



# Memorandum

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: May 5, 2017  
 TO: Board of Directors  
 FROM: Dennis Allion  
 SUBJECT: Summary of Finance Committee Meeting of May 3, 2017

The Finance Committee met on May 3<sup>rd</sup> at 9:00 a.m., at the District administrative offices. Committee members in attendance were Directors Laska and Bales. Staff members in attendance were Tim Flanagan, Peter Skinner, Guy Petraborg, Tim Brownell, Chuck Rees, Jeff Lindenthal, Berta Torres, and Becky Aguilar. Rob Wellington was also in attendance. The purpose of the meeting was to review the Draft Preliminary Budget for FY 2017/18, Long Term Financial Planning and Fee Increase, Capital Project Updates and receive General Manager Comments. Discussion is summarized below and followed the attached agenda.

1. **Draft Preliminary Budget for Fiscal Year 2017/18.** Staff presented the Draft Preliminary Budget, reviewed the information regarding the assumptions and noted the reasons for the areas that had significant changes from the FY 2016/17 Budget. The Committee reviewed the information followed by significant discussion. The Committee gave direction to staff on the presentation and additional information to be 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 and that the Unrestricted Cash Reserves at the end of the FY 2017/18 Budget was below the Board Guideline of 20% of the cash operating expenses.
2. **Long Term Financial Planning.** During the Budget discussion 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. **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. The MRF processing equipment from BHS is scheduled to start arriving on site by May 15<sup>th</sup>. Staff is in the process of finalizing the contract for the Phase II (site improvements) and this work is scheduled to start on July 1st. The District at the direction of the Board has reevaluated the scope for the Phase III (office improvements) and has engaged 2 firms to obtain proposals by May 5<sup>th</sup> for the reduced scope of work. This delay is not anticipated to impact the installation of the MRF equipment that is expected to be completed in October. Staff will bring forward a recommendation to for Phase III work based on the proposals.

4. **General Manager Comments.** A Site BBQ is scheduled for May 18<sup>th</sup> from 11 a.m. to 1 p.m. and all Board members are invited. The Public Education Staff is hosting an educational forum regarding recycling for the Hospitality Industry at the Clement Hotel on May 3<sup>rd</sup> from 4 p.m. to 6 p.m.
5. **Next Meeting Date:** Wednesday, June 7, 2017 at 9:00 a.m.



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**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  
May 3, 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. Preliminary Budget for Fiscal Year 2017/18.
2. Long Term Financial Planning and Fee Increase Discussion.
3. Capital Project Updates.
  - Materials Recovery Facility (MRF) Improvements Project
    - \* Phase III Construction Bids
4. General Manager Comments.
5. Next Meeting Date: Wednesday, June 7, 2017, 9:00 a.m.