

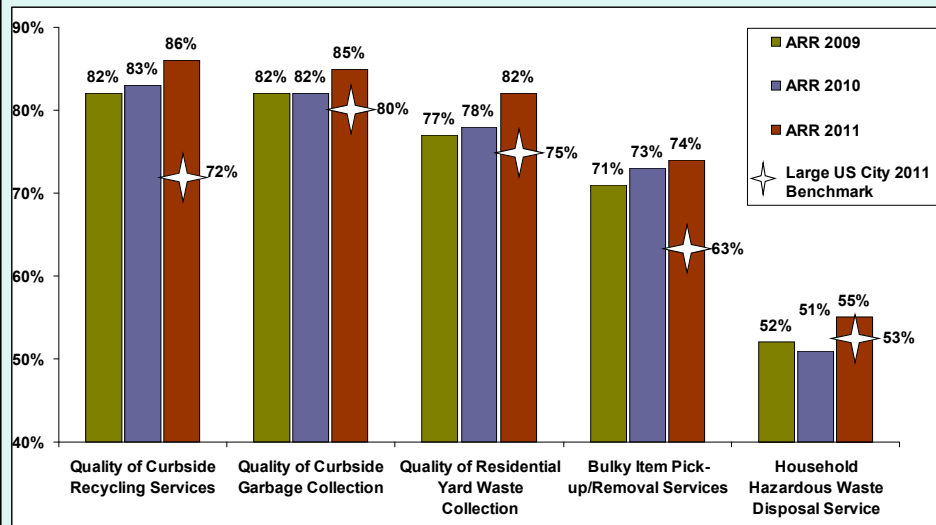


Financial Forecast

Austin Resource Recovery



2011 City of Austin Community Survey Results



Major Accomplishments

- Adoption of the Austin Resource Recovery Master Plan
- FY 2012 Department Goals
 - Increase diversion from 37% to 42%
 - Pilot Programs
 - Commercial Food Scrap Composting
 - Event Recycling
 - Green 30 rebate pilot expanded
 - Increase number of contacts through presentations given and events attended
 - Hosted 55 community composting classes, reaching 2,018 attendees and resulting in 668 compost rebates issued and a 33% return on attendance.
 - Reduce fuel consumption by 1% per year
 - Purchased 5 new hydraulic hybrid refuse vehicles, estimated 42% fuel savings

Master Plan Implementation

- FY 2012 Initiatives
 - HHW hours expansion
 - Todd Lane MRF facility transformation to Resource Recovery drop-off site
 - Event Recycling
- Initiatives included in FY 2013 Forecast
 - Strategic Initiatives
 - Marketing Campaigns
 - Zero Waste Initiatives
 - New Facilities
 - North Household Hazardous Waste
 - North Service Center
 - Resource Recovery Center

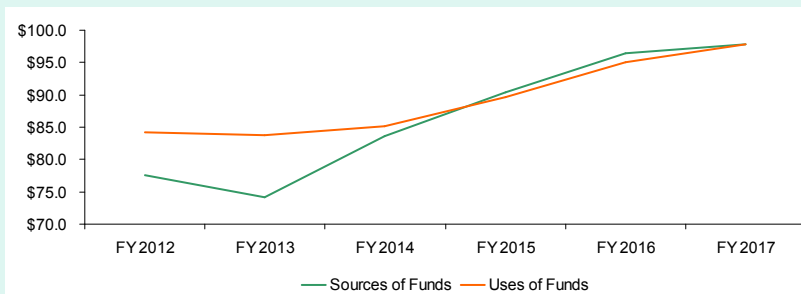
Anti-Litter Fee

- Name Change to Clean Community Fee
- ARR transfer to Code Compliance
 - FY 2012 budget \$9.6 million
- Separate Fee Allocation

Residential Rate Projection			
<i>Fiscal Year</i>	ARR	CCD	Total Fee
2012	\$3.00	\$2.00	\$5.00
2013	\$3.00	\$3.00	\$6.00
2014	\$3.00	\$3.00	\$6.00
2015	\$3.00	\$3.00	\$6.00
2016	\$3.00	\$3.00	\$6.00
2017	\$3.00	\$3.00	\$6.00

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Forecast Fund Summary



<i>Fund Balance</i>	FY 2012 CYE	FY 2013 Forecast	FY 2014 Forecast	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast
Beginning Balance	\$24.3	\$17.4	\$7.9	\$6.3	\$7.0	\$8.3
Revenue	\$76.0	\$74.2	\$83.6	\$90.5	\$96.4	\$97.9
Expenses	\$82.9	\$83.7	\$85.2	\$89.7	\$95.1	\$97.8
Excess/Deficit	(\$6.8)	(\$9.5)	(\$1.6)	\$0.8	\$1.3	\$0.1
Ending Balance	\$17.4	\$7.9	\$6.3	\$7.0	\$8.3	\$8.4
30 day reserve	\$6.0	\$6.1	\$6.2	\$6.5	\$7.0	\$7.3
FTEs	398	412	427	433	450	462

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Budget Data

Category	FY 12 Approved Budget	FY 13 Proposed Budget	Estimated Change	Activity
Base Personnel	\$21.7m	\$23.02 m	\$1.3m	* Health Insurance & Wage Adjustments * Supplemental Pension Funding
Transfers / Other Requirements	\$9.6m	\$0.0m	(\$9.6)m	* Code Compliance Fund
	\$22.1m	\$22.5m	\$0.4m	* 3-1-1 System Support * Retirement & Support Services * Communication & Technology * General Obligation Debt Service * CIP - Landfill monitoring and post closure
Other Operational (Costs)	\$30.8m	\$38.2m	\$7.4m	* 8 New FTEs for Support Services * 6 new FTEs to handle increased Cart Management, Bulk and Brownfields workload * Fleet Fuel & Maintenance * Zero Waste Education Campaigns * Living Wage Cost Increases
Total	\$84.2m	\$83.7m	(\$0.5)m	7
FTEs	398	412	14	

Revenue

Category	FY 12 Approved Budget	FY 13 Proposed Budget	Estimated Change (in millions)	
Residential	\$43.5	\$51.5	\$8.0	*Per gallon rate calculation methodology *Increase in customers due to growth and annexations
Commercial	\$2.6	\$1.7	(\$0.9)	*Per gallon rate calculation methodology
Extra Stickers and Carts	\$1.1	\$0.8	(\$0.3)	*Decrease in curbside extra garbage
Clean Community	\$23.1	\$13.7	(\$9.4)	*Separation of anti-litter fee to Code compliance * CC&B Billing differentiation
Recycling Sales	\$5.9	\$5.5	(\$0.4)	*Projection based on conservative recycling market estimation
Other	\$1.4	\$1.0	(\$0.4)	*Decrease in various revenue due to new billing system
Total	\$77.6	\$74.2	(\$3.4)	8

Rate Scenarios

Rate Structure “**A**” - Proposed Monthly Rate
\$4 R + \$4 O flat rate + Fixed cents/gal Trash

- 21 gal trash cart = $\$4 + \$4 + (21 \times .25) = \$13.25$
- 32 gal trash cart = $\$4 + \$4 + (32 \times .25) = \$16.00$
- 64 gal trash cart = $\$4 + \$4 + (64 \times .25) = \$24.00$
- 96 gal trash cart = $\$4 + \$4 + (96 \times .25) = \$32.00$

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Rate Scenarios

Rate Structure “**B**” - Proposed Monthly Rate
\$4 R + \$4 O flat rate + Variable cents/gal Trash

- 21 gal trash cart = $\$4 + \$4 + (21 \times .21) = \$12.41$
- 32 gal trash cart = $\$4 + \$4 + (32 \times .23) = \$15.36$
- 64 gal trash cart = $\$4 + \$4 + (64 \times .25) = \$24.00$
- 96 gal trash cart = $\$4 + \$4 + (96 \times .27) = \$33.92$

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Rate Scenarios

Rate Structure “C” - Proposed Monthly Rate
No flat rate + Fixed cents/gallon Trash

- 21 gal trash cart = $(21 \times .38) = \$ 7.98$
- 32 gal trash cart = $(32 \times .38) = \$12.16$
- 64 gal trash cart = $(64 \times .38) = \$24.32$
- 96 gal trash cart = $(96 \times .38) = \$36.48$

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Rate Scenarios

Rate Structure “D” - Proposed Monthly Rate
No flat rate + Variable cents/gallon Trash

- 21 gal trash cart = $(21 \times .33) = \$ 6.93$
- 32 gal trash cart = $(32 \times .35) = \$11.20$
- 64 gal trash cart = $(64 \times .37) = \$23.68$
- 96 gal trash cart = $(96 \times .39) = \$37.44$

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Rate Scenario “D” – 5-year

<i>Projected Rates</i>	2012	2013	2014	2015	2016	2017
21 gallon	\$12.75	\$6.93	\$8.19	\$9.03	\$9.66	\$9.66
32 gallon	\$13.50	\$11.20	\$13.12	\$14.40	\$15.36	\$15.36
64 gallon	\$18.75	\$23.68	\$27.52	\$30.08	\$32.00	\$32.00
96 gallon	\$30.95	\$37.44	\$43.20	\$47.04	\$49.92	\$49.92

- FY 2012
 - Rates include the \$8.75 base rate and applicable cart fee
- FY 2013 - 2017
 - Proposed rate structure is based on a Per Gallon methodology
 - No separate ARR base rate

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Capital Improvements Program

	Capital Equipment	Closed Landfill Capital Requirements	Austin Resource Recovery Facilities
Fiscal Year 2013	\$8.8m	\$3.0m	\$25.5m
Fiscal Year 2014 - 2017	\$48.7m	\$0m	\$0m

- Fiscal Year 2013
 - North Service Center
 - \$5 million Land purchase
 - \$20.5 million Facility Construction
- Fiscal Year 2014 - 2017

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Horizon Issues

- Proposed Recycling Ordinance Amendments
- Reducing, Recycling and Tracking Waste Streams at COA Facilities
- KGSC has Reached Operational Capacity
- Lack of an organic material and storm debris site serving North Austin
- Service Fleet Fuel Efficiency and Lack of North Austin Fueling Station

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Cost Efficiencies

- FM812 Landfill
 - Enhanced Gas Capture System
 - FM812 Landfill Solar Field
- MRF Equipment Proceeds
- Restructure of North/South Recycling Routes
- Establishment of 2nd Service Center: North/South
- Expanded CNG Fuel Conversions
- Disposal Alternatives – Emerging Technologies

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Questions



**Austin Resource Recovery Department
Bob Gedert, Director**

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