

Selected Slides from 4/4/18 Council Forecast Presentation

ZWAC

May 9, 2018



Curbside Composting Program

Overview



- FY 2005 Council approves resolution in support of zero waste by 2040
- Goal of increasing diversion rate and achieving goals established by the Council-adopted Zero Waste Master Plan
- Pilot program started January 2013
- Expanded to over 50,000 households in FY17
- Program expansion planned in FY 2018
- Program rollout completed by FY 2020



Curbside Composting Program

FY 2019 Incremental Costs



- Compost Processing and Fleet costs: \$740,000
- Advertising and Outreach: \$55,000
- 2 new positions + annualized costs: \$215,000
- Incremental Debt Service: \$930,000

Total: \$1.9 million

Major Fee/Rate Description	Overall Projected Rate Impact After Full Implementation
Residential customer (Curbside Composting portion only) *	\$3.90

Curbside Composting Program Costs

Expense and Revenue Implications



<u>Incremental</u> Program Requirements						
Curbside Composting Program	FY17 Budget	FY18 Budget	FY19 Projected	FY20 Projected	FY21 Projected	Total
Operating Budget	\$1.3M	+\$1.1M	+\$1.0M	+\$1.2M	+\$0.3M	\$4.8M
Debt Service Payments	\$0.0M	+\$0.5M	+\$0.9M	+\$0.9M	+\$0.6M	\$2.9M*
Staffing	+12 FTEs	+7 FTEs	+2 FTEs	+3 FTEs	0 FTEs	24FTEs
Curbside Composting Rate Impact	\$1.00	+\$0.85	+\$0.95	+\$0.90	\$0.20	\$3.90

*Debt service payments peak – will continue through FY 2028

- Total program rollout cost includes ongoing annual expenses plus projected principle & interest from debt service payments: **\$24.6 million**
- Total rate impact related to curbside composting: **\$3.90 by 2021**

5-Year Financial Forecast

Expenses and Revenue



	FY18 Estimated	FY19	FY20	FY21	FY22	FY23
Beginning Fund Balance	\$11.5	\$13.7	\$10.7	\$7.8	\$8.2	\$8.5
Revenue & Transfers In	\$93.4	\$94.2	\$96.8	\$104.7	\$109.5	\$110.6
Expenditures & Transfers Out	\$91.2	\$97.1	\$99.8	\$104.3	\$109.2	\$110.7
Change in Fund Balance	\$2.1	(\$2.9)	(\$2.9)	\$0.4	\$0.4	(\$0.8)
Ending Fund Balance	\$13.7	\$10.7	\$7.8	\$8.2	\$8.5	\$8.4
Average Monthly Bill (Typical Rate Payer)	\$24.30	\$24.30	\$25.35	\$28.35	\$30.00	\$30.00
Residential Clean Community Fee Bill	\$4.70	\$4.70	\$4.70	\$4.70	\$4.70	\$4.70
FTEs	462	464	485	517	519	523

➤ Major Changes Over the 5-year Forecast

- Increased cash transfer to CIP for vehicle and equipment purchases
- Final expansion of curbside compost rollout
- 2nd location of the RRDOC
- VFTU implementation
- Weekly recycling collection implementation

Major Rates and Fees Forecast

Five-Year Rates, Fees, and Tax Forecast Change*

	2018 Monthly Rate	2019 Projected Rate	Monthly Dollar Change	Typical rate payer defined as:
Austin Energy	\$87.00	\$87.65	\$0.65	<i>Residential customer usage of 860 Kwh</i>
Austin Water	\$80.91	\$80.79	(\$0.12)	<i>Residential customer usage of 5,800 gallons of water and 4,000 gallons of wastewater</i>
Austin Resource Recovery	\$24.30	\$24.30	\$0.00	<i>Residential customer with a 64-gallon cart</i>
Clean Community Fee	\$8.95	\$8.95	\$0.00	<i>Per single-family home</i>
Transportation User Fee	\$11.52	\$12.89	\$1.37	<i>Per single-family home</i>
Drainage Utility Fee	\$11.80	\$11.80	\$0.00	<i>Residential customer with 3,100 sq. ft./37% of impervious cover</i>
Property Tax Bill	\$104.18	\$109.61	\$5.43	<i>Projected FY19 median non-senior homestead taxable value of \$303,555; assumes tax rate necessary to fund base cost drivers in all years</i>
Total	\$328.66	\$335.99	\$7.33	Combined FY19 increase of 2.2%

* All numbers represent projected incremental changes to monthly rate, fee, or tax

Curbside Composting Program

Diversion Rate Impact

Diversion Rate Projection with Full Curbside Composting Implementation	
Actual FY 2017	Projection FY 2020
Diversion rate performance measure calculation with estimated residual removed	Diversion rate calculation with estimated additional compost tonnage diverted
37.4%	44.8%