

P&A Committee Members

Dave Sadoff, **Chair**
Castro Valley Sanitary District
David Haubert, County of Alameda
Jennifer Hansen-Romero, City of Albany
Mark Humbert, City of Berkeley
Jean Josey, City of Dublin
Yang Shao, City of Fremont
Francisco Zermeño, City of Hayward
Matthew Jorgens, City of Newark
Vacant, City of Oakland
Rita Duncan, Oro Loma Sanitary District
Lorrel Plimier, City of Piedmont
Matt Gaidos, City of Pleasanton
Timothy Burroughs, Executive Director

AGENDA

**MEETING OF THE
PROGRAMS AND ADMINISTRATION
COMMITTEE (P&A)**

THURSDAY, MARCH 13, 2025

9:00 A.M.

***IN PERSON MEETING LOCATION:*
STOPWASTE BOARD ROOM
1537 WEBSTER STREET, OAKLAND, CA**

This meeting will be conducted in a hybrid model with participation both in-person and via teleconference:

Teleconference location #1 3300 Capitol Avenue, Building A, Fremont, CA
Teleconference location #2 30065 Skylark Court, Hayward, CA
Teleconference location #3 806 Pierce Street, Albany, CA
Teleconference location #4 City of Dublin, 100 Civic Plaza, Dublin, CA
Teleconference location #5 22493 Bayview Avenue, Hayward, CA
Teleconference location #6 2928 Linden Avenue, Berkeley, CA
Teleconference location #7 Scott Haggerty Heritage House, 4501 Pleasanton Ave., Pleasanton, CA
Teleconference location #8 Pleasanton City Hall, 200 Old Bernal Ave., City Council Conf. Rm, Pleasanton, CA
Teleconference location #9 Newark City Hall, 37101 Newark Blvd. Conf Rm #1, Newark, CA

Members of the public may attend in person at the addresses listed above or by:

1. Calling US+1 669 900 6833 and using the Webinar ID 824 8811 9228
2. Using the [Zoom](#) website or App and entering meeting code 824 8811 9228

During the meeting the chair will explain the process for members of the public to be recognized to offer public comment. The process will be described on the StopWaste website at <http://www.stopwaste.org/virtual-meetings> no later than noon, Wednesday, March 12, 2025.

The public may also comment by sending an e-mail to publiccomment@stopwaste.org. Written public comments will be accepted until 3:00 p.m. on the day prior to the scheduled meeting. Copies of all written comments submitted by the deadline above will be provided to each Board Member and will be added to the official record. Comments will not be read into the record.

In accordance with the Americans with Disabilities Act, if you need assistance to participate in this meeting due to a disability, please contact the Clerk of the Board at (510) 891-6517. Notification 24 hours prior to the meeting will enable the agency to make reasonable arrangements to ensure accessibility to this meeting.

AGENDA

I. CONVENE MEETING

II. ROLL CALL OF ATTENDANCE

III. PUBLIC COMMENTS

Open public discussion from the floor is provided for any member of the public wishing to speak on any matter within the jurisdiction of the Programs & Administration Committee but not listed on the agenda.

Page IV. CONSENT CALENDAR

1 1. Approval of the Draft P&A Minutes of February 13, 2025

V. REGULAR CALENDAR

3 1. Multi-Year Fiscal Forecast (Pat Cabrera & Justin Lehrer)

This item is for information only. Staff will continue to prepare and present annual fiscal forecasts using these forecasting models and advise the Boards of any changes in disposal trends which would require significant changes to Agency expenditures and/or revenues.

VI. MEMBER COMMENTS

VII. ADJOURNMENT – TO P&A MEETING – MAY 8, 2025 AT 9:00 A.M.

DRAFT

MINUTES OF THE ALAMEDA COUNTY WASTE
MANAGEMENT AUTHORITY MEETING
OF THE
PROGRAMS AND ADMINISTRATION COMMITTEE

THURSDAY, FEBRUARY 13, 2025

9:00 A.M.

IN PERSON MEETING LOCATION:
STOPWASTE BOARD ROOM
1537 WEBSTER STREET, OAKLAND, CA

Members Present:

County of Alameda	David Haubert
City of Albany	Jennifer Hansen-Romero
City of Berkeley	Mark Humbert
Castro Valley Sanitary District	Dave Sadoff, Chair
City of Dublin	Jean Josey
City of Fremont	Yang Shao
City of Hayward	Daniel Goldstein
City of Newark	Matthew Jorgens
Oro Loma Sanitary District	Rita Duncan
City of Piedmont	Lorrel Plimier
City of Pleasanton	Matt Gaidos

Staff Present:

Timothy Burroughs, Executive Director
Alma Freeman, Communications Manager
Justin Lehrer, Operations Manager
Heather Larson, Program Manager
Karen Kho, Principal Program Manager
Arliss Dunn, Clerk of the Board

I. Convene Meeting

Chair Sadoff called the meeting to order at 9:03 a.m. Timothy Burroughs explained the process that would be utilized during the meeting. A link to the process is available here: [Virtual-Meetings-Instructions](#).

II. Public Comments

There were none.

III. CONSENT CALENDAR

1. Approval of the Draft Minutes of January 9, 2025

There were no public comments for the Consent Calendar. Board member Jorgens moved for approval of the Consent Calendar. Board member Josey seconded, and the motion carried 9-0-2. The Clerk called the roll.

(Ayes: Duncan, Goldstein, Hansen-Romero, Haubert, Jorgens, Josey, Plimier, Sadoff, Shao. Nays: None. Absent: None. Abstain: Gaidos, Humbert)

IV. REGULAR CALENDAR

1. Technical Assistance for Low-Embodied Carbon Building Materials (Heather Larson & Karen Kho)

This item is for information only.

Timothy Burroughs introduced the item. Heather Larson provided an overview of the staff report and presented a PowerPoint presentation. The State of California updated its 2024 building code (CalGreen) to include measures that reduce the embodied carbon of buildings, which encourages waste reduction, material reuse and circular economy strategies in the construction sector. Ms. Larson provided an overview of the program and how StopWaste is offering technical assistance to municipal and multifamily design teams that seek to incorporate low-embodied carbon building materials in projects. A link to the staff report and the presentation is available here: [TA-Low-Embodied-Carbon-Building-Materials-memo.pdf](#).

Additional time was provided to the Board for discussion and for clarifying questions. An audio link to the discussion is available here: [TA-Low-Embodied-Carbon-Building-Materials-Discussion](#). Chair Sadoff thanked Ms. Larson for an informative presentation. There were no public comments on this item.

2. Election of Vice Chair (Timothy Burroughs)

That the Programs & Administration Committee elect a Vice Chair for the period ending June 30, 2025.

Timothy Burroughs provided an overview of the staff report. Mr. Burroughs informed the Board that Board member Josey indicated a willingness to serve as Vice Chair. There were no other nominations. There were no public comments on this item.

Board member Gaidos moved to approve the election of Board member Josey as Vice Chair. Board member Goldstein seconded, and the motion carried 11-0. The Clerk called the roll: (Ayes: Duncan, Gaidos, Goldstein, Hansen-Romero, Haubert, Humbert, Jorgens, Josey, Plimier, Sadoff, Shao. Nays: None. Absent: None. Abstain: None.)

V. MEMBER COMMENTS

Mr. Burroughs announced the annual StopWaste Environmental Leadership awards program for 2025. The award honors Alameda County entities for their leadership and innovations in advancing environmental sustainability, waste prevention, and contributions to building healthy, climate resilient communities in Alameda County. The 2025 awards program will be held during the Recycling Board meeting on Thursday, June 12 at 4:00 p.m., at the StopWaste offices. Mr. Burroughs encouraged the Board to think about outstanding organizations in their communities that might deserve recognition for their leadership and for their innovation. Staff will send out more details about the awards program via email.

VI. ADJOURNMENT – TO MARCH 13, 2025, AT 9:00 A.M.

The meeting was adjourned at 9:45 a.m.



DATE: March 13, 2025
TO: Programs & Administration Committee
Planning Committee/Recycling Board
FROM: Pat Cabrera, Administrative Services Director
Justin Lehrer, Operations Manager
SUBJECT: Multi-Year Fiscal Forecast

SUMMARY

Each year, early in the development of the Agency’s annual budget, staff conduct an analysis of the organization's fiscal forecast and current fund balance and reserves. This review helps identify adjustments needed to maintain sufficient funding levels so that Agency staff may continue to deliver impactful programs that advance our goals today while also maintaining adequate contingency funds for the future. The analysis focuses on the Agency’s fee-based revenue structure and projected expenditures. At the March 13 Programs & Administration and Recycling Board meetings, staff will present an overview of the latest analysis and annual fiscal forecast.

DISCUSSION

Key to the Agency’s mission is to accelerate progress toward a circular economy, including advancing upstream waste prevention as well as material reuse, repair, and recycling. Consistent with our mission and other broader economic factors, solid waste disposal and the associated revenue has declined over time. This landfill tonnage-based fee revenue is the primary source of revenue for the Agency’s discretionary budget (i.e., General Fund). Under the current revenue structure, maintaining consistent expenditures will at some point be fiscally unsustainable. As revenues decrease, or even if revenues remain flat, consistent or increased expenditures are creating a structural deficit. As such, a sufficient fund balance is needed to fill in budgetary gaps while critical financial and programmatic decisions are made and implemented, such as reductions in certain expenditures and diversification of fees and other sources of revenue, which the Agency is currently undertaking.

FORECAST SCENARIOS

Utilizing a forecasting model developed in 2022 by the consulting firm Crowe, LLP, staff update the Agency’s revenue projections each year. The model includes seven scenarios to help determine a range of possible funding trends and associated fiscal measures that support the Agency’s operations and mission.

The main purpose of the initial Crowe analysis and development of the fiscal forecasting model was to help determine an adequate or minimum fund balance with reserves that the Agency should maintain that both supports advancement of the Agency’s mission today, while also providing the means to plan for the future. The scenarios described in the “Forecast Scenario Descriptions” table below (see page 9 of Attachment 1

for more detailed descriptions) cover a range of potential circumstances that could occur in the future and the potential impact of these scenarios on the Agency’s reserves and fund balance. We are now and will continue to use these models as part of the annual multi-year forecast.

For the purposes of the analysis, Scenario A represents the best case from a revenue perspective, descending to Scenario G, which forecasts the lowest revenues. The basis for Scenarios A, B, C, and F is historical, meaning that a review of historical trends such as disposal changes over a specific timeframe and/or impacts from the 2007-2009 recession were factored into the forecast. The basis for Scenarios D, E, and G is "goal-based," meaning that the forecasted trends reflect longer-term declines in tonnage based on policy goals articulated in the [Recycling Plan](#) adopted by the Agency’s Recycling Board.

The Agency’s financial status has been closely tracking with Scenario C since inception of the model in 2022, and is also consistent with the forecasting tool used in prior years.

Forecast Scenario Descriptions

Scenario	Brief Description of Tonnage Trend	Tonnage Change	Basis
A. Status Quo with Growth	Slight growth based on most recent five years	Increase	Historical
B. Status Quo	Tonnage stays flat	No Change	Historical
C. Economic Cycle	Declines based on most recent 15 years	Decrease	Historical
D. Organics	Achieve 75% reduction in landfilled organics using a FY 2022 baseline (SB 1383 ¹), then tonnage stays flat	Decrease	Goal-based
E. Organics and Recyclables	Achieve 75% reduction in landfilled organics using a FY 2022 baseline (SB 1383), then 75% reduction in recyclables by FY 2030	Decrease	Goal-based
F. Recession	Tonnage declines similar to 2008 recession to its recovery	Decrease	Historical
G. Recycling Plan	Achieve Recycling Plan goal of 100% diversion by 2045	Decrease	Goal-based

MINIMUM FUND BALANCES AND RESERVES

A component of this analysis was to help determine what the Agency should maintain as the minimum level of funding required for each forecasting scenario in order to continue to efficiently operate while decisions are made to address funding imbalances. This calculation is described in detail on page 12 of Attachment 1. Included in the report is the assumption that approximately three years of lead time is needed to undergo a process that addresses funding declines, whether that be through changes to the revenue structure or programmatic changes (i.e., reductions), which take time to implement effectively.

The analysis concluded that the minimum funding level is an amount equivalent to 1 to 1.4 times an average discretionary budget (depending on the scenario). The Agency currently meets that minimum with an additional 8-month surplus above the minimum contingency funding levels. Therefore, the Agency would

¹ Senate Bill 1383 Short-lived climate pollutants. Section 39730.6. Sets a statewide goal to reach a 75% reduction in organics landfilled by 2025. StopWaste is using a FY 2022 baseline for the purposes of the projection.

have sufficient surplus fund balance and reserves based on any of the scenarios to operate under an annual deficit for at least the next three years, except for scenario G which is unlikely to occur within this timeframe. In the meantime, the Agency has already started the process of identifying and implementing cost savings and diversifying its revenues, which will be discussed with the Board in more detail.

KEY FINDINGS FROM THE SCENARIO ANALYSIS

The Crowe analysis provides a useful tool to help Agency staff identify a level of fund balance and reserves needed to efficiently operate while making critical decisions regarding its revenue structure or level of expenditure. Staff updated the projection models for this fiscal forecast to include actual figures for last fiscal year (FY 2024) and budgeted figures for the current fiscal year. Based on actual figures and revenues to date, the Agency's fiscal trend continues to closely match Scenario C.

Here are the key findings from the Agency's current fiscal forecast analysis:

- The Agency has accumulated fund balances and reserves, currently totaling approximately \$23.8m, which provide a sufficient planning horizon to implement changes that address the structural imbalance between revenues and expenditures.
- Based on the current fund balance, the Agency does not require any fee adjustment at this time. However, based on the current rates, reliance on tonnage-based fees as the Agency's primary source of discretionary revenue will not be adequate to fund operations in the longer term, assuming a similar expenditure plan.
- The longer-term forecast (through FY 2033) shows a decline in all fund balances and reserves even in the best-case scenario, with some scenarios showing the Agency exhausting all fund balances and reserves by FY 2029. Even in the scenario which shows revenue growth, it will not outpace expected inflationary impacts.
- The Agency's unique circumstances related to revenue generation and the complexity of adjusting the fees that generate revenue expose the Agency to financial risk in the longer term, which warrants maintaining a higher fund balance than other area waste management authorities that have different, more nimble fee structures.
- The Agency will use the forecasting tools to inform its budgetary and policy decision-making going forward. With active monitoring of the Agency's fund balance, the Agency can proactively assess and manage potential surpluses or deficits.
- The Agency has already begun the process of analyzing options for diversifying and stabilizing revenues for the long term, in addition to being prudent with expenditures.

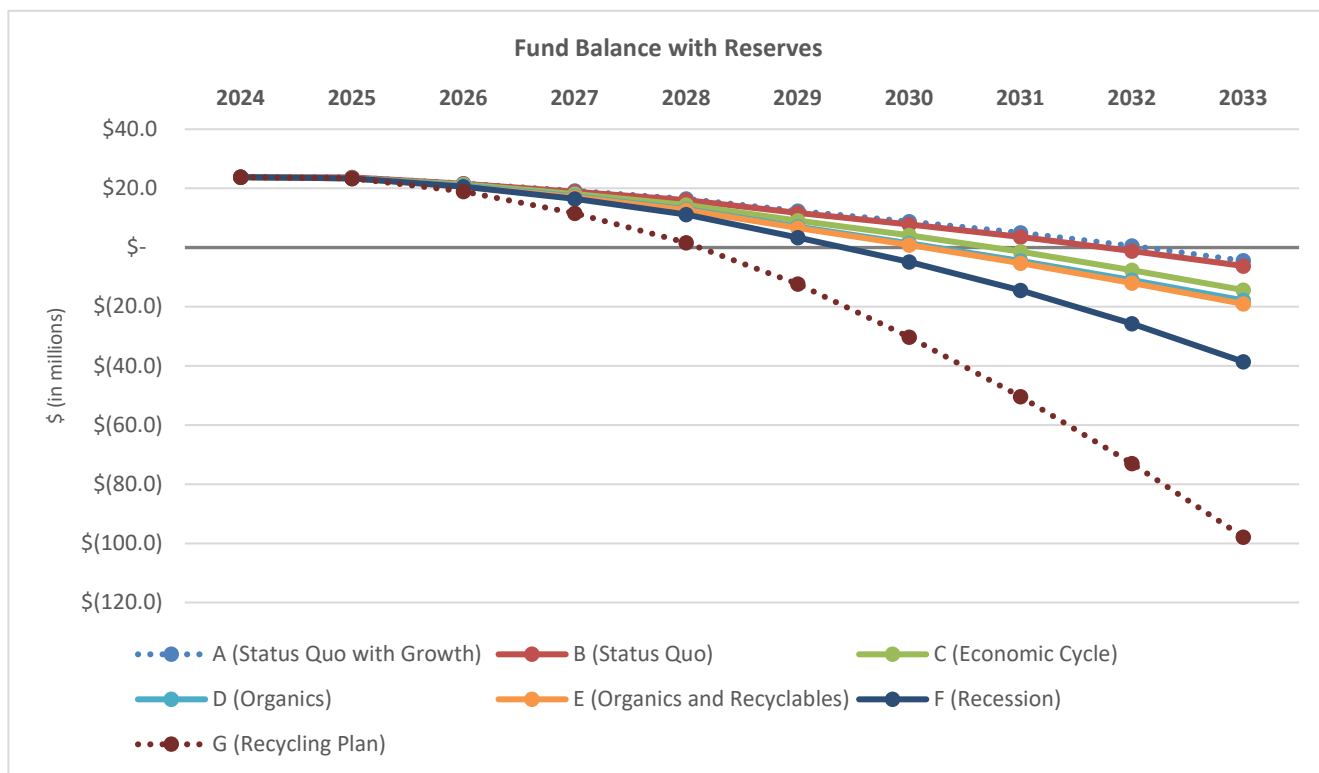
LONGER TERM FORECASTS

While financial forecasting is a valuable tool, the forecasts are estimates that become less accurate the further out data are projected. However, extending the scenarios through FY 2033 still provides insight as shown below. The table and chart below reflect estimated fund balance trends without interventions such as expenditure reductions or diversification of revenues.

Projected Ending Fund Balance with Reserves (in millions) – Years 3, 6, and 9

Scenario	Base Year 2024	Year 3 2027	Year 6 2030	Year 9 2033
A (Status Quo with Growth)	\$ 23.8	\$ 19.2	\$ 8.8	\$ (4.4)
B (Status Quo)	\$ 23.8	\$ 18.9	\$ 7.8	\$ (6.2)
C (Economic Cycle)	\$ 23.8	\$ 18.1	\$ 4.1	\$ (14.4)
D (Organics)	\$ 23.8	\$ 17.3	\$ 1.4	\$ (17.9)
E (Organics and Recyclables)	\$ 23.8	\$ 17.0	\$ 0.9	\$ (19.5)
F (Recession)	\$ 23.8	\$ 16.5	\$ (4.8)	\$ (38.6)
G (Recycling Plan)	\$ 23.8	\$ 11.6	\$ (30.3)	\$ (97.9)

Projected Fund Balance with Reserves (FY 2024 through FY 2033)



As previously mentioned, the longer-term forecast shows a decline in all fund balances and reserves, with all scenarios showing the Agency exhausting all fund balances and reserves by FY 2033. Even in the best-case scenario, simple inflationary increases will outpace revenues, and we anticipate that we will continue to experience declines in tonnage-based revenues over time. While the Agency will take steps to minimize the risk of these longer-term forecasts, they do highlight the need to continue to regularly update the forecasting models to help identify trends and to address this fiscal imbalance.

BUDGET IMPACTS FOR FY 2026

While the medium-term forecasts indicate that the Agency will need to restructure and diversify its revenue streams, the short-term forecasts show that even in the worst-case scenario the Agency is in a stable

financial position. This is helpful in preparing for the upcoming budget in that the Agency has the flexibility to make additional investment in our programs that further our mission. As the chart below shows, the Agency can utilize its funding contingency to fill in the budgetary gaps between revenue and expenditures and still maintain an adequate surplus even in the worst-case scenario (Scenario G, which is highly unlikely) through FY 2028, and through FY 2030 in the more likely scenario (Scenario C). Note, this does not mean that the Agency will have exhausted the fund balances and reserves by these dates, only that the accumulated fund balance and reserves would no longer meet the minimum funding contingency for that particular scenario.

Fund Balance with Reserves (in millions)

Scenario	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
A (Status Quo with Growth)	\$ 23.8	\$ 23.7	\$ 21.6	\$19.2	\$ 16.5	\$ 12.4	\$ 8.8	\$ 5.0	\$ 0.6	\$ (4.4)
B (Status Quo)	\$ 23.8	\$ 23.7	\$ 21.5	\$18.9	\$ 16.0	\$ 11.7	\$ 7.8	\$ 3.6	\$ (1.1)	\$ (6.2)
C (Economic Cycle)	\$ 23.8	\$ 23.4	\$ 21.4	\$18.1	\$ 14.4	\$ 9.1	\$ 4.1	\$ (1.4)	\$ (7.6)	\$ (14.4)
D (Organics)	\$ 23.8	\$ 23.4	\$ 21.0	\$17.3	\$ 13.1	\$ 7.0	\$ 1.4	\$ (4.5)	\$ (11.0)	\$ (17.9)
E (Organics and Recyclables)	\$ 23.8	\$ 23.4	\$ 20.6	\$17.0	\$ 12.7	\$ 6.6	\$ 0.9	\$ (5.3)	\$ (12.2)	\$ (19.5)
F (Recession)	\$ 23.8	\$ 23.4	\$ 20.6	\$16.5	\$ 11.1	\$ 3.4	\$ (4.8)	\$ (14.4)	\$ (25.8)	\$ (38.6)
G (Recycling Plan)	\$ 23.8	\$ 23.4	\$ 18.9	\$11.6	\$ 1.6	\$ (12.3)	\$ (30.3)	\$ (50.4)	\$ (73.0)	\$ (97.9)

PLANNING FOR THE FUTURE

As previously discussed, staff is currently analyzing various options to stabilize its core revenue and presented our initial analysis to the WMA at its meeting on October 23, 2024. The Board approved the staff recommendation to conduct a regulatory fee study to determine which Agency projects are eligible for this type of fee along with potential rates and the amount of revenue the fee would generate. Staff is currently working with R3 Consulting Group, Inc., and will be presenting findings to the Board upon completion of the analysis, tentatively scheduled for July or September. Furthermore, the Agency is taking proactive measures regarding expenditures, such as limiting hiring and carefully managing vacancies, and will . The Agency will continue its practice of monitoring unfunded liabilities and making strategic discretionary payments when feasible to both ensure the adequacy of the pension and post-retirement benefits (OPEB) and reduce annual operating expenses.

Staff is in the process of preparing the FY 2026 budget, which will be presented at the joint session of the Boards and the Energy Council on April 23, 2025. While the Agency will always exercise fiscal prudence, this analysis provides particularly useful information as staff plan initiatives that support the Agency’s broader interests in advancing a healthy local food system, a thriving circular economy, and innovation in the Bay Area construction sector.

RECOMMENDATION

This item is for information only. Staff will continue to prepare and present annual fiscal forecasts using these forecasting models and advise the Boards of any changes in disposal trends which would require significant changes to Agency expenditures and/or revenues.

Attachment 1: Crowe report: [Fiscal Forecasts and Fund Balance/Reserve Analysis](#)