



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

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DATE: December 10, 2008
TO: Board of Directors
FROM: Leo Laska, Finance Committee Chair
SUBJECT: Report on Finance Committee Meeting of December 10, 2008

The Finance Committee met on December 10, 2008 at 2:30 p.m. at the administrative offices of the Pebble Beach Community Services District. Three of the four members of the Committee, which included Directors Bales, Gray, and myself attended the meeting. Director Pendergrass was not able to attend due to a scheduling conflict. The purpose of the meeting was to receive a status report on District finances and operations and to provide direction as necessary. The agenda for the meeting is attached.

RECOMMENDATIONS

1. Review of Operations and Finances and Revenue Enhancement. The Committee reviewed current tonnages and received staff reports on impacts of reduced operating hours in the Materials Recovery Facility (MRF) during December. The reduction in operating hours is in response to reduced staffing levels and is an attempt to reduce expenses. Recycling in the MRF continues, with a focus to recycle materials which still have market value, such as cans, bottles, and scrap metal. Staff remains committed to not landfill recyclables such as baled cardboard, paper or plastic, if such a request were to be made, for the remainder of the fiscal year.

Staff reviewed a rolling twelve month graph of refuse tonnages into the site. Tonnages continue to decline into the site. Staff presented new information which showed a 15,000 ton decline from budget for the year, where the previous projection had been 10,000 tons decline for the year. Staff anticipates further tonnage reductions into 2009 and will continue to refine estimates in preparation for the January mid-year budget review with the Board. Staff recommended to the Committee that an increase in the landfill tipping fee of \$2 per ton (plus a COLA adjustment if justified) be considered with preparation of the FY 2009/2010 budget (a \$2 increase to the landfill tipping fee translates to approximately \$0.30 per month to a residential customer). In order to minimize the need for a rate increase, the Committee requested that staff refine financial projections for the next meeting with the Finance Committee, considering various financing alternatives for upcoming capital outlays, other likely additional sources of revenue, and other potential changes in operations and tonnages.

There was discussion that the economy is anticipated to continue to worsen into mid 2009, and then remain flat through the end of 2010.

2. Regional and County-wide Waste Management. Staff presented a recent suggestion by the Monterey County Environmental Health Director regarding the need for only one agency in the County for the management of solid waste and direction was provided to staff.

Leo Laska