



A Public Agency

Draft Budget Review CY2021

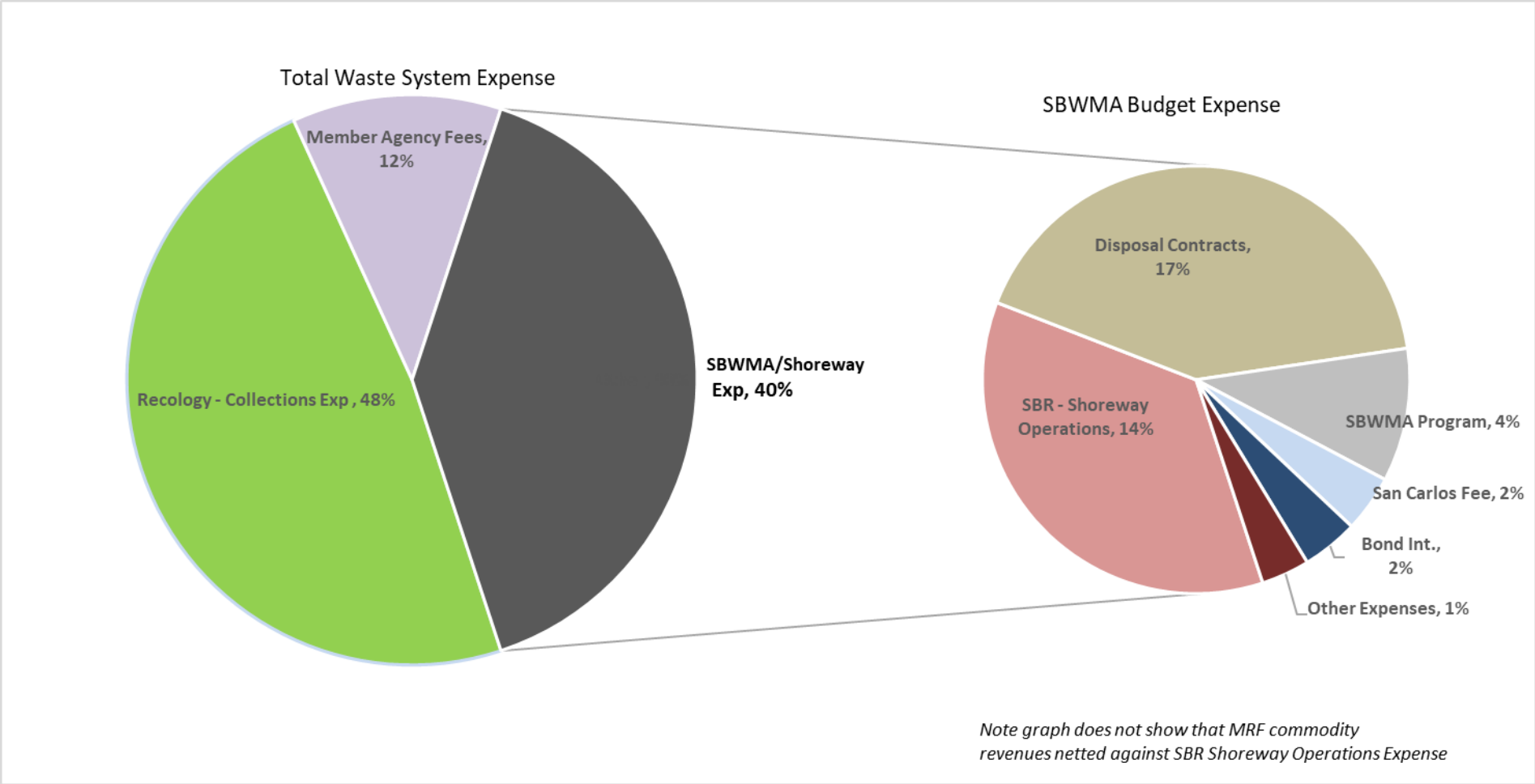
October 15, 2020

Budget Timeline

Key SBWMA Budget Review Dates:

- **October 6th** **Finance Committee review**
- **October 15th** **Board review:**
* DRAFT CY2021 Budget Presentation (*Info/Discussion*)
- **November 19th** **Board consideration:**
* FINAL CY2021 Budget (*Action*)

SBWMA Budget Allocation



Tipping Fee Increases

CY 2021 BUDGET - Proposed Tip Fee Adjustments								
	Actual	Actual	Actual	Actual	Proposed			
	7/1/2018	1/1/2019	2020	7/1/2020	1/1/2021	21 vs 20 \$	21 vs 20 %	
Franchise Tip Fees / Ton						incr.	%	
Solid Waste	\$ 107.00	\$ 121.00	\$ 121.00	\$ 121.00	\$ 127.00	\$ 6.00	5.0%	
Green Waste	\$ 112.00	\$ 126.00	\$ 126.00	\$ 126.00	\$ 139.00	\$ 13.00	10.3%	
Food	\$ 131.00	\$ 141.00	\$ 141.00	\$ 141.00	\$ 141.00	\$ -	0.0%	
3rd Party / Ton								
Solid Waste	\$ 113.00	\$ 127.00	\$ 127.00	\$ 127.00	\$ 133.00	\$ 6.00	4.7%	
Green Waste	\$ 115.00	\$ 128.00	\$ 128.00	\$ 128.00	\$ 140.00	\$ 12.00	9.4%	
Food	\$ 131.00	\$ 141.00	\$ 141.00	\$ 141.00	\$ 141.00	\$ -	0.0%	
C&D	\$ 107.00	\$ 121.00	\$ 121.00	\$ 121.00	\$ 127.00	\$ 6.00	5.0%	
Asphalt Roofing	\$ 110.00	\$ 123.00	\$ 123.00	\$ 123.00	\$ 128.00	\$ 5.00	4.1%	
Public Dirt /Ton	\$ 98.00	\$ 103.00	\$ 110.00	\$ 115.00	\$ 117.00	\$ 2.00	1.8%	
Public Tip Fees / Yd	7/1/2018	1/1/2019	2020	7/1/2020	1/1/2021	21 vs 20 \$	21 vs 20 %	
Solid Waste	\$ 42.00	\$ 44.00	\$ 44.00	\$ 46.00	\$ 48.00	\$ 2.00	4.5%	
Green Waste	\$ 33.00	\$ 35.00	\$ 35.00	\$ 42.00	\$ 50.00	\$ 8.00	22.9%	
C&D	\$ 42.00	\$ 44.00	\$ 44.00	\$ 46.00	\$ 48.00	\$ 2.00	4.5%	

Financial Summary

CY2021 FINANCIAL SUMMARY					
Categories	FY19/20 Adopted Budget	FY20/21 Adopted Budget	CY2021 Proposed Budget	Variance to Adopted Budget	Better/Worse %
Total Revenue	\$55,137,230	\$54,364,376	\$55,081,566	717,191	1%
Program	\$3,819,070	\$4,344,237	\$5,484,849	\$1,140,612	26%
Shoreway Operations	\$ 42,542,834	\$ 43,990,676	\$ 44,189,381	\$ 198,704	0%
Total Operating Expense	46,361,903	48,334,914	49,674,230	1,339,316	3%
Non-Operating Expense	5,176,269	4,673,058	4,650,763	(22,295)	0%
Total Expense	51,538,173	53,007,972	54,324,993	1,317,021	2%
Net Income to Reserve	\$ 3,599,057	\$ 1,356,403	\$ 756,573	\$ (599,830)	-44%

- Volume Recovery from FY 20/21 Budget
 - Not full recovery to pre-pandemic. Less Atherton.
- Shoreway Project Expenses +\$485K
 - MRF Phase II Initial Assessment Costs
 - O2E Full Scale Initial Assessment Costs
- Property insurance \$1.4M (2.2% increase)
- SBR Revenue Guarantee Adjustment
- Disposal increase 6% with reduced volume
 - Green Waste Processing Cost (78% increase)
- SB1383 Expenses beginning 2021 -- \$927K
- No Staff Increases Budgeted
 - Reduced Fellowship Hours
- Temp Labor Share \$430K (Consistent with prior Budgets)

Revenue Sources

CY2021 REVENUE					
Revenue	FY19/20 Adopted Budget	FY20/21 Adopted Budget	CY2021 Proposed Budget	Variance to Adopted Budget	Variance %
Tip Fee Revenue	\$49,142,560	\$47,663,273	\$48,977,424	\$1,314,151	3%
<i>Non Franchised</i>	12,112,251	12,339,646	13,077,573	737,927	6%
<i>Franchised</i>	37,030,309	35,323,627	35,899,851	576,224	2%
Net Commodity Sales Revenue*	5,598,516	5,930,100	5,809,440	(120,660)	-2%
Interest Income	376,994	577,455	282,970	(294,486)	-51%
Grant Income	-	180,000	-	(180,000)	-100%
Other Revenue	19,160	13,548	11,733	(1,815)	-13%
Total Revenue:	55,137,230	54,364,376	55,081,566	717,191	1%
*Gross commodity sales less 25% revenue share with SBR and buyback payments.					

Volume Projections

TRANSFER STATION VOLUME					
	FY19/20 Adopted Budget	FY20/21 Adopted Budget	CY2021 Proposed Budget	CY21 vs. FY21 Adopted Budget	Variance %
Total TS Tonnage and Yards					
<u>Franchise tons</u>					
SBWMA Solid Waste	182,013	172,409	174,822	2,414	1.4%
SBWMA Organics	88,121	85,087	82,952	(2,135)	-2.5%
SBWMA Food Waste	24,630	15,878	12,274	(3,604)	-22.7%
SBWMA Dirt, Inert, Other	3,917	3,748	3,810	63	1.7%
Sub-total Franchise	298,681	277,121	273,858	(3,263)	-1.2%
<u>Public tons</u>					
Non-SBWMA SW	4,161	4,249	4,435	187	4.4%
Non-SBWMA Scrap	307	188	178	(10)	-5.2%
Non-SBWMA FOOD	4,766	2,943	0	(2,943)	-100.0%
Non-SBWMA C&D	7,025	5,052	5,031	(21)	-0.4%
Non-SBWMA ORGANIC	368	433	412	(21)	-4.9%
Non-SBWMA Asphalt Roofing	1,568	2,144	1,409	(736)	-34.3%
Non-SBWMA Clean Wood	0	0	0	-	0.0%
Public Weighed Dirt	8,221	9,469	9,941	471	5.0%
Sub-Total Public tons	26,415	24,479	21,406	(3,073)	-12.6%
Total Tons	325,096	301,600	295,264	(6,336)	-2.1%
<u>Public Cu/Yds.</u>					0.0%
Public Solid Waste Yards	62,546	61,315	64,445	3,130	5.1%
Public Green Waste Yards	48,320	50,208	50,135	(73)	-0.1%
Public C&D	96,600	84,254	96,279	12,025	14.3%
Total Cubic Yards	207,466	195,777	210,860	15,082	7.7%

Expense Detail Projections

CY2021 SHOREWAY OPERATIONS EXPENSE DETAIL					
Expenditures	FY19/20 Adopted Budget	FY20/21 Adopted Budget	CY2021 Proposed Budget	Variance to Adopted Budget	Variance %
SBR Compensation	\$20,941,990	\$20,599,497	\$19,520,431	(1,079,065)	-5%
Disposal and Processing	20,026,803	21,421,263	22,682,546	1,261,283	6%
Property Insurance	999,117	1,321,679	1,350,825	29,146	2%
Education Center	65,000	65,000	57,000	(8,000)	-12%
Credit Cards Charge	123,610	91,194	69,899	(21,295)	-23%
Other Operating Expense	316,036	401,618	418,253	16,635	4%
Sewer Charge	70,278	90,426	90,426	-	0%
				-	
Shoreway Operations:	\$ 42,542,834	\$ 43,990,676	\$ 44,189,381	\$ 198,704	0%
Bond Interest Expense	2,836,101	2,403,333	2,318,458	(84,875)	-4%
Franchise Fee (San Carlos)	2,340,169	2,269,725	2,332,305	62,580	3%
Total Shoreway Operations	\$ 47,719,103	\$ 48,663,735	\$ 48,840,144	\$ 176,409	0%

SBWMA Program & Administrative Projections

SBWMA PROGRAM BUDGET = \$5,484,849 (Line 66)

- FY2020 vs. CY2021 variance = +\$1,140,612
 - +\$587K - SB1383 Estimated Mandated Expenses starting 1/1/2021
 - +\$485K – MRF Phase II & O2E Full Scale—Technical analysis + assessment costs
- **Continue Pub Ed Campaigns:**
 - *Lithium Ion Batteries*
 - *Recycling “Right” Education*
 - *Reactivate core Pub Ed attributes*
- **Community-Based Projects Per LRP:**
 - *Expanded Public Spaces Project*
 - *Expanded In-School Education*
 - *Expanded Pub Ed – Organics; MFD; Multi- Language*
- **Member Agency Support & Compliance**
 - *SB1383 Compliance Implementation Plan = +1.0 FTE (Program Manager II)*
 - *SB 1383 Consulting work brought in-house*

Projected Debt Service Coverage

Operating and Non-Operating Revenue	\$55,081,566
plus Additional Revenue transfer from reserve or other	-
Total Revenues	55,081,566
Less: O&M Expense	49,674,230
Net Revenue	5,407,337
Debt Service	3,543,458
Coverage (Net Revenue/Debt Service)	1.53
2019 Revenue Bond Coverage Ratio	1.40
CY 2021 Budgeted Net Income (Proposed)	\$ 756,573

Capital Improvement Plan: Shoreway Site

Line	CAPITAL EXPENDITURE BUDGET	Year 1	Year 2	Year 3	Description
		Proposed Budget CY2021	Proposed Budget CY2022	Proposed Budget CY2023	
	Capital Project Name				
1	Site paving repairs and restriping ²			1,500,000	Repaving of collection fleet parking area. Planned after fuel tank removal project.
2	Truck shop building	25,000	25,000	25,000	Place holder for unanticipated capital needs.
3	TS building and tip floor	50,000	200,000	50,000	Tip floor resurfacing. Place holder for unanticipated capital needs.
4	MRF building and tip floor	50,000	100,000	50,000	Tip floor resurfacing. Place holder for unanticipated capital needs.
5	Admin building	40,000	40,000	40,000	Place holder for unanticipated capital needs.
6	General site projects	100,000	100,000	100,000	Place holder for unanticipated capital needs.
7	MRF fire suppression	100,000	100,000	50,000	Place holder for unanticipated capital needs. The agency has an interest in implementing new fi
8	Storm water treatment	50,000	25,000	25,000	Compliance new SW regulations require treatment of site storm water prior to release.
9	MRF Wall extension	100,000			Extend height of existing MRF Pushwall
10	PRC Document shredder	150,000			New customer service feature at PRC
11	Electrical Engineering & Design	100,000			Power capacity Upgrade
12	Alt Fuels 1x Charger Installation	185,000			1 Charger for 2 pilot EV trucks to arrive Jan-2022, with future 2+ chargers, 4+ trucks planned'
13	CIP Projects (see detail below)	1,260,000	12,500,000	9,000,000	
14	Total Budget for Capital Projects	2,210,000	13,090,000	10,840,000	
FUNDING SOURCE					
15	Bond Project Fund	1,260,000	11,100,000	-	
16	Capital Reserve	950,000	1,990,000	10,840,000	
17	Total Funding Source	2,210,000	13,090,000	10,840,000	
CIP Project Detail					
		Year 1	Year 2	Year 3	
18	Organics 2 Energy Pilot	100,000			Equipment enhancements to O2E Pilot
19	Phase I MRF Upgrades				Project under design with planned BOD approval 2019 and start in 2020.
20	Phase II MRF Upgrades	1,100,000	5,000,000		Project to be designed after assessment of Phase I improvements and market conditions
21	Organics 2 Energy Full project	60,000	5,000,000	5,000,000	Project to be designed after assessment of Pilot O2E and market conditions
22	Underground fuel tank removal project			1,500,000	Existing UST tanks are single wall and need to be removed using Remediation Reserve.
23	New Fleet fueling system project			2,500,000	System design pending replacement collection fleet fuel decision.
24	Shoreway power supply system upgrade		2,500,000		
25		\$ 1,260,000	\$ 12,500,000	\$ 9,000,000	