



**NAPA-VALLEJO WASTE  
MANAGEMENT AUTHORITY**

Agenda Date: 5/6/2010

Agenda Placement: 6B

## Napa-Vallejo Waste Management Authority Board Agenda Letter

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**TO:** Board of Directors  
**FROM:** Trent Cave - Manager  
Napa-Vallejo Waste Management Authority  
**REPORT BY:** Trent Cave, Manager - 7072534274  
**SUBJECT:** 2010-2011 Fiscal Year Proposed Budget Study Session

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### **RECOMMENDATION**

#### **PROPOSED FISCAL YEAR 2010/2011 BUDGET STUDY SESSION DISCUSSION AND POSSIBLE ACTION ON THE FOLLOWING:**

1. Revenue projections and debt service and operations budget; and
2. Debt, operating and capital reserves; and
3. Capital Improvement Budget

### **EXECUTIVE SUMMARY**

This is a continuing discussion of the budget preparation for Fiscal Year 2010-2011 and related fee increases. The Authority Manager is recommending a \$1.75 increase in fees to assure that requirements relating to Authority Bonds are satisfied; changing the schedule for capital improvements switching projects scheduled for 2010-2011 with projects scheduled for 2011-2012. Previously the Transfer Station floor was scheduled for resurfacing in FY 2010-2011 at an estimated cost of \$530,450. In reviewing recent wear with suppliers and the operations contractor, the rate of wear has decreased due to less traffic and the operator using less water on the floor. A similar evaluation was done on the entry roads. The return of a wet winter resulted in further deterioration of the roads and has accelerated the need for repair and replacement. Road repair and replacement is estimated at \$265,225. This schedule change will result in a reduction in Capital Improvement expenses of \$265,225 for Fiscal Year 2010-2011. It is anticipated that the Final Budget will be presented for adoption by the Board, in a noticed Public Hearing, at the June 3, 2010 meeting.

**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 Fiscal Year 2010/2011
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:	

**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**

Attached are two new budget scenarios; each scenario is based on the same factors except for tip fee revenues. Also the new scenarios include a change in the schedule for capital improvements, switching projects in 2010-2011 with projects in 2011-2012.

- 1a. Represents a budget with no fee increase
- 2a. Represents a budget with a \$1.75 increase to all users and results in a debt coverage ratio of 1.25

Previously discussed scenarios will be available at the meeting. Pending today's discussion and direction from the Board, staff anticipates returning to the Board on June 3, 2010 with a Final Budget for adoption.

**SUPPORTING DOCUMENTS**

- A . Scenario 1a
- B . Scenario 2a

Manager: Approve  
Reviewed By: Martha Burdick