for the revenue interruption (see Table 2).

Revenues	Approved Budget	Mid-Year Projections	Variance	Variance %
Tip Fee Revenues	\$ 36,508,044	\$ 36,902,521	\$ 394,477	1.1%
<i>Non Franchised</i>	8,114,936	8,038,948	(75,988)	-0.9%
<i>Franchised</i>	28,393,108	28,863,573	470,465	1.7%
Net Commodity Sales Revenues*	6,943,411	8,155,931	1,212,520	17.5%
MRF - Host Fees	403,070	172,672	(230,398)	-57.2%
Interest Income	78,940	97,576	18,636	100.0%
HHW and Other Revenue	734,054	402,828	(331,225)	-45.1%
<b>Sub Revenue</b>	<b>\$ 44,667,519</b>	<b>\$ 45,731,528</b>	<b>\$ 1,064,010</b>	<b>2.4%</b>
<b>Fire Related Revenues:</b>				
Commodity Sales Loss	-	(3,159,624)	(3,159,624)	100.0%
Commodity Shared Revenue	-	885,327	885,327	100.0%
MRF Host Fee	-	(131,832)	(131,832)	100.0%
Single Stream Sales	-	608,888	608,888	100.0%
INS. Revenue Interruption	-	1,309,676	1,309,676	100.0%
<b>Sub Fire Revenue</b>	<b>\$ -</b>	<b>\$ (487,565)</b>	<b>\$ (487,565)</b>	<b>100.0%</b>
<b>Total Revenues</b>	<b>\$ 44,667,519</b>	<b>\$ 45,243,964</b>	<b>\$ 576,445</b>	<b>1.3%</b>

\*Gross commodity sales – 28.02% revenue share with SBR and buyback payments.

Expenditures

**Table 3** below shows that the higher than budgeted Shoreway Operations expense of \$198,264 mostly is due to \$2,064,723 savings in processing cost due to the fire, favorable credit cards charges of \$53,219, and which was offset by \$871,378 in trans-load expense to SBR for loading the single stream tons into the trucks; \$705,780 in truck transportation cost to haul the single stream tons to the third party customers; higher disposal of \$515,960, and higher franchise fees of \$18,750..

Table 3

FY16/17 EXPENDITURE DETAIL FOR SHOREWAY OPERATIONS				
Expenditures	Approved Budget	Mid-Year Projections	Variance	Variance %
SBR Compensation*	\$ 18,423,627	\$ 18,627,965	\$ 204,338	1.1%
Disposal and Processing*	15,329,602	15,845,562	515,960	3.4%
Insurance Shoreway	238,998	238,998	-	0.0%
Education Center	60,000	60,000	-	0.0%
Credit Cards Charges	173,710	120,491	(53,219)	-30.6%
Debt Service Bond Interest	2,747,908	2,747,908	-	0.0%
Other Operating Expenses	242,690	242,690	-	0.0%
Taxes (Sewer)	60,643	60,643	-	0.0%
Franchise Fee (San Carlos)**	1,738,513	1,757,263	18,750	1.1%
<b>Sub Shoreway Expenses:</b>	<b>\$ 39,015,692</b>	<b>\$ 39,701,521</b>	<b>\$ 685,829</b>	<b>1.8%</b>
<b>Fire Related Expenses:</b>				
SBR Compensation*		(2,064,723)	(2,064,723)	100.0%
Transload By SBR		871,378	871,378	100.0%
Transportation Cost of Single Stream		705,780	705,780	100.0%
<b>Sub Fire Expenses</b>		<b>(487,565)</b>	<b>(487,565)</b>	<b>100.0%</b>
<b>Total Shoreway Operations:</b>	<b>\$ 39,015,692</b>	<b>\$ 39,213,956</b>	<b>\$ 198,264</b>	<b>0.5%</b>
* Expense projection based on estimated facility tonnage				
** Expense projection based on estimated gate revenue (tipping fees x estimated tons)				

As shown in **Table 4** below, the SBWMA budget has a Mid-Year Budget variance that include mostly a \$298,551 savings in Administrative Expenses due the vacancy in the Recycling Outreach and Sustainability Manager for 12 months, the Assistant Education Coordinator for four months, and eight months for the Recycling Manager in the FY16/17, and one month for the Executive Director position, and the savings in HHW cost of \$341,727 due to discontinuation of Household Hazardous Waste contract with WM.

Table 4

FY16/17 EXPENDITURE SUMMARY				
Expenditures	Approved Budget	Mid-Year Projections	Variance	Variance %
Administrative Expenses	\$ 1,763,172	\$ 1,464,621	\$ (298,551)	-16.9%
Contract Compliance & Support	465,000	465,000	-	0.0%
Recycling & AB 939 Compliance	1,132,000	1,132,000	-	0.0%
Collection Operations	688,054	346,327	(341,727)	-49.7%
<b>Total SBWMA Expenses</b>	<b>4,048,226</b>	<b>3,407,947</b>	<b>(640,278)</b>	<b>-15.8%</b>
Shoreway Operations	39,015,692	39,213,956	198,264	0.5%
<b>Total Expenses</b>	<b>\$ 43,063,917</b>	<b>\$ 42,621,903</b>	<b>\$ (442,015)</b>	<b>-1.0%</b>

### Capital Spending

No change in projected capital spending. Please see **Attachment A** for a worksheet on our capital projects.

### Reserve Balances

**Table 6** below captures the Mid-Year reserve balance projections for FY16/17 compared to the Approved Budget reserve balance. The projected Total Uncommitted Reserve favorable variance of \$280,341 primarily due a drop of \$997,552 in the beginning based on the actuals for FY15/16 from the budgeted balance and that was offset by the favorable positive net income of \$1,018,459, and favorable \$21,133 in bond spending.

Table 5

RESERVE BALANCE					
	ACTUAL FY1516	ADOPTED BUDGET FY1617	MID-YEAR BUDGET FY1617	Variance	Variance%
<b>Uncommitted Reserves:</b>					
RATE STABILIZATON (10% of expense)	\$ 4,174,238	\$ 4,033,671	\$ 4,227,558	\$ 193,886	4.8%
EMERGENCY RESERVE (10% of total expense)	\$ 4,174,238	\$ 4,033,671	\$ 4,227,558	\$ 193,886	4.8%
CAPITAL RESERVE	\$ 2,001,431	\$ 3,538,887	\$ 3,383,355	\$ (155,532)	-4.4%
<b>TOTAL UNCOMMITTED RESERVES</b>	<b>\$ 10,349,907</b>	<b>\$ 11,606,229</b>	<b>\$ 11,838,470</b>	<b>\$ 232,241</b>	<b>2.0%</b>
<b>Committed Reserves:</b>					
EQUIPMENT REPLACEMENT (ANNUAL)	\$ 1,736,098	\$ 1,499,514	\$ 1,499,514	\$ -	0.0%
<b>TOTAL COMMITTED RESERVES</b>	<b>\$ 12,086,005</b>	<b>\$ 13,105,743</b>	<b>\$ 13,337,984</b>	<b>\$ 232,241</b>	<b>1.8%</b>



**Table 6** is showing the components that make up the insurance revenue interruption claim due to the September 7, 2016 fire at the Shoreway Environmental Center's Material Recovery Facility:

Table 6		
Insurance Revenue Interruption Claim		
Account	Amount	Comments
Revenue - Sept to Dec 2016	\$ 3,159,624	Lost commodity revenue for 23 days in Sept plus Oct. thru Dec.
Share Revenue -Sept to Dec 2016	(885,327)	28.02% of revenue
Host Fees September to December	131,832	4 months of lost host fees revenue less the first 7 days.
Single Steam Revenue	(608,888)	Revenue received for sales of single stream tons.
SBR MRF Processing Cost	(2,064,723)	Saved processed tons of lost revenue at \$84.49
Transload cost SBR @ 36.26	871,378	Single stream transloading cost into third party trucks by SBR.
Trucking cost for single stream	705,780	Trucking cost to third party customers.
<b>Total Insurance Claim</b>	<b>\$ 1,309,676</b>	<b>Total claim to insurance</b>

**Fiscal Impact**

The Mid-Year Budget for FY16/17 shows Net Income of \$2,622,061 which is \$1,018,459 higher than the Approved FY16/17 Budget.

**Attachments:**

Resolution 2017-04

Attachment A – FY16/17 Budget Worksheets



## RESOLUTION NO. 2017-04

### RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS ACCEPTING MID-YEAR REVIEW OF FY1617 ANNUAL OPERATING BUDGET

WHEREAS, the South Bayside Waste Management Authority proposed budget adjustments as presented is balanced and provided sufficient funds for normal operations.

NOW THEREFORE, BE IT RESOLVED, the South Bayside Waste Management Authority hereby approves the adjustments to the fiscal year 2016/2017 operating 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 26<sup>th</sup> day of January, 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 Dist.				

I HEREBY CERTIFY that the foregoing Resolution No. 2017-04 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 26, 2017.

ATTEST:

\_\_\_\_\_  
Bob Grassilli, Chairperson of SBWMA

\_\_\_\_\_  
Cyndi Urman, Board Secretary

**REVENUES BY MAJOR CATEGORY AND SOURCE**

REVENUE SUMMARY	ACTUAL FY1516	APPROVED BUDGET FY1617	YTD 11/30/16	MID-YEAR PROJECTION FY1617	Variance to Adopted Budget	Variance vs. Approved Bud %	Notes
<b>ADMINISTRATIVE REVENUES</b>							
409100 INVESTMENT INCOME	\$ 86,504	\$ 78,940	\$ 27,399	\$ 97,576	\$ 18,636	23.6%	
409101 INVESTMENT INC GASB31 FAIR VAULUE ADJ	21,421						New GASB31 to state investment at fair value
<b>TOTAL ADMINISTRATIVE</b>	<b>\$ 107,925</b>	<b>\$ 78,940</b>	<b>\$ 27,399</b>	<b>\$ 97,576</b>	<b>\$ 18,636</b>	<b>23.6%</b>	
<b>OPERATIONS</b>							
480026 TIPPING FEES - Non Franchised	\$ 7,720,588	\$ 8,114,936	\$ 3,813,077	\$ 8,038,948	\$ (75,988)	-0.9%	Mainly due to a drop of 4,245 tons in green waste, 279 tons in solid waste, and which was offset by favorable C&D 3,982 tons.
480027 TIPPING FEES - Franchised	26,924,354	28,393,108	11,418,482	28,863,573	470,465	1.7%	Mainly due to a favorable pickup of 4,083 tons of greenwaste, 189 tons in favorable solid waste, and 614 tons in favorable inerts.
480028 COMMODITY SALES	9,112,974	8,565,216	2,253,341	10,186,056	1,620,841	18.9%	Favorable \$1605,900 is due to a favorable blended value per ton of \$141.71 vs. \$119.24 that was budgeted. And a favorable volume variance of 125 tons for \$14,941.
480029 COMMODITY REVENUE SHARING	(1,076,765)	(825,285)	(245,502)	(1,138,812)	(313,527)	38.0%	Unfavorable shared revenue In line with the favorable blended revenue value above.
522717 Buyback Payment	(879,726)	(796,519)	321,328	(891,313)	(94,793)	11.9%	Higher activity at the buyback operation.
480025 E Recycling	7,611	5,600	8,051	16,101.32	10,502	187.5%	E Recycling prices have improved.
480033 MRF Host Fee	401,228	403,070	40,608	172,672	(230,398)	-57.2%	Due to the discontinuance of third part revenue effective January 1st, 2017.
480031 HHW ON-CALL COLLECTION SERVICE - NEW	659,917	683,454	335,028	341,727	(341,727)	-50.0%	HHW discontinued at the end of December 31, 2016
406001 COMMERCIAL RECYCLING REPORTING ORDINANCE	6,375	15,000	9,031	15,000	-	0.0%	Fee revenue from commercial recyclers per Ordinance.
480008 MISCELLANEOUS REVENUE	50,743	30,000	47,221	30,000	-	0.0%	CA Paint Care program payments.
<b>SUB OPERATIONS REVENUE</b>	<b>\$ 42,927,299</b>	<b>\$ 44,588,579</b>	<b>\$ 18,000,664</b>	<b>\$ 45,633,952</b>	<b>\$ 1,045,374</b>	<b>2.3%</b>	
<b>FIRE RELATED REVENUE:</b>							
480028 COMMODITY SALES LOSS	-	-	-	(3,159,624)	(3,159,624)	100.0%	Due to revenue loss for the most of the month of September and the months of October through December.
480029 COMMODITY REVENUE SHARING	-	-	-	885,327	885,327	100.0%	Favorable shared revenue due to the September, 2016 fire and the discontinuance of revenue shared payments for most of September and all the months of October through December.
480033 MRF Host Fee	-	-	-	(131,832)	(131,832)	100.0%	Lost of host fee revenue.
480028 SINGLE STREAM SALES	-	-	-	608,888	608,888	100.0%	Favorable sales of single stream material
INS. REVENUE INTERRUPTION COMPENASATION	-	-	-	1,309,676	1,309,676	100.0%	Already submitted September, October, November claims to the Hanover insurance company.
<b>SUB FIRE REVENUE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (487,565)</b>	<b>\$ (487,565)</b>	<b>100.0%</b>	
<b>TOTAL OPERATIONS</b>	<b>\$ 42,927,299</b>	<b>\$ 44,588,579</b>	<b>\$ 18,000,664</b>	<b>\$ 45,146,388</b>	<b>\$ 557,809</b>	<b>1.3%</b>	
<b>TOTAL REVENUE</b>	<b>\$ 43,035,224</b>	<b>\$ 44,667,519</b>	<b>\$ 18,028,063</b>	<b>\$ 45,243,964</b>	<b>\$ 576,445</b>	<b>1.3%</b>	

EXPENDITURE SUMMARY		ACTUAL FY1516	APPROVED FY17 BUDGET	YTD 11/30/16	FY17 MID-YR BUD	VARIANCE	NOTES
<b>ADMINISTRATIVE EXPENSES</b>							
511810	ADMINISTRATIVE STAFF	\$ 503,424	\$ 547,648	\$ 212,151	\$ 526,917	\$ (20,731)	Adjustment for one month Salary for executive director started August 1st, 2016 Mainly saving of 12 months salary for Carolina \$140.9K, 8 months for Cliff \$120K, and \$26.7K for Madison.
511820& 520306	AB 939 PROGRAM STAFF	690,515	738,889	234,206	451,068	(287,820)	
520328	EMPLOYEE RECRUITMENT / HR SUPPORT	4,431	5,000	1,625	15,000	10,000	On call Human Resources planning, organization development, and analytical services.
520337	PEO COST (RGS/LGS ADMIN FEES)	10,963	11,400	2,366	11,400	-	Fees paid to contract HR and payroll service provider.
520312	BOARD COUNSEL	37,039	65,000	38,959	65,000	-	Contracted legal counsel services.
520300	BOARD MEETINGS	2,712	4,500	3,195	4,500	-	
520310	ACCOUNTING SERVICES	136,530	139,929	68,975	139,929	-	Estimated fees paid to current vendor (City of San Carlos).
520334	INFORMATION SYSTEMS	26,241	27,000	12,943	27,000	-	Fees paid to IT service provider.
520338	WEBSITE	11,077	12,100	8,983	12,100	-	Fees paid to website management service provider.
520301	ANNUAL AUDIT	11,400	10,216	10,216	10,216	-	Fees paid to auditors to complete FY & calendar year financial statements.
520701	D&O INSURANCE	42,898	48,200	44,890	48,200	-	Annual insurance premium for Director's and Officer's insurance.
520202	BANK FEES	6,480	8,492	5,067	8,492	-	Bank fees inclusive of fees paid to BNY as the Bond Trustee.
520203	RENT	53,467	55,073	27,423	55,073	-	Assumes one-year extension on lease with one option year at current terms.
520204	PRINTING AND POSTAGE	240	150	58	150	-	
520107	UTILITIES	16,886	17,500	7,484	17,500	-	Utilities and janitorial services by the City.
520905	OFFICE/TENANT IMPROVEMENTS	400	1,000	1,748	1,000	-	
520201	OFFICE SUPPLIES	10,417	15,500	6,865	15,500	-	
520215	OFFICE EQUIPMENT COSTS	15,033	15,000	7,411	15,000	-	
520504	PUBLICATIONS & PUBLIC NOTICES	482	3,000	-	3,000	-	Assumes notice for 2 bids.
520501	PROFESSIONAL DUES & MEMBERSHIPS	4,217	2,000	1,096	2,000	-	
520801	VEHICLE MILEAGE & TOLLS	37	75	75	75	-	
520105	CELL PHONES	2,291	4,500	597	4,500	-	Reimbursement for employee work related cell phone costs.
520503	CONFERENCE & MEETINGS	8,789	10,500	3,675	10,500	-	Staff attendance at trade conferences and travel related to budgeted projects.
520502	TRAINING	3,148	5,000	5,000	5,000	-	Up to \$1250/employee per year for qualified educational, job related development activities, and personal development as approved by Executive Director.
520511	SPONSORSHIPS & DONATIONS	9,500	9,500	5,500	9,500	-	Sponsorships for Acterra, SSMC, CAW and CPSC.
522706	COMPUTER PURCHASE	5,687	6,000	2,896	6,000	-	Two new laptops. Minor other hardware.
<b>TOTAL ADMINISTRATIVE</b>		<b>\$ 1,614,305</b>	<b>\$ 1,763,172</b>	<b>\$ 698,115</b>	<b>\$ 1,464,621</b>	<b>\$ (298,551)</b>	
<b>CONTRACT COMPLIANCE AND SUPPORT</b>							
520307	RATE REVIEW	\$ 14,265	\$ 60,000	\$ 6,776	\$ 60,000	\$ -	3rd party consulting support if needed.
<b>TOTAL RATE REVIEW</b>		<b>\$ 14,265</b>	<b>\$ 60,000</b>	<b>\$ 6,776</b>	<b>\$ 60,000</b>	<b>\$ -</b>	
<b>CONSULTANT SUPPORT</b>							
520308	FACILITY IMPROVEMENT OVERSIGHT	\$ 8,405	\$ 50,000	\$ 1,355	\$ 50,000	\$ -	Operations assessment @\$20K, disaster mgt. plan, utility analysis for CNG and mixed waste processing.
520309	CONTRACT MANAGEMENT SUPPORT	46,813	55,000	-	55,000	-	Annual financial audit of RSMC and SBR at \$40k. \$15k for reviewing annual route assessment.
520309	COLLECTION SERVICES FRANCHISE ADMIN.	71,514	180,000	8,457	180,000	-	Franchise Agreement support and compliance \$40k; call center monitoring \$15k; operational assessment follow-up \$25k; consultant and outside legal counsel support for FA negotiations \$100k).
520309	FINANCE MANAGER SUPPORT	4,080	70,000	2,250	70,000	-	On-Call consultant support as needed MM \$35k; Franchise Agreement negotiations financial analysis and support \$35k.
520336	HCM01 QUARTERLY LOAD CONTAMINATION MONITORING	46,000	50,000	22,656	50,000	-	BI-Annual contamination monitoring required per Franchise Agreements.
<b>TOTAL CONSULTANT</b>		<b>\$ 176,811</b>	<b>\$ 405,000</b>	<b>\$ 34,718</b>	<b>\$ 405,000</b>	<b>\$ -</b>	
<b>TOTAL CONTRACT COMPLIANCE &amp; SUPPORT</b>		<b>\$ 191,076</b>	<b>\$ 465,000</b>	<b>\$ 41,494</b>	<b>\$ 465,000</b>	<b>\$ -</b>	
<b>RECYCLING - AB939 COMPLIANCE</b>							

EXPENDITURE SUMMARY	ACTUAL FY1516	APPROVED FY17 BUDGET	YTD 11/30/16	FY17 MID-YR BUD	VARIANCE	NOTES
<b>RECYCLING ADMINISTRATION</b>						
520311 CIWMB CIWMB ANNUAL REPORTS	\$ 24,774	\$ 25,000	\$ 19,960	\$ 25,000	\$ -	Annual development and submittal of CalRecycle EARs for ten MAs required per AB 939.
520341 SBWMA ANNUAL REPORT	270	5,000	270	5,000	-	
520309 HDV01 DIVERSION PROGRAM SUPPORT	4,255	50,000	-	50,000	-	Support with diversion programs \$10k and public spaces recycling assistance \$40k.
520508 RECYCLING REPORTING ORDINANCE EXPENSES	15,429	15,000	175	15,000	-	
522705 EVENT GIVEAWAYS		2,500		2,500	-	
<b>TOTAL RECYCLING ADMINISTRATION</b>	<b>\$ 44,728</b>	<b>\$ 97,500</b>	<b>\$ 20,405</b>	<b>\$ 97,500</b>	<b>\$ -</b>	
<b>LONG RANGE PLAN/DIVERSION PROGRAMS</b>						
520340 LRP01 LONG RANGE PLAN ALTERNATIVES	\$ 273,432	\$ 495,000	\$ 8,208	\$ 495,000	\$ -	EOW pilot \$120k; Enhanced public outreach pilot \$175k; MFD recycling pilot \$30k; Commercial focused outreach pilot \$30k; Behavior change and social marketing \$10k; Commercial recycling participation compliance \$30k; Sector specific food waste prevention \$30k; Enhanced environmental education \$70k; Behavior change marketing \$5k; Drop-off events \$10k.
<b>TOTAL LONG RANGE PLAN/DIVERSION PROGRAMS</b>	<b>\$ 273,432</b>	<b>\$ 495,000</b>	<b>\$ 8,208</b>	<b>\$ 495,000</b>	<b>\$ -</b>	
<b>COMMERCIAL PROGRAMS</b>						
520331 LARGE EVENT/VENUE CONSULTING	\$ -	\$ 7,500	\$ -	\$ 7,500	\$ -	MD Note - Carry over project from FY1415. If done before end of FY, not needed then. Repurpose 2nd trailer as mobile education trailer, will explore grant funding opportunities. Incorporating all of Shoreway requires much more reporting requirements and review by outside auditors.
520608 CLIMATE CHANGE POLICY OPTIONS	20,815	27,000	9,025	27,000	-	Commercial accounts assessment \$20; AB1826 and AB341 Compliance \$30k; Commercial Toolkit per Franchise Agreements \$20k.
520604 COE01 COMMERCIAL RECYCLING TECHNICAL ASSIST	34,427	70,000	3,745	70,000	-	Annual purchase of MFD buddy bags \$20, internal recycling containers \$20 and Agency Facility containers \$20 per Franchise Agreements.
520604 COE02 PURCHASE COMM/MFD CONTAINERS FOR RECOLOGY	49,237	60,000	31,253	60,000	-	
520604 CDCY C&D RECYCLING PROGRAM		-		-	-	
520604 MF001 MULTI-FAMILY OUTREACH	6,638	50,000	1,545	50,000	-	AB341&1826 Compliance \$10; MFD Toolkit \$20; Battery/cell phones subscription support \$10; Annual MFD awards program \$10
<b>TOTAL COMMERCIAL PROGRAMS</b>	<b>\$ 111,117</b>	<b>\$ 214,500</b>	<b>\$ 45,568</b>	<b>\$ 214,500</b>	<b>\$ -</b>	
<b>RESIDENTIAL PROGRAMS</b>						
520604 QNL01 QUARTERLY NEWLESTTER DESIGN/SETUP	\$ 5,978	\$ 20,000	\$ 2,593	\$ 20,000	-	Design/produce 3 newsletters.
520604 QNLPM QUARTERLY NEWLESTTER PRINTING/MAILING	59,092	90,000	44,964	90,000	-	Assumes 2 direct mail newsletters and one sent via bill insert.
520604 RES01 RESIDENTIAL OUTREACH PROGRAMS	61,067	120,000	1,006	120,000	-	Outreach per Franchise Agreements \$70k; Annual Service Notice per Franchise Agreements \$12k; website and social media \$15k; Mobile phone app \$23k
520604 COMPS COMMUNITY EVENTS	-	5,000	-	5,000	-	Community events support \$2k; Compost and shred events support \$3k
520604 HHWUW HHW DOOR TO DOOR COLLECTION OUTREACH	59,011	80,000	33,814	80,000	-	Ongoing promotion for in program, includes direct mail, print and outdoor advertisements.
52064 3RG01 3R GUIDE IN SBC PHONE BOOK		5,000		5,000	-	
520335 CURBSIDE HOUSEHOLD BATTERY OUTREACH	4,098	5,000	1,450	5,000	-	
520604 ECE01 ELECTRONIC COLLECTIONS EVENTS	-	-	-	-	-	Included under "Community Events" line item.
<b>TOTAL RESIDENTIAL PROGRAMS</b>	<b>\$ 189,246</b>	<b>\$ 325,000</b>	<b>\$ 83,827</b>	<b>\$ 325,000</b>	<b>\$ -</b>	
<b>TOTAL RECYCLING - AB939 COMPLIANCE</b>	<b>\$ 618,523</b>	<b>\$ 1,132,000</b>	<b>\$ 158,008</b>	<b>\$ 1,132,000</b>	<b>\$ -</b>	
<b>SUBTOTAL SBWMA PROGRAM BUDGET</b>	<b>\$ 2,423,903</b>	<b>\$ 3,360,172</b>	<b>\$ 897,617</b>	<b>\$ 3,061,620</b>	<b>\$ (298,551)</b>	
<b>COLLECTION OPERATIONS</b>						
522710 HHWU-WASTE ON-CALL COLLECTION SERVICES	649,497	683,454	274,220	341,727	(341,727)	HHW discontinued at December 31, 2016
522719 SHRED EVENT SERVICE	6,164	4,600	3,743	4,600	-	
<b>TOTAL COLLECTION OPERATIONS</b>	<b>655,661</b>	<b>688,054</b>	<b>277,964</b>	<b>346,327</b>	<b>(341,727)</b>	
<b>TOTAL SBWMA PROGRAM BUDGET</b>	<b>\$ 3,079,564</b>	<b>\$ 4,048,226</b>	<b>\$ 1,175,581</b>	<b>\$ 3,407,947</b>	<b>\$ (640,278)</b>	
SHOREWAY OPERATIONS						

EXPENDITURE SUMMARY		ACTUAL FY1516	APPROVED FY17 BUDGET	YTD 11/30/16	FY17 MID-YR BUD	VARIANCE	NOTES
522712	OPERATING CONTRACT - SBR	\$ 18,275,660	\$ 18,423,627	\$ 7,429,863	\$ 18,627,965	\$ 204,338	Higher transfer and transportation cost \$129K due to higher disposal rates than budgeted , \$145./K due to higher volume, \$97.5K higher other disposal cost, \$142.9K due to lower residue credit from host fees accounts and MRF residue due to fire.
522713	DISPOSAL	15,757,108	15,329,602	6,450,139	15,845,562	515,960	
520710	INSURANCE SHOREWAY	212,059	238,998	89,798	238,998	-	Insurance for Shoreway facility.
522714	SHOREWAY FACILITY COST	167,156	150,000	25,133	150,000	-	Facility repair and maintenance projects not treated as "capital" projects.
570300	SHOREWAY MAINTENANCE - New	2,742	-	-	-	-	
520202	Shore CREDIT CARDS CHARGES	268,744	173,710	50,205	120,491	(53,219)	Favorable credit cards charges for self haul operation - They changed banks
520207	SHOREWAY CHARGES	15,569	26,690	11,121	26,690	-	SBR bought a trailer and they charging us a monthly charge for it.
522718	EDUCATION CENTER OPERATIONS	57,138	60,000	8,750	60,000	-	Budget for three special public events, school busing (\$19k), tour supplies, etc.
522716	MAINTENANCE - OX MTN TIPPER	30,310	36,000	5,577	36,000	-	Monthly maintenance charge for tipper that JPA owns and Republic operates at Ox. Mtn.
520901	SHOREWAY MRF EQUIP. MAINTENANCE > \$10k	-	30,000	-	30,000	-	Unplanned MRF equipment repairs greater than \$10k are responsibility of JPA.
520324	TAXES (SEWER) PROPERTY TAX	57,747	60,643	30,175	60,643	-	Sewage water has doubled up causing higher charge.
SUB SHOREWAY OPERATIONS COST		34,844,233	34,529,270	14,100,760	35,196,349	667,079	
FIRE RELATED EXPENSES:							
522712	OPERATING CONTRACT - SBR - FIRE RELATED	-	-	-	(2,064,723)	(2,064,723)	September through December tons at \$84.49 savings due to fire.
522712	TRANSLOAD EXPENSE BY SBR FOR SINGLE STREAM	-	-	-	871,378	871,378	Expecting reimbursement by insurance company
522712	TRANSPORTAION COST BY THIRD PARTIES OF SINGLE STREAM	-	-	-	705,780	705,780	Expecting reimbursement by insurance company
SUB FIRE COST		-	-	-	(487,565)	(487,565)	
TOTAL SHOREWAY OPERATIONS		\$ 34,844,233	\$ 34,529,270	\$ 14,100,760	\$ 34,708,784	\$ 179,514	
TOTAL OPERATING EXPENSES		\$ 37,923,797	\$ 38,577,496	\$ 15,276,341	\$ 38,116,732	\$ (460,764)	
NON-OPERATING EXPENSES							
521116	BONDR DEBT SERVICE BOND INTEREST	\$ 2,810,821	\$ 2,747,908	\$ 468,485	\$ 2,747,908	\$ -	Solid Waste Enterprise Revenue Bond interest payments.
522702	FRANCHISE FEE	1,649,758	1,738,513	725,313	1,757,263	18,750	5% franchise fee payments by JPA to City of San Carlos. Higher in line with revenue.
NON-OPERATING EXPENSES		4,460,579	4,486,421	1,193,798	4,505,171	18,750	
TOTAL SHOREWAY OPERATING EXPENSES		\$ 39,304,812	\$ 39,015,692	\$ 15,294,559	\$ 39,213,956	\$ 198,264	
TOTAL OPERATING EXPENSES (SBWMA Program + Shoreway Operations)		\$ 42,384,376	\$ 43,063,917	\$ 16,470,139	\$ 42,621,903	\$ (442,015)	

**Attachment A - Mid-Year FY16/17 Capital Expenditure Budget**

Capital Project Name	Adopted FY15/16	Forecast FY16/17	Forecast FY17/18	Forecast FY18/19	Forecast FY19/20
Transfer Station (TS) Tipping floor resurfacing	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Site paving repairs and restriping <sup>3</sup>	-	-	600,000	-	1,400,000
TS building maintenance	20,000	20,000	20,000	20,000	20,000
Admin building maintenance	20,000	115,000	40,000	40,000	40,000
Site maintenance	65,000	30,000	30,000	30,000	30,000
Fire suppression	15,000	-	15,000	-	-
Repairs to landfill tipper	15,000	15,000	15,000	15,000	15,000
Education center exhibits	-	-	15,000	-	-
Electric charging station	-	-	15,000	-	-
Replace diesel fuel storage and dist. System <sup>3</sup>	-	-	-	-	275,000
Transfer Station building improvements <sup>3</sup>	-	-	2,665,437	-	-
LED Lighting retrofit <sup>3</sup>	274,000	-	-	-	-
<b>Total Capital Expenditure Budget</b>	<b>\$ 1,204,000</b>	<b>\$ 515,000</b>	<b>\$ 14,764,837</b>	<b>\$ 350,000</b>	<b>\$ 3,337,500</b>

<sup>1</sup> \$1,240,000 available in Shoreway Remediation fund to help cover capx.

<sup>2</sup> Equipment Replacement cash reserve funds will cover these expenses.

<sup>3</sup> 2015 Long Range Plan recommended projects.