



MINUTES

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY MEETING OF THE FINANCE COMMITTEE

April 10, 2018 – 12:15 p.m.

San Carlos Library Conference Room A

Call To Order: 12:22PM

1. Roll Call

Agency	Present	Absent
Bill Widmer	X	
Michael Brownrigg	X	
Carol Augustine	X	
Jay Benton	X	

SBWMA Staff Members Present: Joe La Mariana, Hilary Gans, Marshall Moran, Cyndi Urman, Jean Savaree

2. Public Comment

Persons wishing to address the Board on matters NOT on the posted agenda may do so. Each speaker is limited to two minutes. If there are more than five individuals wishing to speak during public comment, the Chairman will draw five speaker cards from those submitted to speak during this time. The balance of the Public Comment speakers will be called upon at the end of the Board Meeting. If the item you are speaking on is not listed on the agenda, please be advised that the Board may briefly respond to statements made or questions posed as allowed under The Brown Act (Government Code Section 54954.2). The Board's general policy is to refer items to staff for attention, or have a matter placed on a future Board agenda for a more comprehensive action or report and formal public discussion and input at that time.

None

3. Executive Director's welcome and remarks, and update on open Sr. Finance Manager position recruitment

Executive Director La Mariana made several announcements:

- John Mangini has accepted the offer to be the SBWMA Sr. Finance Manager and will start on May 7.
- Menlo Park has the Franchise Agreement Extension on their April 24 City Council Agenda, and should it pass it will be the 8th and mark the required 2/3 of Member Agencies having approved the extension.
- An Administrative Services RFP was conducted and two responses were received, both were comparable but with the change in Sr. Finance Manager, Staff is recommending a 1-year extension with the City of San Carlos followed by another RFP next year when the new Sr. Finance Manager is on board.
- An unsolicited call regarding refinancing the bonds was received and feedback from the committee was given to get a detailed proposal from them and find out costs associated with the refinance. The consensus was to give this project to the new Sr. Finance Manager.

4. Approval of Minutes from the January 9, 2018 Finance Committee Meeting

Motion/Second: Brownrigg/Widmer: Voice Vote: All in favor

5. Approval of 2019 Finance Committee Meeting Calendar

Member Widmer noted a Tuesday/Thursday conflict next year, Finance Committee meetings were scheduled for Wednesday January 9, 2019 and Wednesday April 10, 2019 at 12:15.

The committee requested the auditors set up phone calls in advance of the January 9th meeting to review audit results.

6. Approval of 2017 Calendar Year Financial Statements

Motion/Second: Benton/Widmer. Voice Vote: All in favor.

7. FY18/19 Draft Budget Preview

The committee discussed the proposed budget and issues impacting the FY1819 budget. Discussion included the \$3.9 deficit related to the global market place collapse, the increase in organics fees and organic material collected and C&D costs that are nearly double last year, and a 9% increase in property insurance costs.

A recommendation was made to increase C&D rates now to recover the increased costs. The committee recommendation was to move the item forward to the April Board meeting.

Executive Director La Mariana noted SBR's projected financial 2018 results to be down \$1.1M in revenue share. A discussion was had on possible Force Majeure.

The committee discussed the depleted capital expense fund due to the drop in commodity revenue. The consensus was to review reserve policies so that the correct reserves were used, and capital reserves were only for capital.

The committee discussed the recommend budget results. The draft operating budget recommends a 9% tip fee and 2% franchise increase, and a \$7 increase.

Member Brownrigg noted that, given how the Capital Reserve had been depleted, coupled with the collapse in commodity revenue, the committee asked staff to look into various fees being paid by the SBWMA to see if reductions or restructurings could be negotiated to lower expenses. The Finance Committee agreed, and directed staff as such.

Member Brownrigg suggested the Finance Committee regroup before the Board meeting, and suggested a standard \$14 across the board increase. Member Widmer wanted to see projections that if the rates did go up to \$14 they wouldn't go up again the next year. Member Benton noted that it would be a 25% increase in the last two years. The committee asked so see different scenarios for tip fee increases, and where those scenarios would compare rate wise to other jurisdictions.

Member Benton recommended pulling the budget from the April agenda, having the finance committee meet again before the budget went to the Board in May. The committee directed staff do a rate survey with the increase in tip fees, review the County and San Carlos fees, and investigate bond structure before the Finance Committee meets again.

8. Finance Committee Member Comments

9. Adjourn 2:32PM