



2018 Recology San Mateo County Compensation Adjustment Application



A Public Agency

TAC Meeting
September 14, 2017

Recology Compensation Adjustment Application

Table 1

Total Contractor's Compensation	Recology Compensation			
	2017 Cost	2018 Cost	Change	%
Base Compensation	\$ 56,187,035	\$ 56,793,053	\$ 606,018	1.1%
Incentives / Disincentives	(14,802)	113,799	128,600	868.8%
Total Contractor's Compensation	\$ 56,172,233	\$ 56,906,852	\$ 734,618	1.3%

Processes Followed In Completing SBWMA Final Report

Date	Processes
15-Feb	Recology & SBR issued their "Annual Reports".
31-Mar	Recology issued the "2016 Revenue Reconciliation".
1-Apr	R3 conducted audits to both Annual & Financial Reports.
1-Jun	SBWMA emailed letters to all Member Agencies to provide the "2018 Estimated Franchise Fees".
15-Jun	<ol style="list-style-type: none"> 1. Recology & SBR submitted their "2018 Annual Compensation Adjustment Applications". 2. SBWMA started auditing the financial "Compensation Adjustments Applications" for Recology & SBR.
29-Jun	Member Agencies and SBWMA comments were sent to Recology & SBR.
20-Jul	SBWMA issued the revenues, disposal and franchise fees projections for 2017 & 2018.
21-Jul	<ol style="list-style-type: none"> 1. SBWMA issued the "Cart Migration" & "Cost vs. Rate" analysis. 2. Recology issued revised "2018 Compensation Adjustment Application".
11-Aug	SBWMA staff & HF&H Consultants issued to Member Agencies draft report reviewing the "2018 Compensation Adjustment Application".
5-Sep	Recology submitted another revised "Compensation Adjustment Application"
14-Sep	SBWMA staff & HF&H Consultants prepared presentation to TAC including Final Table 8 "Total Collection Rate Adjustment By Member Agency".
21-Sep	Final Reports for Recology & SBR are to be issued to the Board by SBWMA staff & HF&H Consultants.
28-Sep	Board consideration of Final SBWMA Report and 2018 Recology & SBR Compensations.

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Table 8

SBWMA									
TOTAL COLLECTION RATE ADJUSTMENT BY MEMBER AGENCY									
as of 09/21/2017		2018 Rate Year							
	Total	Atherton	Belmont	Burlingame	East Palo Alto	Foster City	Hillsborough	Menlo Park	
C. 2018 REQUIRED REVENUE ADJUSTMENT									
C.1	Cumulative Revenue Requirement (A.7-A.9-B.3-B.4)	\$102,558,909	\$2,737,135	\$7,933,366	\$11,194,188	\$4,811,527	\$5,557,842	\$2,446,790	\$11,202,757
C.2	Subtotal Surplus/(Shortfall) (A.1 - C.1)	(\$3,002,881)	\$387,463	(\$1,677,262)	(\$453,487)	(\$246,767)	(\$157,093)	\$557,634	(\$288,428)
C.3	Rate Adjustment Percentage (C.2 / A.1)	3.0%	-12.4%	26.8%	4.2%	5.4%	2.9%	-18.6%	2.6%
D. 2017 Estimated Surplus/(Shortfall)									
D.1	Surplus/(Shortfall), 2017 estimated	(\$686,574)	\$339,093	(\$590,765)	(\$138,932)	(\$172,236)	(\$118,835)	\$18,978	\$59,084
D.2	Adjusted Surplus/(Shortfall) 2015 FINAL (incl. Interest)	(\$83,648)		(\$1,146,288)	(\$5,222)	(\$3,928)	\$90,181	\$505,776	(\$93,842)
D.3	Net Estimated 2017 Revenue Reconciliation	(\$770,222)	\$339,093	(\$1,737,053)	(\$144,154)	(\$176,164)	(\$28,654)	\$524,754	(\$34,758)
D.4	Agency Fees on D.3 Estimated Shortfall	(\$494,569)		(\$451,634)	(\$20,182)	(\$16,802)	(\$1,433)		(\$4,518)
D.5	Rate Adjustment Percentage (Associated with 2017 Estimated Surplus/Shortfall)	1.3%	-10.9%	35.0%	1.5%	4.2%	0.6%	-17.5%	0.4%
E. Adjustments									
E.1	Miscellaneous Adjustment/Payment	(\$3,865,950)		(\$3,865,950)					
F. TOTAL RATE IMPACT									
F.1	Cumulative Revenue Requirement (C.1-D.3-D.4+E.1)	\$99,957,750	\$2,398,042	\$6,256,103	\$11,358,524	\$5,004,493	\$5,587,930	\$1,922,037	\$11,242,033
F.2	Total Surplus/(Shortfall) (A.1 - F.1)	(\$401,722)	\$726,556	\$0	(\$617,823)	(\$439,733)	(\$187,180)	\$1,082,387	(\$327,704)
F.3	Total Rate Adjustment Percentage (F.2 / A.1)	0.4%	-23.3%	0.0%	5.8%	9.6%	3.5%	-36.0%	3.0%

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SBWMA							
TOTAL COLLECTION RATE ADJUSTMENT BY MEMBER AGENCY							
as of 09/21/2017			2018 Rate Year				
	North Fair Oaks	Redwood City	San Carlos	San Mateo	West Bay	Unincorporated County - Total	
C. 2018 REQUIRED REVENUE ADJUSTMENT							
C.1	Cumulative Revenue Requirement (A.7-A.9-B.3-B.4)	\$2,643,180	\$18,470,258	\$8,009,327	\$22,787,667	\$1,502,329	\$3,262,540
C.2	Subtotal Surplus/(Shortfall) (A.1 - C.1)	\$156,199	(\$412,098)	\$205,415	(\$1,136,590)	\$10,878	\$51,256
C.3	Rate Adjustment Percentage (C.2 / A.1)	-5.6%	2.3%	-2.5%	5.2%	-0.7%	-1.5%
D. 2017 Estimated Surplus/(Shortfall)							
D.1	Surplus/(Shortfall), 2017 estimated	\$15,730	(\$215,341)	(\$48,479)	(\$34,464)	\$55,935	\$143,658
D.2	Adjusted Surplus/(Shortfall) 2015 FINAL (incl. Interest)	(\$10,259)	\$217,044	\$101,381	\$50,651		\$210,858
D.3	Net Estimated 2017 Revenue Reconciliation	\$5,471	\$1,703	\$52,902	\$16,187	\$55,935	\$354,516
D.4	Agency Fees on D.3 Estimated Shortfall						
D.5	Rate Adjustment Percentage (Associated with 2017 Estimated Surplus/Shortfall)	-0.2%	0.0%	-0.6%	-0.1%	-3.7%	-10.7%
E. Adjustments							
E.1	Miscellaneous Adjustment/Payment						
F. TOTAL RATE IMPACT							
F.1	Cumulative Revenue Requirement (C+D)	\$2,637,710	\$18,468,555	\$7,956,425	\$22,771,481	\$1,446,394	\$2,908,024
F.2	Total Surplus/(Shortfall) (A1 - F1)	\$161,669	(\$410,395)	\$258,317	(\$1,120,403)	\$66,813	\$405,772
F.3	Total Rate Adjustment Percentage (E2 / A1)	-5.8%	2.3%	-3.1%	5.2%	-4.4%	-12.2%