



EXECUTIVE DIRECTOR'S REPORT



STAFF REPORT

To: SBWMA Board Members
From: Kevin McCarthy, Executive Director
Date: April 23, 2015 Board of Directors Meeting
Subject: Executive Director's Report

Board Agenda/Packet Items

The highlight for this Board packet is a staff presentation on our preliminary FY1516 budget with the staff report and budget documents found under agenda item 5A. This agenda item meets the goal and direction of the Board to have preliminary budget figures available for review by April as opposed to May in prior years.

Agenda item 5B is the revised draft 2015 Long Range Plan reflective of Board Member comments at the March Board meeting. The staff report and Plan document now includes estimated collection rate impacts for the major projects. The Plan document itself has also been reorganized as directed with a much shorter Executive Summary only focused on recommendations and a shortened main body of the report.

Finally, another important agenda item is 6A which addresses a key goal for completion by the Executive Director in FY1415 and entails the preparation of a draft plan and recommended process to support Member Agencies with future decisions regarding their current Franchise Agreements with Recology. Namely, this is to begin an important dialogue on how to prepare for and approach decisions by Member Agencies in 2017 to extend or not their Franchise Agreements with Recology which expire after December 31, 2020.

Program and Operational Update

Recology to Acquire Community Recycling (member of SBR, LLC)

On December 17, 2014 the Board approved the consent to Assignment of majority interest in South Bay Recycling, LLC to Recology, Inc. This transaction closed on March 4, 2015 and staff has been provided the updated, required legal documents. Representatives from SBR will be at the April Board meeting to address other required follow-up items associated with the consent to Assignment.

Impacted Port of Oakland Operations Affect Shoreway MRF Operations

As noted by Dwight Herring, General Manager for SBR, in his cover email for the monthly report to the Board and TAC members: "SBR continues to experience challenges moving materials to the Port of Oakland as they work to restore their inbound and outbound shipments to normal operations. We have seen reduced throughput which has created substantial delays for all import and export cargo." SBR exports all of their fiber (OCC, ONP and Mixed Paper) and approximately half of their non-fiber recyclables through the Port of Oakland. SBR did vacate the Redwood City warehouse by the end of March.

SBR Staff Vacancies

SBR is working diligently to fill two staff vacancies for their Site Manager and Office Manager positions. Interim personnel are in place as required by the staffing plan in the Shoreway Operations Agreement.

Recology General Manager Vacancy

On March 16, 2015 the SBWMA's adhoc subcommittee (Board Vice Chair Fran Dehn, Board Member Alicia Aguirre, Board Member Warren Slocum, and Executive Director Kevin McCarthy) interviewed two candidates for the vacant Recology San Mateo County – General Manager position. Both candidates were existing Recology managers, though not from the San Mateo County operation. On March 18th, Board Vice Chair Dehn communicated via email to Mario Puccinelli and stated in part: "While we appreciate the opportunity to have met these initial candidates, we are available to work with Recology management as additional candidates come forward; we are not making a recommendation to support either of the two candidates interviewed."

On April 2nd, Gino Gasparini from Recology forwarded to the Board and TAC Members a letter from George P. McGrath, Executive Vice President and Chief Operating Officer for Recology to the SBWMA Executive Director which stated in part: "While Mario will continue in both a General Manager and Group Manager capacity, he will have the additional support of a Senior Administrative Manager. Mike Kelly, Recology Group Controller, will assume this new role and will report directly to Mario." This means Mario will remain the General Manager of Recology San Mateo County with the added support of a Senior Administrative Manager. Mike Kelly was one of the two candidates interviewed by the adhoc subcommittee.

SBWMA Finance Manager Recruitment

The Board's adhoc subcommittee (Board Chair Bill Widmer, Board Member Jay Benton, Board Member Michael Brownrigg, Hillsborough Finance Manager Jan Cooke, Finance Manager Marshall Moran, and Executive Director Kevin McCarthy) interviewed two candidates on March 23, 2015. One of two candidates subsequently removed himself from further consideration for the position.

The SBWMA is still actively recruiting for the Finance Manager position to be vacated in early September due to the retirement of Marshall Moran. Staff has retained the services of Kimmel & Associates, a national executive recruitment firm with a specialization in the recycling and waste industry.

Earth Day@Shoreway

Approximately 300 people attended RethinkWaste's fourth annual Earth Day@Shoreway event on Saturday, April 11th from 10 am-2 pm at the Shoreway Environmental Center. This free, family friendly event included informational booths, food, arts and crafts, games, tours, free compost, and lots more. The third annual Trash to Art Contest winners were also recognized as shown below.



Announcements

None at this time.

News of Interest

"Recycling Becomes a Tougher Sell as Oil Prices Drop," Wall Street Journal, April 5, 2015.

<http://on.wsj.com/1GfCExr>