



**NAPA-VALLEJO WASTE
MANAGEMENT AUTHORITY**

Agenda Date: 5/4/2006

Agenda Placement: 6B

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: Trent Cave, Manager, 253-4471
SUBJECT: 2006/2007 Fiscal Year Proposed Budget

RECOMMENDATION

2006/2007 FISCAL YEAR PROPOSED BUDGET

DISCUSSION ITEM: Discussion of the proposed fiscal year 2006/2007 recommended budget to be submitted for approval in June.

EXECUTIVE SUMMARY

The 2006/2007 Fiscal Year is the most difficult budget year since the opening of the Devlin Road Transfer Station. After years of utilizing surplus cash and reserves to stabilize the rates, cash reserves and surpluses have diminished to nominal levels. In addition several capital improvement projects' completions have been delayed resulting in expenses without corresponding revenues. The Authority is in the final year of an operations and disposal contract and is the process of negotiating or bidding a new contract. The remaining significant potential cash source is the Oat Hill Quarry. The Authority is in the process of expanding the Devlin Road Transfer Station with funds from the sale of the quarry. This expansion will provide for diversion of C&D materials from landfill disposal. Based on a recent appraisal, there will be sufficient funds to complete the Devlin Road Expansion and provide for a significant reserve.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No

What is the revenue source? This is the proposed operating budget for next fiscal year.
Is it Mandatory or Discretionary? Discretionary
Discretionary Justification: A budget must be adopted in order to expend funds to cover the Authority's obligations.
Is the general fund affected? Yes
Future fiscal impact: None. This is only for the upcoming fiscal year.
Consequences if not approved: Expenditures can not be made.
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

See attachment.

SUPPORTING DOCUMENTS

- A . Budget Memo
- B . Proposed FY 2006/2007 Budget

Manager: Approve
Reviewed By: Jill Pahl