

# 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<br>(Curbside Composting portion only) * | \$3.90                                                  |

# Curbside Composting Program Costs

## Expense and Revenue Implications



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

\*Debt service payments peak – will continue through FY 2028

- Total program rollout cost includes ongoing annual expenses plus projected principal & 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



|                                           | <b>FY18<br/>Estimated</b> | <b>FY19</b> | <b>FY20</b> | <b>FY21</b> | <b>FY22</b> | <b>FY23</b> |
|-------------------------------------------|---------------------------|-------------|-------------|-------------|-------------|-------------|
| 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
- 2<sup>nd</sup> location of the RRDOC
- VFTU implementation
- Weekly recycling collection implementation

# Major Rates and Fees Forecast

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

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

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

# Curbside Composting Program

## Diversion Rate Impact

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| 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%                                                                         |