



BOARD OF DIRECTORS

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Special Meeting Agenda

Wednesday, April 24, 2019 at 5:30 PM

HWMA Business Office

1059 W. Hawthorne Street

Eureka, CA 95501

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1. Call to Order and Roll Call at 5:30 PM

2. Oral and Written Communications

This time is provided for people to address the Board or to submit written communications concerning matters not on this agenda. Board Members may respond to statements, but any request that requires Board action will be referred to staff for review. Reasonable time limits may be imposed on both the total amount of time allocated for this item, and on the time permitted to each individual speaker. Such time allotment or portion thereof shall not be transferred to other speakers.

3. Receive the Draft Fiscal Year 2019-2020 Budget. Provide Direction as Appropriate.

4. Adjourn



Staff Report

DATE: April 18, 2019 For Meeting Of: April 24, 2019

FROM: Jill Duffy, Executive Director
Tyler Egerer, Administrative Services Manager

SUBJECT: Item 3)
Review and Provide Direction on Draft Fiscal Year 2019-2020 Budget.

RECOMMENDED ACTION: Voice vote.
Provide Direction to Staff

DISCUSSION:

The draft budget for Fiscal Year 2019-2020 is presented for discussion and Board direction. This draft budget establishes the goals and priorities to enable management and operation of the HWMA's activities during the fiscal year July 1, 2019 through June 30, 2020. This proposed budget is dynamic as the Board can add goals and revise priorities as necessary.

As presented, this draft budget marks the **fourth consecutive year of no increase** to the Waste Management Fee ("Tip Fee"), or 0.0%. This report presents a balanced draft budget, and continues to fully fund reserves, with a projected increase of \$0.00. Revenues are projected at \$14,514,079 and total projected expenditures are \$14,514,079. Staff is seeking direction from the Board related to policy direction and prioritization of activities that will enable staff to present a final balanced budget at the regular May meeting.

This staff report contains six areas of discussion, including: 1) FY 2019-20 Operating Budget Assumptions; and 2) Proposed Capital Expenditures for Draft FY 2019-20; 3) Waste Management Fee Adjustments; 4) Employee Compensation; 5) Reserve Funds; and 6) Other Board Directives for Budget Finalization.

The Board is requested to discuss the staff report and presentation, consider options and provide direction as appropriate. Staff presented the draft budget to HWMA's Executive Advisory Committee¹ on April 18th, and the committee voted unanimously to recommend to the HWMA Board that the budget be approved as presented.

Following Board direction, staff present the final budget and necessary resolutions for the Board's consideration at the regular HWMA May meeting.

¹ Executive Advisory Committee members are comprised of County Administrative Officer and city managers of each of HWMA's member jurisdictions.

1. FY 2019-20 Operating Budget Assumptions

HWMA is dependent primarily upon collection of Waste Collection Fees to fund Authority operations, programs and activities. The following assumptions were incorporated into the Draft FY 2019/20 Budget.

A minor formatting change to the budget structure to retile the Household Hazardous Waste column to Environmental Health & Safety also includes the related compliance and safety activities into this division.

Revenue Assumptions:

- a) There is no proposed adjustment to FY 2019-20 Waste Collection Fees (“Tip Fees”) for discussion purposes. Minor internal budget adjustments to proposed line items are proposed. Details for discussion are contained in *Section 3* of this staff report.
- b) Overall solid waste disposed is projected at 75,000 tons annually, an increase of 3,000 tons. Tonnage received by category:
 - a. 39,000 tons received franchised hauler waste at the Hawthorne Street Transfer Station. This represents a projected decrease of 4,000 tons due to County franchise material being handled at the newly completed transfer station building in McKinleyville.
 - b. 20,000 tons self-haul waste to the Hawthorne Street Transfer Station. This is an expected increase of 5,000 tons based on current self-haul activities.
 - c. 11,000 tons franchise waste delivered to satellite facilities (6,000 tons allocated to Humboldt Sanitation and 5,000 tons to Eel River Disposal). This is an overall increase of 5,500 tons, due primarily to the new McKinleyville transfer station building and improved tonnage reporting from the Fortuna transfer station.
 - d. 5,000 tons of miscellaneous contractor waste self-hauled directly to out-of-area landfill(s). This is a projected decrease of about 4,500 tons of waste that appears to be sent to transfer stations instead of being self-hauled to out-of-area landfills.
- c) Grant funded projects shall be funded only by grant monies rewarded – except in such instances where fund-matching is required and has been approved by the Board as part of the grant process.

Expenditure Assumptions:

- a) Solid waste transportation hauling and landfill disposal costs were adjusted for the Consumer Price Index by an estimated increase of 2.00%, per the respective agreements.
- b) For discussion purposes, preliminary payroll expenses are budgeted with an increase of 3.6% COLA for discussion and direction purposes. The final draft will be adjusted to reflect Board direction. Discussion of this item is addressed in *Section 4* of this report.

- c) Medical insurance premiums will be adjusted however, information will not be available until closer to May.
- d) Implementation of FY 2019-20 projects identified in the approved 2017 Capital Improvement Plan. Refer to *Section 6* for details.
- e) The Master Facility Stormwater Project was approved by the Board at the September 2018 meeting, and the proposed identified improvements are included in Asset Improvements, Non-CIP for the Transfer Station (*Line 129*).
- f) Increase to the advertising and consulting lines for service marketing items (brochures/magnets) and expand on-going educational/classroom trainings. Expenses related to consulting work by 4 R Planet have been reclassified from the advertising budget in the Programs division to Engineering and Consulting expenses (*Line 86*), and this line item has been increased by \$10,000 over the previous year.
- g) Increase to the engineering & consulting lines for landfill and transfer station consultation services, includes and increases educational outreach activities, proposed project to update the HWMA's 2011 Waste Characterization Study in order to compare material composition changes and identify additional diversion opportunities for member agency jurisdictions, and a salary and compensation study (*Line 90*).

2. Proposed Capital Expenditures & Improvements

Annual Capital Expenditures and Improvement expenditures are related to 1) annual debt service principal and interest payments; and 2) proposed capital expenditures related to implementation of Non-Capital Improvement Projects.

Annual Debt Service

The Authority successfully restructured its bond debt in May 2015, resulting in payment decreases of principle and interest related to the annual debt service. For FY 2019-20, the Authority will be obligated to pay \$854,037 structured in two payment installments. The total remaining debt of \$1,622,163 is scheduled to be paid off paid by November of 2021. (*Line 130 & 131*).

Capital Expenditures

Proposed Capital Expenditures include costs associated Reserve Fund Requirements and Asset Improvements – Non- CIP which totals -\$44,781 (*Lines 128 & 129*). A small portion of the Capital Improvement Fund is being allocated to the annual portion of the budget to help fund non-CIP asset improvements.

The Non-CIP expenditures will fund the demolition, purchase and installation of 1) a Landfill Office Trailer – the office trailer at the landfill was originally installed about 1975, is leaking and the floor is no longer structurally sound. Staff proposes to purchase a smaller replacement trailer. Also included are 2) stormwater improvements mentioned in Section 1, above; 3) a new utility vehicle for the Landfill; and 4) a replacement blower at the Landfill, as part of continuing annual equipment upkeep.

3. Waste Management Fee Adjustments

The Authority annually evaluates and adjusts fees to recover the complete costs associated with providing and operating waste management facilities and programs, including any fees imposed by other governmental agencies. The Waste Management Fee (“Tip Fee” is comprised of three primary components including a) Countywide Program Fees; b) Base Fees; and c) Facility Fees, as well as applicable charges on non-standard waste materials (tires, appliances, bulky items etc), green wastes and household hazardous wastes.

The combination of adjustments provides for, maintenance of the Authority’s Reserve policies, and sufficiently provides for the cost of all diversion programs. The draft budget for FY 2019-20 recommends minor adjustments to the Countywide Program Fees, Base Fees, and Facilities Fees, and no adjustment to the existing Waste Management Fee.

The primary components of the Waste Management Fees are presented in detail in *Attachment B “Waste Management Fees”* of this report are as follows:

1. *Countywide Program Fee Adjustments:*
The CWPFF category is not proposed to be adjusted from \$23.27 per ton.

2. *HWMA Base Fees*
The Base Fee category covers costs associated with Administration, and costs to operate the Universal Waste Programs, Recycling and Cummings Road Operations. The Base Fee is not proposed to be adjusted from the \$25.94/ton, however, staff is recommending that a new line item be established to reflect Environmental Health & Safety activities, with a corresponding decrease from the Administration line.

3. *Facility Fees*
Facility Fees are not proposed to be adjusted, and will remain at \$110.82/ton, which helps to offset the adjustment of the proposed above item increases.

The above adjustments result in an overall increase of 0.00% to the Waste Management Fee to Self-Haul, Franchise, Satellite and Out-of-Area Self-Haul customers. Please refer to *Attachment C*.

4. Personnel Compensation & Related Items

Employee and payroll costs are budgeted at \$2,558,575 the Authority’s budget. This represents the full encumbrance costs of full staffing for 36.5 FTE for the operations at the Hawthorne Street Transfer Station seven (7) days a week, as well as the Cummings Road Landfill. Included in this figure are salaries, health benefits, taxes, pension costs and other benefits, such as employee uniform & boot allowances.

Staff included the following adjustments for employee compensation and benefits within the FY 2019-20 budget:

- California Personnel Employee Retirement System (CalPERS) required increase for pension contributions of approximately 0.1% (or \$24,794).
- CalPERS unfunded liability is projected to be \$ 25,000 for FY 2019-20 This cost is calculated annually as part of total payroll expenses. Paying off the full unfunded pension obligation of approximately \$604,000 would put an unnecessary burden on the Waste Management Tip Fees; staff recommends continuing annual payments and reviewing these costs during the FY 2020-21 budget discussions as the payments to the long-term debt terminate.
- Worker's compensation insurance costs is expected to decrease by \$20,000.
- Medical premium adjustments will be presented with the Final Budget as the Authority expects to receive notice of adjustments in late April.

Cost of Living Adjustments & Salary Survey

Periodically, the Board considers providing employees a Cost of Living Adjustment, or COLA, Regular Cost of Living Adjustments (COLA) to base salaries help to ensure that, over time, increases will offset inflation and ensure salaries remain competitive when recruitment is necessary. Staff recommends that the Board direct a 3.6% COLA; this would result in a slight payroll increase of approximately \$37,790.

In 2016 the State of California approved a State Minimum Wage of \$15/hour by 2022 that is tiered over a multi-year period with annual adjustments. This led to a need to examine and manage the multi-pronged effect of the mandatory base wages on the Authority's pay structure, determine an appropriate compensation for Grade 100 (skilled entry-level) positions and evaluate appropriate salaries for all positions to minimize compression issues. Staff will present the findings of the informal Salary Survey at the regular May meeting.

Organizational Chart & Classification Plan

This was last completed during the FY 2018-19 budget process, and updated in November 2018 as part of a minor mid-year reorganization.

Organization Chart

The Organization Chart was revised in November 2018. The Authority has 36.5 approved positions, 35.5 of which are filled. In FY 2018-19 one vacant Programs Analyst position was frozen pending a determination of need. Over the past year duties and tasks have been absorbed by other employees, however it has become clear that a dedicated staff person needs to be assigned the specific activities. Staff recommends this position be unfrozen and filled.

Classification Plan

If the Board recommends a COLA adjustment, staff will return with a revised Classification Plan in the Final Budget that reflects the Board direction.

5. Reserve Fund

The Authority has four Reserve fund accounts, the Undesignated Operating Reserve, the Rate Stabilization, Personnel Stabilization, and Capital Improvement Project Fund Reserves.

Authority Reserve Funds

- ***Undesignated Operating Reserve*** – HWMA Policy 3030.1 established an undesignated reserve policy goal to maintain a reserve fund equal to 15% of annual projected operating expenses. This policy was established to ensure fund availability for 1) contingencies for unseen or capital needs; 2) economic uncertainties; and/or 3) cash flow requirements. Based on projected FY 2019/20 Operational Expenses, a 15% target reserve is \$1,142,256. (*Line 156*)
- ***Rate Stabilization Reserve*** – The fund maintains a base allocation of \$400,000 for Fiscal Year 2019-20120, to be available for use to offset unexpected fuel spike increases or other unexpected costs increases in contracted services related to recycling, green waste, household hazardous waste, solid waste disposal services or State mandated pass through fees. (*Line 158*)
- ***Capital Improvement Reserve Fund*** – Funds available for Fiscal Year 2019-2020 will be used solely for the application of the approved Capital Improvement Plan (CIP). CIPs are used to detail operational renovations or improvements greater than \$25,000 expected within a 5-year planning horizon, plan for necessary financing of equipment and materials, and identify project implementation timelines for completion. The fund is anticipated to decrease by \$94,066 to reflect completion of projects and better exemplify future needs as currently planned, and to assist in maintaining a balanced budget by offsetting additional costs in other activities. (*Line 159*)
- ***Personnel Stabilization Reserve*** – In addition to the market medical health insurance, HWMA self-funds and manages employee dental and vision benefits, which is budgeted annually. Depending upon individual needs, employees may or may not draw upon these budgeted funds. Establishment of this reserve fund allows for hourly staff wages to be budgeted at full encumbrance without unduly affecting Waste Management Fees. The fund maintains a base allocation of \$150,000 for Fiscal Year 2019-2020, which may be used in the event of unusual drawdowns for self-funded benefits, and assist the Authority in meeting necessary salary adjustments related to the new minimum wage tier by directing net income into this line item. (*Line 157*)

6. Other Board Directives for Budget Finalization

Additionally, staff is seeking Board direction of the following items to complete the final budget for consideration at the May meeting:

a) Capital Improvement Expenditures

Proposed Capital Improvement Expenditures for FY 2019-20 include costs associated, equipment and implementation of projects identified in the approved FY 2016-17 Capital Improvement Plan which include:

- 70' Pit Scale Replacement- The existing scale was installed in 2005 and necessary for accurate axle and total weight tonnages of out bound waste trailers.
- Continue lease payments on new heavy equipment in operation on the Hawthorne Street Transfer Station Tip Floor.
- Funds for upcoming transportation vehicle replacement anticipated to occur in Fiscal Year 2020-21.
- Funds to replace and upgrade the aging Transfer Station Scale House
- Implementation of the approved Stormwater Treatment System

The total projected cost of the first four projects listed – \$210,620– is anticipated to be fully funded by the Capital Improvement Reserve Fund, per the approved Capital Improvement Plan established by the Board in October 2017. (*Line 157*)

Funding for the approved Stormwater Treatment System is proposed to be drawn from the Undesignated Reserve; mid-year budget review will provide further recommendations to the Board on how to replenish these costs and return the funds to the Undesignated Reserve.

- b) Recycling Marketing Development Zone** funding totaling \$10,000 is included for discussion. Funding will be directed to the Humboldt County Economic Development Division to assist in supporting activities related to the North Coast Recycling Market Development Zone. The County will also receive approximately \$3,500 in FY 2019-20 funding from CalRecycle to support ZIF and ZoneWorks activities. (*Line 52*)

f) Other direction or requests identified by the Board.

ATTACHMENTS:

- A) Draft FY 2019-20 Budget Summary
- B) Draft FY 2019-20 Waste Management Fees
- C) Draft FY 2019-20 County Wide Program Fees
- D) County Wide Programs Fee – Program Overview and Proposed Funding Details
- E) Draft FY 2019-20 AB 939 Allocation

Humboldt Waste Management Authority
 Fiscal Year 2019-2020
 Draft Budget

	Administration		Programs		Tip Floor Operations		Recycling Operations		Environmental Health & Safety		Cummings Road Landfill		FY18-19 Final Budget	% Change from FY18-19	Total FY 19-20 Budget
	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget			
1 Revenues															
2 Revenues from Operations															
3 Franchise Tip Fees					\$5,547,248	\$5,031,390							\$5,547,248	-9.30%	\$5,031,390
4 Self Haul Tip Fees					\$2,337,236	\$3,116,400							\$2,337,236	33.34%	\$3,116,400
5 Satellite Tip Fees					\$443,546	\$1,084,270							\$443,546	144.45%	\$1,084,270
6 Out of Area Self Haul Fees					\$221,073	\$116,350							\$221,073	-47.37%	\$116,350
7 Revenues from Solid Waste	\$0	\$0	\$0	\$0	\$8,549,102	\$9,348,410	\$0	\$0	\$0	\$0	\$0	\$0	\$8,549,102	9.35%	\$9,348,410
8 Greenwaste Tip Fees															
9 Franchise					\$186,700	\$247,260							\$186,700	32.44%	\$247,260
10 Self Haul					\$180,000	\$180,000							\$180,000	0.00%	\$180,000
11 Diversion Revenue															
12 Hazardous Waste									\$65,000	\$65,000			\$65,000	0.00%	\$65,000
13 Single-Stream Processing and Loading							\$150,000	\$150,000					\$150,000	0.00%	\$150,000
14 Self Haul (Appliances, TVs, Tires, Misc. E-waste)			\$0	\$0	\$9,000	\$9,000	\$60,000	\$60,000					\$69,000	0.00%	\$69,000
15 Salvage Revenue from Sale of Materials Processed In-House					\$21,000	\$21,000	\$1,400,000	\$1,537,000					\$1,421,000	9.64%	\$1,558,000
16 Revenues from Material Diversion Programs	\$0	\$0	\$0	\$0	\$396,700	\$457,260	\$1,610,000	\$1,747,000	\$65,000	\$65,000	\$0	\$0	\$2,071,700	9.54%	\$2,269,260
17 Total Revenues from Operations	\$0	\$0	\$0	\$0	\$8,945,802	\$9,805,670	\$1,610,000	\$1,747,000	\$65,000	\$65,000	\$0	\$0	\$10,620,802	9.39%	\$11,617,670
19 Revenue Generated by Program Fees and Base Rate															
20 County-Wide Program Fees															
21 Administrative	\$51,624	\$86,250											\$51,624	67.07%	\$86,250
22 Hazardous Waste									\$484,912	\$439,835			\$484,912	-9.30%	\$439,835
23 Cummings Road Landfill Pledge of Revenue											\$319,680	\$353,250	\$319,680	10.50%	\$353,250
24 Programs			\$87,581	\$87,581									\$87,581	0.00%	\$87,581
25 Base Fees															
26 Administrative	\$313,429	\$437,277											\$313,429	39.51%	\$437,277
27 Cummings Road Landfill Operations											\$343,325	\$421,529	\$343,325	22.78%	\$421,529
28 Environmental Health and Safety									\$135,396				\$135,396		\$135,396
29 Universal Waste Programs			\$119,952	\$124,924									\$119,952	4.14%	\$124,924
30 Recycling Programs							\$649,854	\$685,747					\$649,854	5.52%	\$685,747
31 Total Revenue Generated by Program Fees and Base Rate	\$365,053	\$523,527	\$207,534	\$212,505	\$0	\$0	\$649,854	\$685,747	\$484,912	\$575,231	\$663,005	\$774,779	\$2,370,357	16.94%	\$2,771,789
33 Other Revenues															
34 Timber Harvest, CRLF Forest Property											\$269,000	\$0	\$269,000		\$269,000
35 Rental Income, Net of Expenses					\$124,620	\$124,620							\$124,620	0.00%	\$124,620
36 Total Other Revenues	\$0	\$0	\$0	\$0	\$124,620	\$124,620	\$0	\$0	\$0	\$0	\$269,000	\$0	\$393,620	-68.34%	\$124,620
37 Total Revenues	\$365,053	\$523,527	\$207,534	\$212,505	\$9,070,422	\$9,930,290	\$2,259,854	\$2,432,747	\$549,912	\$640,231	\$932,005	\$774,779	\$13,384,779	8.44%	\$14,514,079

Humboldt Waste Management Authority
 Fiscal Year 2019-2020
 Draft Budget

	Administration		Programs		Tip Floor Operations		Recycling Operations		Environmental Health & Safety		Cummings Road Landfill		FY18-19 Final Budget	% Change from FY18-19	Total FY 19-20 Budget
	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget			
Expenses															
Operating Expenses															
Solid Waste Hauling & Disposal					\$3,026,893	\$3,110,206							\$3,026,893	2.75%	\$3,110,206
Hawthorne Street TS					\$23,510	\$285,181							\$23,510	1113.02%	\$285,181
McKinleyville Satellite					\$224,129	\$282,712							\$224,129	26.14%	\$282,712
Fortuna Satellite															
Diverted Materials Hauling & Disposal					\$370,248	\$410,273			\$270,000	\$270,000			\$370,248	10.81%	\$410,273
Greenwaste													\$270,000	0.00%	\$270,000
Hazardous Waste													\$112,000	0.00%	\$112,000
Appliances, TVs, Tires, Misc. E-waste					\$12,000	\$12,000	\$100,000	\$100,000					\$100,000	0.00%	\$100,000
Leachate											\$100,000	\$100,000	\$100,000	0.00%	\$100,000
CRV Paid Out							\$1,370,000	\$1,500,000					\$1,370,000	9.49%	\$1,500,000
Contract Services													\$10,000	0.00%	\$10,000
RMDZ			\$10,000	\$10,000											
Temporary Employment Services															
Total Operating Expenses	\$0	\$0	\$10,000	\$10,000	\$3,656,781	\$4,100,371	\$1,470,000	\$1,600,000	\$270,000	\$270,000	\$100,000	\$100,000	\$5,506,781	10.42%	\$6,080,371
Payroll Expenses															
Employee Wages	\$138,736	\$144,208	\$108,854	\$99,566	\$682,026	\$706,767	\$414,065	\$429,757	\$127,036	\$176,959	\$130,274	\$134,531	\$1,600,991	5.67%	\$1,691,789
SUI	\$1,722	\$1,260	\$574	\$420	\$4,018	\$2,940	\$2,870	\$2,100	\$574	\$630	\$574	\$420	\$10,332	-24.80%	\$7,770
Medicare	\$2,374	\$2,454	\$1,941	\$1,806	\$10,252	\$10,611	\$6,366	\$6,594	\$2,205	\$2,928	\$2,251	\$2,313	\$25,389	5.19%	\$26,706
Workers Compensation	\$3,481	\$2,560	\$934	\$592	\$70,858	\$51,484	\$53,660	\$39,121	\$12,085	\$12,980	\$15,301	\$11,020	\$156,320	-24.67%	\$117,758
CalPERS	\$25,052	\$26,143	\$20,480	\$19,246	\$108,175	\$113,058	\$67,177	\$70,260	\$23,261	\$31,203	\$23,757	\$24,648	\$267,902	6.22%	\$284,556
Health Insurance	\$47,388	\$47,388	\$23,208	\$23,532	\$174,060	\$174,060	\$116,040	\$116,040	\$34,812	\$46,092	\$22,884	\$22,884	\$418,392	2.77%	\$429,996
Total Payroll Expenses	\$218,753	\$224,012	\$155,991	\$145,162	\$1,049,389	\$1,058,920	\$660,179	\$663,872	\$199,973	\$270,792	\$195,042	\$195,816	\$2,479,326	3.20%	\$2,558,575
Program Fees and Base Rate Passed-Through to Member Agencies, Authority Programs															
County-Wide Program Fees															
Administration					\$51,624	\$86,250							\$51,624	67.07%	\$86,250
Hazardous Waste					\$484,912	\$439,835							\$484,912	-9.30%	\$439,835
Landfill Closure and Post-Closure Maintenance Pledge of Revenue					\$319,680	\$353,250							\$319,680	10.50%	\$353,250
AB939					\$154,001	\$154,001							\$154,001	0.00%	\$154,001
County LEA					\$225,360	\$234,750							\$225,360	4.17%	\$234,750
County Rural Container Program					\$346,320	\$360,750							\$346,320	4.17%	\$360,750
County Table Bluff Landfill Maintenance					\$53,280	\$55,500							\$53,280	4.17%	\$55,500
Illegal Dumping and Cleanup Funds					\$40,320	\$42,000							\$40,320	4.17%	\$42,000
Base Fees															
Administrative					\$313,429	\$437,277							\$313,429	39.51%	\$437,277
Environmental Health and Safety						\$135,396									\$135,396
Cummings Road Landfill Operations					\$343,325	\$421,529							\$343,325	22.78%	\$421,529
Universal Waste Programs					\$119,952	\$124,924							\$119,952	4.14%	\$124,924
Recycling Programs					\$649,854	\$685,747							\$649,854	5.52%	\$685,747
Total Program Fees and Base Rates Passed Through	\$0	\$0	\$0	\$0	\$3,102,057	\$3,531,210	\$0	\$0	\$0	\$0	\$0	\$0	\$3,102,057	13.83%	\$3,531,210

Humboldt Waste Management Authority
Fiscal Year 2019-2020
Draft Budget

	Administration		Programs		Tip Floor Operations		Recycling Operations		Environmental Health & Safety		Cummings Road Landfill		FY18-19 Final Budget	% Change from FY18-19	Total FY 19-20 Budget
	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget			
84	Indirect Expenses														
85		\$19,135	\$19,250										\$19,135	0.60%	\$19,250
86		\$1,500	\$16,500	\$7,000	\$2,000	\$1,000	\$1,000	\$3,000	\$3,000	\$17,500	\$17,500	\$30,000	\$30,000	33.33%	\$40,000
87		\$250	\$250			\$250	\$250	\$250	\$250			\$250	\$250	0.00%	\$1,000
88						\$25,000	\$30,000					\$0	\$0	20.00%	\$30,000
89		\$3,500	\$5,000	\$3,000	\$3,000					\$500	\$500	\$7,000	\$7,000	21.43%	\$8,500
90		\$20,000	\$145,000		\$23,000		\$30,000					\$80,000	\$48,000	146.00%	\$246,000
91												\$83,000	\$17,000	-79.52%	\$17,000
92						\$5,000	\$5,000					\$75,000	\$97,000	27.50%	\$102,000
93												\$10,000	\$10,000	0.00%	\$10,000
94				\$500		\$35,000	\$70,000	\$2,500	\$1,500	\$2,500	\$2,500	\$1,600	\$1,600	79.57%	\$75,600
95															
96												\$10,300	\$10,300	0.00%	\$10,300
97		\$4,284	\$4,284	\$4,218	\$4,218	\$24,544	\$24,544	\$5,533	\$5,533	\$4,903	\$4,903	\$3,456	\$3,456	0.00%	\$46,938
98		\$381	\$381	\$375	\$375	\$3,059	\$3,059	\$492	\$492	\$436	\$436	\$307	\$307	0.00%	\$5,050
99		\$1,000	\$1,000	\$1,000	\$1,000	\$8,000	\$8,000	\$3,000	\$3,000	\$350	\$350	\$150	\$150	0.00%	\$13,500
100		\$40,000	\$40,000									\$40,000	\$40,000	0.00%	\$40,000
101		\$10,000	\$10,000			\$122,350	\$153,000							23.16%	\$163,000
102		\$1,000	\$1,000									\$1,000	\$1,000	0.00%	\$1,000
103										\$5,000	\$5,000	\$5,000	\$5,000	0.00%	\$5,000
104		\$9,150	\$9,500	\$500	\$500	\$3,000	\$3,000	\$2,000	\$2,000	\$750	\$750	\$600	\$600	2.19%	\$16,350
105						\$9,000	\$12,500	\$30,000	\$52,000	\$15,000	\$15,000	\$4,000	\$4,000	43.97%	\$83,500
106		\$1,000	\$2,000	\$1,000	\$1,000	\$500	\$500	\$500	\$4,500	\$500	\$500	\$250	\$250	306.67%	\$15,250
107						\$10,300	\$10,300			\$2,600	\$2,600	\$70,000	\$77,000	8.44%	\$89,900
108		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$500	\$500	\$500	\$500	\$1,000	\$1,000	0.00%	\$5,000
109		\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$1,000	\$1,000	0.00%	\$1,000
110															
111		\$400	\$400	\$500	\$500	\$35,000	\$76,100	\$12,000	\$16,900	\$3,000	\$3,000	\$15,000	\$15,000	69.80%	\$111,900
112		\$400	\$400	\$250	\$250	\$60,000	\$64,650	\$30,000	\$42,000	\$2,000	\$2,000	\$16,000	\$20,000	19.01%	\$129,300
113						\$1,000	\$1,000			\$2,000	\$2,000	\$1,000	\$1,000	0.00%	\$4,000
114		\$500		\$1,000		\$8,000		\$5,000		\$3,000	\$22,500	\$3,000	\$3,000	24.39%	\$25,500
115						\$4,200	\$8,280	\$3,700	\$6,000	\$500	\$500	\$500	\$500	71.69%	\$15,280
116		\$21,000	\$24,000	\$9,000	\$9,000	\$8,000	\$8,000	\$5,000	\$5,000	\$4,200	\$4,200	\$7,000	\$7,000	5.54%	\$57,200
117		\$2,000	\$6,000	\$1,500	\$1,500	\$5,000	\$5,000	\$1,500	\$1,500	\$1,000	\$1,000	\$1,500	\$1,500	32.00%	\$16,500
118		\$4,000	\$6,000	\$4,000	\$4,000	\$3,500	\$3,500			\$4,000	\$4,000	\$3,000	\$3,000	10.81%	\$20,500
119		\$1,500	\$2,000	\$1,500	\$1,700	\$3,500	\$3,650			\$3,800	\$4,300	\$2,000	\$2,250	13.01%	\$13,900
120		\$400		\$200		\$150				\$500		\$250	\$1,500		
121		\$500	\$750	\$1,500	\$500	\$7,000	\$7,000	\$5,000	\$5,000	\$1,000	\$1,000	\$1,000	\$1,000	-4.69%	\$15,250
122															
123		\$1,600	\$3,000	\$1,900	\$2,000	\$16,000	\$16,000	\$18,000	\$18,000	\$3,000	\$3,000	\$30,000	\$30,000	2.13%	\$72,000
124		\$1,600	\$1,600	\$1,400	\$1,600	\$1,500	\$1,500	\$1,500	\$1,500	\$1,200	\$1,200	\$800	\$800	2.50%	\$8,200
125		\$146,300	\$299,515	\$41,543	\$57,343	\$401,053	\$553,533	\$129,675	\$168,875	\$79,939	\$99,439	\$420,963	\$355,963	25.85%	\$1,534,668
126															
127	Capital Expenditures														
128						\$4,527	-\$367,781						\$4,527	-8223.33%	-\$367,781
129							\$200,000					\$30,000	\$123,000	976.67%	\$323,000
130						\$804,703	\$815,690						\$804,703	1.37%	\$815,690
131						\$51,912	\$38,347						\$51,912	-26.13%	\$38,347
132		\$0	\$0	\$0	\$0	\$861,142	\$686,255	\$0	\$0	\$0	\$0	\$30,000	\$123,000	-9.19%	\$809,255
133															
134		\$365,053	\$523,527	\$207,534	\$212,505	\$9,070,422	\$9,930,290	\$2,259,854	\$2,432,747	\$549,912	\$640,231	\$746,005	\$774,779	9.97%	\$14,514,079
135		-	-	-	-	\$0	\$0	-	-	-	-	-	-	59.15%	\$0

Humboldt Waste Management Authority
 Fiscal Year 2019-2020
 Draft Budget

	Administration		Programs		Tip Floor Operations		Recycling Operations		Environmental Health & Safety		Cummings Road Landfill		FY18-19	% Change	Total FY 19-20
	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget	FY18-19 Budget	Proposed Budget	Final Budget	from FY18-19	Budget
Grant Activities															
Waste Tire			\$70,000	\$70,000									\$70,000	0.00%	\$70,000
RMDZ															
OPP			\$47,490	\$47,490									\$47,490	0.00%	\$47,490
HHW HD									\$50,000	\$50,000			\$50,000	0.00%	\$50,000
DoC			\$23,000	\$23,000									\$23,000	0.00%	\$23,000
Revenues from Grant Programs	\$0	\$0	\$140,490	\$140,490	\$0	\$0	\$0	\$0	\$50,000	\$50,000	\$0	\$0	\$190,490	0.00%	\$190,490
Waste Tire Grant			\$70,000	\$70,000									\$70,000	0.00%	\$70,000
RMDZ															
Oil Payment Program			\$47,490	\$47,490									\$47,490	0.00%	\$47,490
HHW HD Grant									\$50,000	\$50,000			\$50,000	0.00%	\$50,000
CCPP Grants			\$23,000	\$23,000									\$23,000	0.00%	\$23,000
Expenses Incurred by Grant Programs	\$0	\$0	\$140,490	\$140,490	\$0	\$0	\$0	\$0	\$50,000	\$50,000	\$0	\$0	\$190,490	0.00%	\$190,490
Total Grant Activities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Non-Cash Activities Affecting Net Income															
Depreciation Expense	\$82,739	\$82,739	\$1,307	\$1,307	\$265,609	\$265,609	\$35,616	\$35,616	\$30,062	\$30,062	\$5,225	\$5,225	\$420,557	0.00%	\$420,557
Total Non-Cash Activities	\$82,739	\$82,739	\$1,307	\$1,307	\$265,609	\$265,609	\$35,616	\$35,616	\$30,062	\$30,062	\$5,225	\$5,225	\$420,557	0.00%	\$420,557
Reserves and Trusts															
Operating Reserve: 15% of Operating Expenses	\$32,813	\$44,927	\$24,899	\$10,101	\$705,925	\$698,086	\$319,527	\$265,331	\$70,496	\$55,416	\$44,256	\$68,394	\$1,197,916	-4.65%	\$1,142,256
Personnel Stabilization Reserve	\$150,000	\$150,000											\$150,000	0.00%	\$150,000
Rate Stabilization Reserve					\$400,000	\$400,000							\$400,000	0.00%	\$400,000
Capital Improvement Fund					\$787,480	\$649,609					\$65,000		\$852,480	-23.80%	\$649,609
Current Cash Value of Designated Reserves	\$2,407,349	\$2,709,646			\$0	\$0					\$186,000	\$0	\$2,593,349	4.48%	\$2,709,646
Total Required Budget Funding for Reserves															-\$367,781
Total Reserves and Trust Funds															\$2,341,865

Attachment B
Fiscal Year 2019 - 2020
Waste Management Fees

	HWMA Self Haul	HWMA Franchise	RER Franchise	HumSan Franchise	Out of Area Self Haul	Total Disposal
Tonnage Generated	20,000	39,000	5,000	6,000	5,000	75,000
Countywide Program Fees						
Administration	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$105,000.00
Household Hazardous Waste Program	\$5.86	\$5.86	\$5.86	\$5.86	\$5.86	\$439,834.89
Cummings Road Landfill Maintenance	\$4.71	\$4.71	\$4.71	\$4.71	\$4.71	\$353,250.00
Cleanup/Enforcement Programs	\$0.56	\$0.56	\$0.56	\$0.56	\$0.56	\$42,000.00
Rural Container Program	\$4.81	\$4.81	\$4.81	\$4.81	\$4.81	\$360,750.00
County/Cities AB939 Programs	\$2.05	\$2.05	\$2.05	\$2.05	\$2.05	\$154,001.26
Table Bluff Landfill Maintenance	\$0.74	\$0.74	\$0.74	\$0.74	\$0.74	\$55,500.00
Countywide Enforcement (LEA)	\$3.13	\$3.13	\$3.13	\$3.13	\$3.13	\$234,750.00
Subtotal	\$23.27	\$23.27	\$23.27	\$23.27	\$23.27	\$ 1,745,086.15
HWMA Base Fees						
Administration	\$5.98	\$5.98	\$5.98	\$5.98		\$418,526.94
Environmental Health and Safety	\$1.93	\$1.93	\$1.93	\$1.93		\$135,395.89
Universal Waste Programs	\$1.78	\$1.78	\$1.78	\$1.78		\$124,924.36
Recycling Programs	\$9.80	\$9.80	\$9.80	\$9.80		\$685,747.47
Cummings Road Landfill Operations	\$6.02	\$6.02	\$6.02	\$6.02		\$421,528.82
Subtotal	\$25.52	\$25.52	\$25.52	\$25.52		\$ 1,786,123.48
Facility Fees						
Operations (Transportation & Disposal)	\$83.16	\$56.35	\$49.79	\$49.79		\$4,408,540.00
Indirect	\$12.24	\$12.24	*	*		\$722,408.00
Capital Expenditures	\$11.63	\$11.63	*	*		\$686,255.36
Subtotal	\$107.04	\$80.23	\$49.79	\$49.79		\$ 5,817,203.36
Total Proposed Waste Mgmt. Fees	\$155.82	\$129.01	\$98.57	\$98.57	\$23.27	
Waste Mgmt. Fees for Prior Fiscal Year	\$155.82	\$129.01	\$98.57	\$98.57	\$23.27	
Percent Increase (Decrease)	0.00%	0.00%	0.00%	0.00%	0.00%	

* Values for HWMA Facility Fees related to Satellite Facilities relate to transportation and disposal costs only. Other fees for facility operation are set via agreement by Member Agencies with their respective facility operators.

Attachment C

Fiscal Year 2019 - 2020

County Wide Program Fees

		Per Ton (Revenue)			
		HWMA Self Haul	HWMA Franchise	Satellite Franchise	Out of Area Self Haul
Anticipated Waste Disposed	75,000	20,000	39,000	11,000	5,000 (tons/year)

HWMA Operated	FY2018-19	FY2019-20	Change	Total
Administration	\$0.72	\$1.40	\$0.68	\$105,000
Household Hazardous Waste Program	\$6.73	\$5.86	(\$0.87)	\$439,835
Cummings Landfill Road Maintenance	\$4.44	\$4.71	\$0.27	\$353,250
Cleanup/Enforcement Programs	\$0.56	\$0.56	\$0.00	\$42,000
Pass Through				
Rural Container Program	\$4.81	\$4.81	\$0.00	\$360,750
County/Cities AB939 Programs	\$2.14	\$2.05	(\$0.09)	\$154,001
Table Bluff Landfill Maintenance	\$0.74	\$0.74	\$0.00	\$55,500
Countywide Enforcement (LEA)	\$3.13	\$3.13	\$0.00	\$234,750
Subtotal	\$23.27	\$23.27	(\$0.01)	\$1,745,086

Attachment D
Draft Fiscal Year 2019-2020
County Wide Program Fees
 Program Overview and Proposed Funding Details

Administration This revenue covers HWMA's administrative salaries and overhead, legal services and Board expenses.

Projected revenue is approximately **\$86,250**.

The Household Hazardous Waste Program diverts household hazardous waste (i.e. oil, pesticides, pharmaceutical etc.) for materials not permitted to be disposed in landfills. A portion of these expenses have been reallocated to be covered by a new Environmental Health and Safety Base Fee.

Projected revenue is approximately **\$458,578**.

Cummings Road Landfill Maintenance provides necessary funding to cover the expenses associated with non-closure related expenses of the landfill. When final closure of the landfill is complete, funds will be directed towards post-closure related maintenance expenses.

Projected revenue is approximately **\$353,250**.

Cleanup and Enforcement Programs provides funding for cleanup of illegally dumped waste from member agencies.

Projected revenue is **\$42,000**.

The Rural Container Program the County is responsible for administering contracts for operation of 12 outlying container drop-off sites in the unincorporated, rural areas of Humboldt County. Because the operations are small and remote, actual costs to staff the facility and haul disposed materials does incur higher cost per ton. If the site operators charged the actual cost in their gate tip fee, few individuals would use the sites and illegal dumping in the surrounding area would likely increase.

Projected revenue is **\$360,750**. This is passed directly to Humboldt County Public Works.

County/Cities AB939 Programs This assists in funding waste diversion activities, programs and staffing in HWMA's member cities and the County. At the discretion of the member agency, funds may be used to cover the costs of recycling and other waste diversion programs with the intent that the agencies can comply with AB939's waste reduction mandate.

Projected revenue is **\$154,001**. This is distributed to all member agencies according to an allocation formula previous established by the Board.

Table Bluff Landfill is a closed landfill owned by the County of Humboldt and located south of Eureka. The County is responsible for closure related maintenance and activities.

Projected revenue is **\$55,500**. This is passed directly to Humboldt County Public Works.

The Local Enforcement Agency (LEA) provides local enforcement activity on behalf of CalRecycle's (formerly known as the California Integrated Waste management Board) regulation.

Project revenue is **\$234,750**. This is passed directly to County Environmental Health.

Attachment E
Fiscal Year 2019-2020
AB939 Payment Allocation

Proposed Payment Schedule FY 2019-2020

Entity	Total Due	Retained by HWMA	Quarterly Payment	Ratio
Arcata	22,646.81		5,661.70	6.56%
Blue Lake	7,038.45		1,759.61	2.04%
Eureka	35,714.17	10,000.00	8,928.54	10.35%
Ferndale	7,119.87		1,779.97	2.06%
Rio Dell	8,900.87	5,000.00	2,225.22	2.58%
Unincorporated Areas	72,581.09	72,581.09	18,145.27	21.04%
HWMA		0.00	0.00	55.37%
	<u>154,001.26</u>	<u>87,581.09</u>	<u>38,500.31</u>	<u>100.00%</u>

History of Payments to Members

Entity	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Arcata	21,154.55	21,077.94	21,077.94	20,418.23	22,646.81	22,646.81	22,646.81
Blue Lake	6,574.60	6,550.85	6,550.85	6,382.78	7,038.45	7,038.45	7,038.45
Eureka	33,349.93	33,240.06	33,240.06	24,181.28	35,714.17	35,714.17	35,714.17
Ferndale	6,642.73	6,626.64	6,626.64	6,416.21	7,119.87	7,119.87	7,119.87
Rio Dell	8,311.93	8,284.26	8,284.26	8,020.25	8,900.87	8,900.87	8,900.87
Trinidad	5,654.84	5,640.41	5,640.41	0.00			
Unincorporated Areas (retained by HWMA)	72,831.62	72,581.09	72,581.09	69,613.16	72,581.09	72,581.09	72,581.09
Retained by HWMA	<u>15,806.30</u>	<u>191,098.74</u>	<u>191,098.74</u>	<u>191,284.86</u>	<u>162,398.74</u>	<u>27,438.74</u>	<u>27,438.74</u>
	<u>170,326.50</u>	<u>345,100.00</u>	<u>345,100.00</u>	<u>326,316.77</u>	<u>316,400.00</u>	<u>181,440.00</u>	<u>181,440.00</u>