

Staff Reports
Item #: 16



Meeting Date: June 23, 2023

To: Board of Directors
From: Accounting Manager, Garth Gregson
Approved by: General Manager, Felipe Melchor

Subject: May 2023 Financial Review

Financial & Operations Review May 2023

	May	Month Budget	B/(W) Budget	Year to Date	YTD Budget	B/(W) Budget
* Operating Revenues *						
Tipping Fees Revenue	\$ 3,318,795	\$ 2,819,035	\$ 499,760	\$ 32,775,225	\$ 30,463,768	\$ 2,311,457
Other Sales Revenue	983,420	1,290,036	(306,616)	12,471,614	13,940,712	(1,469,097)
* Total Operating Revenues *	4,302,215	4,109,071	193,144	45,246,840	44,404,479	842,360
* Operating Expenses *						
Employment Expenses	1,402,429	1,398,651	(3,778)	15,399,951	15,114,696	(285,255)
Non-Employment Expenses:	2,621,069	1,697,354	(923,716)	20,758,068	18,670,075	(2,087,994)
* Total Operating Expenses *	4,023,498	3,096,005	927,493	36,158,020	33,784,771	2,373,249
** Operating Income (Loss) **	278,718	1,013,067	(734,349)	9,088,820	10,619,708	(1,530,888)
Non-operating Revenues (Expenses)	1,791,102	(131,741)	1,922,843	1,392,033	(1,455,646)	2,847,679
*** Change in Net Position ***	\$ 2,069,820	\$ 881,326	\$ 1,188,494	\$ 10,480,853	\$ 9,164,062	\$ 1,316,791

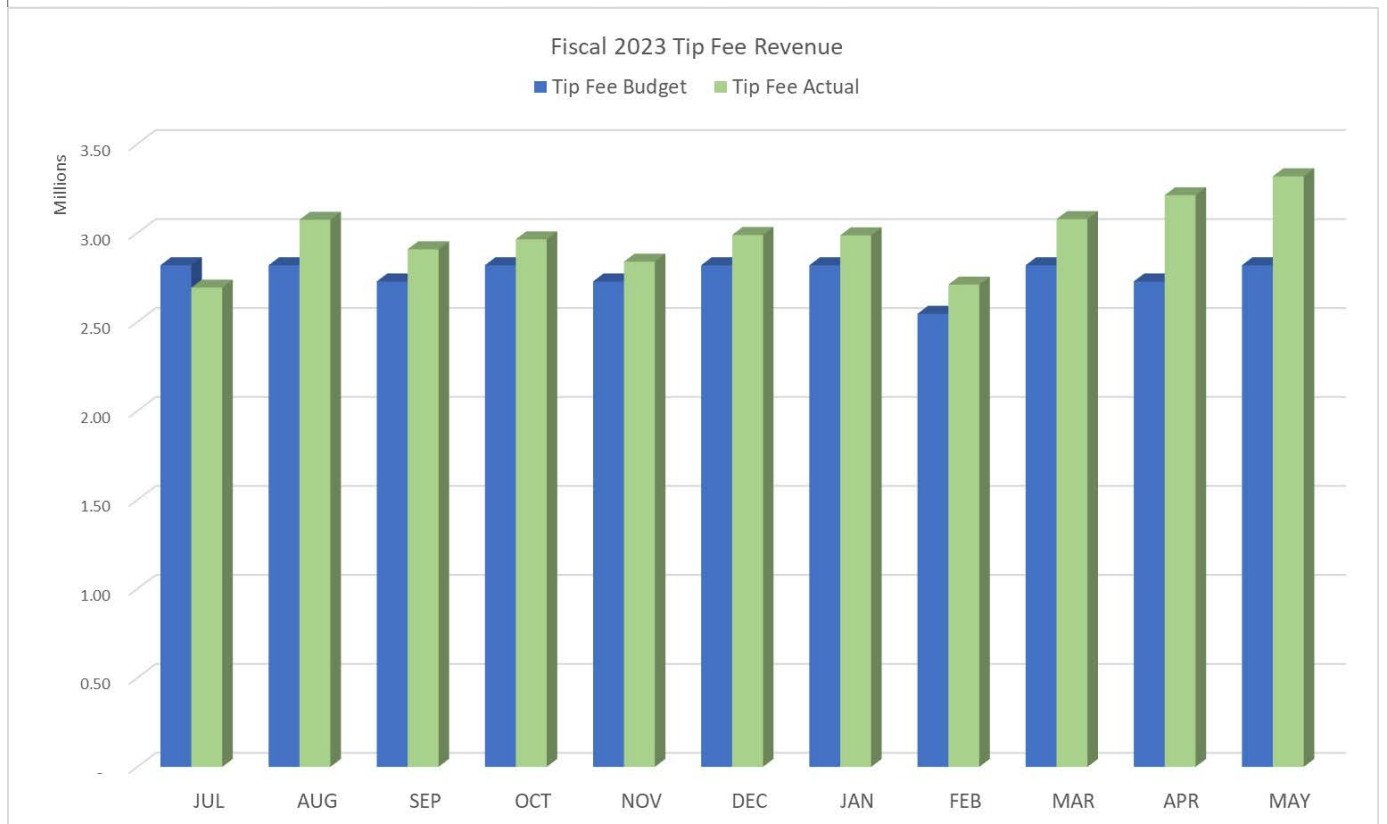
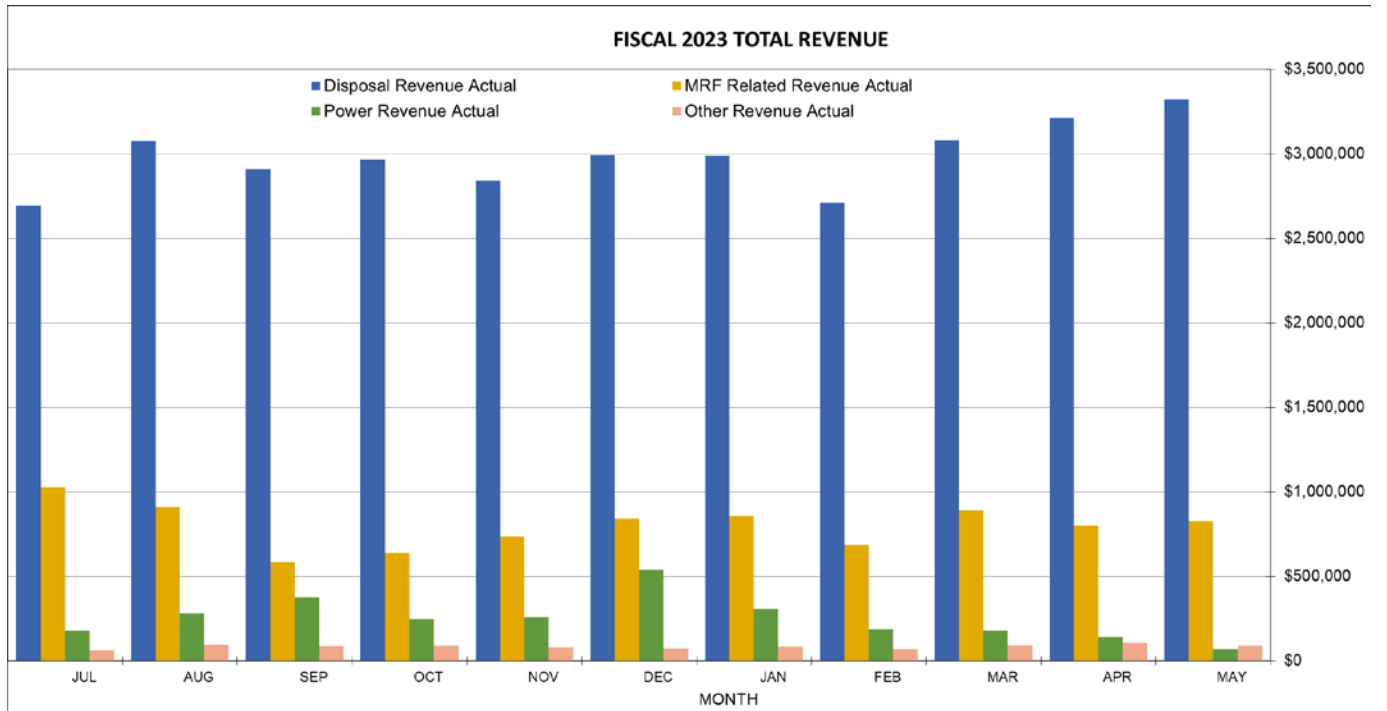
Revenue

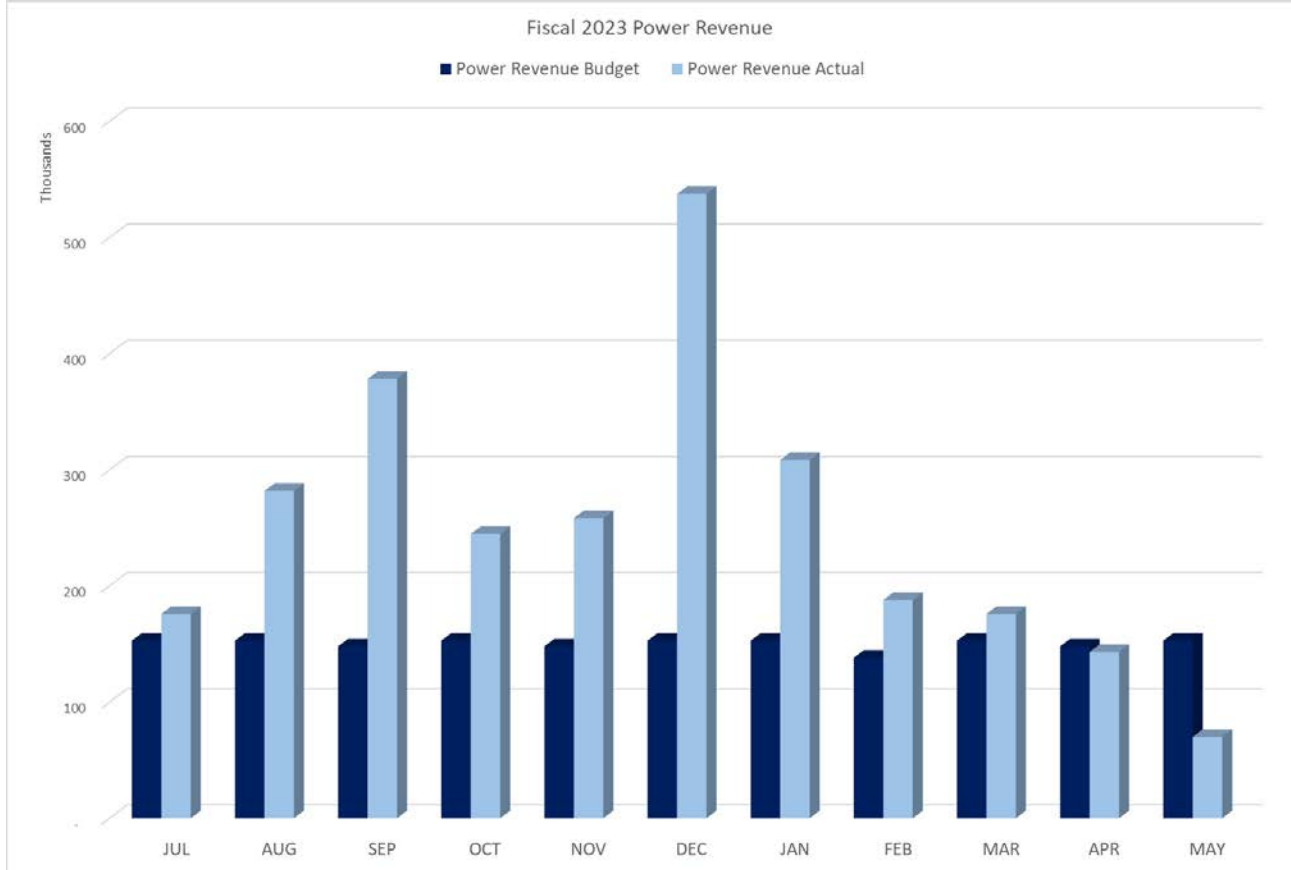
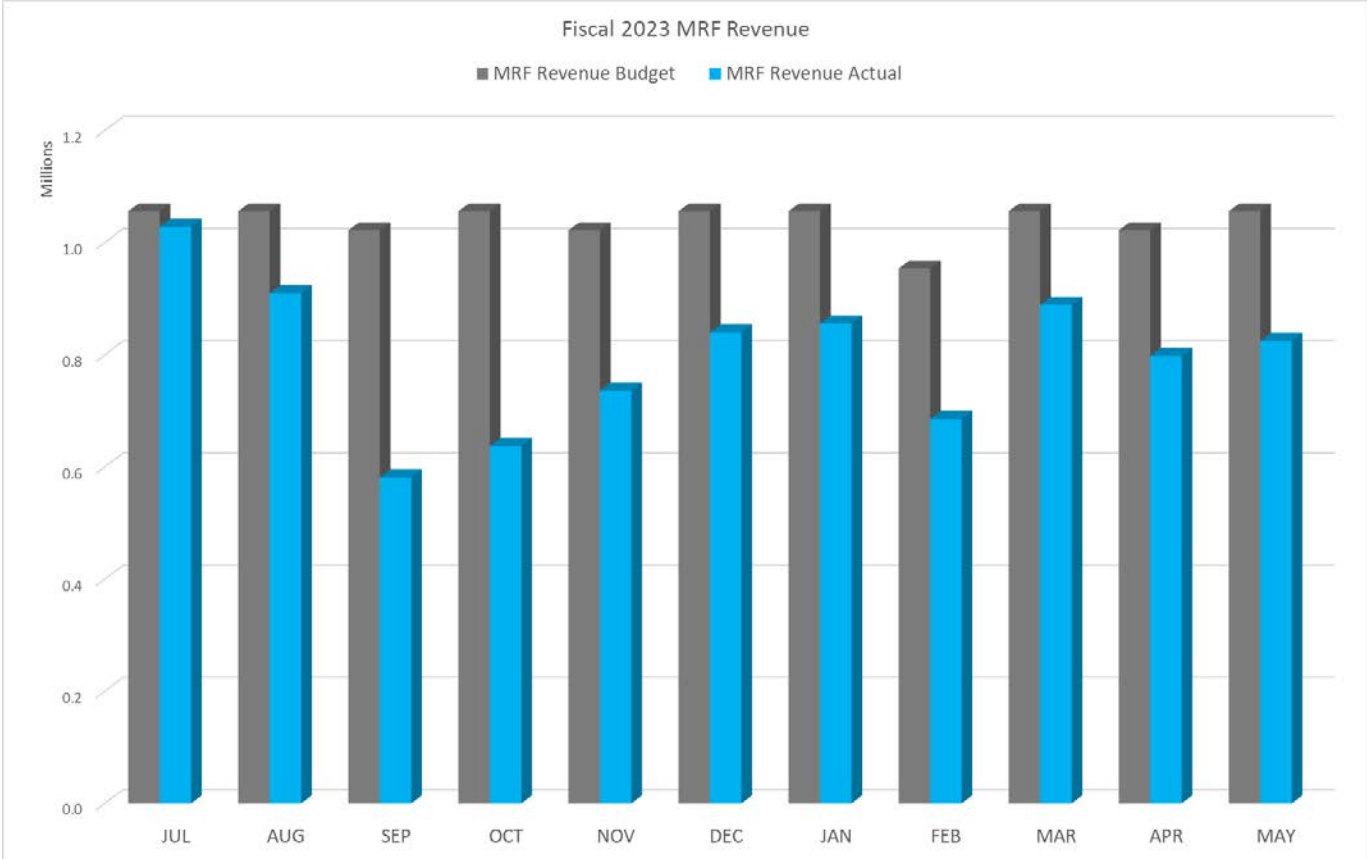
- May tip fee revenue is \$3.3 million and is \$500K or 17.7% over budget and is \$841K or 34.0% higher than May of 2022.
- Tonnage received in May is 94.0K tons which is 8.6K tons or 10.1 higher than the prior month.
- Other revenue in May is \$983K and is \$307K or 23.8% under budget. MRF related revenue in May is \$825K and is \$231K or 21.9% below budget for the month. MRF product sales are \$267K compared to budget of \$568K. CRV revenue is \$362K compared to budget of \$324K for the month. Processing fees are \$196K compared to budget of \$164K.
- Power revenue for May is \$70K compared to budget of \$153K. May power revenue is below budget and is the lowest of any month in F2024 due to equipment that was out of service for routine maintenance and other repairs.
- May total revenue is \$4.3 million which is \$193K over budget and \$477K higher than the same month last year.
- Year to date tip fee revenue is \$32.8 million and is \$2.3 million or 7.6% over budget and \$6.0 million or 22.6% higher than last year. Tip fee revenue for the year is 72.4% of total revenue compared to 63.9% in the same period last year.

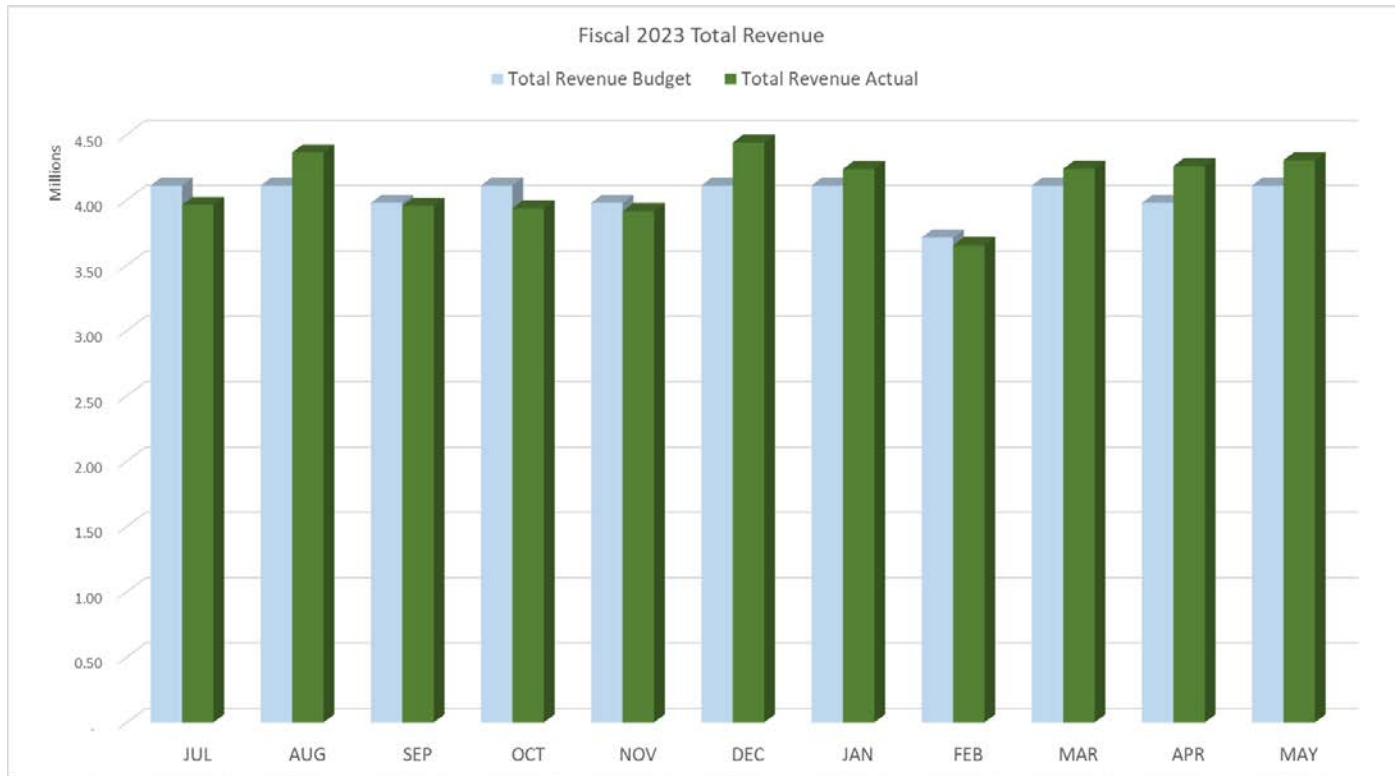
- Tonnage received year to date is 915K tons and this is 124K tons higher than the same period last year. MSW tonnage received is 42K tons higher than last year and green waste tonnage is 27K tons higher than last year.
- Year to date other revenue is \$12.5 million and is \$1.5 million or 10.5% under budget. MRF related YTD revenue is \$8.8 million and is \$2.6 million or 23.0% under budget and is \$3.5 million or 28.4% lower than the same period in fiscal 2022.
- A summary of the MRF revenue and direct expenses are below.

	<u>YTD May 2023</u>	<u>YTD Budget</u>	<u>YTD B/(W) Budget</u>	<u>YTD May 2022</u>	<u>B/(W) YTD F22</u>
<u>MRF Revenue</u>					
Product revenue	\$ 2,908,305	\$ 6,139,591	\$ (3,231,286)	\$ 6,157,734	\$ (3,249,429)
Processing Fees	2,108,985	1,768,753	340,231	2,348,633	(239,649)
CRV Rebates	3,770,222	3,503,806	266,416	3,763,797	6,425
	<u>8,787,512</u>	<u>11,412,150</u>	<u>(2,624,638)</u>	<u>12,270,165</u>	<u>(3,482,653)</u>
<u>MRF Direct Expenses</u>					
MRF Operations	\$ 6,568,723	\$ 6,762,069	\$ 193,346	\$ 6,388,097	\$ (180,626)
MRF Maintenance	1,060,654	1,498,866	438,212	1,292,781	232,127
	<u>7,629,377</u>	<u>8,260,936</u>	<u>631,558</u>	<u>7,680,878</u>	<u>51,501</u>
MRF Contribution Margin	<u>\$ 1,158,135</u>	<u>\$ 3,151,214</u>	<u>\$ (1,993,079)</u>	<u>\$ 4,589,287</u>	<u>\$ (3,431,152)</u>

- Total revenue for the year is \$45.2 million which is \$842K or 1.9% over budget and \$3.4 million or 8.1% higher than the same period in fiscal 2022. Tip fees are \$6.0 million higher than last year partially offset by lower MRF related revenue which is \$3.5 million lower than the same period in fiscal 2022.







Operating Expenses & Net Income

May

- Employment expense is \$1.4 million and is \$4K or 0.3% over budget.
- Outside services are \$561K and are \$496K over budget due to the cost of road material used to improve roads on the site.
- Operating supplies are \$52K over budget due to the cost of materials for the site.
- Recycling services are \$288K over budget due to a higher volume of material processed.
- Repair and maintenance costs are \$74K over budget due to maintenance cost for the four power generating engines in the landfill gas department.
- Total operating expense for the month is \$4.0 million and is \$927K or 30.0% above budget. May operating expenses are \$1.5 million higher than May last year.
- Non-operating revenue in May includes \$1.8 million received from the California Energy Resources Commission as reimbursement for costs the District incurred for improvements to the LFG collection system.
- Net income for the month is \$2.1 million and is \$1.2 million over budget.

Fiscal 2023 YTD Through May

- Employment expense for the year to date is \$15.4 million and is \$285K or 1.9% over budget.
- Environmental services are \$1.0 million and are \$270K or 36.0% over budget primarily due to repairs to the LFG collection system and regulatory compliance costs.
- Outside services are \$1.3 million and are \$618K over budget primarily due to the overspend in May described above.
- Fuel costs of \$1.5 million are \$377K or 34.3% over budget.
- Recycling services of \$3.1 million are \$1.1 million over budget.

- Repair and maintenance costs of \$2.9 million are \$322K or 10.1% under budget.
- Total operating expense for the year to date are \$36.2 million and is \$2.4 million or 7.0% over budget.
- Net income for the year to date is \$10.5 million and is \$1.3 million above budget and \$586K lower than the same period in F2022.

Operating Expense by Department

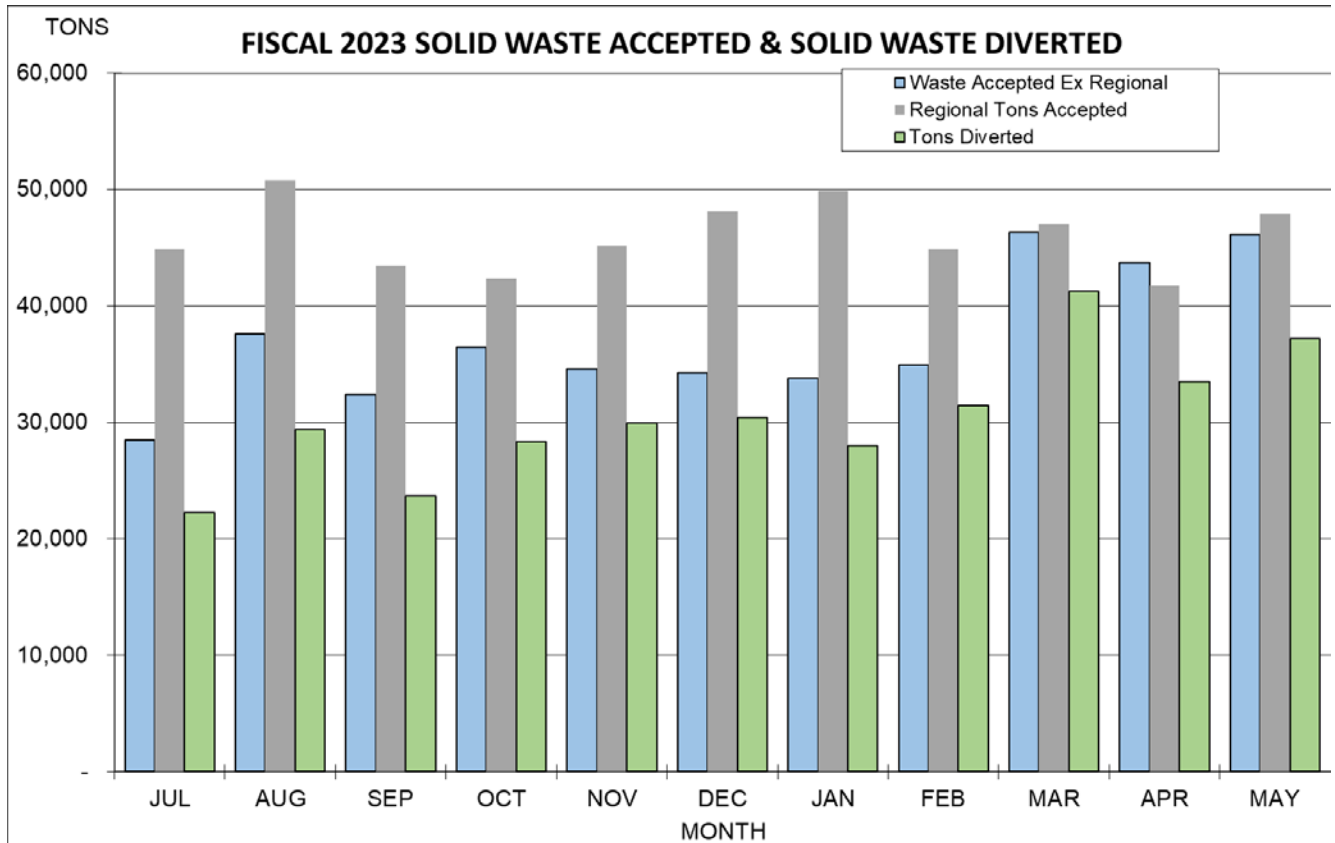
Department	Year to Date	YTD Budget	B/(W) Budget YTD
Administration	\$ 7,784,503	\$ 6,913,103	\$ (871,400)
Human Resources	576,125	710,025	133,899
Accounting	839,663	812,992	(26,671)
Engineering	1,133,579	1,416,848	283,269
Safety & Risk Management	370,754	417,111	46,357
Public Education	690,178	1,051,249	361,070
Board	18,552	29,583	11,031
Household Hazardous Waste	927,799	968,996	41,197
Last Chance Mercantile	47,377	151,250	103,873
Landfill Gas	3,105,128	2,204,301	(900,827)
Organics	2,585,208	1,558,333	(1,026,875)
Maintenance Shop	2,665,500	2,833,376	167,876
MRF Operations	6,568,723	6,762,069	193,346
MRF Maintenance	1,060,654	1,498,866	438,212
Scales	852,008	797,670	(54,338)
Site & Facilities	2,898,818	2,697,594	(201,224)
Landfill Operations	4,033,449	2,961,404	(1,072,045)
Total	\$ 36,158,020	\$ 33,784,771	\$ (2,373,249)

Fiscal 2023 Capital Spending

Facilities	\$ 1,141,888
Module development	1,162,415
Equipment	2,609,670
	<u>\$ 4,913,972</u>

Cash Position

	Jul 1, 2022	May 31, 2023	Change
Cash in bank	\$ 17,917,265	\$ 24,590,340	\$ 6,673,074
Temporary investments	19,643,148	16,514,182	(3,128,966)
Restricted funds	2,500,000	6,013,000	3,513,000
	<u>\$ 40,060,413</u>	<u>\$ 47,117,522</u>	<u>\$ 7,057,108</u>



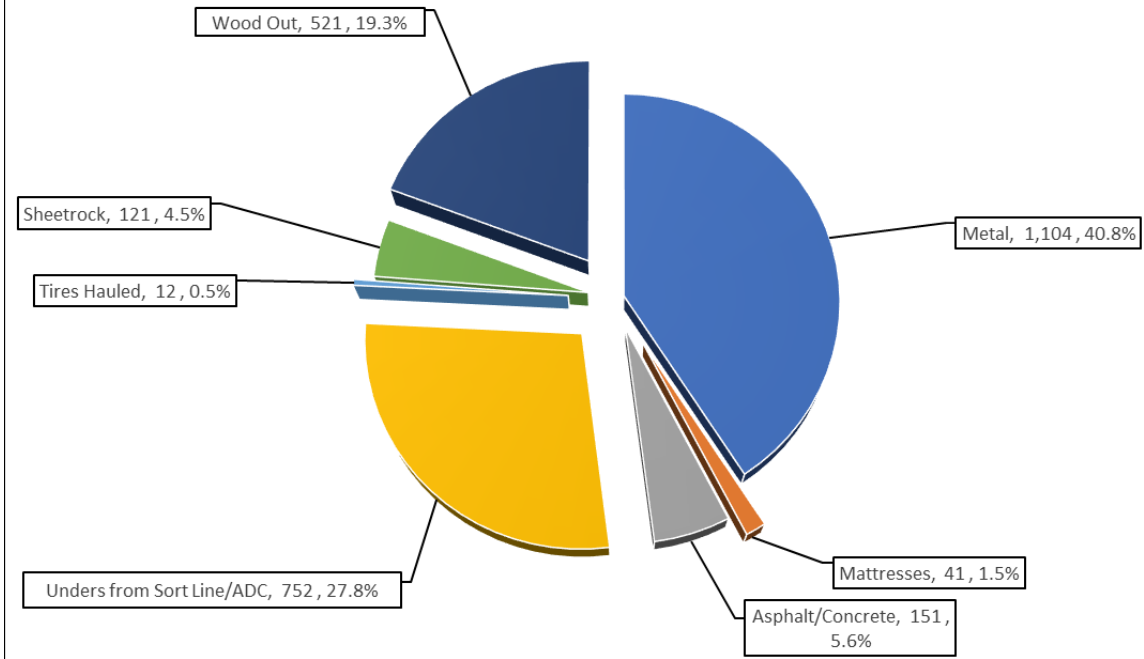
Summary of Landfill & MRF Tonnage

SITE Tonnage	May 2023	May FY23 YTD	May FY22 YTD	More/(Less) Prior Year
Site Accepted Materials				
MSW - Landfill	11,941	116,169	116,984	(815)
MSW - Landfill - Regional Waste	34,399	366,084	323,032	43,052
All Other Site Accepted Material	47,721	432,423	349,891	82,532
Total Accepted Materials	94,061	914,676	789,906	124,770
Total Diverted Materials	37,183	336,278	267,465	68,813
Landfilled	56,878	578,398	522,441	55,957
MRF - Accepted Materials				
C&D				
MRF C&D Accepted	4,477	53,621	41,133	12,488
MRF SSR Accepted	5,465	58,955	59,588	(633)
Total MRF Accepted Materials	9,943	112,576	100,721	11,855
MRF - Diverted Materials				
C&D				
Metal	1,104	6,045	5,193	852
Mattresses	41	305	334	(29)
Asphalt/Concrete	151	1,918	1,537	381
Unders from Sort Line/ADC	752	14,956	10,645	4,311
Tires Hauled	12	188	165	23
Sheetrock	121	1,151	1,372	(221)
Wood Out	521	5,128	4,647	481
Total C&D Diverted	2,703	29,690	23,893	5,797
SSR				
Mixed Plastic	132	741	583	158
OCC/Cardboard	1,578	17,090	17,954	(864)
Mixed Glass	728	8,307	8,382	(75)
PET	127	1,141	981	161
Aluminum UBC	20	254	258	(4)
Poly Prop #5	20	292	299	(6)
HDPE - Color	80	593	517	76
HDPE - Natural	-	336	406	(70)
Mixed Paper	609	7,634	8,011	(377)
Aluminum scrap	21	41	41	(0)
Tin Lined Steel Cans	46	463	505	(43)
Shredded Paper	22	191	126	65
Thermoform	-	125	315	(190)
Clear Film/Hoop House Plastics	-	368	867	(499)
Total Single Stream Recycling Diverted	3,383	37,576	39,245	(1,668)
Total MRF Diverted Materials	6,086	67,267	63,138	4,129

12 Month Rolling Average

C&D Diversion	56.1%	57.3%
Single Stream Recycling Diversion	64.9%	65.9%
Diversion - Entire MRF	60.7%	62.4%

C&D Diverted Materials Fiscal 2023 - May 2023



SSR Diverted Materials Fiscal 2023 - May 2023

