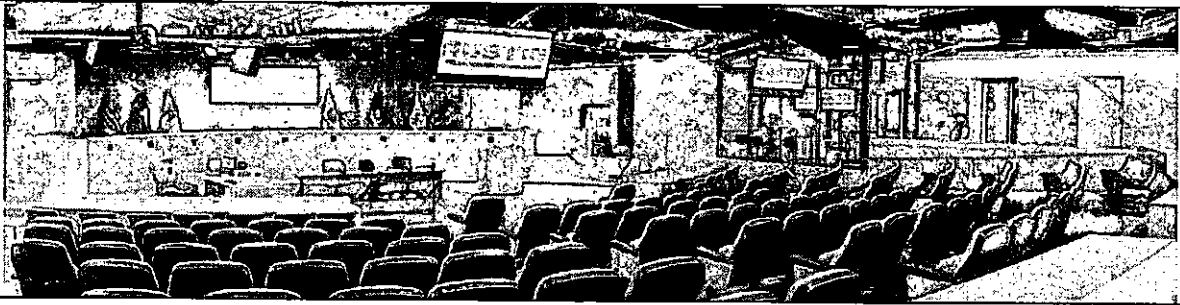


Late Backup

Late Q&A Response
Items #44 and #45
ARR



Council Question and Answer

Related To	Items #44 and #45	Meeting Date	February 4, 2016
Additional Answer Information			

QUESTION: 1) What is ARR's reserve policy? 2) What is the current balance of reserves? MAYOR PRO TEM TOVO'S OFFICE

ANSWER:

1) The 2 ARR Financial policies from the Amended/Approved Budget document:

The Austin Resource Recovery Fund shall establish and fund a reserve to provide for the closure and monitoring of the City's landfills in compliance with federal regulations.

The department that manages the Austin Resource Recovery Fund shall recommend to Council in the budget setting rates sufficient to pay all requirements including debt service and to maintain a fund balance which is equivalent to 30 days of budgeted operations and maintenance.

The current 1/12th reserve requirement (30 days of budgeted operations and maintenance) is ~\$6.0 million for FY16.

ARR's current fund balance/reserves as of 12/31/15 = \$4,992,327

FY16 ARR Amended/Approved Budget ending balance/reserves = \$5,466,540

ARR is currently in the process of preparing its Financial Forecast, which would include a more precise current year estimate (CYE). A rough projection of its CYE of revenue and expenses would leave ARR with an ending fund balance/reserve around \$4 million.