



**Thursday, May 6, 2021
Board of Directors Special Meeting**

Time: 5:30 P.M.

IMPORTANT NOTICE REGARDING MAY 6, 2021 SPECIAL MEETING

This meeting is being conducted utilizing teleconferencing and electronic means consistent with State of California Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic.

The livestream of the meeting can be viewed by clicking the "Video" icon on this page (which will be made available at the start of the meeting) or by visiting www.youtube.com/CostaMesaSanitary. In accordance with Executive Order N-29-20, the public may only view the meeting online and not in the District's Board Room.

To participate in the meeting by computer:

- 1. Copy and paste the following into your browser - <https://us02web.zoom.us/join>**
- 2. Enter the Meeting ID number - 857 0005 5196**
- 3. Click "Join."**

To join the meeting with a mobile device:

- 1. Download the Zoom app at the Google Play Store (for Android devices) or the App Store (for Apple devices)**
- 2. Open the Zoom app. Select "Join a Meeting."**
- 3. Enter Zoom Meeting ID. Select "Join Meeting."**

To join the meeting by phone:

- 1. Call 1-669-900-6833.**
- 2. You will be asked to enter the Meeting ID number. Dial 857 0005 5196#**
- 3. Lastly, you will be asked to enter your Participant ID. Press the # symbol again to bypass this step.**

Public Comments: Members of the public can submit any comments in writing for the Board of Directors' consideration by sending them to the District Clerk, Noelani Middenway, at nmiddenway@cmsdca.gov. Those comments will be made part of the official public record of the meeting.

Obtaining Agenda Materials: The public is entitled to copies of all documents that are made part of the agenda packet. If any document or other writing pertaining to an agenda item is distributed to all or a majority of the Board after the packet is prepared, a copy of that writing may be obtained from the District Clerk's Office.

In Compliance with ADA: Contact District Clerk, Noelani Middenway, at (949) 645-8400, 48 hours prior to meeting if assistance is needed (28 CFR 35.102.35.104 ADA Title II).

A. Opening Items

1. Call to Order

2. Roll Call - (If absences occur, consider whether to deem those absences excused based on facts presented for the absence – such determination shall be the permission required by law.)

B. Public Comments

1. Public Comments - This time has been set aside for persons in the audience to make the Board of comments on items within the subject matter jurisdiction of the Costa Mesa Sanitary District that are not listed on this agenda. Members of the public will have the opportunity to address Directors about all other items on this agenda at the time those items are considered. Under the provisions of the Brown Act, the Board of Directors is prohibited from taking action on oral requests but may refer the matter to staff or to a subsequent meeting. The Board of Directors will respond after public comment has been received. Please state your name. Each speaker will be limited to four (4) continuous minutes.

C. Discussion Items

1. Preliminary Biennial Budget Review for Fiscal Year 2021-22 and Fiscal Year 2022-23

D. Closing Items

1. Oral Communications & Director Comments
2. Adjourn



**Thursday, May 6, 2021
Board of Directors Special Meeting**

Time: 5:30 P.M.

IMPORTANT NOTICE REGARDING MAY 6, 2021 SPECIAL MEETING

This meeting is being conducted utilizing teleconferencing and electronic means consistent with State of California Executive Order N-29-20 dated March 17, 2020, regarding the COVID-19 pandemic.

The livestream of the meeting can be viewed by clicking the "Video" icon on this page (which will be made available at the start of the meeting) or by visiting www.youtube.com/CostaMesaSanitary. In accordance with Executive Order N-29-20, the public may only view the meeting online and not in the District's Board Room.

To participate in the meeting by computer:

- 1. Copy and paste the following into your browser - <https://us02web.zoom.us/join>**
- 2. Enter the Meeting ID number - 857 0005 5196**
- 3. Click "Join."**

To join the meeting with a mobile device:

- 1. Download the Zoom app at the Google Play Store (for Android devices) or the App Store (for Apple devices)**
- 2. Open the Zoom app. Select "Join a Meeting."**
- 3. Enter Zoom Meeting ID. Select "Join Meeting."**

To join the meeting by phone:

- 1. Call 1-669-900-6833.**
- 2. You will be asked to enter the Meeting ID number. Dial 857 0005 5196#**
- 3. Lastly, you will be asked to enter your Participant ID. Press the # symbol again to bypass this step.**

Public Comments: Members of the public can submit any comments in writing for the Board of Directors' consideration by sending them to the District Clerk, Noelani Middenway, at nmiddenway@cmsdca.gov. Those comments will be made part of the official public record of the meeting.

Obtaining Agenda Materials: The public is entitled to copies of all documents that are made part of the agenda packet. If any document or other writing pertaining to an agenda item is distributed to all or a majority of the Board after the packet is prepared, a copy of that writing may be obtained from the District Clerk's Office.

In Compliance with ADA: Contact District Clerk, Noelani Middenway, at (949) 645-8400, 48 hours prior to meeting if assistance is needed (28 CFR 35.102.35.104 ADA Title II).

A. Opening Items

Subject

1. Call to Order

Meeting May 6, 2021 - Board of Directors Special Meeting

Access Public

Type

A. Opening Items

Subject **2. Roll Call - (If absences occur, consider whether to deem those absences excused based on facts presented for the absence – such determination shall be the permission required by law.)**

Meeting May 6, 2021 - Board of Directors Special Meeting

Access Public

Type Procedural

Robert Ooten, President

Michael Scheafer, Vice President

Arlene Schafer, Secretary

Arthur Perry, Director

Brett Eckles, Director

B. Public Comments

Subject	1. Public Comments - This time has been set aside for persons in the audience to make the Board of comments on items within the subject matter jurisdiction of the Costa Mesa Sanitary District that are not listed on this agenda. Members of the public will have the opportunity to address Directors about all other items on this agenda at the time those items are considered. Under the provisions of the Brown Act, the Board of Directors is prohibited from taking action on oral requests but may refer the matter to staff or to a subsequent meeting. The Board of Directors will respond after public comment has been received. Please state your name. Each speaker will be limited to four (4) continuous minutes.
Meeting	May 6, 2021 - Board of Directors Special Meeting
Access	Public
Type	

C. Discussion Items

Subject **1. Preliminary Biennial Budget Review for Fiscal Year 2021-22 and Fiscal Year 2022-23**

Meeting May 6, 2021 - Board of Directors Special Meeting

Access Public

Type Discussion

Goals 8.2 Finance - Adopt a balanced budget
 8.0 Finance

To: Board of Directors

Via: Scott Carroll, General Manager

From: Kaitlin Tran, Finance Manager

Date: May 6, 2021

Subject: Preliminary Biennial Budget Review for Fiscal Year 2021-22 and Fiscal Year 2022-23

Summary

On April 13, 2021, staff presented to the Board the Preliminary Biennial Budget Review for Fiscal Year 2021-22 and Fiscal Year 2022-23. In the Analysis section of this report, you will find staff's response to the comments and questions from the Board at the Study Session Meeting. In addition, attachments A, B, C and D have been updated after the Study Session Meeting.

General Fund Revenue:

Beginning of FY 2019-20 budget, the District created a General Fund to account for the unrestricted financial resources of the general government. These unrestricted resources consist primarily of general property taxes and investment earnings. Staff is assuming a 2% increase in property tax revenue each year. The proposed preliminary property tax revenues are \$333,000 and \$340,000 for FY 2021-22 and FY 2022-23, respectively. Property tax revenues are unrestricted revenues previously recorded in the Solid Waste Fund for rate stabilization. Staff is proposing the Board to continue to transfer this revenue to the Solid Waste Fund through this budgetary process. If more revenue is received than the budgeted amount at fiscal year-end, staff recommends the Board of Directors transfer the revenue, as per the District goal, to either the Solid Waste or the Wastewater Fund.

Preliminary Budget FY 2021-22:

The total preliminary budget for FY 2021-22 is \$13,214,400. The **Solid Waste Fund** preliminary budget of \$6,604,400 assumes that expenses will exceed revenues by \$357,800 creating a deficit requiring the use of reserves to balance the budget. Deficit spending has been a practice of the District for the last seven years. The Board approved lowering the trash rate in 2013 and 2014 to reduce the solid waste reserve balance. Using funds from the reserve balance helped stabilize the trash rate after implementing the Organics Recycling Program in 2015.

CR&R submitted a 5.6% CPI rate increase request on March 29, 2021. The District is in the process of auditing the hauler's revenue to verify CR&R's profit margin prior to having the Board of Directors approve or reject the request. The preliminary budget does not reflect the 5.6% CPI request from CR&R.

The Wastewater Fund preliminary budget of \$6,277,000 assumes that expenses will exceed revenues by \$313,200 creating a deficit requiring the use of reserves to balance the budget. The FY 2017-18 was the final year of the five-year 2% rate increase from the 2012 Sewer Rate Study adopted by the Board. The District is

year of the five-year 2% rate increase from the 2012 Sewer Rate Study adopted by the Board. The District is planning to conduct a wastewater rate study in FY 2021-22.

Preliminary Budget FY 2022-23:

The total preliminary budget for FY 2022-23 is \$13,395,300. **The Solid Waste Fund** preliminary budget of \$6,779,900 assumes that expenses will exceed revenues by \$136,300 thus creating a deficit requiring the use of reserves to balance the budget. According to the Solid Waste Rate Study, dated February 2019 by the consulting firm, NBS, revenue would exceed expenditures by the fifth year (FY 2023-24) of the five-year rate adjustment. The study projected the District would have a deficit spending of \$10,400 in FY 2022-23; however, staff is estimating the deficit will be much higher due to the COVID-19 pandemic, reduced investment earnings, and the 5.8% CPI increase CR&R received in FY 2019-20.

The preliminary **Wastewater Fund** budget of \$6,275,400 assumes that expenses will exceed revenues by \$203,400 thus creating a deficit which will require the use of reserves to balance the budget. As mentioned previously, a wastewater rate study will be conducted in FY 2021-22 to determine an appropriate rate adjustment starting FY 2022-23 that could make up the deficit. The preliminary budget does not include two additional wastewater maintenance workers and new equipment as presented to the Board on March 9, 2021.

Capital Improvement Projects:

Staff is requesting \$1,802,000 and \$1,767,000 for Capital Improvement Projects (CIP) for fiscal years 2021-22 and 2022-23, respectively. Incomplete projects in FY 2020-21 will be requested to be carried forward into FY 2021-22.

Recommendation

That the Board of Directors provide feedback to staff regarding the proposed preliminary Biennial Budget for the Fiscal Years 2021-22 and 2022-23.

Analysis

The following information is in response to the Board of Directors inquiries and comments from the April 13, 2021 study session meeting and updates staff made after the meeting.

1. Under **Professional Services**, Staff reduced the Solid Waste Consulting Services budget from \$45,000 to \$30,000 in FY 2021-22 and FY 2022-23.
2. **Compensated Absences:** A term used in accounting that refers to employees' time off with pay for vacations, holidays, and sick days. Companies that are obligated to pay for these days off are required by the matching principle to record the expense for these fringe benefits when the employees are working, since the benefits are a part of the employees' compensation.

The expense is recorded at the end of each fiscal year by debiting compensated absences expense and crediting a liability account, compensated absences payable. When an employee leaves District employment or retires they are paid for the benefits not used while employed, which reduces the compensated absence liability account balance.

The District's full-time employees with an average workweek of 40 hours shall receive vacation. The maximum amount of vacation time a full-time employee may accrue is based on years of service. The compensated absences will increase due to an employee's longevity and additional staff. The longer the employee works with the District, the higher vacation accrual the employee receives. Due to the Covid-19 restrictions, staff have deferred vacation days resulting in higher vacation hours accrued as of the third quarter of FY 2020-21. As staff begins to take vacations and reduce their vacation bank, the compensated absences liability will be reduced and be reflected in the FY 2021-22 and FY 2022-23 budget.

How are compensated absences calculated?

The compensated absences are the accumulated unpaid vacation amounts that employees accrued. At the end of each fiscal year, staff calculate the compensated absences liability amount and posts the current liability in the financial records. The amount will be charged to compensated absences payable. This information can be found in the Comprehensive Annual Financial Report (CAFR) CAFR FY 2019-20 page 28

To compute the amount, take the accumulated unused hours at year-end and multiply by the pay rate of each employee as shown below:

$$\begin{array}{|c|} \hline \text{Previous FY Ending} \\ \text{Vacation Hrs} \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Current FY Accrued} \\ \text{Vacation Hrs} \\ \hline \end{array} - \begin{array}{|c|} \hline \text{Current FY} \\ \text{Hrs Taken} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Pay Rate} \\ \text{on June 30} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Compensated} \\ \text{Absences} \\ \hline \end{array}$$

How are the compensated absences distributed among Solid Waste and Wastewater Funds?

Compensated absences are distributed based on the employee payroll distribution percentage. For example, Wastewater Staff compensated absences are charged 100% to the Wastewater Fund. Code Enforcement Officer is charged 100% to the Solid Waste Fund. The Accounting Clerk is charged 20% to the Solid Waste and 80% to the Wastewater Fund. Staff considers recent events and past employee behavior to project the District's compensated absences liabilities for FY 2021-22 and FY 2022-23 to be \$43,000 and \$43,700; respectively.

- 3. **Staff at their top salary range:** Currently all staff are within their salary ranges. Assuming staff will get the maximum merit increase of 5% and no promotion or reclassification. Three staff members will be at their top salary range in FY 2021-22, six staff members in FY 2022-23 and the same six staff members in FY 2023-24.
- 4. **What are the District's actual expenditures in the past three years?** The Board of Directors requested to see the actual expenditures of the last three fiscal years. Staff attached the actual spending for FY 2017-18 to FY 2019-20, year-to-date current FY 2020-21, and preliminary budget FY 2021--23 for comparison (Reference Attachment E).
- 5. **CR&R and Employee's Consumer Price Index (CPI) Calculations:**

Employee's CPI - Based on the District's policy, employees receive a salary adjustment equal to the February-to-February Consumer Price Index (CPI) for Los Angeles, Long Beach, and Anaheim (reference Exhibit 1.1, 1.2 and 1.3).

- Step 1. $281.347/278.657 = 1.009653$
- Step 2. $1.009653 - 1 = 0.009653$
- Step 3. $0.009653 \times 100 = 0.97$ (round up = 1%)

Exhibit 1.1

Data extracted on: March 10, 2021 (4:52:34 PM)

CPI for All Urban Consumers (CPI-U)

Series Id: CUURS49ASA0
 Not Seasonally Adjusted
 Series Title: All items in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted
 Area: Los Angeles-Long Beach-Anaheim, CA
 Item: All Items
 Base Period: 1982-84=100

Download: [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	231.606
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	235.807
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.920	239.219	239.611	239.940	238.677	238.742	239.207	239.229

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	H
2007	212.584	214.760	216.500	217.845	218.596	217.273	217.454	217.330	217.697	218.696	219.943	219.373	217.338	2
2008	220.918	221.431	223.606	224.625	226.651	229.033	229.886	228.484	227.449	226.159	222.229	219.620	225.008	2
2009	220.719	221.439	221.376	221.693	222.522	223.906	224.010	224.507	225.226	225.264	224.317	223.643	223.219	2
2010	224.610	224.620	225.483	225.916	226.438	225.877	225.991	226.373	226.048	226.794	225.941	226.639	225.894	2
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	2
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	2
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.920	239.219	239.611	239.940	238.677	238.742	239.207	2
2014	239.857	241.059	242.491	242.437	243.362	243.528	243.727	243.556	243.623	243.341	241.753	240.475	242.434	2
2015	239.724	241.297	243.738	243.569	246.093	245.459	247.066	246.328	245.431	245.812	245.711	245.357	244.632	2
2016	247.155	247.113	247.873	248.368	249.554	249.789	249.784	249.700	250.145	251.098	250.185	250.189	249.246	2
2017	252.373	253.815	254.525	254.971	255.674	255.275	256.023	256.739	257.89	258.883	259.135	259.22	256.21	2
2018	261.235	263.012	264.158	265.095	266.148	265.522	266.007	266.665	268.032	269.482	268.56	267.631	265.962	2
2019	269.468	269.608	271.311	273.945	274.479	274.38	274.682	274.579	276.054	278.075	277.239	275.553	274.114	2
2020	277.755	278.657	276.589	275.853	276.842	278.121	279.899	280.116	279.366	279.947	280.102	279.56	278.567	2
2021	280.178	281.347												2

If CR&R uses the same method as employee's CPI Calculation (same as the Bureau of Labor) it would be as follows and the CPI should be 4.35%.

Step 1 281.347 / 269.608 = 1.0435

Step 2 1.0435-1 = 0.0435

Step 3 0.0435 x 100 = 4.35%

6. **How much in monetary value did the 5.8% CR&R CPI increase cost the District?** As a result of the 5.8% increase in CR&R rates, the District paid an additional \$307,206 in FY 2019-20 and an additional \$227,954 FY 2020-21 (July-March 2021). (Reference Exhibit 1.4 and 1.5)

Exhibit 1.4

FY 2019-20

	Actual Account Tonnage (a)	Rate Prior to 5.8% Incr. (b)	Costs Prior to 5.8% Incr (a x b)= (d)	Current Rate 5.8% Incr. (c)	Actual Co (a x c)= (e)
Trash Hauler (22,912)	274,950	\$ 9.7954	\$ 2,693,245	\$ 10.3635	\$ 2,853,900
Recycling	34,062	51.97	1,770,187	54.98	1,872,710
Organics	10,608	71.50	758,493	75.65	802,510
Total			\$ 5,221,925		\$ 5,529,120

Exhibit 1.5

FY 2020-21 (Jul-Mar 2021)

	Actual Account Tonnage	Rate Prior to 5.8% Incr.	Costs Prior to 5.8% Incr	Current Rate 5.8% Incr.	Actual C
Trash Hauler (23,008)	206,937	\$ 9.7954	\$ 2,027,031	\$ 10.3635	\$ 2,144,100
Recycling	26,267	51.97	1,365,091	54.98	1,444,100
Organics	7,549	71.50	539,785	75.65	571,100
Total			\$ 3,931,907		4,159,300

7. **Solid Waste/Recycling tonnage-** The proposed Preliminary Budget for FY 2021-22 and FY 2022-23 Staff assumes CR&R rates remain the same.

Trash Hauler- Staff assumes a 0.2% increase in occupancy account from FY2020-21 to FY 2021-22, resulting in 23,028 accounts. Also, a 0.5% increase in occupancy account in FY 2022-23, will result in 23,143 accounts. Therefore, the preliminary budgets for the Trash Hauler account are \$2,863,800 and \$2,878,100 for FY 2021-22 and FY 2022-23, respectively.

If the Board approves a 5.6% CPI rate increase for the next two fiscal years, the new hauler rate will be \$10.9439 per occupancy account and the FY 2021-22 and FY 2022-23 estimated costs will be \$3,024,200 and \$3,039,300, respectively. (Reference Exhibit 1.6)

Exhibit 1.6

<u>FY 2021-22 & FY 2022-23</u>	<u>Current Rate</u>	<u>Proposed Rate 5.6%</u>	<u>Variance</u>
Trash Hauler	\$ 10.3635	\$ 10.9439	\$ 0.58
Recycling	54.98	58.06	3.08
Organics	75.65	79.89	4.24

<u>FY 2021-22</u>	<u>Trash Hauler</u>	<u>Recycling</u>	<u>Organics</u>
Estimated Account/Tonnage	23,028	36,500	12,400
Estimated % Incr From Prior FY	0.20%	4%	8%

<u>FY 2022-23</u>			
Estimated Account/Tonnage	23,143	38,000	13,400
Estimated % Incr From Prior FY	0.50%	4%	

<u>FY 2021-22</u>	<u>Trash Hauler</u>	<u>Recycling</u>	<u>Organics</u>	<u>Total</u>
Preliminary Budget Current Rate	\$ 2,863,800	\$ 2,006,800	\$ 938,100	\$ 5,808,700
Estimated Cost 5.6% Increase	<u>3,024,200</u>	<u>2,119,200</u>	<u>990,600</u>	<u>6,134,000</u>
Variance	\$ 160,400	\$ 112,400	\$ 52,500	<u>\$ 325,300</u>

<u>FY 2022-23</u>				
Preliminary Budget Current Rate	\$ 2,878,100	\$ 2,089,200	\$ 1,013,700	\$ 5,981,000
Estimated Cost 5.6% Increase	<u>3,039,300</u>	<u>2,206,300</u>	<u>1,070,500</u>	<u>6,316,100</u>
Variance	\$ 161,200	\$ 117,100	\$ 56,800	<u>\$ 335,100</u>

Recycling/Disposal - In FY 2019-20 the Recycling tonnage increased 3.9% from the previous FY with the total tonnage of 34,062 (Exhibit 1.4). Staff assumes the FY 2020-21 tonnage overall will increase 3% by the fiscal year-end and a 4% increase in the next two fiscal years. Therefore, the preliminary budgets for the Recycling Tonnage account are \$2,006,800 and \$2,089,200 for FY 2021-22 and FY 2022-23, respectively (Exhibit 1.6).

If the Board approves a 5.6% CPI rate increase for the next two fiscal years, the new Recycling Disposal rate will be \$58.06 per ton and the FY 2021-22 and FY 2022-23 estimated costs will be \$2,119,200 and \$2,206,300, respectively. (Reference Exhibit 1.6)

Organics Disposal- In FY 2019-20 the Recycling tonnage increased 8.6% from the previous FY with the total tonnage of 10,608 (Exhibit 1.4). Staff assumes the FY 2020-21 tonnage overall will increase 8% by the fiscal year-end and will continue the 8% increase in the next two fiscal years. Staff anticipates the implementation of

the SB1383 will continue to increase the organics disposal tonnage. Therefore, the preliminary budgets for the Organics Disposal are \$938,100 and \$1,013,700 for FY 2021-22 and FY 2022-23, respectively (Exhibit 1.6).

If the Board approves a 5.6% CPI rate increase for the next two fiscal years, the new Organics Disposal rate will be \$79.89 per ton and the FY 2021-22 and FY 2022-23 estimated costs are \$990,600 and \$1,070,500, respectively (Exhibit 1.6).

If the 5.6% CPI rate increase is approved, the **estimated total costs** for the Trash Hauler, Recycling Disposal and the Organics Disposal will increase \$325,300 and \$335,100 in FY 2021-22 and FY 2022-23, respectively (Exhibit 1.6).

8. **Shredding and Cardboard Recycling events**- The Board requested to see the cost's breakdown of the Shredding and Cardboard Recycling events. The Management Analyst estimated the costs for the two events

Shredding and Cardboard Recycling events. The management Analyst estimated the costs for the two events below (Exhibit 1.7). While waiting for these events to take place, residents can drop-off cardboard at the Orange Coast Recycling Center year-round free of cost. The costs below are based on information obtained from the City of Newport Beach for conducting a shredding event in the city. Staff believes the location rental fee and labor costs could be reduced and/or eliminated because the City of Costa Mesa has agreed to partner with CMSD on both events. The events will be held at the City's Corporate Yard, and they have agreed to provide staffing, at city costs, to the events. Partnering with the City of Costa Mesa was suggested by the Citizens Advisory Committee after staff presented concept of both events to the Committee on March 10, 2021.

Exhibit 1.7

Shredding Event				Cardboard Recycling Event			
Item	Quantity	Cost	Total	Item	Quantity	Cost	Total
Location Rental Fee	1	\$1,000	\$ 1,000	Location Rental Fee	1	\$1,000	\$ 1,000
Shredding Company (per hour)	4	100	2,400	Cardboard Dumpster (40-yard)	2	580	1,160
Cardboard/Trash Dumpster	2	300	600	Trash Dumpster (3-yard)	1	300	300
Daily Pilot Ad	1	1,700	1,700	Daily Pilot Ad	1	1,700	1,700
Mesa Water Bill Insert	1	600	600	Mesa Water Bill Insert	1	600	600
FB/IG Ads	1	250	250	FB/IG Ads	1	250	250
Day-of Signs	5	200	200	Day-of Signs	5	200	200
Insurance Certification	1	50	50	Insurance Certification	1	50	50
Refreshments	22	200	200	Refreshments	22	200	200
Labor (20 Workers) (per hour)	20	30	3,600	Labor (20 Workers) (per hour)	17	30	510
			Estimated Total				Estimated Total
			\$10,600				\$10,600

9. **Board Membership Dues and Development-** The California Special District Association Annual Conference and Leadership Summit are budgeted for five Board members to attend. Staff will remove the budget amount accordingly if the Board of Directors opt out on attending the conference, see Attachment A, page 11 and Attachment B, page 11 for details. Board members are members of the Solid Waste Association of North America (SWANA), which is a national organization that focuses on solid waste and recycling trends nationally. The membership cost is \$1,500. Staff believes the District can cancel SWANA membership and still receive important solid waste and recycling information by being a member of the California Resource Recovery Association (CRRA) and attending the Southern California Waste Management Forum (SCWMF). Membership to CRRA is \$250 and attending SCWMF is \$100 annually.

10. **What are the costs for each future item staff would like to budget?**

	Total	Solid Waste	Waste Water
2 new Wastewater Staff	\$ 265,300	\$ -	\$ 265,300
Combo Cleaning Truck	450,000	-	450,000
Additional Work Stations (2) with AutoCAD (1)	4,000	-	4,000
Pickup Truck	75,000	-	75,000
Additional County Radios (2)	12,000	-	12,000
Additional Nozzles with Camera (1)	10,000	-	10,000
Risk & Resilience Assessment (RRA)	25,000	-	25,000
Integrate CMMS into the CCTV setup	56,000	-	56,000
Boardroom AV Upgrades - Camera Upgrades	40,000	4,000	36,000
Employee Engagement Survey	25,000	2,500	22,500
Full-time Code Enforcement	66,000	66,000	-
Promotion Administrative Staff	5,000	4,000	1,000
Springbrook Cloud Upgrade	40,000	4,000	36,000
Sustainability Checklist Program	5,000	5,000	-
	\$ 1,078,300	\$ 85,500	\$ 992,800

Legal Review

Not applicable.

Environmental Review

Subject activity is exempt from the requirements of the California Environmental Quality Act (CEQA) (Public Resources Code Section 21000 et. seq.). Section 15300.4 of CEQA allows an agency while establishing its own procedures “to list those specific activities which fall within each of the exempt classes”, and the District has adopted “CEQA Guidelines and Implementing Procedures” that state on page 6 ““Projects” does not include C. Continuing administrative or maintenance activities.”

Financial Review

The report attachments include details for the following:

1. Attachment A - FY 2021-22 Preliminary Budget
2. Attachment B - FY 2022-23 Preliminary Budget
3. Attachment C - Solid Waste- General Fund- Wastewater Fund Balance Projections
4. Attachment D - Fund Balance Projects CRR 5.6 and Add't Staff Equip
5. Attachment E - Actual Expenditures FY 2017-18 -FY 2020-21
6. Attachment F - CR&R Costs History
7. Attachment G - CR&R Occupancy & Tonnage History

Public Notice Process

Copies of this report are on file and will be included with the entire agenda packet for the May 6, 2021 Board of Directors Special Meeting at District Headquarters and on District website at www.cmsdca.gov.

Alternative Actions

1. Refer the matter back to staff for additional information.

File Attachments

Attachment A FY 2021-22 Preliminary Budget.pdf (1,048 KB)
Attachment B FY 2022-23 Preliminary Budget.pdf (862 KB)
Attachment C - Solid Waste- General Fund- Wastewater Fund Balance Projections.pdf (893 KB)
Attachment D - Fund Balance Projects If CRR 5.6 and Add't Staff Equip Added.pdf (735 KB)
Attachment E - Actual Expenditures FY 2017-18 -FY 2020-21.pdf (720 KB)
Attachment F - CR&R Costs History.pdf (666 KB)
Attachment G - CR&R Occupancy & Tonnage History.pdf (659 KB)

D. Closing Items

Subject	1. Oral Communications & Director Comments
Meeting	May 6, 2021 - Board of Directors Special Meeting
Access	Public
Type	

D. Closing Items

Subject

2. Adjourn

Meeting

May 6, 2021 - Board of Directors Special Meeting

Access

Public

Type

Procedural