



Staff Report

DATE: April 8, 2015 For Meeting Of: April 9, 2015

FROM: Tyler Egerer, Administrative Services Manager

SUBJECT: Item 5) **Addenda**
Review and Provide Direction on Revised Preliminary Draft FY 2015-2016 Budget.

DISCUSSION:

Staff identified a miscalculation of disposal costs for one of its haulers that greatly impacts the rate increases proposed – and thereby, the income earned – for the Preliminary Draft Fiscal Year 2015-2016 budget.

The miscalculation resulted in an overstatement of the cost of solid waste disposal, and the recommended rate adjustments contained in the distributed report. Staff has corrected the error, and has prepared this addendum to reflect the revised rate adjustments to the Waste Management Fees for Fiscal Year 2015-2016. Attached is Attachment B, “*Amended* Draft Fiscal Year 2015-2016 Waste Management Fees”.

The recommended fee increases, by percentage, are summarized as follows:

	Revised Rate Adjustment	Original Rate Adjustment
HWMA Franchise:	1.75%	(3.53%)
HWMA Self Haul:	1.00%	(2.22%)
ERD Franchise:	0.90%	(1.45%)
Humboldt Sanitation From Franchise Rate to Satellite Rate:	-22.26%	(-13.85%)

The revised calculation also results in an increase of Net Income, as indicated in Attachment A, “*Amended* Draft Fiscal Year 2015-2016 Budget Summary”, of this report. The newly estimated Net Income for Fiscal Year 2015-2016 is anticipated to be \$20,362.

More information on these changes will be provided during staff’s presentation of the Budget at the April 9, 2015 meeting of the Board of Directors.

Attachment A
Amended Draft Fiscal Year 2015 - 2016
Budget Summary

	Total FY15/16 Budget	FY 14/15 Final Budget	% Change from FY14/15	Administration	Tip Floor Operations	Recycling Operations	Compost Operations	Hazardous Waste	Programs	Cummings Road Landfill
1 Revenues										
2 Revenues from Operations										
3 Franchise Tip Fees	\$5,418,420	\$5,325,030	1.75%		\$5,418,420					
4 Self Haul Tip Fees	\$2,337,300	\$2,314,229	1.00%		\$2,337,300					
5 Satellite Tip Fees	\$522,421	\$912,235	-42.73%		\$522,421					
6 Out of Area Self Haul Fees	\$204,116	\$130,707	56.16%		\$204,116					
7 Revenues from Solid Waste	\$8,482,257	\$8,682,201	-2.30%	\$0	\$8,482,257	\$0	\$0	\$0	\$0	\$0
8 Greenwaste Tip Fees										
9 Franchise	\$24,500	\$24,500	0.00%				\$24,500			
10 Self Haul	\$316,200	\$315,500	0.22%				\$316,200			
11 Diversion Revenue										
12 Hazardous Waste	\$100,000	\$100,000	0.00%					\$100,000		
13 Single-Stream Processing and Loading	\$140,000	\$160,000	-12.50%			\$140,000				
14 Self Haul (Appliances, TVs, Tires, Misc. E-waste)	\$294,000	\$360,000	-18.33%		\$9,000	\$271,000			\$14,000	
15 Salvage Revenue from Sale of Materials Processed In-House	\$570,000	\$610,000	-6.56%		\$70,000	\$500,000				
16 Revenues from Material Diversion Programs	\$1,444,700	\$1,230,000	17.46%	\$0	\$79,000	\$911,000	\$340,700	\$100,000	\$14,000	\$0
17 Total Revenues from Operations	\$9,926,957	\$9,926,957	0.00%	\$0	\$8,561,257	\$911,000	\$340,700	\$100,000	\$14,000	\$0
18										
19 Revenue Generated by Program Fees and Base Rate										
20 Administration (County-Wide Program Fees and Base Rate Combined)	\$437,822	\$133,700	227.47%	\$437,822						
21 Hazardous Waste (County-Wide Program Fee)	\$441,602	\$433,300	1.92%					\$441,602		
22 Cummings Road Landfill (County-Wide Program Fees and Base Rate Combined)	\$740,731	\$326,900	126.59%							\$740,731
23 Programs (County-Wide Program Fees and Base Rate Combined)	\$360,659	\$354,401	1.77%						\$360,659	
24 Recycling (Base Rate)	\$260,718	\$0				\$260,718				
25 Total Revenue Generated by Program Fees and Base Rate	\$2,241,532	\$1,248,301	79.57%	\$437,822	\$0	\$260,718	\$0	\$441,602	\$360,659	\$740,731
26										
27 Other Revenues										
28 Revenues from Reimbursements for Materials Collection	\$9,000	\$9,000	0.00%						\$9,000	
29 Income from Trust Accounts	\$30,000	\$60,000	-50.00%							\$30,000
30 Rental Income	\$118,488	\$117,900	0.50%		\$118,488					
31 Total Other Revenues	\$157,488	\$186,900	-15.74%	\$0	\$118,488	\$0	\$0	\$0	\$9,000	\$30,000
32										
33										
34 Total Revenues	\$12,325,977	\$11,362,158	8.48%	\$437,822	\$8,679,745	\$1,171,718	\$340,700	\$541,602	\$383,659	\$770,731

Attachment B
Amended Draft Fiscal Year 2015 - 2016
Waste Management Fees

	HWMA Self Haul	HWMA Franchise	ERD Franchise	HumSan Franchise	Out of Area Self Haul	Total Disposal
Tonnage Generated	15,000	42,000	3,400	1,900	7,700	70,000
Countywide Program Fees						
Administration	\$1.91	\$1.91	\$1.91	\$1.91	\$1.91	\$133,700.00
Household Hazardous Waste Program	\$6.31	\$6.31	\$6.31	\$6.31	\$6.31	\$441,601.78
Cummings Road Landfill Maintenance	\$4.67	\$4.67	\$4.67	\$4.67	\$4.67	\$326,900.00
Cleanup/Enforcement Programs	\$0.57	\$0.57	\$0.57	\$0.57	\$0.57	\$39,900.00
Rural Container Program	\$4.52	\$4.52	\$4.52	\$4.52	\$4.52	\$316,400.00
County/Cities AB939 Programs	\$4.93	\$4.93	\$4.93	\$4.93	\$4.93	\$345,100.00
Table Bluff Landfill Maintenance	\$0.94	\$0.94	\$0.94	\$0.94	\$0.94	\$65,800.00
Countywide Enforcement (LEA)	\$2.66	\$2.66	\$2.66	\$2.66	\$2.66	\$186,200.00
Subtotal	\$26.51	\$26.51	\$26.51	\$26.51	\$26.51	\$ 1,855,601.78
HWMA Base Fees						
Administration	\$4.88	\$4.88	\$4.88	\$4.88		\$304,122.12
Universal Waste Programs	\$1.32	\$1.32	\$1.32	\$1.32		\$81,979.08
Recycling Programs	\$4.18	\$4.18	\$4.18	\$4.18		\$260,718.04
Cummings Road Landfill Operations	\$6.64	\$6.64	\$6.64	\$6.64		\$413,830.96
Subtotal	\$17.02	\$17.02	\$17.02	\$17.02		\$ 1,060,650.20
Facility Fees						
Operations (Transportation & Disposal)	\$86.92	\$67.09	\$55.04 *	\$55.04 *		\$4,413,552.42
Indirect	\$6.57	\$5.07				\$311,337.13
Capital Expenditures	\$24.03	\$18.55	*	*		\$1,139,660.52
Subtotal	\$112.29	\$85.48	\$55.04	\$55.04		\$5,566,394.05
Total Proposed Waste Mgmt. Fees	\$155.82	\$129.01	\$98.57	\$98.57	\$26.51	
Waste Mgmt. Fees for FY 2015-16	\$154.28	\$126.79	\$97.69	\$126.79	\$26.14	
Percent Increase (Decrease)	1.00%	1.75%	0.90%	(22.26%)	1.41%	

* Values for HWMA Facility Fees related to Satellite Facilities relate to transportation and disposal costs only.
Other fees for facility operation are set via agreement by Member Agencies with their respective facility operators.