



Upper Valley Waste Management Agency Board Agenda Letter

TO: Board of Directors

FROM: Steven Lederer - Manager
Upper Valley Waste Management Agency

REPORT BY: Alice Ramirez, Senior Office Assistant - 259-6716

SUBJECT: PUBLIC HEARING: Revision to 2019/2020 Budget and Adoption of 2020/2021 Budget

RECOMMENDATION

PUBLIC HEARING: APPROVAL OF A REVISION TO THE 2019/2020 BUDGET AND ADOPTION OF THE 2020/2021 FISCAL YEAR BUDGET

REQUESTED ACTION: Staff requests:

1. Approval of a revision to the fiscal year 2019/2020 budget as shown in the attached budget spreadsheet (4/5 Vote Required); and,
2. Adoption of Agency Resolution No. 20-01 adopting the proposed final budget for fiscal year 2020/2021.

EXECUTIVE SUMMARY

Staff will present the proposed revised fiscal year 2019/2020 budget and the proposed 2020/2021 budget for Board approval.

Summary of proposed revised 2019/2020 Budget:

Revenue: Landfill tonnage and revenue actually exceeded estimates. This is likely a combined result of debris from the Kincaid Fire and rebuilding after the 2017 fires, and a strong economy in the first 8 months of the year.

Expenses: Expenses exceeded budget in several categories, primarily around the efforts of staff, legal counsel, and accounting resources involved in negotiating the potential new franchise agreements with the Company.

Fund Balance: The Agency will commence the 2020/2021 fiscal year with a fund balance of approximately \$590,000. The minimum allowed under Board policy is \$35,000, but the Board has stated they are interested in spending down the existing amount (primarily derived from fire debris) to about \$100,000.

Summary of proposed 2020/2021 Budget:

Revenue: Given the uncertainty in the economy due to COVID 19, staff estimated tonnage to the landfill of about 34,000 tons, lower than the current year. A faster economic recovery will of course result in increased revenue. The budget also assumes the usual \$25,000 CalRecycle grant, which seems safe for the foreseeable future.

Expenses: Budgeted expenses are expected to be similar to last year's adjusted budget. It maintains all our existing programs, while providing for staff, accounting, and legal efforts surrounding the contract revision process.

Fund Balance: The Agency will commence the 2020/2021 fiscal year with a fund balance of approximately \$590,000. The minimum allowed under Board policy is \$35,000, but the Board has stated they are interested in spending down the existing amount (primarily derived from fire debris) to about \$100,000. While this budget will spend some (\$76,780) of that surplus, and assuming that landfill tonnage remains in the expected range, the Agency will complete the fiscal year with about \$500,000 in reserves.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Operating Revenues
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	No
Future fiscal impact:	None
Consequences if not approved:	No expenditures can be paid.
County Strategic Plan pillar addressed:	
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

This item is specifically exempt from the voting requirements of Article XIIC of the California Constitution because it is a charge imposed for a specific government service provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs for providing the service.

The proposed revised budget for fiscal year 2019/2020 and the proposed budget for fiscal year 2020/2021 is shown in the attached spreadsheet.

SUPPORTING DOCUMENTS

A . Proposed Revised FY 19/20 Budget and Proposed 20/21 Budget

B . Resolution #20-01 CFL Rates

Recommendation: Approve

Reviewed By: Steven Lederer