

SBWMA Budget Review:

Presentation of Preliminary FY 18-19 Budget



Additional Tip Fee Increase

\$2
Increase

FY 18/19 - Financial Impact of Raising Franchised Tip Fees an additional \$2/Ton				
Categories	FY18/19 Preliminary Budget	Increase Franchise Tip Fee \$2/Ton	Variance to Preliminary Budget	Variance %
Tip Fee Revenue	\$47,324,987	\$47,641,273	\$316,286	0.67%
<i>Franchise Fee</i>	<i>2,253,616</i>	<i>2,268,677</i>	<i>15,062</i>	<i>0.67%</i>
Net Budget Increase/(Decrease)			\$301,224	
CY 2019 Annualized Revenue Increase			\$632,572	
Rate Payer % Increase/(Decrease)			0.63%	

\$6
Increase

FY 18/19 - Financial Impact of Raising Franchised Tip Fees an additional \$6/Ton				
Categories	FY18/19 Preliminary Budget	Increase Franchise Tip Fee \$6/Ton	Variance to Preliminary Budget	Variance %
Tip Fee Revenue	\$47,324,987	\$48,273,845	\$948,858	2.00%
<i>Franchise Fee</i>	<i>2,253,616</i>	<i>2,298,800</i>	<i>45,185</i>	<i>2.00%</i>
Net Budget Increase/(Decrease)			\$903,673	
CY 2019 Annualized Revenue Increase			\$1,897,716	
Rate Payer % Increase/(Decrease)			1.90%	

Tip Fee Increase Schedule

TIP FEE HISTORY	Actual				Estimate	
	Jan '16	Sep '16	Jan '17	Jan '18	Jul '18	Jan '19
TS Tip Fee						
SBWMA Solid Waste	\$94	\$94	\$104	\$107	\$107	\$121
SBWMA Green Waste	\$96	\$96	\$106	\$112	\$112	\$126
SBWMA Food Waste	\$107	\$107	\$118	\$121	\$131	\$141
SBWMA C&D	\$94	\$94	\$104	\$107	\$107	\$121
Non-SBWMA Solid Waste	\$97	\$105	\$110	\$113	\$113	\$127
Non-SBWMA Green Waste	\$99	\$101	\$106	\$115	\$115	\$128
Non-SBWMA Food Waste	\$107	\$112	\$118	\$121	\$131	\$141
Non-SBWMA C&D	\$81	\$97	\$104	\$107	\$107	\$120
Public Weighted Dirt (Tons)	\$88	\$88	\$95	\$98	\$98	\$103
Public Solid Waste (Yards)	\$38	\$38	\$41	\$42	\$42	\$44
Public Green Waste (Yards)	\$27	\$27	\$29	\$31	\$33	\$35
Public C&D (Yards)	\$35	\$35	\$38	\$40	\$42	\$44

Organics to Energy Pilot

ORGANICS TO ENERGY PILOT COST DETAIL		
Estimated System Cost	\$	5,000,000
CalRecycle - Repurpose SF Recology Press	\$	(1,800,000)
CalRecycle - Equipment Grants	\$	(1,200,000)
Potential Other Grants	\$	(1,000,000)
Net Cost before Contingency	\$	1,000,000
Add: Contingency - 25%	\$	1,250,000
Total Estimated Cost	\$	<u>2,250,000</u>

Public Tip Fee Survey

SHOREWAY			
Material Type	Current (Jan 2018)	Proposed 7/1/18	Proposed 1/1/19
Solid Waste	\$42 cyd	\$42 cyd	\$44 cyd
C&D	\$40 cyd	\$42 cyd	\$44 cyd
Yard Waste	\$31 cyd	\$33 cyd	\$35 cyd
Food Waste	\$121 ton	\$131 ton	\$141 ton
Dirt	\$98 ton	\$98 ton	\$103 ton

NEIGHBORING FACILITIES (as of April 2018)					
Material Type	Zanker	OxMtn	SMART (cyd)	Newby Island	BlueLine TS
Solid Waste	\$30 cyd	\$36 cyd	\$20 cyd	\$51 cyd	\$103 ton (25.75 cyd)
C&D	\$30 cyd	\$34 cyd	\$39 cyd	\$47 cyd	\$115 ton (23.00 cyd)
Yard Waste	\$30 cyd	\$32 cyd	\$20 cyd	\$47 cyd	\$95 ton (23.75 cyd)
Food Waste	n/a	\$77 ton MSW			
Dirt	\$50 cyd	\$35 cyd	\$75 cyd	\$46 cyd	80 ton

Rate Payer Impact

Preliminary FY 18-19 Budget (\$14 Tip Fee Inc)

TRANSFER STATION REVENUE						
Impact to Franchise Rate Payer of Tip Fee increase						
Calendar Year 2019						
					Rate Increase	Revenue Impact
<u>2019 Estimated Volume</u>	<u>Q1, 2</u>	<u>Q3, 4</u>	<u>TOTAL</u>			
SBWMA Solid Waste	90,672	90,672	181,345	\$	14.00	\$ 2,538,828
SBWMA Green Waste	44,288	44,288	88,575	\$	14.00	\$ 1,240,050
SBWMA Food Waste	13,339	13,339	26,678	\$	20.00	\$ 533,554
SBWMA C&D	56	56	112	\$	14.00	\$ 1,565
SBWMA Dirt, Inert	1,066	1,066	2,132	\$	14.00	\$ 29,843
SBWMA Wood	216	216	432	\$	14.00	\$ 6,050
SBWMA Other, BI	455	455	911	\$	14.16	\$ 12,898
TOTAL	150,092	150,092	300,184			\$ 4,362,789
Total Rate Payer Revenue						\$ 99,556,028
Tip Fee Increase Impact to Rate Payer %						4.4%

Financial Summary

Table 2

FY18/19 FINANCIAL SUMMARY					
Categories	FY17/18 Adopted Budget	FY17/18 Mid-Year Budget	FY18/19 Preliminary Budget	Variance to Adopted Budget	Better/Worse %
Total Revenue	\$46,960,353	\$49,180,563	\$51,694,167	\$4,733,815	10%
Program	\$3,653,015	\$3,688,963	\$3,375,780	(\$277,235)	8%
Shoreway Operations	\$ 35,927,570	\$ 39,146,496	\$ 41,110,633	\$5,183,063	-14%
Total Operating Expense	39,580,585	42,835,459	44,486,413	\$4,905,828	-12%
Non-Operating Expense	4,556,880	4,734,406	4,894,949	338,069	-7%
Total Expense	44,137,465	47,569,865	49,381,362	5,243,898	-12%
Net Income	\$ 2,822,888	\$ 1,610,698	\$ 2,312,805	\$ (510,083)	-18%

Projected Reserves Balances

Table 11. SBWMA RESERVES					
FY18/19 BUDGET: RESERVE BALANCES					
	ACTUAL FY16/17	ADOPTED BUDGET FY17/18	MID-YEAR BUDGET FY17/18	PRELIMINARY BUDGET FY18/19	FY19 vs. FY18 Mid-Year Budget
UNCOMMITTED RESERVE:					
RATE STABILIZATON (10% of expense)	\$ 4,033,671	\$ 4,237,586	\$ 4,756,987	\$ 4,938,136	\$ 181,150
EMERGENCY RESERVE (10% of expense)	4,033,671	4,237,586	4,756,987	4,895,300	138,314
CAPITAL RESERVE (Undesignated)	6,828,704	4,438,135	3,437,843	957,415	(2,480,428)
TOTAL UNCOMMITTED RESERVES	\$ 14,896,047	\$ 12,913,307	\$ 12,951,816	\$ 10,790,851	\$ (2,160,965)
COMMITTED RESERVE					
EQUIPMENT REPLACEMENT (ANNUAL)	\$ 1,192,148	\$ 1,723,744	\$ 1,723,744	\$ 1,397,514	\$ (326,231)
TOTAL RESERVES	\$ 16,088,195	\$ 14,637,052	\$ 14,675,560	\$ 12,188,365	\$ (2,487,195)
SHOREWAY REMEDIATION PROJECT	\$ 1,233,640	\$ 1,233,640	\$ 1,233,640	\$ 1,233,640	\$ -