



STAFF REPORT

To: SBWMA Board Members
From: Kevin McCarthy, Executive Director
Marshall Moran, Finance Manager
Date: June 23, 2011 Board of Director's Meeting
Subject: Resolution Adopting FY 2012 Budget

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2011-12 attached hereto authorizing the following action:

Adoption of the Fiscal Year (FY) 2012 Budget.

If the Board decides to not approve the budget a budget continuation resolution is also attached.

Analysis

Attached you will find a Budget Message providing an overview of the proposed FY 2012 budget (including revenues, expenditures, staffing, and program priorities). The actual proposed FY 2012 budget is **Attachment A** to the Budget Message. A proposed two year capital budget is included in this budget along with reserve balance projections.

All proposed expenditures are in alignment with the Board approved (on 3/27/08) **Strategic Plan 2008-2012** (see **Attachment B** to the Budget Message) and reflect the ongoing JPA obligations captured in the twelve Member Agency franchise agreements, Shoreway Operations Agreement and JPA Agreement. One new programmatic area detailed in the budget relates to staffing support for the Shoreway Environmental Education Center tour program. Further rationale for this program is detailed in **Attachment C** to the Budget Message.

Our financial results are expected to be substantially improved in FY 2012 as compared to FY 2011 for several reasons as follows:

- Continued higher than expected commodity revenues due to pricing.
- Lower Shoreway operating expenses with the new Operations Agreement starting January 1, 2011; expenses are **10.6% lower** as compared to our mid year projections for FY 2011.
- Completion of masterplan construction activities resulting in the cessation of interim operations, notably the offsite processing of recyclables.
- Lower SBWMA program expenses due to the elimination of one-time expenses (e.g., the public education outreach campaign for the rollout of new collection services); program expenses are **13.3% lower** as compared to our mid year projections for FY 2011.

The proposed budget does not include any recommended changes to budget policy. A small reduction in total headcount is recommended as reflected in **Attachment D** to the Budget Message. We are proposing to combine two hourly administrative positions, thus eliminating one FTE, and create one new part-time (32 hours per week) salaried position to manage the Shoreway Environmental Education Center tour program; the net effect is a small change to total headcount from 8 currently to 7.8. Attachment D to the Budget Message provides a breakout on staffing and

budget assumptions related to salary and benefits. Salary expenses were previously reviewed by the Board in closed session at the May 26th Board meeting.

Capital

The Shoreway Master Plan capital project is expected to be completed in FY 2012. There is no change to the total cost of the Master Plan project at \$46.972 million.

Non-Master Plan capital projects total \$927,000 and include: Transfer Station floor repair \$150,000, truck wash roof repair \$75,000, site paving repairs and restriping \$75,000, outside lighting repairs and replacement \$75,000, solar installation engineering \$50,000 and other projects listed in the budget detail document.

Reserves Balances

The reserve balance year end projections are shown below for FY 2011 and 2012.

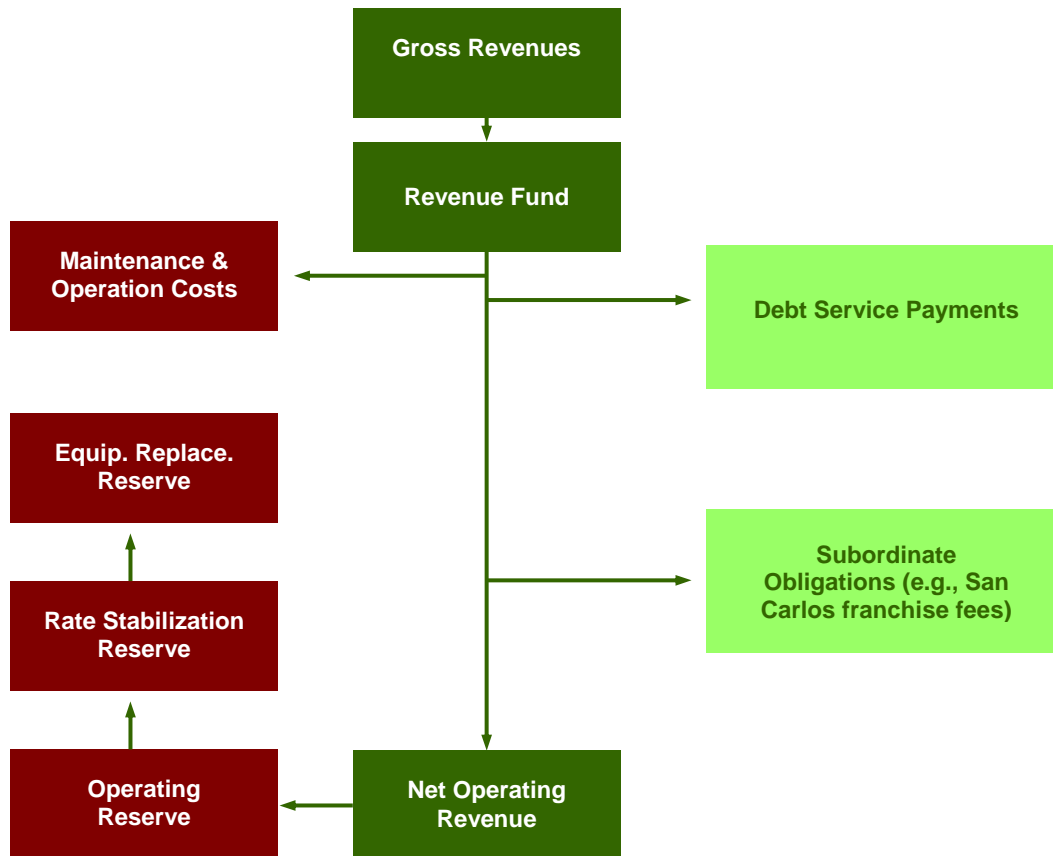
Reserve Balances (Year End Balance)		
<u>Reserve Category</u>	<u>Projected FY 2011 Budget</u>	<u>Proposed FY 2012 Budget</u>
Operating (10% of Ops. Expense)	\$4,079,083	\$3,649,065
Rate Stabilization (10% of Ops. Expense)	\$2,247,897	\$3,649,065
Equipment Replacement (12 year amortization)*		\$612,500
Facilities Improvements**		
Undesignated		
Total Unrestricted General Reserves	\$6,326,980	\$7,910,630
Master Plan Internal Spending	\$1,593,136	
Bond Principal Payment Fund		\$912,500
Burlingame Bond Repayment Fund***		\$218,801
Total General Reserves	\$7,920,116	\$9,041,931
* Assumed in bond proforma to be funded starting in calendar 2012.		
** Discontinued in FY 2010 per Board policy.		
*** Not a dedicated reserve fund per our cash reserve policy.		

The FY 2012 budgeted reserve balances reflect improving operating cash flows from higher tipping fees, higher commodity revenue, and lower operating expenses. We are pleased to report that the Operating Reserve, Rate Stabilization Reserve and Equipment Replacement Reserve will be fully funded. In addition, no revenue transfer is expected to be needed to meet the bond covenants for FY 2012.

The Board adopted a revised Unrestricted Cash Reserve Policy on October 22, 2009 as follows:

- Operating Reserve funded up to a maximum of 10% of operating expenses (budget)
- Rate Stabilization Reserve funded up to a maximum of 10% of operating expenses (budget)
- Equipment Replacement Reserve funded per a 12-year replacement schedule for the new MRF processing equipment.

After meeting all debt service obligations, these reserves are to be funded in the order shown above. For example, once the Operating Reserve is funded up to the maximum level, then net operating cash flows would flow into the Rate Stabilization Reserve fund, and then into the Equipment Replacement reserve. Once maximum fund levels are reached for each of the three reserve accounts, then surplus cash would be available as undesignated (unallocated) cash reserves. This cash flow is shown in the diagram on the next page.



Background

A draft budget for FY 2012 was reviewed and discussed at the May 26, 2011 Board meeting resulting in a few changes as captured in the final proposed FY 2012 budget as attached.

Per Board feedback, staff revised tipping fee assumptions to reflect the direction that tipping fees should be raised or lowered as appropriate to bring them more in line with actual expenses. This direction resulted in the following revised assumptions for tipping fee adjustments for January 1, 2012:

- No increase in franchise solid waste rates; they remain at \$90.00 per ton instead of the \$92.50 in the draft May 2011 budget.
- Increase franchise residential organics rate from \$79.00 per ton to \$89.00 per ton
- Establish new franchise commercial food waste rate at \$101.00 per ton
- Consideration to lower public yardage rates; see Agenda item 6A.

The above changes, exclusive of any changes to public rates, result in projected tipping fee revenues of \$28,972,200 which is \$58,600 lower than the draft May 26th budget assumptions. These rates are for budget purposes only; typically, the Board considers and approves calendar year tipping fee adjustments at its November Board meeting.

Per Board direction, an adhoc Public Education Committee (Laura Galli/Foster City, Lillian Clark/County of San Mateo, Rebecca Fotu/Menlo Park, and Roxanne Murray/San Mateo) met on June 2nd with SBWMA staff to review the proposed line item expenses related to residential and commercial recycling programs and outreach. Per the

committee recommendations, staff made one change in expense noted below and additional programmatic guidance as follows:

- **Residential newsletter** – continue to send by direct mail, but use FY 2012 as a bridging year to move more people to electronic versions of the newsletter and evaluate effectiveness. Look for opportunities that would allow the newsletter to be included with a Member Agency mailer (such as Prop 218 notices) to save on postage, with the understanding that if such an avenue was selected, the content of the newsletter would need to be generic/not time sensitive.
- **Residential Outreach Programs** - \$140K of the \$166K budget is contingent on outreach campaigns to be determined throughout the upcoming year. The funds will be spent as needed, based on those outreach efforts deemed appropriate. The remaining \$26K has been earmarked for Earth Day Activities, Green Lifestyle Contest and Schools Recycling Support, again to be spent as needed.
- **HHW Door-to-Door Collection Program** – This was reduced to \$85K (presented as \$100K during the May Board meeting.) This includes start-up outreach for Member Agencies Atherton, Redwood City and County of San Mateo if they join the program (Burlingame was removed, resulting in the reduction to \$85K); and on-going promotion of the program for participants. If the three Member Agencies that may be interested do not join the program, there would only be reduced costs for on-going promotion of the program for existing Member Agencies, and the budget would be adjusted accordingly during the Mid-Year process.
- **Commercial Recycling Technical Assistance** – This includes \$20K each for a Recology Commercial Accounts Audit to develop a baseline data for three-year requirements and a Commercial Waste Characterization Study for a comparison of 2008 baseline data; \$40K for anti-scavenging research and ordinance development; and \$160K for Commercial Recycling Outreach Communications Plan. Like the Residential Outreach Programs budget, the \$160K will be spent as needed based on those outreach efforts deemed appropriate.

There were other minor budget line item adjustments as noted in highlighted cells in **Attachment A**.

Fiscal Impact

The FY 2012 proposed operating budget includes revenues of \$40,132,600 and operating expenses of \$36,490,650 resulting in an operating surplus of \$3,641,950. This compares to a projected net operating income in FY 2011 of \$270,695. The major explanations for the \$3,371,255 improvement are:

- Lower Shoreway operating expense of \$3,947,384; this is net after payments for the Allied balancing account of \$1,109,500 for half of final 2009 and half of estimated 2010.
- Lower SBWMA program budget of \$392,800

The improvements above are partially offset by:

- Lower revenue of \$928,929

For additional financial overview information, please refer to the attached Budget Message and/or the various summary sections in the attached proposed budget document.

Attachments:

Resolution 2011-12

- A. Budget Message (includes attachments for the Proposed FY 2012 Budget, Shoreway Environmental Education Center, Strategic Plan 2008-2012, Personnel Summary, and Organization Chart).



RESOLUTION NO. 2011-12

RESOLUTION OF THE SOUTH BAYSIDE WASTE
MANAGEMENT AUTHORITY BOARD OF DIRECTORS
ADOPTING THE FY 2012 BUDGET

WHEREAS, the South Bayside Waste Management Authority (SBWMA) proposed budget as presented is balanced and provided sufficient funds for normal operations.

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the South Bayside Waste Management Authority that the Board adopts the FY 2012 budget.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this 23rd day of June, 2011, by the following vote:

<u>Agency</u>	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>	<u>Agency</u>	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Atherton					Menlo Park				
Belmont					Redwood City				
Burlingame					San Carlos				
East Palo Alto					San Mateo				
Foster City					County of San Mateo				
Hillsborough					West Bay Sanitary District				

I HEREBY CERTIFY that the foregoing Resolution No. 2011-12 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on June 23rd, 2011.

ATTEST:

Brian Moura, Chairperson of SBWMA

Cyndi Urman, Acting Board Secretary



RESOLUTION NO. 2011-13

**RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
BOARD OF DIRECTORS GRANTING AUTHORITY FOR CONTINUED
APPROPRIATIONS AND EXPENDITURES FOR SIXTY (60) DAYS**

WHEREAS, the South Bayside Waste Management Authority (SBWMA) is on a fiscal year July 1 - June 30th; and

WHEREAS a budget for FY 2012 will not be ready for review and approval by the Board of Directors until after the start of the 2012 fiscal year; and

WHEREAS, there is a continued need to conduct business by the SBWMA after the start of the 2012 fiscal year.

THEREFORE, BE IT RESOLVED, that the Board grants the Executive Director continued authority for appropriations and expenditures at the current level for the first sixty (60) days of the 2012 fiscal year of the SBWMA.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this 23rd day of June, 2011, by the following vote:

<u>Agency</u>	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>	<u>Agency</u>	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Atherton					Menlo Park				
Belmont					Redwood City				
Burlingame					San Carlos				
East Palo Alto					San Mateo				
Foster City					County of San Mateo				
Hillsborough					West Bay Sanitary District				

I HEREBY CERTIFY that the foregoing Resolution No. 2011-13 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on June 23rd, 2011.

ATTEST:

Brian Moura, Chairperson of SBWMA

Cyndi Urman, Acting Board Secretary



June 16, 2011

SBWMA Board of Directors
South Bayside Waste Management Authority

Dear Chair and Members of the Board:

I am pleased to present for your consideration the proposed fiscal year (FY) 2012 Operating Budget (see **Attachment A**) for the South Bayside Waste Management Authority (SBWMA). The operating budget includes revenues and expenditures, including the SBWMA program budget and the Shoreway operating budget. The budget document also includes a proposed two year capital budget and cash reserve balances.

This budget document addresses key agency priorities and reflects our vision as detailed in our Strategic Plan approved on March 27, 2008 (see **Attachment B**). Program expenditures are also tied substantially to our ongoing responsibilities per the twelve franchise agreements and the Shoreway Operations Agreement. **Attachment C** provides background information and rationale for our one new proposed program, the Shoreway Environmental Education Center tour program primarily for school children.

This budget reflects the culmination of the five plus year contractor selection process for rollout of new franchised collection services and new Shoreway operations, and final completion of the Shoreway master planning process initiated in 2006. Notably, with completion of the Shoreway facility masterplan improvements we will now begin to realize the projected cost savings anticipated when the Board approved the sale of bonds in the summer of 2009. Shoreway operating expenses will be further reduced in FY 2013 as we will only have half of the 2010 Allied balancing account to pay off and no interim operations expenses.

As in the past four budgets developed during my tenure, all budget line items have been built from the bottom up; we zero out each line item and rebuild the detail. This approach allows for a more thorough analysis of budget priorities and helps avoid any unnecessary cost inflationary pressures year over year. We also are able to modulate up or down the consultant support we need each year for major projects such as supporting the rollout of new collection services and the switch-over to a new Shoreway facility operator. Such an approach explains why our proposed program budget is \$464,400 or 13.3% lower than our projected FY 2011 budget.

Attachment D provides a breakout on current staffing, and budget assumptions related to salary and benefits.

Key Priorities

The proposed budget funds the following key priorities:

- Continued oversight and contract administration support for the twelve Member Agency collection services franchise agreements with Recology San Mateo County (RSMC).
- Continued oversight of the South Bay Recycling (SBR) Shoreway operations.
- Management of the Shoreway masterplan construction activities with key milestones including completion of the Transfer Station expansion, installation of residue conveyor between the MRF and Transfer Station buildings, Shoreway Environmental Education Center, solar panel installation on the MRF building roof, facility parking, landscaping and signage, and public demonstration areas in front of the Transfer Station.
- Management of the annual rate setting process, including review of 2012 RSMC and SBR rate applications, review of Allied Waste 2010 rate closeout applications, and completion of final rate reports (Allied for 2010, RSMC, SBR and consolidated report) for 2012.

- Management of the Shoreway Environmental Education Center tour program with trained staff leading tours with tour participants engaging museum quality exhibits with state standard compliant learning activities, and viewing transfer station and MRF operations.
- Support of existing recycling programs, notably ongoing residential public outreach; launch of a commercial recycling outreach campaign; seasonal events such as e-waste collection, venue and events recycling support, and compost give-away days; and oversight of the HHW door to door collection services for eight Member Agencies.
- Management of all ongoing capital repairs at Shoreway.
- Oversight of Shoreway remediation activities.
- Assessment of alternatives to upgrade the Shoreway fueling system.
- Evaluation of additional diversion opportunities in the Transfer Station.

FY 2012 BUDGET HIGHLIGHTS (Revenues and Expenditures)

The table below summarizes key FY 2012 Budget highlights. A discussion on revenues and expenditures is provided later in this document.

FY 2012 OPERATING BUDGET HIGHLIGHTS
<p><i>Overall Revenues Totaling \$40.13 million</i></p> <ul style="list-style-type: none"> • \$28.97 million from Shoreway tipping fees, assumes tipping fee increases on Jan. 1st per the schedule shown on p. 9. • \$10.57 million from Shoreway net commodity revenues (\$11.796 in gross revenue minus \$1.23 million in commodity revenue share with SBR). • \$0.48 million dedicated revenue sources (i.e., HHW program fees, e-recycling revenue) and \$0.11 million in investment income.
<p><i>Shoreway Expenditures Totaling \$33 million</i></p> <ul style="list-style-type: none"> • Shoreway Operating Budget consisting of \$13.57 million for SBR compensation, \$12.1 million for disposal costs, \$3.18 million for debt service bond interest, \$1.38 million for franchise fees to San Carlos, \$1.1 million for payments to buyback customers (previously included in Allied Waste pass through costs), \$1.1 million for Allied Waste balancing account payments, \$0.29 million for other operating expenses, and \$0.28 million for insurance expenses.
<p><i>SBWMA Expenditures (program budget) Totaling \$3.49 million</i></p> <ul style="list-style-type: none"> • <i>Administrative Expenses (\$1.58 million, 45% of SBWMA program budget)</i> <ul style="list-style-type: none"> • Slight reduction in net headcount. Eliminating one position and adding one new part-time position. • \$33,900 decrease in expenses compared to FY 2011. • <i>Contract Compliance and Consultant Support for Member Agencies (\$0.375 million, 10% of SBWMA program budget)</i> <ul style="list-style-type: none"> • Substantial reduction in consultant's rate review expense from \$180,000 in FY2011 to \$30,000 in FY2012 due to completion of Allied Waste closeout rate work and new contracts' rate review to be done in-house. • \$165,000 for auditing of new customer service systems, billing, and reports and related contract compliance support. • \$120,000 for quarterly load contamination monitoring per the franchise agreements. • <i>Recycling (diversion) Programs and Long Range Planning (\$1.07 million, 31% of SBWMA program budget)</i> <ul style="list-style-type: none"> • \$300,000 for commercial recycling technical assistance. • \$250,000 for quarterly newsletter design, set-up and distribution. • \$166,000 for residential outreach programs. • \$85,000 for outreach to support current HHW door to door collection programs. • \$35,000 for supporting enhancement of Member Agency C&D ordinances. • \$50,000 for long range plan alternative analysis, including transfer station waste comp. study and mixed waste processing options. • <i>Collection Operations (\$0.47 million, 13% of SBWMA program budget)</i> <ul style="list-style-type: none"> • \$408,600 for HHW door to door collection services fees for existing programs (see offsetting revenue account). • \$60,000 for curbside household battery recycling services.

FY 2011 FINANCIAL PERFORMANCE

Based on the Board approved mid-year financial projections we expect our financial performance in FY 2011 to be as follows:

Revenues:	\$41,061,529
Expenditures:	\$40,790,834
Operating Surplus/(Deficit)	\$270,695

FISCAL YEAR 2012 BUDGET OVERVIEW

The FY 2012 operating budget includes revenues of \$40.13 million and operating expenses of \$36.49 million leaving a \$3.6 million surplus for FY 2012.

SBWMA GENERAL OPERATING BUDGET (in millions of dollars)			
	<u>FY2011 Adopted</u>	<u>FY2011 Mid Year</u>	<u>FY2012 Proposed Budget</u>
Revenues	41.49	41.06	40.13
Expenditures	40.91	40.79	36.49
Shoreway Operations	36.77*	37.6**	33.0***
Administration	1.63	1.62	1.58
Contract Compliance	1.2	1.1	0.37
Recycling Programs	0.95	0.79	1.07
Collection Operations	0.36	0.40	0.47
Operating Surplus/(Deficit)	0.58	0.27	3.64
*Includes \$3.54 million for offsite MRF processing costs.			
**Includes \$4.37 million for offsite MRF processing costs.			
***Includes \$0 for offsite MRF processing costs			
Debt service expense is also included in Shoreway Operations expenditures.			

REVENUES

Revenues for FY 2012 are expected to be slightly lower due to lower tipping fee revenues (due to reduced volumes and no franchise solid waste rate increase), and the reduction of retained commodity revenues due to the initiation of commodity revenue sharing with SBR.

Our assumed solid waste tipping fee increases do not assume any change in the County's AB 939 fee (disposal surcharge) at Ox Mountain Landfill.

Proposed tipping fee adjustments effective January 1, 2012 are shown in the table below. These proposed tipping fees have been adjusted based on Board Member feedback at the May 26th Board meeting. No change is proposed to franchise solid waste, but substantial increases are proposed for franchise residential organics and commercial food waste so tip fees cover actual expenses. Agenda item 6A addresses potential reductions in public rates.

PROPOSED TIPPING FEES PER TON OR CUBIC YARD		
Transfer Station Tip Fee Increases	Current Rates	Proposed Rates (1/1/12)
SBWMA Solid Waste, <i>Franchise</i>	\$90.00 per ton	No change
SBWMA Residential Organics, <i>Franchise</i>	\$79.00 per ton	\$89.00 per ton
SBWMA Commercial Food Waste, <i>Franchise</i>		\$101.00 per ton
Non-SBWMA Weighed Tons <i>non-Franchise</i>	\$90.00 per ton	No change
Public Solid Waste Yards, <i>non-Franchise</i>	\$40.00 per yard	No change
Construction and Demolition, <i>non-Franchise</i>	\$29.00 per yard	No change
Public Green Waste Yards, <i>non-Franchise</i>	\$29.00 per yard	No change

Tip fee revenue is budgeted to decreased \$0.47 million or 1.6% over FY 2011 levels. Actual price increases will generate \$1.774 million in revenue but this is offset from lower tonnages which will decrease revenues by \$2.24 million.

Gross (before commodity revenue sharing) commodity revenues are projected to increase by \$862,506 from FY 2011 levels.

Tip Fees

A major source of revenue for the SBWMA is the revenue collected from solid waste delivered to the Shoreway facility which are consolidated and then transferred to disposal or processing sites. For the FY 2012 budget, tip fee revenue is projected to be approximately \$28.97 million.

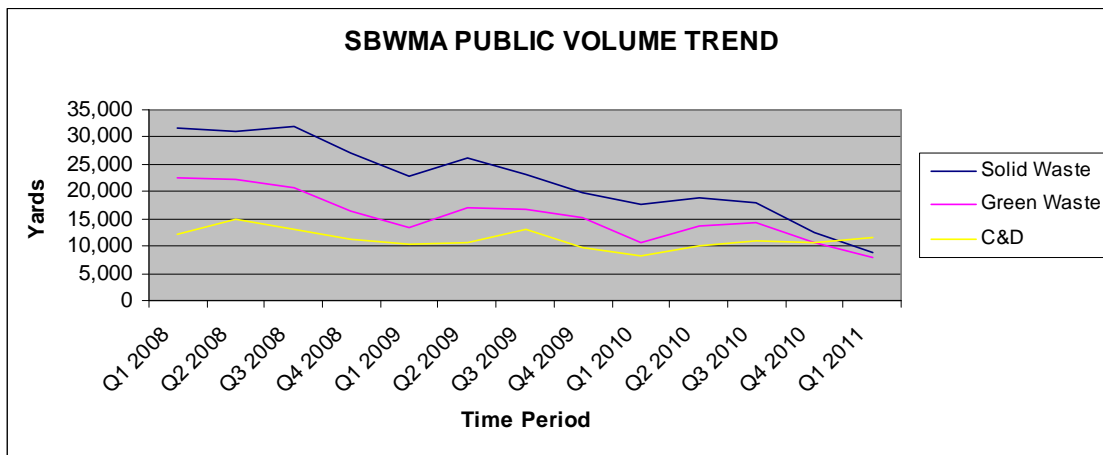
The table below summarizes the projected source and percentage of the tip fee revenue at the Shoreway facility for the FY2012.

<u>Revenue Source</u>	<u>Amount (in millions)</u>	<u>% of Total</u>
SBWMA – Solid Waste	\$16.5	57%
SBWMA – Organics	\$8.1	28%
Miscellaneous Weighed Tons	\$0.3	1%
Public Solid Waste Yards	\$1.5	5%
Public Green Waste Yards	\$1.1	4%
Public – C&D, Other	\$1.54	5%
Total	\$29.0	100.00%

It's important to note that public volumes for solid waste and green waste have continued a precipitous decline due to the current economic contraction and our substantial increase in yardage rates over the past three years. Ongoing Shoreway construction activities may also be a contributing factor. The table below shows the annual yardage for 2007-2010 and the first quarter 2011 volumes.

	<u>Total 2007</u>	<u>Total 2008</u>	<u>Total 2009</u>	<u>Total 2010</u>	<u>Q1 2011</u>
Total Public Yardage					
Solid Waste	152,580	121,833	91,928	67,053	8,822
Green Waste	98,115	82,152	62,254	49,395	7,816
C&D	55,695	51,249	43,651	40,126	11,716

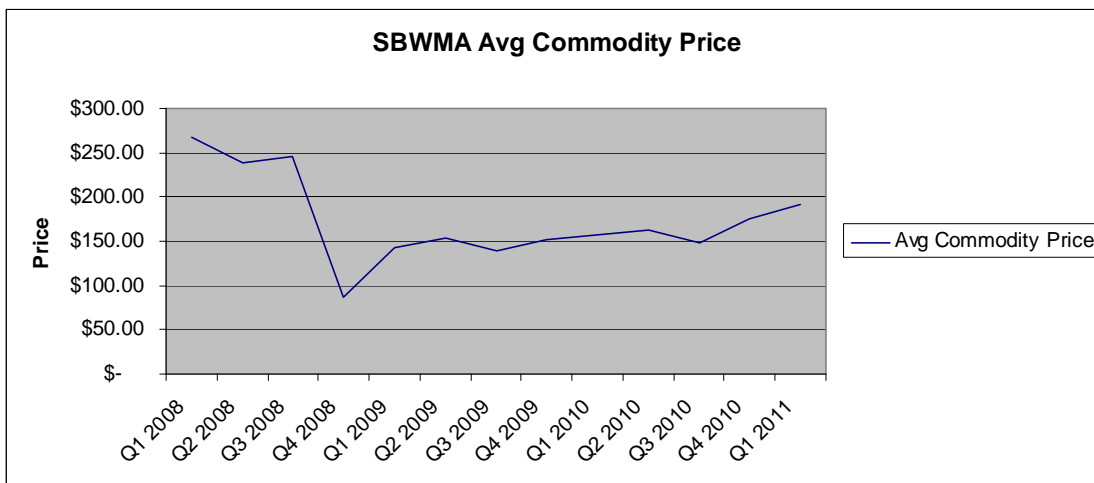
These trends are also captured in the chart on the next page for the 2008 thru 1st quarter 2011 period.



Based on these trends and reflective of the Board feedback on tipping fees being in closer alignment with actual costs, staff is proposing reductions in public yardage rates for solid waste and green waste as reflected in the staff report for agenda item 6A. As noted earlier, though, no such reductions are assumed in the proposed budget figures.

Commodity Revenues

Commodity revenue is projected to be approximately \$11.8 million. Commodity prices have rebounded significantly since the collapse in financial markets in fall 2008 with current average revenue per ton of approximately \$192.25/ton compared to \$99/ton in November 2008. Average revenue per ton peaked at \$278 in August 2008. An ongoing concern is the reduction in commercial recycling tonnages which were down 12.3% percent in the 1st quarter 2011 vs. the comparable period in 2010.



EXPENDITURES

Shoreway operating expenses comprise 90% of our total budget with the balance from the SBWMA program budget. Significant year over year differences in our expenses include:

- Lower Shoreway operating expenses with the new Operations Agreement starting January 1, 2011; expenses are **10.6% lower** as compared to our mid year projections for FY 2011. We have transitioned from a cost plus model to a variable cost / payment per ton model with indexed price adjustments providing greater rate stabilization.
- Completion of masterplan construction activities resulting in the cessation of interim operations, notably the offsite processing of recyclables.
- Lower SBWMA program expenses due to the elimination of one-time expenses (e.g., the public education

outreach campaign for the rollout of new collection services); expenses are **13.3% lower** as compared to our mid year projections for FY 2011.

STAFFING

Effective October 1, 2008 the SBWMA became the employer of record for all employees currently under contract with RGS. One employee, Cliff Feldman, remains on the LGS payroll to maintain his Calpers benefits. We will continue to contract out for HR/payroll administration. **Attachment D** provides a breakout on current staffing and budget assumptions related to salary and benefits. Please also see **Attachment E** for a current organization chart and the proposed organization chart effective July 2011.

The SBWMA continues to have a very sustainable and cost effective business model for how the Agency manages its employee costs with key points as follows:

- The SBWMA is a non-PERs agency. Our six current full-time employees are offered a self-directed 401(a) and 457(b) plans, very similar to private sector 401(k) plans. We have no employee pensions and thus no long term pension obligations.
- All employees are non-represented; we have no collective bargaining agreements with our employees.
- There are no automatic salary adjustments for employees such as a COLA adjustment. Employee performance is evaluated each year and merit increases are granted on a calendar year basis.
- There are also no post-retirement benefits.

SBWMA JURISDICTION COMPLIANCE WITH AB 939 AND WASTE DIVERSION STATUS

All of our twelve Member Agencies are in compliance with the state mandated AB 939 diversion requirements.

CONCLUSION

In summary, the SBWMA has successfully moved through a difficult financial period given construction related impacts on cash flows. We are now entering a new phase of projected positive cash flows resulting from lower Shoreway operating expenses and lower SBWMA program expenses. We are also benefitting from a recovery in commodity pricing. Finally, we have managed to retain all of our senior staff during these past three years of exceptional workload and stress on the organization.

We do face some short and long-term challenges including substantially reduced self haul customer business and lower commercial recycling tonnages. We also need to continue to offer competitive salary and benefits for our salaried staff if we want to retain them long-term.

The Board, staff and our customers should be pleased with our significant achievements and a bright future ahead.

Respectfully Submitted,

Kevin McCarthy, Executive Director

Attachments

- A. Proposed FY 2012 Budget
- B. Strategic Plan 2008-2012
- C. Shoreway Environmental Education Center
- D. Personnel Summary
- E. Organization Chart

	FINAL FY2010	PROJECTED FY2011	PROPOSED FY2012	IF FULLY FUNDED FY2012	VARIANCE	NOTES
UNRESTRICTED:						
OPERATING RESERVE (10% of total expense)	\$ 4,090,915	\$ 4,079,083	\$ 3,649,065	\$ 3,649,065	\$ -	
RATE STABILIZATON (10% of expense)		\$ 2,247,897	\$ 3,649,065	\$ 3,649,065	\$ -	
EQUIPMENT REPLACEMENT (ANNUAL)			\$ 612,500	\$ 612,500	\$ -	2012 - 2024
UNDESIGNATED	\$ 515,693	\$ (0)	\$ (0)		\$ (0)	
TOTAL UNRESTRICTED GENERAL RESERVES	\$ 4,606,608	\$ 6,326,981	\$ 7,910,630	\$ 7,910,630	\$ (0)	
COMMITTED:						
MASTER PLAN INTERNAL CAPITAL SPENDING	\$ 1,593,136	\$ 1,593,136	\$ -			
BOND PRINCIPAL PAYMENT FUND			\$ 912,500	\$ 912,500	\$ -	1st Pmt 9/1/2012 - \$1,095k
BURLINGAME BOND REPAYMENT FUND Jul. 1, 2011 - Aug 31, 2014 (37months)			\$ 218,801	\$ 972,973	\$ (754,172)	\$3M due 9/1/2014 (37 mo.)
CAPITAL RESERVE						Used for MP project
TOTAL GENERAL RESERVES	\$ 6,199,744	\$ 7,920,117	\$ 9,041,931	\$ 9,796,103	\$ (754,172)	
<i>proof</i>	\$ 6,199,744	\$ 7,920,117	\$ 9,041,931			
Other LT Projects (Fully Funded)						
SHOREWAY REMEDIATION PROJECT - NEW	\$ 1,495,500	\$ 1,468,159	\$ 1,368,159			10 year spending project

Note: during FY2009, \$4.5 million spent on MP Capital Project

Note: during FY2010, \$11.7 million spent on redemption of 2000 bond; additional bond proceeds \$6.8 million (WC & capital spend reimbursement)

Note: Revenue Transfers are non-cash transactions for bond reporting purposes

BOND PROCEEDS	Spending - FY2010	Spending - FY2011	Spending - FY2012	FY2012 Balance
Project Funds	\$ (18,525,089)	\$ (19,716,887)	\$ (2,348,023)	\$ -
Debt Service Reserve Fund				\$ 4,198,373
Capitalized Interest	\$ (1,505,521)	\$ (3,027,862)		\$ -
TOTAL	\$ (20,030,610)	\$ (22,744,749)	\$ (2,348,023)	\$ 4,198,373

	FY 2011 BEGINNING BALANCE	FY 2011 Projection					FY 2011 ENDING BALANCE
		Revenue	Other Sources	Expense	Other Uses	Transfer In / Out	
SOURCES & USES							proposed
Operating Revenue / Expense		41,061,529		(40,790,834)		(270,695)	
Misc. Capital Projects				(64,253)		64,253	
Capitalized Interest			1,513,931			(1,513,931)	
		41,061,529	1,513,931	(40,855,087)	-	(1,720,373)	-
GENERAL OPERATING FUNDS							
Operating Fund (10% of Operating Expense)	4,090,915					(11,832)	4,079,083
Rate Stabilization Fund (10% of Operating Expense)	-					2,247,897	2,247,897
Equipment Replacement Fund (12 Year Amortization)	-						-
Undesignated	422,866					(422,866)	(0)
Subtotal	4,513,781	-	-	-	-	1,813,200	6,326,981
COMMITTED:							
MASTER PLAN INTERNAL CAPITAL SPENDING	1,685,963					(92,827)	1,593,136
BOND PRINCIPAL PAYMENT FUND						-	-
BURLINGAME BOND REPAYMENT FUND						-	-
Subtotal	1,685,963	-	-	-	-	(92,827)	1,593,136
TOTAL GENERAL RESERVES	6,199,744	-	-	-	-	-	7,920,117
SPECIAL REVENUE FUNDS	<i>per audit</i>						
Capitalized Interest <i>bond proceeds</i>	1,513,931					(1,513,931)	-
Subtotal	1,513,931	-	-	-	-	(1,513,931)	-
CAPITAL IMPROVEMENT FUNDS							
Master Plan Shoreway project <i>bond proceeds</i>	22,946,300			(19,716,887)			3,229,413
Subtotal	22,946,300	-	-	(19,716,887)	-	-	3,229,413
TOTAL UNRESTRICTED FUNDS	30,659,975	41,061,529	1,513,931	(60,571,974)	-	(1,513,931)	11,149,529
TOTAL UNRESTRICTED FUNDS (proof)	30,659,975	-	-		-		11,149,529
Shoreway Remediation 1 <i>Allied settlement</i>	1,495,500			(27,341)			1,468,159

NOTES:

1 The Shoreway Remediation Fund is not legally restricted but has been designated by Board for remediation purposes only

	FY 2012 BEGINNING BALANCE	FY 2012 Budget					FY 2012 ENDING BALANCE
		Revenue	Other Sources	Expense	Other Uses	Transfer In / Out	
		estimated					
SOURCES & USES							
Operating Revenue / Expense		40,132,600		(36,490,650)		(3,641,950)	
Misc. Capital Projects				(927,000)		927,000	
Capitalized Interest							
		40,132,600	-	(37,417,650)	-	(2,714,950)	
GENERAL OPERATING FUNDS							
Operating Fund (10% of Operating Expense)	4,079,083					(430,018)	3,649,065
Rate Stabilization Fund (10% of Operating Expense)	2,247,897					1,401,168	3,649,065
Equipment Replacement Fund (12 Year Amortization)	-					612,500	612,500
Undesignated	(0)					0	-
Subtotal	6,326,981	-	-	-	-	1,583,649	7,910,630
							-
COMMITTED:							
MASTER PLAN INTERNAL CAPITAL SPENDING	1,593,136					(1,593,136)	-
BOND PRINCIPAL PAYMENT FUND	-					912,500	912,500
BURLINGAME BOND REPAYMENT FUND	-					218,801	218,801
Subtotal	1,593,136	-	-	-	-	(461,835)	1,131,301
TOTAL GENERAL RESERVES	7,920,117	-	-	-	-	1,121,814	9,041,931
SPECIAL REVENUE FUNDS							
Capitalized Interest <i>bond proceeds</i>	-					-	-
Subtotal	-	-	-	-	-	-	-
CAPITAL IMPROVEMENT FUNDS							
Master Plan Shoreway project <i>bond proceeds</i>	3,229,413			(3,229,413)			-
Subtotal	3,229,413	-	-	(3,229,413)	-	-	-
TOTAL UNRESTRICTED FUNDS	11,149,529	40,132,600	-	(40,647,063)	-	(1,593,136)	9,041,931
TOTAL UNRESTRICTED FUNDS (proof)	11,149,529	-	-	-	-	-	9,041,931
Shoreway Remediation 1 <i>Allied settlement</i>	1,468,159			(100,000)	-		1,368,159

NOTES:

1 The Shoreway Remediation Fund is not legally restrict

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
REVENUE SUMMARY**

FY 2012 PROPOSED BUDGET

REVENUES BY MAJOR CATEGORY					
REVENUE SUMMARY	ACTUAL FY 2009-2010	Mid Year Proj. FY 2010-2011	PROPOSED FY 2011-2012	Variance	Notes
ADMINISTRATIVE REVENUES					
409100 INVESTMENT INCOME	79,010	223,600	114,200	(109,400)	
409101 INVESTMENT (GASB 31) MARKET VALUE ADJ	(63,342)				
409200 INTEREST INCOME					
TOTAL ADMINISTRATIVE	15,668	223,600	114,200	(109,400)	
OPERATIONS					
480007 TIPPING FEES	27,479,290	29,443,600	28,972,200	(471,400)	Revised tip fee schedule.
480023 COMMODITY SALES	8,691,557	10,933,694	11,796,200	862,506	w/ October '10 actual
COMMODITY REVENUE SHARE - NEW			(1,228,600)	(1,228,600)	deduction (NA for FY2011)
480024 OX MOUNTAIN				-	
480025 E-RECYCLING REVENUE - NEW		64,759	70,000	5,241	
480031 HHW DOOR TO DOOR COLLECTION SERVICE	32,079	357,000	408,600	51,600	incl: SC, Hills, Bel, CSM, MP, EPA, WB, FC
PERFORMANCE INCENTIVE / DISINCENTIVE - NEW			-	-	
480008 MISCELLANEOUS REVENUE	86,724	38,876		(38,876)	Difference between RSMC & Allied on Comm. Outreach Dept.
TOTAL OPERATIONS	36,289,650	40,837,929	40,018,400	(819,529)	
TOTAL OPERATING REVENUES	36,305,318	41,061,529	40,132,600	(928,929)	
MISCELLANEOUS - EQPT AUCTION	257,500				
TOTAL REVENUE	36,562,818	41,061,529	40,132,600	(928,929)	
NET OPERATING INCOME / <LOSS>	(1,615,492)	270,695	3,641,950	3,371,255	8.21%

GENERAL OPERATING EXPENSES BY MAJOR CATEGORY						
EXPENDITURE SUMMARY	ACTUAL	APPROVED	Mid Year Proj.	PROPOSED	Variance	
	FY 2009-2010	FY 2010-2011	FY 2010-2011	FY 2011-2012		
ADMINISTRATIVE EXPENSES						
520305 ADMINISTRATIVE STAFF	573,088	592,600	585,200	491,600	(93,600)	
520306 AB 939 PROGRAM STAFF	497,178	586,900	599,900	684,100	84,200	
520328 EMPLOYEE RECRUITMENT/HR SUPPORT	8,025	5,000	5,000	5,000	-	
520337 PEO COST (HR & PR FEES)	11,250	20,100	18,600	21,600	3,000	
520312 BOARD COUNSEL	90,453	60,000	45,000	40,000	(5,000)	
520300 BOARD MEETINGS & RECORDINGS	12,360	6,000	5,000	5,000	-	
520310 ACCOUNTING SERVICES	108,407	110,000	110,000	105,000	(5,000)	
520334 INFORMATION SYSTEMS	24,015	27,000	32,000	29,500	(2,500)	
520338 WEBSITE	10,109	10,100	10,100	10,100	-	
520301 ANNUAL AUDIT	5,048	15,000	15,000	8,500	(6,500)	
520701 D&O INSURANCE	30,223	35,000	35,000	35,000	-	
520202 BANK FEES	5,803	12,000	12,000	5,000	(7,000)	
520203 RENT	47,444	50,000	50,000	48,000	(2,000)	
520204 PRINTING AND POSTAGE	955	200	200	200	-	
520107 UTILITIES & PHONE	18,227	18,000	18,000	17,000	(1,000)	
520905 OFFICE/TENANT IMPROVEMENTS	7,995	3,000	3,000	3,000	-	
520201 OFFICE SUPPLIES	19,188	18,000	18,000	17,000	(1,000)	
520215 OFFICE EQUIPMENT COSTS	10,903	17,000	18,500	18,500	-	
520504 PUBLICATIONS & PUBLIC NOTICES	1,138	2,000	2,000	2,000	-	
520501 PROFESSIONAL DUES & MEMBERSHIPS	510	2,000	2,000	2,000	-	
520801 VEHICLE MILEAGE & TOLLS	27	350	350	350	-	
520105 CELL PHONES	6,309	6,000	5,500	5,500	-	
520503 CONFERENCE & MEETINGS	11,312	12,000	11,000	10,000	(1,000)	
520502 TRAINING	2,820	5,000	4,000	4,000	-	
520511 SPONSORSHIPS & DONATIONS	12,750	12,500	9,500	9,500	-	
522706 COMPUTER PURCHASE	3,211	3,000	3,000	6,500	3,500	
TOTAL ADMINISTRATIVE	\$ 1,518,748	\$ 1,628,750	\$ 1,617,850	\$ 1,583,950	\$ (33,900)	
CONTRACT COMPLIANCE AND SUPPORT						
RATES						
520307 RATE REVIEW	174,544	180,000	182,000	30,000	(152,000)	
TOTAL RATE REVIEW	174,544	180,000	182,000	30,000	(152,000)	
CONTRACTOR						
520308 FACILITY IMPROVEMENT OVERSIGHT	42,103	40,000	35,000	30,000	(5,000)	
520309 BUSINESS CONSULTANT/HF&H	8,236	-	-	-	-	
520309 HCM01 CONTRACT MANAGEMENT SUPPORT	7,407	15,000	5,000	-	(5,000)	
520309 HCN01 CONTRACT NEGOTIATIONS/LEGAL REVIEW	53,281	15,000	10,000	30,000	20,000	
520309 HCS02 COLLECTION SERVICES RFP & IMPLEMENTATION <small>FRANCHISE ADMIN.</small>	36,772	150,000	140,000	165,000	25,000	
520309 HCS03 PUBLIC EDUCATION FOR COLLECTION SVCS ROLLOUT	200,644	675,000	650,000	-	(650,000)	
520309 HCS1B FACILITY RFP & IMPLEMENTATION	22,862	40,000	27,000	-	(27,000)	
520309 HSHOR SHOREWAY REMEDIATION LEGAL & TECHNICAL	112,821	40,000	-	-	-	
520329 ANNUAL RSMC PERFORMANCE HEARING	-	-	-	-	-	
520336 QUARTERLY LOAD CONTAMINATION MONITORING	-	45,000	35,000	120,000	85,000	
TOTAL CONTRACTOR	484,126	1,020,000	902,000	345,000	(557,000)	
TOTAL CONTRACT COMPLIANCE & SUPPORT	\$ 658,670	\$ 1,200,000	\$ 1,084,000	\$ 375,000	\$ (709,000)	

GENERAL OPERATING EXPENSES BY MAJOR CATEGORY					
EXPENDITURE SUMMARY	ACTUAL	APPROVED	Mid Year Proj.	PROPOSED	Variance
	FY 2009-2010	FY 2010-2011	FY 2010-2011	FY 2011-2012	
RECYCLING - AB939 COMPLIANCE					
RECYCLING ADMINISTRATION					
520311 CIWMB ANNUAL REPORTS	31,316	25,000	50,000	25,000	(25,000)
520341 SBWMA ANNUAL REPORT	4,669	5,000	5,000	5,000	-
520309 HDV01 DIVERSION PROGRAM SUPPORT		10,000	5,000	20,000	15,000
520604 EVENT GIVEAWAYS	1,658	15,000	15,000	7,500	(7,500)
TOTAL RECYCLING ADMINISTRATION	37,643	55,000	75,000	57,500	(17,500)
LONG RANGE PLAN/DIVERSION PROGRAMS					
520340 LONG RANGE PLAN ALTERNATIVES	25,748	20,000	7,500	50,000	42,500
520340 OPRFP ORGANICS PROCESSING RFP	11,616	7,500	2,500	-	(2,500)
520340 MPOTR MASTER PLAN OUTREACH	13,406	25,000	25,000	20,000	(5,000)
520344 SOLAR SYSTEM ENGINEERING AND EVALUATION		25,000	20,000	-	(20,000)
TOTAL LONG RANGE PLAN/DIVERSION PROGRAMS	50,770	77,500	55,000	70,000	15,000
COMMERCIAL PROGRAMS					
520331 LARGE EVENT/VENUE CONSULTING	16,304	20,000	20,000	0	(20,000)
520342 LARGE EVENT/VENUE RECYCLING SERVICES	15,788	25,000	15,000	25,000	10,000
520608 CLIMATE CHANGE REPORTING & POLICY OPTIONS	5,703	10,000	5,000	15,000	10,000
520604 COE01 COMMERCIAL RECYCLING TECHNICAL ASSIST	97,635	315,000	225,000	300,000	75,000
520604 CDRCY C&D RECYCLING PROGRAM		55,000	30,000	35,000	5,000
520604 GREEN GREEN BUSINESS PROGRAM	2,938	10,000	5,000	5,000	-
520604 MF001 MULTI-FAMILY OUTREACH	3,949	20,000	20,000	40,000	20,000
TOTAL COMMERCIAL PROGRAMS	142,317	455,000	320,000	420,000	100,000
RESIDENTIAL PROGRAMS					
520604 QLN01 QUARTERLY NEWLESTTER DESIGN/SETUP	35,351	10,000	10,000	20,000	10,000
520604 QNLPM QUARTERLY NEWLESTTER PRINTING/MAILING	151,809	205,000	230,000	230,000	-
520604 RES01 RESIDENTIAL OUTREACH PROGRAMS	16,816	31,000	20,000	166,000	146,000
520604 COMPS COMPOST GIVEAWAY	616	10,000	6,000	6,000	-
520604 HHWUW HHW DOOR TO DOOR COLLECTION OUTREACH	79,470	90,000	60,000	85,000	25,000
520335 CURBSIDE HOUSEHOLD BATTERY OUTREACH	42,960	8,000	8,000	8,000	-
520604 ECE01 ELECTRONIC COLLECTIONS EVENTS	7,896	7,500	4,000	4,000	-
TOTAL RESIDENTIAL PROGRAMS	334,918	361,500	338,000	519,000	181,000
TOTAL RECYCLING - AB939 COMPLIANCE	\$ 565,648	\$ 949,000	\$ 788,000	\$ 1,066,500	\$ 278,500
SUBTOTAL SBWMA PROGRAM BUDGET	\$ 2,743,066	\$ 3,777,750	\$ 3,489,850	\$ 3,025,450	\$ (464,400)
COLLECTION OPERATIONS					
522710 HHW DOOR TO DOOR COLLECTION SERVICES		320,100	357,000	408,600	51,600
522711 CURBSIDE HOUSEHOLD BATTERY RECYCLING SERVICES		40,000	40,000	60,000	20,000
TOTAL COLLECTION OPERATIONS	-	360,100	397,000	468,600	71,600
TOTAL SBWMA PROGRAM BUDGET	\$ 2,743,066	\$ 4,137,850	\$ 3,886,850	\$ 3,494,050	\$ (392,800)

GENERAL OPERATING EXPENSES BY MAJOR CATEGORY					
EXPENDITURE SUMMARY	ACTUAL	APPROVED	Mid Year Proj.	PROPOSED	Variance
	FY 2009-2010	FY 2010-2011	FY 2010-2011	FY 2011-2012	
SHOREWAY OPERATIONS					
522701 OPERATING CONTRACT - ALLIED	29,165,796	13,500,600	13,423,600	1,109,500	(12,314,100)
522712 OPERATOR COMPENSATION - SBR		7,172,700	6,907,400	13,569,200	6,661,800
522713 DISPOSAL & PROCESSING COSTS		6,642,700	6,363,900	12,083,300	5,719,400
		1,115,700	1,065,400	1,099,100	33,700
				80,000	80,000
			9,000	40,000	31,000
522716 MAINTENANCE - OX MTN TIPPER - NEW 2/11/11					
522708 INTERIM OFFSITE MRF OPERATIONS	4,333,922	3,543,900	4,370,500	-	(4,370,500)
520710 INSURANCE SHOREWAY	90,937	120,000	120,000	281,500	161,500
522714 SHOREWAY FACILITY COST		15,806	19,184	90,000	70,816
522901 SHOREWAY MRF EQUIPMENT MAINTENANCE > \$10,000				40,000	
521104 DEBT SERVICE BOND INTEREST	469,722	3,177,900	3,177,900	3,177,900	-
520324 TAXES (SEWER)	34,593	45,000	45,000	46,400	1,400
522702 FRANCHISE FEE	1,248,318	1,437,000	1,402,100	1,379,700	(22,400)
520327 ARBITRAGE FEES					-
TOTAL SHOREWAY OPERATIONS	\$ 35,435,244	\$ 36,771,306	36,903,984	32,996,600	(3,947,384)
TOTAL OPERATING EXPENSES	\$ 38,178,310	\$ 40,909,156	\$ 40,790,834	\$ 36,490,650	\$ (4,340,184)

CAPITAL PROJECTS									
PROJECT DESCRIPTION		ACTUAL	ACTUAL	APPROVED	PROJECTED	PROPOSED	PROPOSED		
		FY 2007-2009	2009-2010	2010-2011	2010-2011	2011-2012	2012-2013		
570300	SF005	TS FLOOR REPAIR	-	147,000	150,000				
570300	SF023	TUNNEL DRIVEWAY PAVING AND SCALE	-		25,000	25,000	-		
570300	SF026	TRUCK SHOP-REPLACE 2 AIR COMPRESSORS	-		80,000	25,000	-		
570300	SF028	TRUCK WASH BUILDING--ROOF REPAIR	-		75,000	75,000	-		
570300	SF031	FRONTAGE LANDSCAPING	-		-	20,000	20,000		
NEW	SF032	ADMIN BLDG IMPROVE/REPAIRS			50,000	17,000			balance carry over from 2010
NEW	SF034	PAVING PAINTING/STRIPING			20,000	-			
NEW	SF036	TRAFFIC CONTROL LIGHT FOR TRANSFER STATION			10,000	-			
NEW	SF037	HARRIS BALER REFURB. AND REPAIR			55,000	-			Repiping Harris Baler after install
NEW	SF039	MAINTENANCE BUILDING RELAMPING			10,000	10,000			
NEW	SF040	PUBLIC RECYCLING CENTER HHW STORAGE UNITS			10,000	-			
NEW	SF041	SBR MAINTENANCE BAY			15,000	15,000			
NEW		Ox Mtn Landfill Tipper assessment			4,000		4,000		Annual condition assesment of tipper
New		MRF Equipment repair budget			-	75,000	75,000		
New		Solar engineering, install			-	50,000	-		
New		Tipping floor resurfacing				150,000	200,000		
New		Site paving repairs and restriping				75,000	25,000		
New		Outside lighting construction				75,000	75,000		
New		Site Signage				20,000	10,000		
New		New K-Rail at TS				25,000	10,000		
New		Truck shop building maintenance				40,000	40,000		
New		TS building maintenance				30,000	30,000		
New		MRF building maintenance				30,000	30,000		
New		Admin building maintenance				30,000	30,000		
New		Site maintenance				25,000	40,000		
New		Onsite parking development				25,000	10,000		
New		Fire suppression				50,000	-		
New		Repairs to landfill tipper				40,000	10,000		
520711		BUILDERS RISK INSURANCE -DURING CONSTRUCTION O	-	76,636	60,000	14,253	-	-	
SUB-TOTAL CAPITAL PROJECTS			-	223,636	564,000	64,253	927,000	609,000	

CAPITAL PROJECTS										
PROJECT DESCRIPTION	ACTUAL	ACTUAL	APPROVED	PROJECTED	PROPOSED	PROPOSED				
	FY 2007-2009	2009-2010	2010-2011	2010-2011	2011-2012	2012-2013				
MASTER PLAN							PROJECT TOTAL	BOND Total		
520339 MPPRE PRE CONSTRUCTION	175,569		-		-	-	175,569	175,569		
520339 MP1DE PHASE 1 SCALE D&E	58,024		-		-	-	58,024	58,024		
520339 MP1CN PHASE 1 SCALE CONSTRUCT	1,939,954	500,398		53,710	-	-	2,494,062	2,494,062		
520339 MP2DE A&E SERVICES	1,726,398	42,467		159,663	-	-	1,928,528	1,928,528		
520339 MP3DE PHASE 2 MRF REBUILD D&E	15,891	-	-		-	-	15,891	15,891		
520339 MPCEN CONSTRUCTION MGT & ENG SUPPORT	560,513	1,722,504	515,331	515,331			2,798,348	2,798,348		
520339 MPSNP MASTER PLAN STUDY AND PLANNING	221,878		-				221,878	221,878		
520339 MP3EQ PHASE 3 MRF EQUIPMENT INSTALLATION	-		-				-	-		
520339 MPMRF MRF CONSTRUCTION		6,416,508	3,655,492	3,655,492	-	-	10,072,000	10,072,000		
520339 MP_TS TS CONSTRUCTION		571,540	4,886,460	2,458,000	2,428,460		5,458,000	5,458,000		
520339 MPMOB Mobilization		350,000	-		-	-	350,000	350,000		
520339 MPGEN Sitework/General Construction		120,033	936,967	725,000	211,967		1,057,000	1,057,000		
520339 MPOCC Other Construction Costs (landscape,sign,roof,security)		-	786,700	120,000	666,700		786,700	786,700		
520339 MPEQP Equipment Purchase		7,749,707	6,523,493	6,523,493	-		14,273,200	14,273,200		
520339 MPEQI Equipment Installation		-	2,507,400	2,507,400	-		2,507,400	2,507,400		
							-	-		
520320 BONDR Non-Contingent Bond Issuance Cost	90,500		-				90,500	90,500		
520339 CNTGC Contingency - 10%	-	1,051,933	3,632,867	2,998,835	634,032		4,684,800	4,684,800		
SUB-TOTAL MASTERPLAN	\$ 4,788,727	\$ 18,525,089	\$ 23,444,710	\$ 19,716,924	\$ 3,941,159	\$ -	\$ 46,971,900	46,971,900		
Total per Bond Proforma							\$ 46,971,000			
TOTAL CAPITAL PROJECTS	\$ 4,788,727	\$ 18,748,725	\$ 24,008,710		\$ 4,868,159	\$ 609,000				



RethinkWaste

South Bayside Waste Management Authority

Strategic Plan 2008 - 2012

Our History

Formed in 1982, the South Bayside Waste Management Authority (SBWMA) is a joint powers authority of twelve member agencies in San Mateo County, California and is a leader in delivering innovative waste reduction and recycling programs. The SBWMA owns the Shoreway Environmental Center (SEC) which receives all the recyclables, organic materials, and residual materials (i.e., solid waste) collected in its service area.

Our Mission

SBWMA designs and implements sustainable waste reduction, recycling and facility operations services to achieve our member agencies environmental goals and requirements.

Our Values

1. Implementing environmental practices and policies are good for our customers, local businesses and residents.
2. Long term planning for waste reduction, recycling, and residuals management are fundamental to achieving our mission.
3. We believe providing environmental education for children and adults fosters a greater resource conservation ethic which results in more livable and sustainable communities.
4. We believe in delivering cost-effective and customer friendly service.
5. We believe supporting collaboration and cooperation among member agencies and key stakeholders produces the best long-term results.

Our Strategic Priorities

1. Provide strategic oversight and direction to the environmental services companies that collect, process, recycle and dispose of residuals for the member agencies.
2. Ensure contractors' and SBWMA programs are managed cost effectively for the ratepayers with performance metrics for all programs.
3. Deliver strategic oversight and management of the Shoreway Environmental Center to meet financial, operational, and environmental goals.
4. Ensure compliance with environmental regulations governing the collection and processing of recyclables and organic materials and meet or exceed diversion goals.
5. Anticipate trends and implement innovative solutions for waste reduction, recycling and facility operations services.
6. Monitor and assess contractor performance so that customer satisfaction and service delivery meets or exceeds contractual requirements.
7. Adhere to best practices in office operations, operational infrastructure, procurement, human resource, IT and governance.
8. Support SBWMA programs and policies through relevant outreach, education, and focused communication.

Our Vision

SBWMA is nationally recognized for environmental leadership in sustainable materials management practices to support livable communities.

ATTACHMENT C

Shoreway Environmental Education Center

- o Environmental Education Center was a key “public feature” of the Shoreway masterplan approved by the Board in the spring of 2007 and in subsequent detailed construction plans approved by the Board.
- o Was a key selling point in the approval of our Conditional Use Permit by the City of San Carlos Planning Commission in July 2008.
- o The Board approved (on 3/27/08) **Strategic Plan 2008-2012** states as one of the JPA's values: “We believe providing environmental education for children and adults fosters a greater resource conservation ethic which results in more livable and sustainable communities.”
- o Both Recology and SBR have contractual obligations to support tours and provide some tours as requested, but neither company has the contractual obligation or the approved compensation to manage the education center.
- o Master Plan “soft costs” included \$100,000 for development of the education center tour features such as museum quality exhibits, and other hardware. This amount is being supplemented by limited, focused donations by contractors such as Recology, SBR and BHS.
- o Our proposed Shoreway environmental education program in the FY 2012 budget is modeled after nationally award winning programs in Alameda County and Boulder County, Colorado with input from local educators from RecycleWorks and CuriOdyssey. These programs all share common features of exhibits, learning activities tied to state curriculum standards, and site tours facilitated by trained staff.
- o Staffing of one part-time Environment Education Coordinator and a seasonal Environmental Education Associate. In contrast, the Alameda County program is staffed with a two full time salaried staff (senior program manager, and Coordinator) and two seasonal hourly Associates.
- o Budget Assumptions as follows:

Environmental Education Coordinator starting salary of \$61,500 starting mid-September. FY1112 cost = **\$56,518** for wages and benefits.

Environmental Education Associate hourly rate of \$25/hour for 25 hours/week from mid-October thru the end of May. No benefits.
Total FY1112 cost = **\$16,494**.

Program budget of **\$80,000**/year for school busing, safety supplies, design and printing costs for learning activities and other collateral. School busing would be more than half of the budget.

Total estimated FY 2012 budget = **\$153,012**

Expect to conduct 90 school tours (average of 3 per week starting in fall) in the first year for approximately 2,700 students. 2nd year expect 160 school tours for approximately 4,800 students.



PERSONEL AND BENEFIT ASSUMPTIONS FOR FY 2012

Proposed changes in staffing as follows:

	Mid Year Budget <u>FY 2011</u>	Proposed <u>FY 2012</u>
Administrative Assistant (<i>hourly</i>)	1.0	0.0
Executive Director	1.0	1.0
Facility Operations Contract Manager	1.0	1.0
Finance Manager	1.0	1.0
Board Secretary/Recycling Specialist*	1.0	1.0
Recycling Coordinator	1.0	1.0
Recycling Outreach & Sustainability Manager	1.0	1.0
Recycling Programs Manager**	1.0	1.0
Environmental Education Coordinator	<u>N/A</u>	<u>0.8</u>
	8.0	7.8

* Position currently vacant. Proposed to reclass to original position of Board Secretary/Office Manager as hourly position and fill with current Administrative Assistant.

** Contract employee employed by Local Government Services, a public joint powers agency.

FY 2012 Proposed Position Changes

Combine Administrative Assistant and Board Secretary positions into one position, Board Secretary/Office Manager; this results in the elimination of 1 FTE.

Creation of new part-time (32 hours/week) position of Environmental Education Coordinator to manage the Shoreway Environmental Education Center tour program. Also, hire a part-time contractor (seasonal) as an Environmental Education Associate to conduct tours. This **seasonal** position would be at \$20/hr for 20-25 hrs per week between mid-August and mid-June. No benefits.

These changes create one (0.8 FTE) new salaried position and one part-time seasonal position.

Budget Assumptions for Salary and Wages

The average salary adjustment assumed for six of our seven non represented employees (no contracts) and one contract employee is 2%. Assume a one-time 2% bonus for the Finance Manager in lieu of a raise. Assume a salary increase of 5% on July 1st for the promotion of Cyndi Urman into the Board Secretary/Office Manager position.

The proposed new positions with salary ranges developed from the April 2011 total compensation survey are highlighted below as follows:

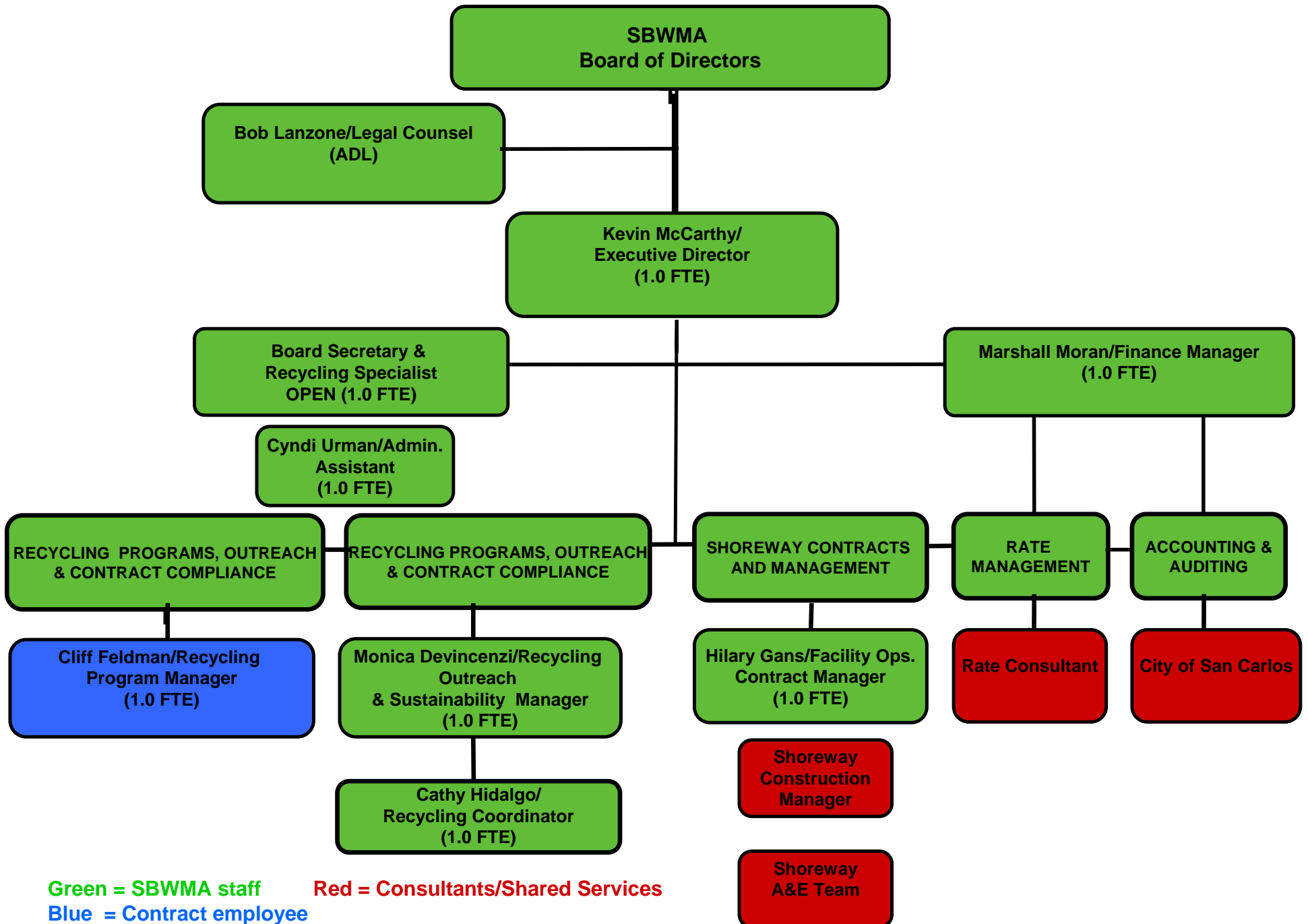
Position	Salary Range/Yr	Max Salary/Mo
Finance Manager	\$102,998 - \$128,748	\$10,729
Facility Operations Contract Manager	\$102,998 - \$128,748	\$10,729
Recycling Program Manager*	\$102,998 - \$128,748	\$10,729
Recycling Outreach & Sustainability Manager	\$92,698 - \$115,873	\$9,656
Recycling Coordinator	\$78,793 - \$98,492	\$8,208
Env. Education Coordinator	\$59,916 - \$74,892	\$6,241
Office Manager/Board Secretary	\$54,768 - \$68,460	\$5,705
Administrative Assistant	\$49,296 - \$61,630 (\$23.70-\$29.63/hr)	\$5,136
Env. Education Associate	\$20/hr 20-25 hrs/week	

	New Position
	Reclass
	New contract (seasonal) position

All other salary ranges remained unchanged per Board direction.

No proposed changes in employee benefits.

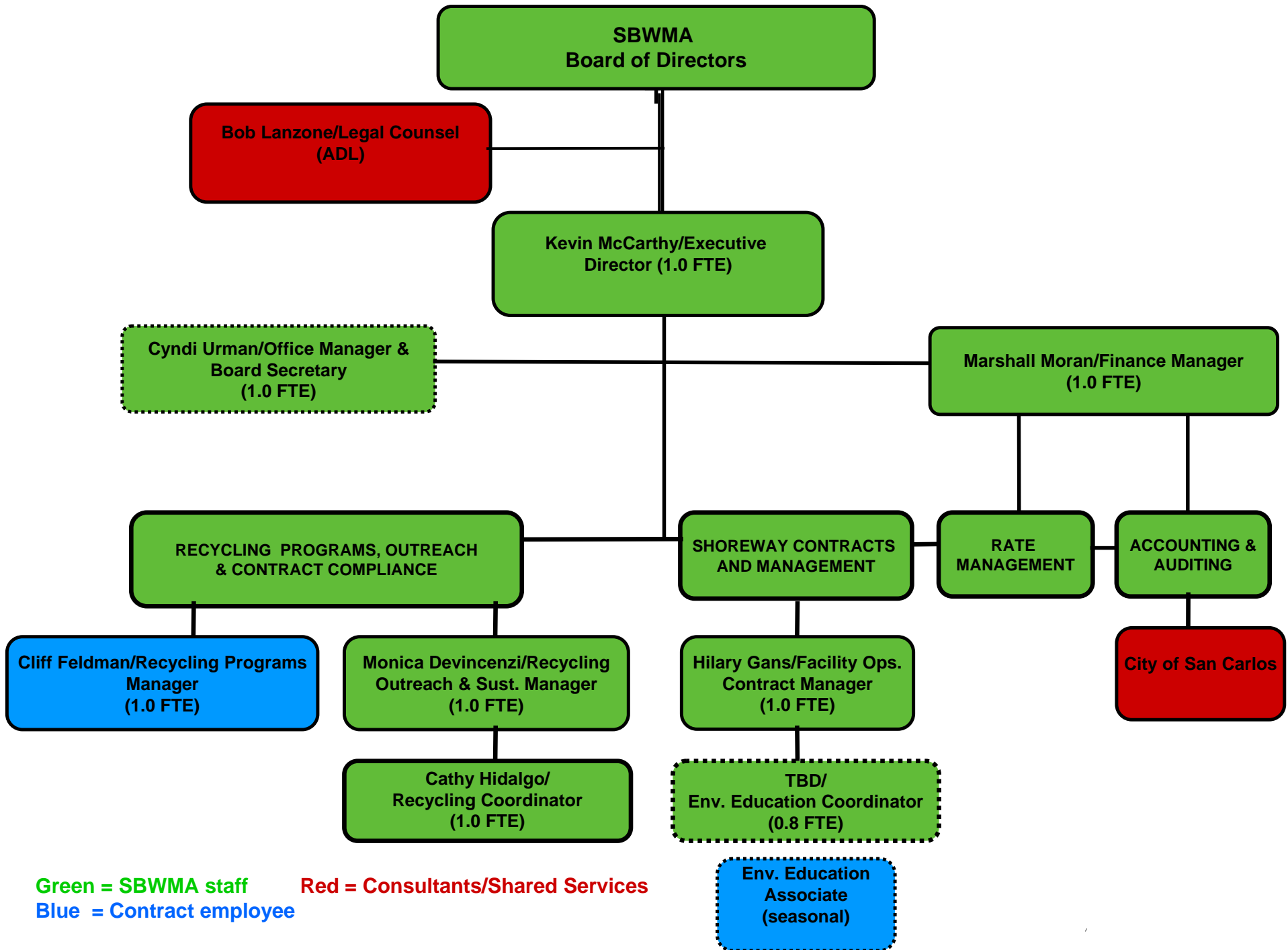
SBWMA Organization Chart (May 2011)



Green = SBWMA staff
Blue = Contract employee

Red = Consultants/Shared Services

SBWMA Organization Chart (July 2011)



Green = SBWMA staff
Blue = Contract employee

Red = Consultants/Shared Services