



NEW BUSINESS



STAFF REPORT

To: SBWMA Board Members
From: Kevin McCarthy, Executive Director
Marshall Moran, Finance Manager
Date: January 26, 2012 Board of Director's Meeting
Subject: Mid-Year Review of FY2012 Annual Operating Budget

Recommendation

This staff report is for discussion purposes only and no formal action is requested of the Board of Directors. The attached mid-year budget remains unchanged since the last Board meeting as no changes to the budget were requested by Board Members. **Attachment A** contains budget worksheets providing line item detail for all projected revenues and expenditures. Capital spending is not addressed in this mid-year review. A copy of the January 26, 2011 PowerPoint presentation to the Board on the mid-year budget is provided as **Attachment B**.

Analysis

Staff has conducted a thorough analysis of year-to-date revenues and expenditures. As originally budgeted and based on the projections detailed below, staff is not requesting any required Board action for revenue transfers from reserves to meet bond covenant requirements.

Even with the lower projected net income of \$3,044,790, we still expect to meet all bond covenant requirements (i.e., breakeven test and debt coverage of 1.4 or greater) and fund all Board approved cash reserves. Please note, though, the bond covenant requirements are on a calendar year basis. The flow chart on the next page captures the flow of our cash relative to bond covenant requirements and Board cash reserve policy. In addition to funding the cash reserves, we are beginning to accrue cash to make the \$3 million dollar balloon payment due on 9/1//14 on our series 2009B bonds (i.e., City of Burlingame loan @ 5% interest).

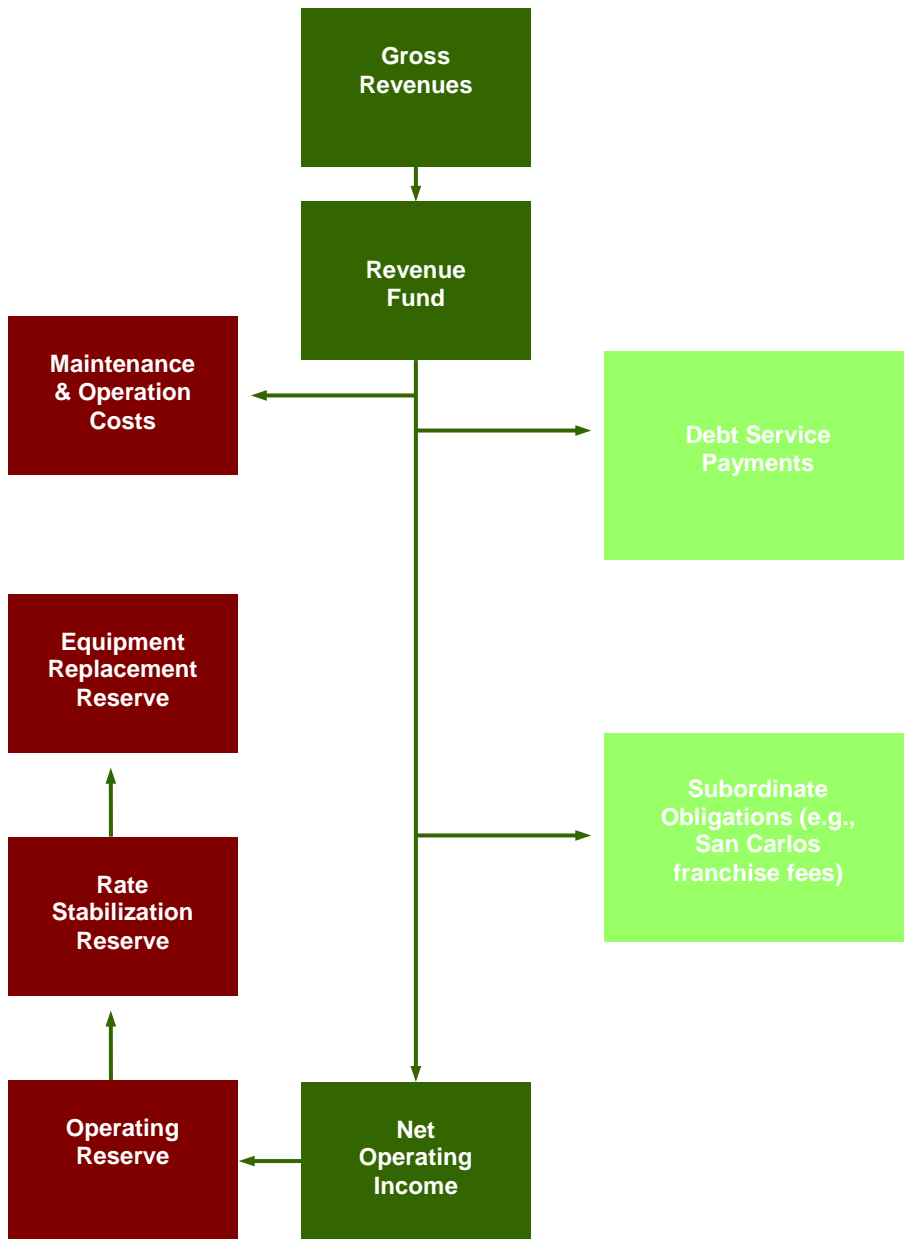
Budget Variances

As detailed under "Fiscal Impact" we are projecting net income of \$3,044,790 which is \$597,160 below our approved budgeted net income of \$3,641,950. This negative variance of \$597,160 is due primarily to the following factors:

- \$859,300 in higher SBR facility operating expenses due to higher tons and a one-time payment of \$276,000 for project management costs related to the MRF sorting equipment installation per Section 7.02 of the Operations Agreement; this expense was originally assumed to be covered in the FY 2011 budget.
- \$718,700 in higher disposal and processing fees associated with higher than budgeted tons.
- \$221,300 in higher Allied Waste balancing account payments due to the timing of a quarterly payment falling in the current fiscal year.

Our operating results were also impacted by approximately \$200,000 due to the unbudgeted franchise disposal tipping fee reduction of \$2 per ton approved by the Board on November 17, 2011.

The above higher operating expenses were partially offset by higher operating revenues of \$394,400, lower SBWMA program expenses of \$171,140, which is a 5.2% reduction, and lower buyback payments of \$502,100 due to lower payments made by SBR versus the budgeted amount based on Allied's payment trend in 2010.



Background

On June 23, 2011 the South Bayside Waste Management Authority (SBWMA) Board of Directors adopted the FY 2012 Operating Budget.

Fiscal Impact

The following tables represent FY 2012 revenues and expenditures, and payments through December 15, 2011, and year-end projections through June 30, 2012.

FY 2012 NET INCOME			
<u>Revenues</u>	<u>FY 2012 Adopted Budget</u>	<u>FY 2012 Year End Projections</u>	<u>Variance</u>
Total Revenues	\$40,132,600	\$40,527,000	\$394,400
Total Expenditures	\$36,490,650	\$37,482,210	(\$991,560)
Net Gain/(Loss):	\$3,641,950	\$3,044,790	(\$597,160)

FY 2012 REVENUES			
<u>Revenues</u>	<u>FY 2012 Adopted Budget</u>	<u>FY 2012 Year End Projections</u>	<u>Variance</u>
Tip Fee Revenues	\$28,972,200	\$29,257,100	\$284,900
Commodity Sales Revenues*	\$10,567,600	\$10,488,300	(\$79,300)
Interest Income	\$114,200	\$238,200	\$124,000
HHW and Other Revenue	\$478,000	\$543,400	\$64,800
Total Revenues:	\$40,132,600	\$40,527,000	\$394,400
* Net of commodity revenue share with SBR.			

FY 2012 EXPENDITURES				
<u>Expenditures</u>	<u>FY 2012 Adopted Budget*</u>	<u>FY 2012 Year-to-date Totals</u>	<u>FY 2012 Year End Projections</u>	<u>Variance</u>
Administrative Expenses	\$1,583,950	\$761,982	\$1,567,976	(\$15,974)
Contract Compliance & Support	\$375,000	\$73,915	\$373,232	(\$1,768)
Recycling & AB 939 Compliance	\$1,066,500	\$181,511	\$893,302	(\$173,198)
Collection Operations	\$468,600	\$174,624	\$488,400	\$19,800
Total SBWMA Expenses:	\$3,494,050	\$1,192,031	\$3,322,910	(\$171,140)
Shoreway Operations**:	\$32,996,600	\$12,543,333	\$34,159,300	\$1,162,700
Total Expenses:	\$36,490,650	\$13,735,364	\$37,482,210	\$991,560
* Exclusive of capital project expenses				
** See breakout of expenses on the next page				

FY 2012 EXPENDITURE DETAIL FOR SHOREWAY OPERATIONS

<u>Expenditures</u>	<u>FY 2012 Adopted Budget</u>	<u>FY 2012 Year-to-date Totals</u>	<u>FY 2012 Year End Projections</u>	<u>Variance</u>
Allied Operating Contract*	\$1,109,500	\$833,675	\$1,330,800	\$221,300
SBR Compensation	\$13,569,200	\$4,848,048	\$14,428,500	\$859,300
Disposal and Processing	\$12,083,300	\$5,472,502	\$12,802,00	\$718,700
Buyback Payments	\$1,099,100	\$200,237	\$597,000	(\$502,100)
Insurance Shoreway	\$281,500	\$26,104	\$248,500	(\$33,000)
Education Center	\$80,000	\$5,035	\$70,000	(\$10,000)
Debt Service Bond Interest	\$3,177,900	\$529,644	\$3,177,900	0
Other Operating Expenses**	\$170,000	\$33,667	\$85,000	(\$85,000)
Taxes (Sewer)	\$46,400	\$13,779	\$26,400	(\$20,000)
Franchise Fee (San Carlos)	\$1,379,700	\$580,642	\$1,393,200	\$13,500
Total Shoreway Operations:	\$32,996,600	\$12,543,333	\$34,159,300	\$1,162,700

* Allied Waste balancing account payments for Shoreway operations through 12/31/10.

** Includes Ox Mtn. tipper maintenance, Shoreway facility repairs, and MRF equipment maintenance >\$10k.

The Allied Operating Contract expense includes the SBWMA paying off half or \$671,000 of the 2009 Balancing Account final total amount owed to Allied of \$1,346,835. In addition, the 2nd quarter payment was booked in FY 2012 instead of FY 2011. The 2009 balance is fully paid. The final Allied balance owed for 2010 is \$642,000, half of which will be paid in FY 2012 and the remainder in FY 2013. This balance is \$231,000 lower than the estimate made for the budget based on the HFH November 2010 report.

Attachments:

A – FY2012 Mid-Year Projections

B – January 26, 2012 PowerPoint Presentation to Board on Mid-Year Budget

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
REVENUE SUMMARY**

FY 2011-2012 APPROVED BUDGET

REVENUE SUMMARY	ACTUAL FY 2009-2010	ACTUAL FY 2010-2011	APPROVED BUDGET FY 2011-2012	MID-YEAR PROJECTION FY 2011-2012	Variance
ADMINISTRATIVE REVENUES					
409100 INVESTMENT INCOME	79,010	137,052	114,200	238,200	124,000
409101 INVESTMENT (GASB 31) MARKET VALUE ADJ	(63,342)				
409200 INTEREST INCOME					
TOTAL ADMINISTRATIVE	15,668	137,052	114,200	238,200	124,000
OPERATIONS					
480007 TIPPING FEES	27,479,290	28,660,638	28,972,200	29,257,100	284,900
480023 COMMODITY SALES	8,691,557	10,719,422	11,796,200	11,585,200	(211,000)
COMMODITY REVENUE SHARE - NEW			(1,228,600)	(1,096,900)	131,700
480024 OX MOUNTAIN					-
480025 E-RECYCLING REVENUE - NEW		146,077	70,000	70,000	-
480031 HHW DOOR TO DOOR COLLECTION SERVICE	32,079	358,594	408,600	428,400	19,800
480032 PERFORMANCE INCENTIVE / DISINCENTIVE - NEW		71,707	-	45,000	45,000
480008 MISCELLANEOUS REVENUE	86,724	56,983			-
TOTAL OPERATIONS	36,289,650	40,013,421	40,018,400	40,288,800	270,400
TOTAL OPERATING REVENUES	36,305,318	40,150,473	40,132,600	40,527,000	394,400
MISCELLANEOUS - EQPT AUCTION	257,500				
TOTAL REVENUE	36,562,818	40,150,473	40,132,600	40,527,000	394,400
NET OPERATING INCOME / <LOSS>	(1,615,492)	3,801,627	3,641,950	3,044,790	(597,160)
% OF REVENUE					-1.49%

FY2012
REVENUES

GENERAL OPERATING EXPENSES BY MAJOR CATEGORY						
EXPENDITURE SUMMARY		ACTUAL FY 2010-2011	APPROVED BUDGET FY 2011-2012	YTD Spent Dec. 15, 2011	MID-YEAR PROJECTION FY 2011-2012	Variance
ADMINISTRATIVE EXPENSES						
520305	ADMINISTRATIVE STAFF	551,386	491,600	240,607	501,600	10,000
520306	AB 939 PROGRAM STAFF	584,949	684,100	308,645	667,800	(16,300)
520328	EMPLOYEE RECRUITMENT/HR SUPPORT	1,438	5,000	4,000	5,000	-
520337	PEO COST (HR & PR FEES)	20,733	21,600	9,307	21,600	-
520312	BOARD COUNSEL	26,114	40,000	10,828	30,000	(10,000)
520300	BOARD MEETINGS & RECORDINGS	15,514	5,000	2,542	6,000	1,000
520310	ACCOUNTING SERVICES	107,004	105,000	51,000	102,000	(3,000)
520334	INFORMATION SYSTEMS	40,641	29,500	17,647	32,000	2,500
520338	WEBSITE	12,637	10,100	5,055	10,100	-
520301	ANNUAL FINANCIAL AUDIT	9,013	8,500	4,640	8,500	-
520701	D&O INSURANCE	19,237	35,000	22,798	23,000	(12,000)
520202	BANK FEES	7,879	5,000	6,412	7,800	2,800
520203	RENT	47,444	48,000	24,066	48,476	476
520204	PRINTING AND POSTAGE	207	200	38	150	(50)
520107	UTILITIES & PHONE	15,260	17,000	5,390	13,000	(4,000)
520905	OFFICE/TENANT IMPROVEMENTS	2,876	3,000	1,110	2,250	(750)
520201	OFFICE SUPPLIES	18,681	17,000	8,133	17,000	-
520215	OFFICE EQUIPMENT COSTS	18,743	18,500	18,636	25,000	6,500
520504	PUBLICATIONS & PUBLIC NOTICES	2,088	2,000	-	1,000	(1,000)
520501	PROFESSIONAL DUES & MEMBERSHIPS	1,006	2,000	428	1,500	(500)
520801	VEHICLE MILEAGE & TOLLS	158	350	21	100	(250)
520105	CELL PHONES	6,091	5,500	2,195	5,000	(500)
520503	CONFERENCE & MEETINGS	8,685	10,000	6,637	10,000	-
520502	TRAINING	3,362	4,000	1,379	4,000	-
520511	SPONSORSHIPS & DONATIONS	9,240	9,500	1,500	8,500	(1,000)
522706	COMPUTER PURCHASE	3,000	6,500	8,968	16,600	10,100
TOTAL ADMINISTRATIVE		\$ 1,533,384	\$ 1,583,950	\$ 761,982	\$ 1,567,976	\$ (15,974)
CONTRACT COMPLIANCE AND SUPPORT RATES						
520307	RATE REVIEW	194,100	30,000	24,887	60,000	30,000
TOTAL RATE REVIEW		194,100	30,000	24,887	60,000	30,000
CONTRACTOR						
520308	FACILITY IMPROVEMENT OVERSIGHT	21,325	30,000	-	25,000	(5,000)
520309	BUSINESS CONSULTANT/HF&H	-	-	-	-	-
520309	HCM01 CONTRACT MANAGEMENT SUPPORT	3,000	-	600	1,200	1,200
520309	HCN01 CONTRACT NEGOTIATIONS/LEGAL REVIEW	-	30,000	-	10,000	(20,000)
520309	HCS02 COLLECTION SERVICES FRANCHISE ADMIN.	99,512	165,000	35,023	165,000	-
520309	HCS03 PUBLIC EDUCATION FOR COLLECTION SVCS ROLLOUT	590,302	-	2,032	2,032	2,032
520309	HCS1B FACILITY RFP & IMPLEMENTATION	21,624	-	-	-	-
520309	HSHOR SHOREWAY REMEDIATION LEGAL & TECHNICAL	48,997	-	(0)	-	-
520329	ANNUAL RSMC PERFORMANCE HEARING	-	-	-	-	-
520336	QUARTERLY LOAD CONTAMINATION MONITORING	37,849	120,000	11,374	110,000	(10,000)
TOTAL CONTRACTOR		822,610	345,000	49,029	313,232	(31,768)
TOTAL CONTRACT COMPLIANCE & SUPPORT		\$ 1,016,710	\$ 375,000	\$ 73,915	\$ 373,232	\$ (1,768)

GENERAL OPERATING EXPENSES BY MAJOR CATEGORY					
EXPENDITURE SUMMARY	ACTUAL FY 2010-2011	APPROVED BUDGET FY 2011-2012	YTD Spent Dec. 15, 2011	MID-YEAR PROJECTION FY 2011-2012	Variance
RECYCLING - AB939 COMPLIANCE					
RECYCLING ADMINISTRATION					
520311 CIWMB ANNUAL REPORTS	34,750	25,000	10,250	25,000	-
520341 SBWMA ANNUAL REPORT	3,288	5,000	0	5,000	-
520309 HDV01 DIVERSION PROGRAM SUPPORT	-	20,000	0	10,000	(10,000)
520604 EVENT GIVEAWAYS	14,500	7,500	0	5,000	(2,500)
TOTAL RECYCLING ADMINISTRATION	52,538	57,500	10,250	45,000	(12,500)
LONG RANGE PLAN/DIVERSION PROGRAMS					
520340 LONG RANGE PLAN ALTERNATIVES	5,545	50,000	3,850	45,000	(5,000)
520340 OPRFP ORGANICS PROCESSING RFP	1,746	-	-	-	-
520340 MPOTR MASTER PLAN OUTREACH	23,397	20,000	28,802	28,802	8,802
520344 SOLAR SYSTEM ENGINEERING AND EVALUATION	5,682	-	5,075	7,500	7,500
TOTAL LONG RANGE PLAN/DIVERSION PROGRAMS	36,369	70,000	37,727	81,302	11,302
COMMERCIAL PROGRAMS					
520331 LARGE EVENT/VENUE CONSULTING	1,594	0	-	-	-
520342 LARGE EVENT/VENUE RECYCLING SERVICES	11,522	25,000	2,418	15,000	(10,000)
520608 CLIMATE CHANGE REPORTING & POLICY OPTIONS	4,803	15,000	1,080	5,000	(10,000)
520604 COE01 COMMERCIAL RECYCLING TECHNICAL ASSIST	44,289	300,000	32,407	225,000	(75,000)
520604 CDRCY C&D RECYCLING PROGRAM	-	35,000	0	28,000	(7,000)
520604 GREEN GREEN BUSINESS PROGRAM	4,035	5,000	0	0	(5,000)
520604 MF001 MULTI-FAMILY OUTREACH	12,741	40,000	18,143	65,000	25,000
TOTAL COMMERCIAL PROGRAMS	78,984	420,000	54,048	338,000	(82,000)
RESIDENTIAL PROGRAMS					
520604 QLN01 QUARTERLY NEWLESTTER DESIGN/SETUP	12,561	20,000	0	10,000	(10,000)
520604 QNLPM QUARTERLY NEWLESTTER PRINTING/MAILING	183,783	230,000	74,183	200,000	(30,000)
520604 RES01 RESIDENTIAL OUTREACH PROGRAMS	3,211	166,000	3,984	140,000	(26,000)
520604 COMPS COMPOST GIVEAWAY	1,023	6,000	0	4,000	(2,000)
520604 HHWUW HHW DOOR TO DOOR COLLECTION OUTREACH	87,011	85,000	1,319	70,000	(15,000)
520335 CURBSIDE HOUSEHOLD BATTERY OUTREACH	(10,287)	8,000	0	3,000	(5,000)
520604 ECE01 ELECTRONIC COLLECTIONS EVENTS	711	4,000	0	2,000	(2,000)
TOTAL RESIDENTIAL PROGRAMS	278,014	519,000	79,486	429,000	(90,000)
TOTAL RECYCLING - AB939 COMPLIANCE	\$ 445,905	\$ 1,066,500	\$ 181,511	\$ 893,302	\$ (173,198)
SUBTOTAL SBWMA PROGRAM BUDGET	\$ 2,995,999	\$ 3,025,450	\$ 1,017,408	\$ 2,834,510	\$ (190,940)
COLLECTION OPERATIONS					
522710 HHW DOOR TO DOOR COLLECTION SERVICES	358,504	408,600	174,624	428,400	19,800
522711 CURBSIDE HOUSEHOLD BATTERY RECYCLING SERVICES	15,285	60,000	0	60,000	-
TOTAL COLLECTION OPERATIONS	373,789	468,600	174,624	488,400	19,800
TOTAL SBWMA PROGRAM BUDGET	\$ 3,369,788	\$ 3,494,050	\$ 1,192,031	\$ 3,322,910	\$ (171,140)

GENERAL OPERATING EXPENSES BY MAJOR CATEGORY						
EXPENDITURE SUMMARY	ACTUAL FY 2010-2011	APPROVED BUDGET FY 2011-2012	YTD Spent Dec. 15, 2011	MID-YEAR PROJECTION FY 2011-2012	Variance	
SHOREWAY OPERATIONS						
522701 OPERATING CONTRACT - ALLIED	13,901,342	1,109,500	833,675	1,330,800	221,300	
522712 OPERATOR COMPENSATION - SBR	6,709,339	13,569,200	4,848,048	14,428,500	859,300	
522713 DISPOSAL & PROCESSING COSTS	6,538,836	12,083,300	5,472,502	12,802,000	718,700	
522717 BUYBACK PAYMENTS -- NEW 7/1/11	-	1,099,100	200,237	597,000	(502,100)	
522718 EDUCATION CENTER OPERATIONS -- NEW 7/1/11	-	80,000	5,035	70,000	(10,000)	
522716 MAINTENANCE - OX MTN TIPPER	10,413	40,000	32,342	65,000	25,000	
520710 INSURANCE SHOREWAY	121,848	281,500	26,104	248,500	(33,000)	
522714 SHOREWAY FACILITY COST	1,028	90,000	1,325	-	(90,000)	
520901 SHOREWAY MRF EQUIPMENT MAINTENANCE > \$10k	-	40,000	-	20,000	(20,000)	
521104 DEBT SERVICE BOND INTEREST	-	3,177,900	529,644	3,177,900	-	
521117 AMORTIZATION OF BOND ISSUANCE	22,222	-	-	-	-	
520324 TAXES (SEWER)	38,893	46,400	13,779	26,400	(20,000)	
522702 FRANCHISE FEE	1,356,442	1,379,700	580,642	1,393,200	13,500	
TOTAL SHOREWAY OPERATIONS	32,979,058	32,996,600	12,543,333	34,159,300	1,162,700	
TOTAL OPERATING EXPENSES	\$ 36,348,846	\$ 36,490,650	\$ 13,735,364	\$ 37,482,210	\$ 991,560	

SBWMA BOARD OF DIRECTOR'S MID-YEAR REVIEW OF FY2012 OPERATING BUDGET



PROJECTED YEAR END RESULTS

FY 2012 NET INCOME			
	FY 2012 Adopted Budget	FY 2012 Year End Projections	<u>Variance</u>
Total Revenues	\$40,132,600	\$40,527,000	\$394,400
Total Expenditures	\$36,490,650	\$37,482,210	(\$991,560)
Net Gain/(Loss):	\$3,641,950	\$3,044,790	(\$597,160)



ANALYSIS OF NET INCOME

- Projected net income of \$3.044 million still results in meeting all bond covenant requirements (i.e., breakeven test and debt coverage of 1.4 or greater) and funding all Board approved cash reserves.
- Note that bond covenant requirements are on a calendar year basis.



VARIANCE ANALYSIS

- Negative variance of \$597,160 is due primarily to:
 - \$859,300 in higher SBR facility operating expenses due to higher tons and a one-time payment of \$276,000 for project management costs related to the MRF sorting equipment installation.

\$718,700 in higher disposal and processing fees associated with higher than budgeted tons.

\$221,300 in higher Allied Waste balancing account payments due to the timing of a quarterly payment falling in the current fiscal year.



VARIANCE ANALYSIS

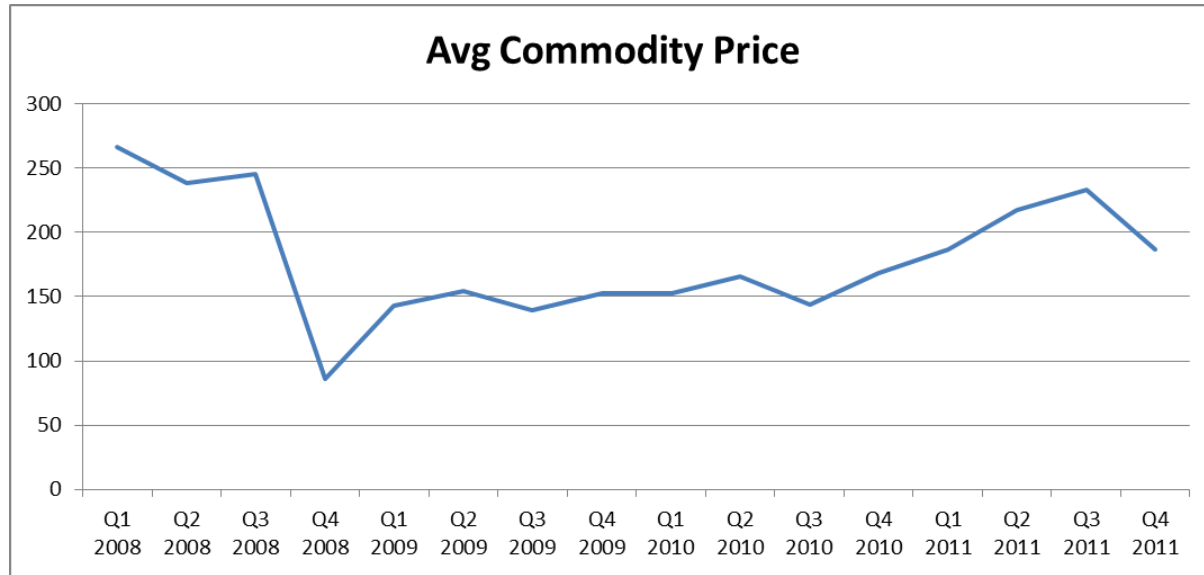
- Higher operating expenses were partially offset by:
 - Higher operating revenues of \$394,400. Note: Higher tip fee revenue constrained by unbudgeted tip fee reductions (impact of \$461,000)

Lower SBWMA program expenses of \$171,140

Lower buyback payments of \$502,100 due to lower payments made by SBR versus the budgeted amount



REVENUE TRENDS



Fiscal Year Commodity Pricing			
	Budget	Actual	Variance
Q3 2011	\$ 182.64	\$ 232.77	\$ 50.13
Q4 2011	\$ 182.64	\$ 186.34	\$ 3.70
Q1 2012	\$ 182.64	\$ 191.00	\$ 8.36
Q2 2012	\$ 182.64	\$ 195.00	\$ 12.36
		estimate	

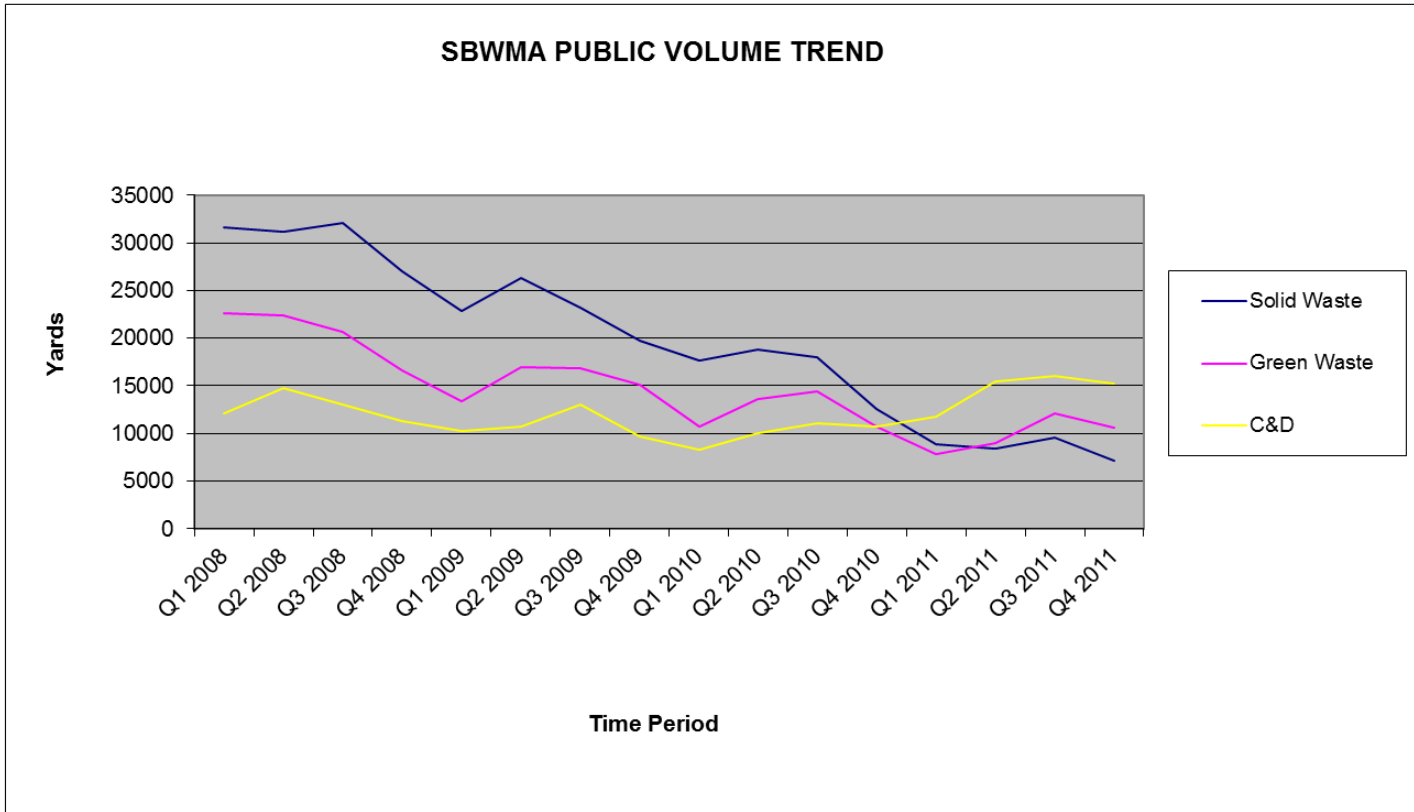


TONNAGE TRENDS

FRANCHISE TONS (Inbound)					
Total Transfer Station Tonnage	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012P</u>	<u>FY 2012B</u>	2012 Projected vs. Budget
SBWMA Solid Waste	212,111	197,601	181,816	182,872	(1,056)
SBWMA Residential Organics	60,342	71,046	83,443	82,562	881
SBWMA Food Waste	13,724	14,347	13,337	14,073	(736)
SBWMA Dirt, Inert, C&D	2,570	2,641	3,980	1,478	2,502
Non-SBWMA Wgd SW Tons	4,664	1,743	-		-
Non-SBWMA Weighed Dirt	2,968	2,233	3,103	1,770	1,333
Non-SBWMA Weighed Roofing	629	489	-		-
Non-SBWMA Wgd GW	516	309	-		-
Total Tons	297,525	290,409	285,678	282,755	2,923
					1.0%
PUBLIC YARDS (Inbound)	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012P</u>	<u>FY 2012B</u>	2012 Projected vs. Budget
Public Solid Waste Yards	79,315	47,721	35,830	37,736	(1,906)
Public Green Waste Yards	56,226	41,875	43,708	36,360	7,348
Public C&D Yards	41,058	48,953	60,878	48,409	12,469
Total Yards	176,599	138,548	140,416	122,505	17,911
					14.6%



VOLUME TRENDS



SHIPPED TONS

Disposed and Processed Tons (Outbound)				
FY2012 Budget		<u>Mid-Year</u>	<u>Original</u>	
<u>Vendor</u>	<u>Material</u>	<u>Tons</u>	<u>Tons</u>	<u>Variance</u>
Ox Mtn.	Solid Waste	194,688	183,301	11,388
Ox Mtn.	Dirt	7,641	4,000	3,641
Newby	Organics	43,546	40,015	3,531
Newby	Food	7,688	6,119	1,569
Grover	Organics	33,962	39,142	(5,180)
Grover	Food	6,289	5,939	349
Zanker Rd.	C&D	29,845	25,785	4,060
Zanker Rd.		1,750		1,750
Biofuels	GW	10,084	15,000	(4,916)
TOTAL		335,494	319,301	16,193
%				5.1%



PROJECTED EXPENDITURES

FY 2012 EXPENDITURES				
<u>Expenditures</u>	<u>FY 2012 Adopted Budget*</u>	<u>FY 2012 Year-to-date Totals</u>	<u>FY 2012 Year End Projections</u>	<u>Variance</u>
Administrative Expenses	\$1,583,950	\$761,982	\$1,567,976	(\$15,974)
Contract Compliance & Support	\$375,000	\$73,915	\$373,232	(\$1,768)
Recycling & AB 939 Compliance	\$1,066,500	\$181,511	\$893,302	(\$173,198)
Collection Operations	\$468,600	\$174,624	\$488,400	\$19,800
Total SBWMA Expenses:	\$3,494,050	\$1,192,031	\$3,322,910	(\$171,140)
Shoreway Operations**:	\$32,996,600	\$12,543,333	\$34,159,300	\$1,162,700
Total Expenses:	\$36,490,650	\$13,735,364	\$37,482,210	\$991,560
* Exclusive of capital project expenses				
** See breakout of expenses on the next page				



PROJECTED EXPENDITURES

FY 2012 EXPENDITURE DETAIL FOR SHOREWAY OPERATIONS				
<u>Expenditures</u>	<u>FY 2012 Adopted Budget</u>	<u>FY 2012 Year-to-date Totals</u>	<u>FY 2012 Year End Projections</u>	<u>Variance</u>
Allied Operating Contract*	\$1,109,500	\$833,675	\$1,330,800	\$221,300
SBR Compensation	\$13,569,200	\$4,848,048	\$14,428,500	\$859,300
Disposal and Processing	\$12,083,300	\$5,472,502	\$12,802,00	\$718,700
Buyback Payments	\$1,099,100	\$200,237	\$597,000	(\$502,100)
Insurance Shoreway	\$281,500	\$26,104	\$248,500	(\$33,000)
Education Center	\$80,000	\$5,035	\$70,000	(\$10,000)
Debt Service Bond Interest	\$3,177,900	\$529,644	\$3,177,900	0
Other Operating Expenses**	\$170,000	\$33,667	\$85,000	(\$85,000)
Taxes (Sewer)	\$46,400	\$13,779	\$26,400	(\$20,000)
Franchise Fee (San Carlos)	\$1,379,700	\$580,642	\$1,393,200	\$13,500
Total Shoreway Operations:	\$32,996,600	\$12,543,333	\$34,159,300	\$1,162,700
* Allied Waste balancing account payments for Shoreway operations through 12/31/10.				
** Includes Ox Mtn. tipper maintenance, Shoreway facility repairs, and MRF equipment maintenance >\$10k.				



PROGRAMMATIC UPDATE

- **Commercial recycling outreach, auditing and surveying**
 - **Strategic analysis of Recology outreach program**
 - **Model anti-scavenging ordinance**
 - **New targeted outreach to multi-family dwellings**
 - **Business awards program and case studies**
 - **Supplemental collateral (toolkit)**
 - **Slim jims/internal containers for Recology to distribute**
 - **Commercial account audit**
 - **Commercial sector survey**



PROGRAMMATIC UPDATE

- **Transfer Station Diversion Opportunities**
 - Waste comp. study and visual auditing of select loads
 - Proforma model for Transfer Station sort-line
- **Grow MRF Tons**
 - Surveying third party recyclers
 - Premium pricing for clean cardboard loads
 - Evaluate processing “recycling-rich” commercial loads
- **Fully implement Shoreway environmental education program, including increasing # of tour participants and complete 1st phase of exhibits and art**



PROGRAMMATIC UPDATE

- **Communications**
 - Revamp website to streamline and make more interactive
 - Expand social media campaigns
 - Electronic newsletters to key stakeholders
 - Customer satisfaction survey
 - New website page to “Rates 101”
 - Board and elected official workshops on rates

- **Long Range Planning**
 - Review existing Strategic Plan 2008-2012

