



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: March 10, 2017
 TO: Board of Directors
 FROM: Finance Committee Chair
 SUBJECT: Summary of Finance Committee Meeting of March 8, 2017

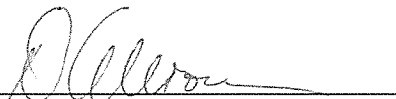
The Finance Committee met on March 8th at 9:00 a.m., at the District administrative offices. Committee members in attendance were Directors Allion, Bales, and Laska. Staff members in attendance were Tim Flanagan, Peter Skinner, Guy Petraborg, Tim Brownell, Chuck Rees, Jeff Lindenthal, and Becky Aguilar. Rob Wellington was also in attendance. The purpose of the meeting was to select Committee Chair, discuss Long Term Financial Planning, Preliminary Budget for FY 2017/18, Public Debt Policy, Audit Request Proposals, Site Conditions Update, Capital Project Updates. receive General Manager Comments on the March 18th Anniversary Event. There was also scheduled a Closed Session agenda on employee negotiations. Discussion is summarized below and followed the attached agenda.

1. **Election of Committee Chair**. The members of the Committee discussed the topic of selection of the Committee Chair. On a vote of 2-0, with Director Allion abstaining, Director Allion was elected as Chair of the Finance Committee.
2. **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.
3. **Preparation for Preliminary Budget for Fiscal Year 2017/18**. Staff presented a packet of information regarding the assumptions for the upcoming budget process. The Committee reviewed the information and noted that staff will refine the assumptions and bring a draft of the Preliminary Budget to the next committee meeting for further discussion and guidance. The Preliminary Budget is scheduled to be presented to the Board at the May 2017 meeting.
4. **Discussion of Public Debt Policy**. Staff presented a Draft Debt Management Policy and related Resolution to be adopted at the March Board Meeting. This policy became required by Senate Bill 1029 that became effective in January 2017. Discussion followed that this policy and related reporting requirements with the California Debt and Investment Advisory Commission (CDIAC) is designed to improve transparency regarding debt issued by public entities. The Committee voted unanimously to bring the Policy and related Resolution to the full Board at the March 17, 2017 meeting.

5. **Status of Audit Request for Proposals (RFP)**. Staff presented Draft Recommendation to select Vavrinek, Trine, Day & Co. (VTD) as the District Auditor for the next four years. Staff described the method of screening and conducting the due diligence on the eight accounting firms that had responded to the RFP. The main criteria used to make the recommendation were cost, responses from references, resources of the firm, and proximity to the District. Discussion followed and the Committee voted unanimously to support the recommendation of selecting VTD as the District's auditor for Fiscal Years 2016/17 through 2019/20.
6. **Site Conditions Update**. Staff reported that the significant amount of rain in the month of February had caused damage to the landfill. The significant damage was due to a movement of soil on the slopes of the landfill that had damage a portion of the landfill gas collection system. The February 17th storm caused damage to the Maintenance Shop building and numerous trees were down on Charlie Benson. The wet weather has impacted site conditions and caused access problems in and around the landfill. Staff is coordinating recovery efforts with County officials regarding the emergency declaration. Repairs are underway and staff will report back on the repairs and the impact of any future rains.
7. **Capital Project Updates**. Guy updated the Committee on the progress of the Capital Projects. The MRF sort line is being dismantled and will completed in time for the work to be started by Ausonio contract approved at the February Board meeting. The two other phases of the construction bid requests for the MRF improvements are to be returned on March 15th. Landfill Gas operations have been interrupted by the storm damage to the collection system and options for the repairs to Engine Two are being evaluated and will be brought back more information.
8. **General Manager Comments**. The General Manager reminded the Committee of the 65th Anniversary event being held on March 18, 2017 from 10 a.m. to 2 p.m.
9. **Next Meeting Date**: Wednesday, April 5, 2017 at 9:00 a.m.

Closed Session. As listed on the agenda, the Committee met in closed session. The Committee provided guidance to staff and no action was taken.

1. Conference with Labor Negotiators
District Negotiators: Tim Flanagan, Peter Skinner, Berta Torres
Negotiating Parties: Operating Engineers Local 3, and Management Unit


Dennis Allion

Attachment

BOARD OF DIRECTORS
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CHAIR

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VICE CHAIR

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LIBBY DOWNEY
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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
March 8, 2017
9:00 a.m.

Board Room
MRWMD Offices
14201 Del Monte Blvd., Marina 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. Election of Committee Chair.
2. Long Term Financial Planning Discussion.
3. Preparation of Preliminary Budget for Fiscal Year 2017/18.
4. Discussion on Public Debt Policy.
5. Discussion of Audit Request for Proposals.
6. Site Conditions Update.
7. Capital Project Updates.
 - Materials Recovery Facility
 - Landfill Gas Operations
8. General Manager Comments.
9. Next Meeting Date: Wednesday, April 5, 2017, 9:00 a.m.

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

