



May 5, 2022

**TO:** LOCSD Board of Directors  
**FROM:** Ron Munds, General Manager  
**SUBJECT:** **Agenda Item 7H – 05/05/2022 Board Meeting**  
Approval of a Fund 650-Solide Waste Interim Fiscal Year 2021-22 Budget

**President**  
Matthew D. Fourcroy

**Vice President**  
Charles L. Cesena

**Directors**  
Troy C. Gatchell  
Marshall E. Ochylski  
Christine M. Womack

**General Manager**  
Ron Munds

**District Accountant**  
Robert Stilts, CPA

**Unit Chief**  
Eddy Moore

**Battalion Chief**  
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### **DESCRIPTION**

With addition of solid waste services to the District responsibilities, staff is recommending the approval a budget to reflect estimated revenue and expenditures for Quarter 4 of Fiscal Year (FY) 2021-22.

### **SUMMARY OF STAFF RECOMMENDATION**

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

***Motion: I move that the Board approve the Fund 650-Solid Waste budget for Quarter 4 of Fiscal Year 2021-22 as presented.***

### **DISCUSSION**

The District assumed solid waste responsibilities as of April 1, 2022. With the assignment of the franchise agreement from the County to the District, the District is now responsible for administering the provisions of the franchise agreement and all state regulatory requirements pertaining to solid waste. Additionally, the District agree to a repayment schedule to the County for a debt encumbered during the District's bankruptcy proceedings in 2013. In order to meet these obligations, staff has developed and interim budget for the fourth quarter of the FY 2021-22 budget.

### **FINANCIAL IMPACT**

The estimated revenue from the franchise fee is approximately \$245,000 per year. As part of the FY 2022-23 budget process, staff developed a budget based on the best information and assumptions available at this time. In order to develop the FY 2021-22 interim budget, staff used the estimations from the new budget to approximate the financial requirements to close out this fiscal year. Note, it is recommended that Solid Waste Services contribute 10% to the cost allocation which equates to about \$16,527 for the remainder of this fiscal year. This amount will cover the anticipated costs of labor for the ASM (25%), General Manager (15%) and Administrative Clerk (5%) positions, and its fair share of the office and utility expenses.

The following is a summary of the requested interim Fund 650 budget:

<b><i>Interim 650 - Solid Waste</i></b>		
<b>Fund 800</b>	<b>2021-2022</b>	<b>Increase/</b>
<b>Budget Category</b>	<b>Budget</b>	<b>(Decrease)</b>
Revenue	\$61,250.00	\$61,250.00
Expenditures		
Services & Supplies	\$4,700.00	\$4,700.00
Capital Outlay	\$0.00	\$0.00
Debt Services	\$30,000.00	\$30,000.00
Reserves	\$0.00	\$0.00
Transfers	\$16,527.00	\$16,527.00
<b>TOTAL Expenditures</b>	<b>\$51,227.00</b>	<b>\$51,227.00</b>
<b>TOTAL Revenue</b>	<b>\$61,250.00</b>	<b>\$61,250.00</b>
Net Revenue/Expenses		<b>\$10,023.00</b>

### **Attachment**

Fund 650 Interim FY 2021-22 budget line-item detail.

### **Interim 650 - Solid Waste**

<b>Fund 800 Budget Category</b>	<b>2021-2022 Budget</b>	<b>Increase/ (Decrease)</b>
Revenue	\$61,250.00	\$61,250.00
Expenditures		
Services & Supplies	\$4,700.00	\$4,700.00
Capital Outlay	\$0.00	\$0.00
Debt Services	\$30,000.00	\$30,000.00
Reserves	\$0.00	\$0.00
Transfers	\$16,527.00	\$16,527.00
<b>TOTAL Expenditures</b>	<b>\$51,227.00</b>	<b>\$51,227.00</b>
<b>TOTAL Revenue</b>	<b>\$61,250.00</b>	<b>\$61,250.00</b>
<b>Net Revenue/Expenses</b>		<b>\$10,023.00</b>

**650 - Solid Waste****FY 2021-2022 Q4 Budget Notes****REVENUES****Property Taxes**

4800 Franchise Revenue	61,250.00	Q4 estimated
<b>Total Revenues</b>	<b>61,250.00</b>	

**EXPENDITURES****Personnel**Salaries paid through the  
cost allocation transfer**Services & Supplies****Legal & Professional**

7320 Professional & Consulting Services	1,000.00
7326 Legal Services	1,000.00
7340 Legal Notifications & Mandated Advertising	0.00
<b>Total Legal &amp; Professional</b>	<b>2,000.00</b>

**Office/Operations**

7140 General Supplies & Minor Equipment	100.00
7160 Postage, Shipping & Mail Supplies	200.00
7230 Misc Small Parts & Supplies	0.00
<b>Total Office/Operations</b>	<b>300.00</b>

**Other Expense**

7330 Misc Operating Expenses	0.00
7345 Outreach	1,000.00
7346 Promotional Expenses - Event	1,000.00
<b>Total Other Expense</b>	<b>2,000.00</b>

Paid through cost allocation  
transfer**Rent & Utilities****Travel & Training**

7324 Education & Training Fees	200.00	
8410 Certifications	0.00	
8475 Training Materials	100.00	
8550 Mileage Reimbursement & Parking	100.00	Outside meetings
<b>Total Travel &amp; Training</b>	<b>400.00</b>	

**Total Services & Supplies** 4,700.00**Capital Outlay**

9006 Infrastructure CIP	0.00
<b>Total Capital Outlay</b>	<b>0.00</b>

**Debt Service**

9022 Debt Service - Principal	30,000.00
<b>Total Debt Service</b>	<b>30,000.00</b>

**Reserves**

9572 General Contingency Reserve	0.00
<b>Total Reserves</b>	<b>0.00</b>

**TRANSFERS**

9511 Interfund Transfer Out	16,527.00
<b>Total Transfers</b>	<b>16,527.00</b>

**Total Expenditures** 51,227.00**Net Revenues over Expenditures****10,023.00**