



# Forecast Presentation

June 4, 2019





# Presentation Topics

- Budget Direction and Process
- Department Overview -Key Performance Metrics
- FY20 Department Forecast
- Residential Rates Forecast
- CIP Highlights
- Next Steps



# Budget Direction

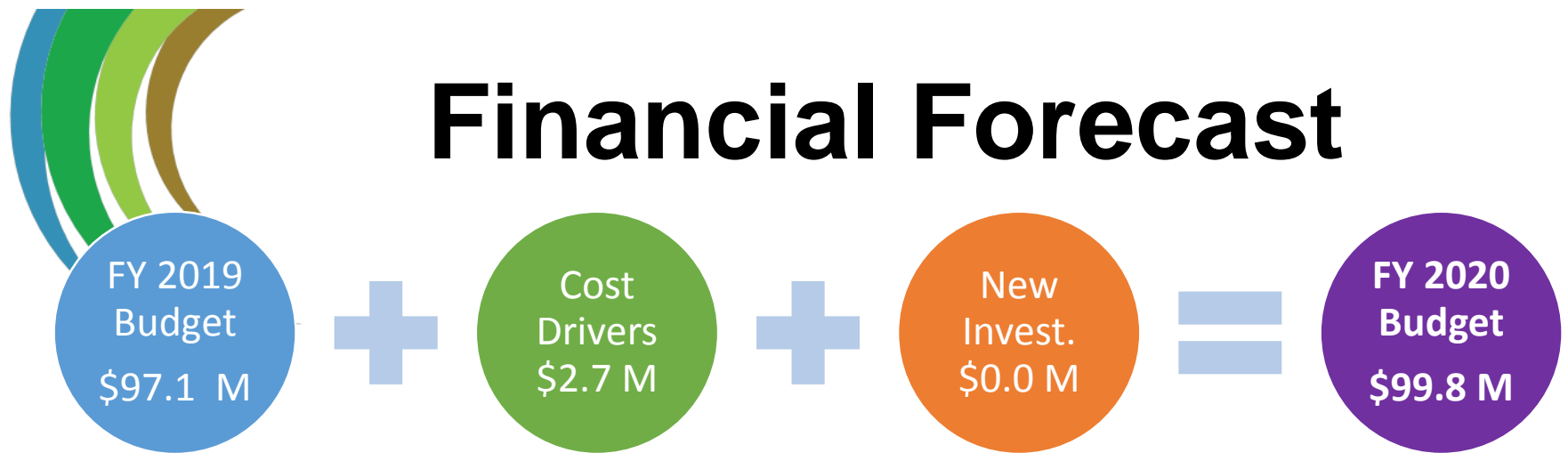
- Hold the line on budget increases other than base cost drivers such as wages and benefits
- Improve the efficiency and effectiveness of City services
- Continue to focus on aligning department missions, goals, and programs to SD23



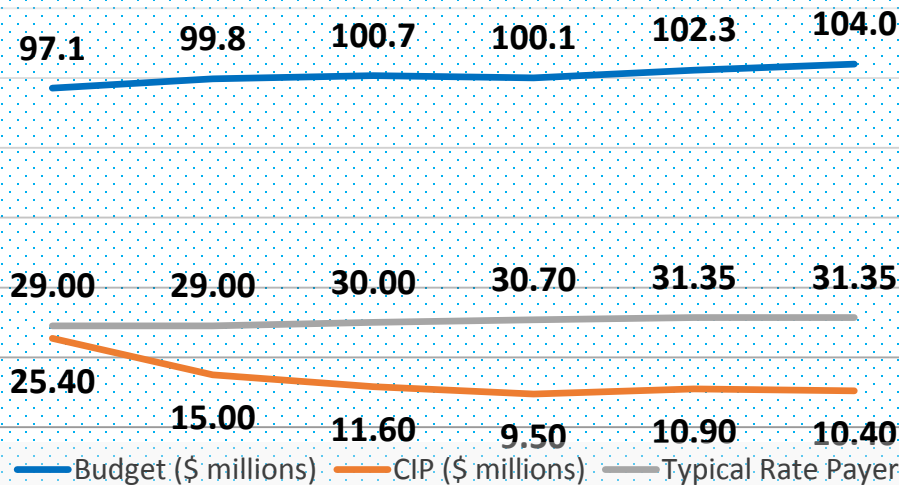
# Department Overview

Key Performance Measure	FY16 Actuals	FY17 Actuals	FY18 Actuals	FY19 Amended	FY19 Estimated
Lost Time Injury Rate Per the Equivalent of 100 Employees	0.80	0.95	0.24	0.00	1.00
Percent of Combined Residential Collection Services Collected On-Time	99.90	99.89	99.89	100.00	99.90
Average Customer Satisfaction With the Quality of all Curbside and HHW Services	73	74	75	85	85
Estimated Percent of Curbside Collected Materials Diverted from Landfills by ARR	37.6	37.5	36.8	39.3	37.08
Percent of URO-Affected Properties Reporting Access to Recycling for Employees and Tenants	86	86	85	85	85

# Financial Forecast



## 5-Year Forecast



## Forecast Highlights

- ✓ Organics collection fully implemented FY 2020; 2 new positions; vehicles and carts funded in CIP
- ✓ 2 new positions in FY 2020 Business outreach and education efforts;
- ✓ No net rate increase in FY20

\* Typical Rate Payer data reflects monthly residential rate in dollars



# Rate Development

**Goal – for rates/fees to cover total Cost of Service**

## **Components of Calculation:**

- Revenue Offsets
- Customers
- Direct and Indirect Expenses



# Cost of Service Components

## Direct Expenses

- ▶ Cost of equipment, fuel, vehicle maintenance and supplies
- ▶ Employee costs – Salaries, benefits, taxes, insurance

## Indirect Expenses

- ▶ Internal Indirect
  - ▶ Administrative and Support Staff (Safety, HR, Finance, QA, Executive Management, Strategic Initiatives, Customer Service, Cart Maintenance, etc.)
- ▶ External Indirect
  - ▶ Corporate Purchasing, Budget, City Manager's Office, Technology, etc.



# 5-Year Financial Forecast

## Expenses and Revenue

\$ In Millions

	FY19	2020	2021	2022	2023	2024
	ESTIMATED	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
BEGINNING FUND BALANCE	\$ 17.1	\$ 14.5	\$ 8.4	\$ 5.7	\$ 6.6	\$ 7.6
REVENUE & TRANSFERS IN	\$ 94.5	\$ 93.8	\$ 98.0	\$ 101.0	\$ 103.4	\$ 104.2
EXPENSES & TRANSFERS OUT	\$ 97.0	\$ 99.8	\$ 100.7	\$ 100.1	\$ 102.3	\$ 104.0
CHANGE IN FUND BALANCE	\$ (2.6)	\$ (6.1)	\$ (2.7)	\$ 0.9	\$ 1.1	\$ 0.1
ENDING FUND BALANCE	\$ 14.5	\$ 8.4	\$ 5.7	\$ 6.6	\$ 7.6	\$ 7.8
FTEs	464	468	483	487	491	494



# Residential Rates

	AMENDED	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
	2019	2020	2021	2022	2023	2024
CLEAN COMMUNITY FEE						
ARR Residential	\$ 4.70	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.05
BASE FEE	\$ 14.05	\$ 14.70	\$ 15.70	\$ 16.40	\$ 16.40	\$ 16.40
CART FEES						
24 gallon Res	\$ 3.85	\$ 3.85	\$ 3.85	\$ 3.85	\$ 4.10	\$ 4.10
32 gallon Res	\$ 5.10	\$ 5.10	\$ 5.10	\$ 5.10	\$ 5.45	\$ 5.45
64 gallon Res	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.90	\$ 10.90
96 gallon Res	\$ 28.80	\$ 28.80	\$ 30.70	\$ 30.70	\$ 30.70	\$ 30.70
TYPICAL RESIDENTIAL RATEPAYER						
CCF+ Base fees + 64 gallon Res	\$ 29.00	\$ 29.00	\$ 30.00	\$ 30.70	\$ 31.35	\$ 31.35

# CIP Forecast Highlights

FY 2020 Appropriation – \$15.0 million

**FY 2020 Spending Plan – \$15.0 million**

Projects by Category	'20 Spending Plan
Vehicles and equipment	\$14.2 million
Landfill Improvements	\$0.2 million
Buildings and Improvements	\$0.6 million





# Cost Savings and Efficiencies

- Utilizing the ending balance to avoid rate increases
- Defer staffing needs
- Use of Cash instead of Debt for Vehicle purchases
- Uniform purchase – formerly lease and laundry
- Brownfields Grants



# Next Steps

**May 31**

**Aug 5**

**Aug 20, 29, Sep 4**

**Aug 22 & 28**

**Sep 10**

**Proposed Budget Due**

**Proposed Budget Presentation**

**Council Budget Work Sessions**

**Budget and tax hearings**

**Budget Readings**

A photograph of a city street in Austin, Texas, featuring a clear blue sky and a skyline of modern skyscrapers. In the foreground, three white recycling trucks are driving away from the viewer. The truck on the left has the number 10752 and a Texas state flag. The middle truck has the number 141 and the word 'TYNOR'. The truck on the right has the number 390. A large green banner with the word 'QUESTIONS' in white capital letters is overlaid on the bottom half of the image.

# QUESTIONS