



**NAPA-VALLEJO WASTE
MANAGEMENT AUTHORITY**

Agenda Date: 6/4/2009

Agenda Placement: 6B

Napa-Vallejo Waste Management Authority Board Agenda Letter

TO: Board of Directors
FROM: Cave, Trent - Manager
Napa-Vallejo Waste Management Authority
REPORT BY: Martha Burdick, Management Analyst - 253-4274
SUBJECT: 2009-2010 Fiscal Year Final Budget

RECOMMENDATION

PUBLIC HEARING: 2009/2010 FISCAL YEAR BUDGET

REQUESTED ACTION: Approval of Authority Resolution #09-07 adopting the Final Fiscal Year 2009/2010 recommended capital improvement, debt service and operations budgets. (4/5 vote required.)

EXECUTIVE SUMMARY

Following discussions at the Authority March 5 and April 2, 2009 and May 7 meetings, the Manager and Auditor Controller are submitting two (2) budget scenarios, the first of which reflects a fee increase in FY 2010 only; the second with no fee increase, no tonnage increase and no inflationary increase. The Manager and Auditor Controller are recommending the budget be adopted to include the fee increase. Adoption of Resolution No. 09-07 is requested.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	These are the recommended Operating, Capital Improvement and Debt Service final budgets for FY 2009/2010.
Is it Mandatory or Discretionary?	Mandatory

Is the general fund affected? Yes
 Future fiscal impact: None.
 Consequences if not approved: Expenditures cannot 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

Based on discussions during Authority Board meetings held on April 2, March 5 and May 7, 2009, the Authority Manager and Auditor-Controller are presenting two final budget scenarios for discussion today. Scenario #7, as previously discussed, includes a fee increase for FY 2010 only, with no increase in tonnage and no inflationary factor. Based on a request by Member Mott, Scenario #8 is being presented reflecting a no fee, no tonnage and no inflationary increase for FY 2010. Although each of the two scenarios generally ends the FY 2010 with a net surplus, scenario #8 without a fee increase, suggests that the Debt Service Coverage Ratio of 1.25% would not be met in FY 2010; nor in 2 of the 4 out years through FY 2014. The Debt Service Ratio is met in scenario #7 in all years through FY 2014. Not meeting this Ratio could jeopardize the Authority's future borrowing capacity. At this time the Authority Manager and Auditor Controller are recommending adoption of the budget as reflected in Scenario #7 for FY 2010 wherein the Debt Ratio is met.

Adoption of Resolution 09-07, which sets forth the final financing requirements, for the Operating, Capital Improvement Program and Debt Service budgets for Fiscal Year 2009/2010 is requested as follows:

Fund 2080/40800	Authority Operations & Maintenance	\$10,788,752
Fund 2080/18000	Authority Debt Service	\$ 1,216,504
Fund 2080/16500	Authority Capital Improvement	\$ 123,600

SUPPORTING DOCUMENTS

- A . Scenario #7
- B . Scenario #8
- C . Resolution 09-07

Manager: Approve
 Reviewed By: Martha Burdick