



Review: Mid-Year 2024 Budget, Capital Plan & Reserves

June 27, 2023



A Public Agency

Revenue Sources

FY2024 REVENUE					
Revenue	FY2024 Adopted Budget	FY2024 Mid-Year Budget	Variance to 2024 Adopted Budget	Variance %	FY2025 Forecast Budget
Tip Fee Revenue	\$ 63,736,948	\$ 61,655,308	\$ (2,081,641)	-3%	\$ 68,205,444
<i>Non Franchised</i>	17,223,494	14,601,159	(2,622,335)	-15%	15,805,153
<i>Franchised</i>	46,513,455	47,054,149	540,694	1%	52,400,290
Net Commodity Sales Revenue	6,877,632	8,117,260	1,239,628	18%	8,117,260
Interest Income	560,000	1,160,000	600,000	107%	800,000
Other Revenue	17,842	17,842	-	0%	22,000
Total Revenue:	\$ 71,192,423	\$ 70,950,409	\$ (242,013)	0%	\$ 77,144,703

- Revenue
 - Decreased Self-Haul Volume
 - Increased Commodity Revenue
 - Increased Investment Income

Shoreway Operations Expense Projections

FY2024 SHOREWAY OPERATIONS EXPENSE DETAIL					
Expenditures	FY2024 Adopted Budget	FY2024 Mid-Year Budget	Variance to 2024 Adopted Budget	Variance %	FY2025 Forecast Budget
Shoreway Operations Compensation	\$ 31,639,040	\$ 31,189,220	\$ (449,820)	-1%	\$ 32,703,051
Disposal and Processing	25,819,957	26,095,427	275,470	1%	28,302,210
Property Insurance	3,224,850	3,224,850	-	0%	3,200,000
Education Center	75,000	75,000	-	0%	85,000
Credit Cards Charge	74,920	74,920	-	0%	121,000
Other Operating Expense	590,000	740,000	150,000	25%	595,000
Sewer Charge	107,651	107,651	-	0%	107,651
Shoreway Projects	410,000	310,000	(100,000)	-24%	410,000
Shoreway Operations:	\$ 61,941,418	\$ 61,817,069	\$ (124,349)	0%	\$ 65,523,912
Bond Interest Expense	2,105,500	2,105,500	-	0%	2,034,600
Franchise Fee (San Carlos)	3,035,153	2,936,026	(99,128)	-3%	3,247,943
Total Shoreway Operations	\$ 67,082,072	\$ 66,858,594	\$ (223,477)	0%	\$ 70,806,455

Financial Summary

FY2024 FINANCIAL SUMMARY					
Categories	FY2024 Adopted Budget	FY2024 Mid-Year Budget	Variance to 2024 Adopted Budget	Variance %	FY2025 Forecast Budget
Total Revenue	\$ 71,192,423	\$ 70,950,409	\$ (242,013)	0%	\$ 77,144,703
SBWMA Program	4,400,412	4,381,572	(18,840)	0%	4,385,291
SB 1383 Compliance	568,070	518,976	(49,094)	-9%	574,012
Shoreway Operations	61,941,418	61,817,069	(124,349)	0%	65,523,912
Total Operating Expense	\$ 66,909,900	\$ 66,717,617	\$ (192,283)	0%	\$ 70,483,216
Non-Operating Expense	5,140,653	5,041,526	(99,128)	-2%	5,282,543
Total Expense	\$ 72,050,554	\$ 71,759,143	\$ (291,411)	0%	\$ 75,765,759
Net Revenue and Expense	\$ (858,131)	\$ (808,733)	\$ 49,398	-6%	\$ 1,378,944
Capital Expenditures (from reserves)		(\$6,097,602)			
Debt Principal Pmt Current		(\$1,395,000)			
Change in Enterprise Fund Balance		(\$8,301,335)			

Key MY2024 Considerations:

- Negative Net Revenue and Expense
 - Use of Rate Stabilization Reserve (\$2.4M)
- Revenue
 - Decreased Self-Haul Volume
 - Increased Commodity Revenue
 - Increased Investment Income
- Disposal slight increase
 - Disposal and processing fees
 - Cylinder disposal
- Shoreway Operations decrease (Lower volume)
- Capital Expenditures
 - Misc. Projects (\$4.5M)
 - Underground Storage Tank (\$1.5M net of reserve)
- 2025 Tip Fee Increase to cover operating costs
 - 5% increase from deferral of 2024. 3% normal

Projected Reserve Balance

FY2024 BUDGET: RESERVE BALANCES			
	FY2024 Proposed Budget	MY2024 Budget Update	Variance to 2024 Adopted Budget
UNCOMMITTED RESERVE:			
RATE STABILIZATON	\$ 2,837,034	\$ 2,837,034	\$ -
EMERGENCY RESERVE	5,237,034	5,237,034	\$ -
SELF INSURANCE FUNDING ACCOUNT	694,875	694,875	\$ -
CAPITAL RESERVE	4,262,389	2,416,181	\$ (1,846,208)
UNDESIGNATED RESERVE			
TOTAL UNCOMMITTED RESERVES	\$ 13,031,332	\$ 11,185,124	\$ (1,846,208)
COMMITTED RESERVE			
EQUIPMENT REPLACEMENT (ANNUAL)	\$ 1,076,789	\$ 567,450	\$ (509,339)
TOTAL RESERVES	\$ 14,108,121	\$ 11,752,574	\$ (2,355,547)
SHOREWAY REMEDIATION (UST Project)	\$ -	\$ -	\$ -

Bond Project Fund is projected to be \$10.3 million at the close of 2024

CASH FLOW TO/FROM TOTAL RESERVE BAI	FY2024	MY2024
Enterprise Fund Beginning Balance	\$ 19,182,612	\$ 20,053,909
Operating Income	(858,131)	(808,733)
Underground Storage Tank (net of reserves)	(816,360)	(1,566,360)
MRF Equipment Replacement		(509,339)
1245 San Carlos Ave - Tenant Improvements		(1,654,500)
Capital Expense (from reserves)	(2,005,000)	(2,367,403)
Debt Principal Pmt Current	(1,395,000)	(1,395,000)
Enterprise Fund Ending Balance	\$ 14,108,121	\$ 11,752,574

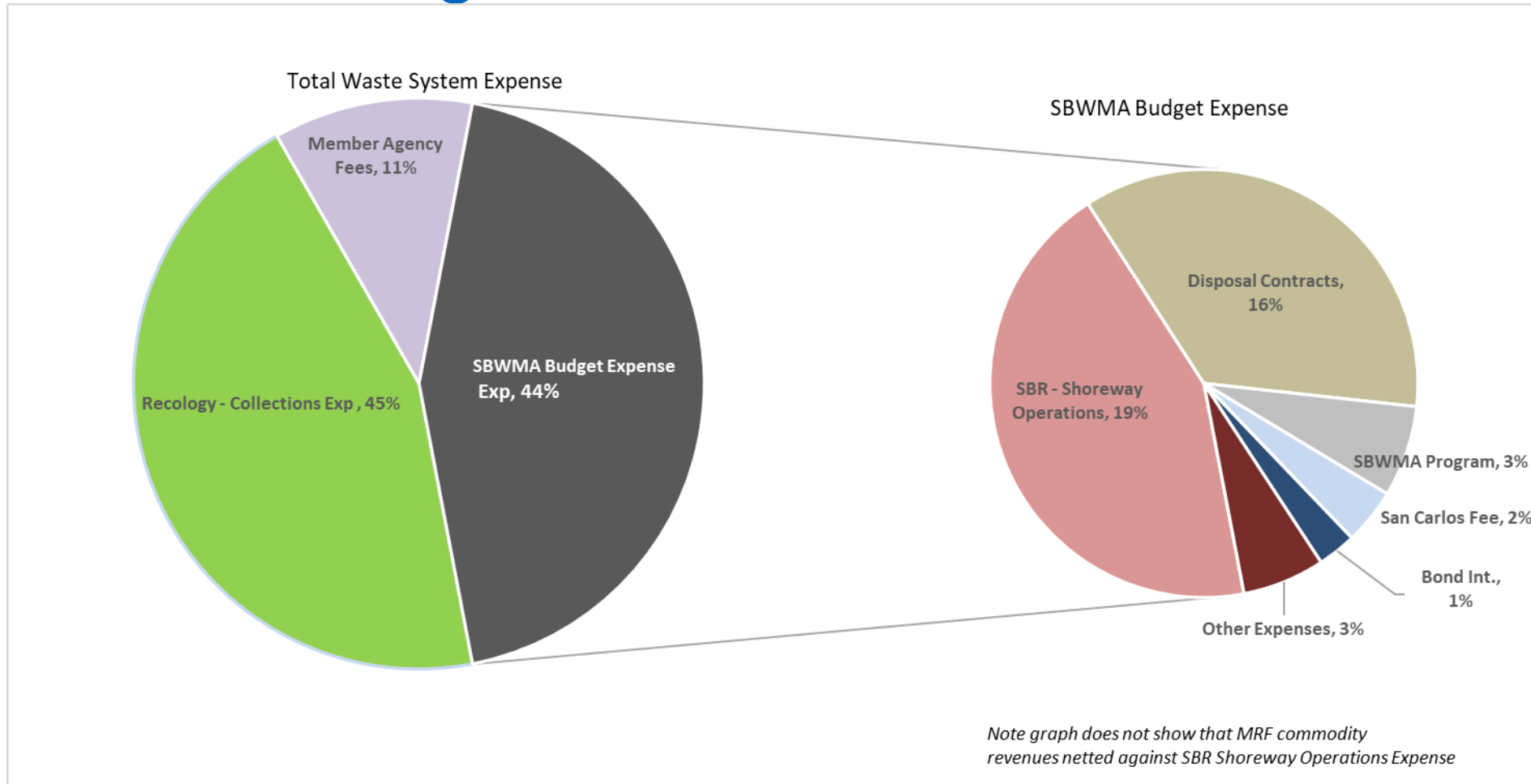
Tipping Fee Increases

FY 2024 - Proposed Tip Fee Adjustments							
	Actual	Actual	Actual	Proposed			
	1/1/2022	1/1/2023	1/1/2024	1/1/2025	25 vs 24 \$	25 vs 24 %	
Franchise Tip Fees / Ton					incr.	%	
Solid Waste	\$ 130.00	\$ 139.00	\$ 165.00	\$ 178.20	\$ 13.20	8.0%	
Green Waste	\$ 143.00	\$ 150.00	\$ 178.00	\$ 192.24	\$ 14.24	8.0%	
Food	\$ 144.00	\$ 150.00	\$ 178.00	\$ 192.24	\$ 14.24	8.0%	
3rd Party / Ton							
Solid Waste	\$ 135.00	\$ 150.00	\$ 179.00	\$ 187.50	\$ 8.50	4.7%	
Green Waste	\$ 143.00	\$ 150.00	\$ 187.00	\$ 196.50	\$ 9.50	5.1%	
Food	\$ 144.00	\$ 152.00	\$ 187.00	\$ 196.50	\$ 9.50	5.1%	
C&D	\$ 130.00	\$ 142.00	\$ 177.00	\$ 186.00	\$ 9.00	5.1%	
Asphalt Roofing	\$ 131.00	\$ 136.00	\$ 170.00	\$ 178.50	\$ 8.50	5.0%	
Public Dirt /Ton	\$ 119.00	\$ 123.00	\$ 153.75	\$ 161.40	\$ 7.65	5.0%	
Public Tip Fees / Yd	1/1/2022	1/1/2023	1/1/2024		25 vs 24 \$	25 vs 24 %	
Solid Waste	\$ 49.00	\$ 54.00	\$ 67.50	\$ 68.00	\$ 0.50	0.7%	
Green Waste	\$ 50.00	\$ 50.00	\$ 62.50	\$ 62.50	\$ -	0.0%	
C&D	\$ 49.00	\$ 52.00	\$ 65.00	\$ 65.00	\$ -	0.0%	

Capital Improvement Plan: Shoreway Site

Shoreway Capital Projects Draft Budget 2024 - 2028					
Line	Project Manager	2023	Year 1	Year 1	
			Adopted Budget 2024	Mid-Year Update 2024	
FUNDS FOR UNANTICIPATED PROJECTS					
2	Truck Shop Building	25,000	25,000	8,524	
3	Transfer Station Building	50,000	50,000	147,689	
4	MRF Building	50,000	100,000	509,339	
5	Administrative Building	40,000	40,000	97,463	
6	General Site Projects	100,000	100,000	144,711	
OPERATIONS CONTRACT TRANSITION					
8	Parts Storage and Shelving		50,000	1,871	
9	MRF Sort System Assessment and Transition		100,000	251,797	
10	Baler Refurbishment	65,000	65,000	93,705	
11	Site Pavement and Curb Repair		65,000	-	
12	Replace Shoreway Camera System		100,000	55,000	
RECOLOGY					
14	Parts Storage		50,000	610	
15	Dispatch Office Refurbishment	75,000		150,000	
16	HVAC system replacement at Administration building	75,000		75,000	
UST REPLACEMENT PROJECT					
18	UST Soil and Ground Water Testing	40,000		25,000	
19	UST Design/Bid support/CM services	50,000	50,000	275,000	
20	UST Construction Install		2,000,000	2,500,000	
TRANSFER STATION					
22	Floor Repair		400,000	300,000	
23	O2E System Equipment			-	
24	333 Shoreway Electrical Upgrades for New Evs			-	
MRF					
26	MRF Fire Suppression Deluge System		400,000	625,000	
27	Material Handler Install		750,000	750,000	
28	Phase II MRF Equipment - Container Sort System Replacement		3,500,000	2,000,000	
29	Phase II MRF Equipment - Residue Recovery System			-	
	Phase II MRF Equipment - Fiber High-grading Sort System			-	
30	Baler Replacement			-	
31	Storage Area (by scalehouse) paving, fencing.		180,000	-	
SHOREWAY BUILDINGS & SITE WORK					
33	Ventilation for MRF PV electrical room		45,000	9,361	
34	Tunnel Pump and Truck Wash Replacement			50,988	
35	Site Paving and Striping			1,219	
OTHER					
37	Refresh Site Signage	75,000	75,000	120,000	
38	Refurbishment of Landscape and Outdoor Ed Area	20,000	40,000	40,000	
39	Scalehouse Refurbishment		50,000	64,465	
40	MRF Office Refurbishment				
41	Site Optimization Planning Construction		TBD	20,000	
42	ZEV Charging Infrastructure (2023 planning/engineering)	180,000	110,000	110,000	
TOTAL CAPITAL ITEMS			\$ 847,023	\$ 8,345,000	\$ 8,426,742

SBWMA Budget Allocation



The SBWMA total system revenue is approximately \$164 million



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