



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: April 7, 2017
 TO: Board of Directors
 FROM: Dennis Allion
 SUBJECT: Summary of Finance Committee Meeting of April 5, 2017

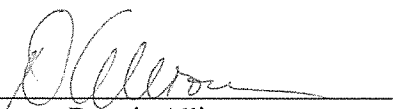
The Finance Committee met on April 5th at 9:00 a.m., at the District administrative offices. Committee members in attendance were Board Chair Delgado, and Directors Laska and Bales. Staff members in attendance were Tim Flanagan, Peter Skinner, Guy Petraborg (via telephone), Tim Brownell, Chuck Rees, Jeff Lindenthal, Clyde Walkup, David Ramirez, and Becky Aguilar. Rob Wellington was also in attendance. The purpose of the meeting was to discuss Materials Recovery Facility (MRF) Improvement Project Baler Selection Process, Preliminary Budget for FY 2017/18, Long Term Financial Planning and Tip Fee Increase, Capital Project Updates, and to receive General Manager comments. Discussion is summarized below and followed the attached agenda.

1. **MRF Improvement Project Baler Selection Discussion.** This item resulted from the public comment at the March 2017 Board Meeting by Steve Biron representing Olympic Wire and Equipment, Inc. Staff and legal counsel reviewed the process of the baler selection. The Committee received comments from Mr. Biron and Eric Winkler from Bulk Handling Systems (BHS). The Committee discussed the selection process and thanked Mr. Biron for his time and information. No action was taken.
2. **Preparation for Preliminary Budget for Fiscal Year 2017/18.** Staff presented the Draft Preliminary Budget and reviewed the information regarding the assumptions. The Committee reviewed the information followed by significant discussion. The Committee gave direction to staff on the assumptions that will be presented in an updated draft of the Preliminary Budget. The Committee will review the Draft Preliminary Budget at the next meeting before it is presented to the full Board at the May meeting. The Committee noted that the Preliminary Budget contained a refuse tip fee increase to \$56.00 per ton (8.2%) to recoup the cost of living increases since the last increase in 2014. The Committee voted unanimously to recommend that this tip fee be presented to the full Board when the Preliminary Budget is presented to the Board during the May 2017 meeting.
3. **Long Term Financial Planning.** Staff updated the Committee on the continuing process to determine the financial impacts for known regulatory mandates, investments in landfill infrastructure and other significant capital projects and potential decreases in commodity pricing due to economic swings. Discussion followed and direction was given to staff to continue the planning in conjunction with the FY 2017/18 Budget process and determine the level of funds that would need to be raised to meet the Guiding Principle target of 20% of cash operating expenses at the end of any fiscal year. The Committee would then evaluate the various options to obtain the necessary funds.
4. **Capital Project Updates.** Staff updated the Committee on the progress of the Capital Projects. The MRF sort line has been dismantled and Ausonio has proceeded on the contract to prepare for the installation of the MRF equipment that was approved at the February Board meeting. Staff is reviewing the three bids received for Phase II (site improvements) and will complete the evaluations and present a recommendation at the April Board meeting. The District received one bid for the Phase III (office improvements) that was significantly above the engineering estimate and staff is reviewing the bid and will evaluate the need to reduce the scope of work and thus the cost. Staff will bring forward a recommendation to replace the LFG Engine 2 that was damaged by fire at the April Board meeting.

5. General Manager Comments. Due to time restraints, no comments were presented.

6. Next Meeting Date: Wednesday, May 3, 2017 at 9:00 AM.

Closed Session. No Closed Session was held.


Dennis Allion

Attachment

BOARD OF DIRECTORS

BRUCE DELGADO
CHAIR

CARRIE THEIS
VICE CHAIR

GARY BALES
DAVID PENDERGRASS
LEO LASKA
LIBBY DOWNEY
JANE PARKER
DENNIS ALLION
JASON CAMPBELL



TIMOTHY S. FLANAGAN
GENERAL MANAGER

GUY PETRABORG, P.E., G.E.
DISTRICT ENGINEER

ROBERT WELLINGTON
COUNSEL

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Mercantile

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT FINANCE COMMITTEE MEETING

Wednesday
April 5, 2017
9:00 a.m.

Board Room
MRWMD Offices
14201 Del Monte Blvd., Monterey County
CA

Attending: Board Chair Delgado, Directors Bales, Laska, and Allion
Rob Wellington, Legal Counsel
Tim Flanagan, General Manager
Chuck Rees, Finance Manager
Guy Petraborg, Director of Engineering & Compliance/District Engineer
Jeff Lindenthal, Director of Communications & Sustainability
Peter Skinner, Director of Finance & Administration
Tim Brownell, Director of Operations

OPEN SESSION AGENDA

1. MRF Improvements Project Baler Selection Discussion.
2. Preparation of Preliminary Budget for Fiscal Year 2017/18.
3. Long Term Financial Planning and Fee Increase Discussion.
4. Capital Project Updates.
 - Materials Recovery Facility (MRF) Improvements Project
 - * Phase II and III Construction Bids
 - Landfill Gas Operations – Unit 2 Repair Options
5. General Manager Comments.
6. Next Meeting Date: Wednesday, May 3, 2017, 9:00 a.m.

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CLOSED SESSION AGENDA

As permitted by the Ralph M. Brown Act (California Government Code Sections 54957.6), the Committee Members may adjourn to closed session to consider the specific items listed below:

- 1) Conference with Labor Negotiators:
District Negotiators: Tim Flanagan, Peter Skinner, and Berta Torres
Employee Organizations: Operating Engineers and Management Employees

Return To Open Session With Any Required Announcements From Closed Session