



**NAPA-VALLEJO WASTE
MANAGEMENT AUTHORITY**

Agenda Date: 4/7/2005

Agenda Placement: 5B

Napa-Vallejo Waste Management Authority Board Agenda Letter

TO: Board of Directors
FROM: Jill Pahl for Trent Cave - Manager
Napa-Vallejo Waste Management Authority
REPORT BY: Belinda Yamate, Secretary, 253-4471
SUBJECT: 2005/2006 Fiscal Year Proposed Budget.

RECOMMENDATION

2005/2006 FISCAL YEAR PROPOSED BUDGET.

DISCUSSION ITEM: Discussion of the proposed fiscal year 2005/2006 recommended budget to be submitted for approval in May, and the anticipated disposal rates for the next fiscal year.

EXECUTIVE SUMMARY

Consideration of the 2005/2006 Fiscal Year proposed Operating Budget of \$14,160,300 and the 2005/2006 Fiscal Year proposed Debt Service Budget of \$1,018,170.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	This is the Authority's Annual operating and Debt Service Budget.
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	No
Future fiscal impact:	Ongoing Budget
Consequences if not approved:	The Authority will be unable to operate.

Additional Information: None

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

This year's operating and debt service budgets are based on an increase in the current tip rate at Devlin Road Transfer Station. The self haul gate fee will increase from \$54/ton to \$56/ton. Member franchise hauler's rate will remain the same at \$54/ton. Also the budget reflects the savings as a result of the refinancing of the Authority's 1994 Revenue Bonds in 2004. Again the Authority will be utilizing cash reserves to stabilize the rate and provide adequate debt service coverage. In addition some adjustments have been made as a result of actual expenditures and experience with our costs and increases in the amount of waste delivered to the Devlin Road Transfer Station.

Revenues

Transfer/Disposal Fees

This revenue source has been increased to reflect a minor increase in tonnage processed by the Authority and the proposed rate increase.

Rate Stabilization

Revenues are insufficient to cover the required 1.25 coverage ratio. Therefore it is necessary to utilize \$900,000 in reserves for rate stabilization.

Expenses

Expenses have increased due to inflation adjustments and increases in volumes of waste processed by the Authority for transfer and disposal. Increases in Professional Services-Other are for increased monitoring for compliance with regulations relating to air and groundwater monitoring.

The budget does not include construction costs associated with the closure of American Canyon Sanitary Landfill. The cost associated with the closure will be covered by the Closure Fund and will be included in the Capitol Improvement Budget scheduled for consideration next month. .

SUPPORTING DOCUMENTS

A . Budget Proposal

Manager: Approve

Reviewed By: Jill Pahl