



**HUMBOLDT WASTE  
MANAGEMENT AUTHORITY**

*Staff Report*

**DATE:** May 10, 2012

**FROM:** Tyler Egerer, Administrative Services Manager

**SUBJECT:** Item 8)  
Review and Approve Fiscal Year 2012-2013 Budget and Adopt Resolution  
2013-01 for the Collection of Integrated Waste Management Fees.

**RECOMMENDED ACTION:** **Voice Vote.**  
Approve Fiscal Year 2012-2013 Budget  
Adopt Resolution Number 2013-01 for the Collection of Integrated Waste  
Management Fees.

**DISCUSSION:**

At the April meeting of the Board, staff provided two budget scenarios for discussion: in one, the various tip fees remained equal to present rates; in the other, tip fees were increased by three percent to account for CPI increases to various expenditures. Due to the significant turnover in Authority management, staff felt it prudent to provide as much stability as possible to the incoming Executive Director. Current reserve levels and operating cash on hand will prove sufficient to cover any shortfalls that ultimately occur throughout the year.

In that vein, staff has also made efforts to respond to criticism regarding cash on hand and perceived excess reserves. In keeping with the policies of the Board, current reserves will be reduced in an effort to drop as close as is feasible to the 20% reserve limit established in late 2009. At present, budgeted operational expenses for 2013 require a reserve limit of roughly \$1,850,000, requiring a \$350,000 reduction in current reserves. Staff intends to use that reduction as an offset to a budgeted decrease in Net Assets from operations of \$156,139. The remainder would be used to fund various capital projects planned for the coming year.

Capital projects will also be funded via a mixture of leases and purchases intended to reduce operating cash to an estimated \$1,000,000, or about a month and a half of operating expenses. Roughly \$420,000 in capital projects are planned, most of which will require Board approval before moving forward.

Staff feels comfortable in maintaining a budget nearly identical to last year due to tonnage having bottomed out at 70,000 tons per year, comprised of 13,000 tons of self haul disposal; 46,000 tons franchise; 6,000 tons from satellite facilities; and 5,000 tons from other sources, the largest being Humboldt Sanitation. Revenue streams from other facility operations and grant funds will assist in offsetting some losses throughout all departments which comprise the Authority. In general, no major changes will be made in accounting standards or operational activities that significantly impact the budget.

Net Assets  
changed to  
reflect  
budgeted  
amounts.