



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: April 26, 2013
TO: Finance Committee
FROM: General Manager
SUBJECT: Finance Committee Meeting of May 1, 2013

Note: The meeting will be held at the District Administrative Offices on Wednesday, May 1st, at 9:30 a.m.

The Finance Committee met most recently on March 20th. There was a brief discussion of District operations including the landfill gas to energy project and reducing services such as a reduction in gate hours, and a reduction in the hours at the Last Chance Mercantile and the Household Hazardous Waste programs. This meeting is to review and provide comments on the Draft Preliminary Budget for FY 2013/14.

1. **Review of Draft Preliminary Budget for FY 2013-2014.** Please refer to the enclosed memo and attached information from Chuck related to the Draft Preliminary Budget for FY 2013-2014. In his memo and related information, Chuck lays out the Budget Assumptions and Draft Preliminary Budget for FY 2013/14. Following are some key assumptions used in preparing the Draft Preliminary Budget.
 - a. Tipping Fees. Staff is recommending increases to several of the tipping fees. Please refer to the enclosed memo, Rate Sheet of Disposal Fees and General Information for 2013 and Landfill Tip Fee Survey. The major adjustments are:
 - i) Landfill Solid Waste Rate tipping fee, COLA increase of 3% or \$1.25/ton; plus \$2.25 per ton for unfunded mandates for a total increase of \$3.50 per ton. The current tipping fee of \$48.25 per ton increases by \$3.50 per ton (7.25%), and the new tipping fee would become \$51.75 per ton, effective 1/1/14. It is anticipated there would not be another tipping fee increase until 1/1/16.
 - ii) The Clean Green Yard Waste and Wood Waste rate increases by \$6.50/ton from \$23.50/ton to \$30 per ton. This increase more closely reflects the cost for the District to process (grind up) the material for sale as compost feedstock, mulch or biomass fuel. With the increase, the tipping fee at \$30/ton is 60% of the Basic Tipping Fee, providing a continued substantial incentive for the customer to recycle it.
 - iii) Food Scraps fee would increase from \$38/ton to \$42/ton to reflect more closely the cost to manage and process the material.
 - iv) The sum total impact to the residential garbage bill by the increases to the Basic Tipping Fee \$3.50/ton and the Green Waste Tipping Fee \$6.50/ton is anticipated to be approximately \$0.90 per month, or about \$11 per year. If the average monthly garbage bill on the Peninsula is \$20/month, this would be an increase between 4% and 5%.
- Recommendation: Support Revisions to the Rate Sheet of Disposal Fees and General Information for 2013-2014.***
- b. **Hours of Operation at the Household Hazardous Waste and Last Chance Mercantile Facilities.** Please refer to the enclosed memo on the matter, which contains a significant amount of customer survey data, which staff has utilized in arriving at our recommendations.
 - i.) The hours of operation at the HHW facility are proposed to be reduced from six days per week to four days per week. This will provide increased efficiency as discussed in the memo.