



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: May 8, 2015
 TO: Board of Directors
 FROM: Finance Committee Chair
 SUBJECT: Summary of Finance Committee Meeting of April 29, 2015

The Finance Committee met on April 29th at 9:30 a.m., at the District administrative offices. Committee members in attendance were Directors Bales, Laska and Pendergrass. Rob Wellington was also present. The purpose of the meeting was review assumptions regarding the Preliminary Budget for FY 2015/16, receive an update on Bond Schedule, Capital Projects, Countywide Integrated Waste Management Study and General Management Comments. Discussion is summarized below and followed the attached agenda.

OPEN SESSION

1) Preliminary Budget for Fiscal Year 2015/16

Staff presented the Preliminary Budget, variances from the prior year's budget, and provided the key assumptions used in the preparation of the Preliminary Budget. Staff noted that Fiscal Year 2015/2016 is going to be a transitional year that requires the capital expenditures for the Truck Parking Facility, the Materials Recovery Facility (MRF) improvements and infrastructure upgrades while not providing for the increased revenues from the recovered recyclable materials. The result is that the Unrestricted Cash Reserves will decrease to below the 20% Cash Operating Expense Reserve guideline. It was noted that once the revenues from the improved MRF are recognized, the Unrestricted Cash Reserves will return to the guideline level in FY 2017/18. The Committee members discussed the Preliminary Budget and related variances and assumptions. Staff is prepared to bring the Preliminary Budget to the May 15, 2015 Board meeting for presentation and adoption.

The Committee requested that staff prepare an agenda item for the May 15th Board meeting to request the local state congressional representatives introduce and support legislation that would allow MRWMD Board member meeting stipend levels be in agreement with other local special districts.

2) Bond Update

Staff reported on the Bond Timeline and noted that the financing team had determined that the pricing of the Bonds would be rescheduled for the week of May 18th and the closing would be the following week.

3) Capital Project Updates

Staff updated the Committee on the status of the Districts four major projects (MRF Improvements, CNG Fueling, Truck Yard Maintenance Facility and LFG/Electrical System) and discussion followed. The Committee agreed that staff should bring the recommendation for the MRF equipment supplier to the May 15th Board meeting.

4) **Status Report on Countywide Integrated Solid Waste Management Study**

Staff provided the Committee with a review of the draft Countywide Report received late in the previous week. Discussion followed. The Committee expressed its unanimous consensus in agreeing with the conclusion of the General Manager, staff and the bond financing team that there is nothing the draft report (with its number of incorrect facts and assumptions and its contradictory recommendations) that should deter the District from going forward with its long-planned (a) MRF upgrades and related capital improvements and (b) the bond issuance and sale, planned for the month of May.

5) **General Manager Comments**

No General Manager comments.

6) **Next Meeting Date:** Wednesday, June 3, 2015 at 9:30 a.m.



Dennis Allion

Attachment

BOARD OF DIRECTORS
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VICE CHAIR

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DISTRICT ENGINEER

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RICHARD SHEDDEN, P.E.
SENIOR 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 29, 2015
9:30 a.m.

Board Room
MRWMD Offices
14201 Del Monte Blvd., Marina CA

Attending: Committee (Board) Chair Allion; Directors Bales, Pendergrass, and Laska
Rob Wellington, Legal Counsel
William Merry, General Manager
Tim Flanagan, Assistant General Manager
Chuck Rees, Finance Manager

AGENDA

1. Preliminary Budget for Fiscal Year 2015/16
2. Bond Update
3. Capital Project Updates
 - Materials Recovery Facility Equipment Procurement
 - Compressed Natural Gas Facility
 - Truck Yard and Maintenance Facility
 - Landfill Gas/Electrical System Update
4. Status Report on Countywide Integrated Solid Waste Management Study
5. General Manager Comments
6. Next Meeting Date: Wednesday, June 3, 2015, 9:30 a.m.