



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

DATE: February 6, 2009
 TO: Board of Directors
 FROM: Leo Laska, Finance Committee Chair
 SUBJECT: Report on Finance Committee Meeting of February 3, 2009

The Finance Committee met on February 3, 2009 at 2:00 p.m. at the administrative offices of the Pebble Beach Community Services District. Committee members Bales and Pendergrass attended the meeting. 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

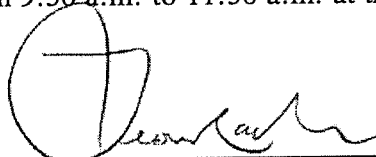
1. Review of Operations and Finances and Revenue Enhancement. Staff reviewed the December 2008 financial statements noting that Operating Revenues and Expenses were both slightly below budget and unrestricted cash was \$7.6 million.

Staff reviewed a rolling twelve month graph of refuse tonnages into the site. Tonnages continue to decline into the site. Staff presented information which showed a 15,000 ton decline from budget for the year. Staff anticipates further tonnage reductions may occur into 2009 and will continue to refine estimates in preparation for the Preliminary Budget for 2009-2010.

The Committee and staff discussed the impact of reduced revenues on unrestricted cash in the future years. Staff presented charts showing the decrease in unrestricted cash through FY 2012/13. The charts showed that if there are no additional sources of revenues (tonnage or rates) or significant reductions in programs unrestricted cash will fall below the 25% policy in FY 2010/11. The Committee stated that because of the current economic turmoil a budgeted reduction in cash would be appropriate. The Committee supported the staff recommendation for an increase in the landfill tipping fee, to offset expenses which have been incurred as a result of unfunded mandates, be considered with preparation of the FY 2009-2010 Budget. The timing of the increase will be based on timing of the expenses. 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, consider various financing alternatives for upcoming capital outlays, develop other likely additional sources of revenue, and consider other potential changes in operations and tonnages.

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

2. Reserve Policy. The committee recommended reducing the reserve policy from 25% of operating expenses to 20% with preparation of the Budget for FY 2009-2010, in response to the very strained local economy and resultant reduced revenues to the District. Enclosed is a memo from May 2007 outlines the history and rationale from when the District Reserve Policy was adopted by the Board in 2002.
3. Future Meeting Dates. Several dates were discussed (and later agreed upon) to meet on Tuesday, March 24, 2009 and Monday, April 20, 2009; from 9:30 a.m. to 11:30 a.m. at the offices of the Pebble Beach Community Services District.



Leo Laska

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MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Last Chance Mercantile

MEETING OF THE MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT FINANCE COMMITTEE

Tuesday
February 3, 2009
2:00 p.m.

Pebble Beach Community Services District
Administrative Offices
3101 Forest Lake Road
Pebble Beach, CA.

Attending: Board Chair Laska; Directors Bales and Pendergrass
William Merry, General Manager
Tim Flanagan, Assistant General Manager
Chuck Rees, Finance Manager
Don Prescott, Information Systems Manager
Rob Wellington, Legal Counsel

AGENDA

1. Review of Operations (Tonnages) and Finances (Revenue and Expenses)
2. Revenue Enhancement
3. Renewable Power Programs and Opportunities
3. Regional & County-Wide Waste Management
4. Other
5. Set Next Meeting Date