



# Memorandum

## MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: September 29, 2008  
 TO: Board of Directors  
 FROM: Leo Laska, Ad Hoc Finance Committee Chair  
 SUBJECT: Report on Committee Meeting of September 29, 2008

The ad hoc Finance Committee met on September 29, 2008 from 9 to 11 a.m. at the District Administrative Offices. All four members of the Committee were present, which included Directors Bales, Gray, and Pendergrass, and myself. The purpose of the meeting was primarily to meet with staff and representatives of Hayashi & Wayland (H&W) to review the draft Annual Auditors Report for FY 2007/2008.

1. **Annual Auditors Report for FY 2007/2008.** The Committee received a report from Finance Manager on the draft Financial Statements and Independent Auditors Report for the year ended June 30, 2008, as prepared by District staff and reviewed and edited by Hayashi & Wayland. Staff assisted H&W field staff with their work, which began in June, with the bulk of the field work completed in August. H&W Partner Mike Briley reported an "unqualified opinion" as an outcome of the Annual Audit. He also reported that the District runs "extremely well". Mr. Briley reviewed a letter to the Board that summarizes matters which must be communicated according to auditing standards generally accepted in the United States. Mr. Nolan added that the District received a "very clean" audit and presented an additional letter that described areas in the accounts payable and capital asset processes they believe should be improved. Staff responded to the comments and noted that there are controls in place to address the auditor's comments, specifically, the implementation of the Great Plains accounts payable module. Additionally, staff has performed informal capital asset observations over the prior year and has identified assets that need to be declared surplus for appropriate disposal. Staff has committed to implement these recommendations before the end of the accounting year. There were questions and discussion during the presentation. The Committee supported presentation of the Annual Audit at the October 17<sup>th</sup> Board meeting.
2. **Review of Operations (Tonnages) and Finances.** The Committee received a staff report on operations and finances. Tonnages for through the month of August are below seasonal levels. Income is \$200,000 above budget, which was anticipated as a result of normal summer activity. Staff continues to examine means to reduce operating expenses, including a reduction in hours of site operation and shortened gate hours, which would reduce operating expenses. Waste tonnages and scale traffic are down from both one and two years ago. In August, the Committee supported staff efforts to review impacts associated with shortened gate and operating hours, which could be initiated early in 2009.
3. **Other**
  - a. **Board Committee.** The ad hoc Finance Committee supported having a Standing Finance Committee of the Board. The Standing Finance Committee will meet on an as needed basis and will continue with the existing members.
  - b. **Labor Negotiations.** The Committee supported retaining Donna Williamson of Liebert Cassidy Whitmore to assist the District with upcoming labor negotiations with SEIU, which will begin early in 2009. An item will be placed on the October Board meeting agenda to consider retaining the services of Liebert Cassidy Whitmore.
  - c. There was only a brief staff report made on the Landfill Gas-to-Energy (LFG) Project status and on the MRWMD Strategic Planning Task Force meeting of October.

Leo Laska