



# 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

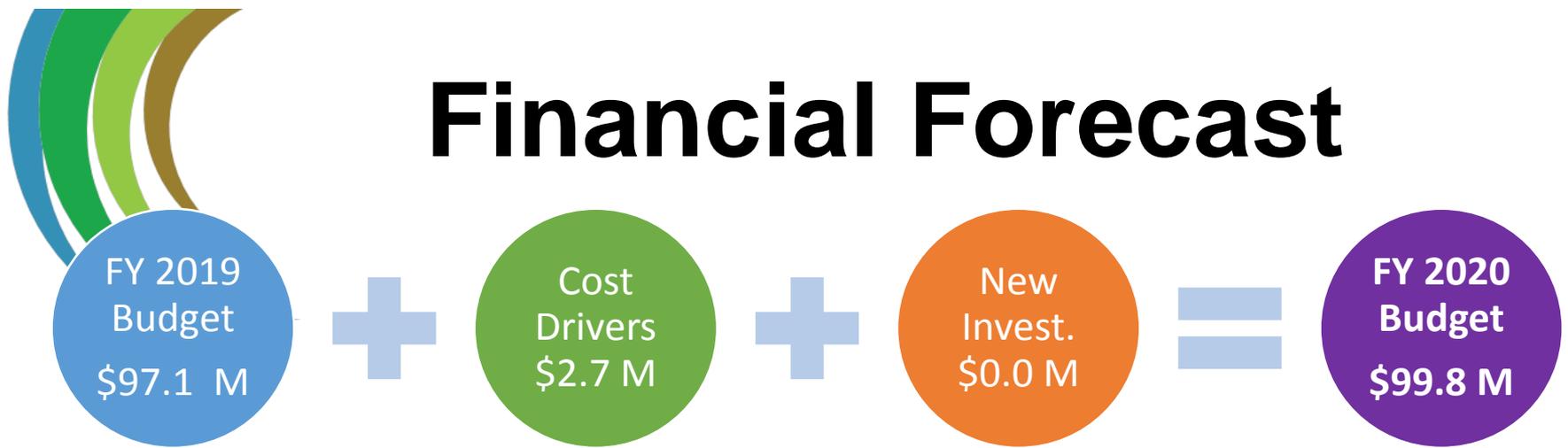
- Hold the line on budget increases other than base cost drivers such as wages and benefits
- Improve the efficiency and effectiveness of City services
- Continue to focus on aligning department missions, goals, and programs to SD23



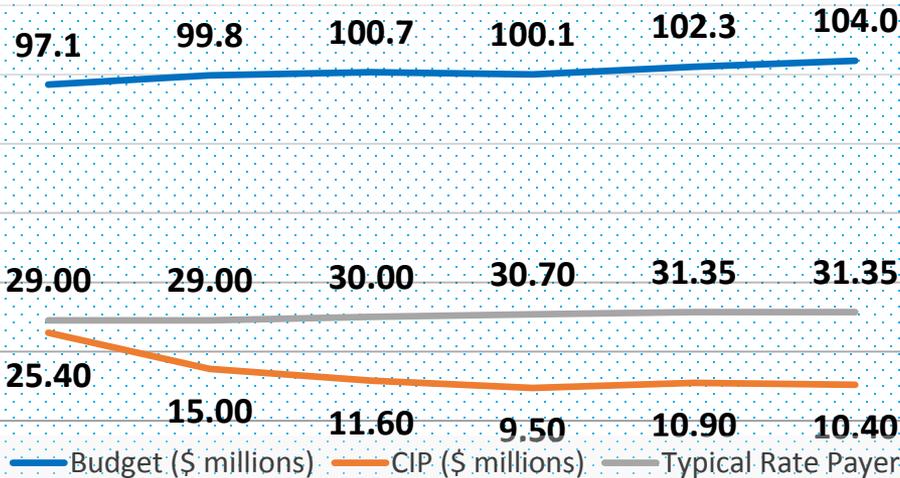
# Department Overview

| 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     |
| <b>CLEAN COMMUNITY FEE</b>            |          |          |          |          |          |          |
| <b>ARR Residential</b>                | \$ 4.70  | \$ 4.05  | \$ 4.05  | \$ 4.05  | \$ 4.05  | \$ 4.05  |
|                                       |          |          |          |          |          |          |
| <b>BASE FEE</b>                       | \$ 14.05 | \$ 14.70 | \$ 15.70 | \$ 16.40 | \$ 16.40 | \$ 16.40 |
|                                       |          |          |          |          |          |          |
| <b>CART FEES</b>                      |          |          |          |          |          |          |
| 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  |
| <b>64 gallon Res</b>                  | \$ 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 |
|                                       |          |          |          |          |          |          |
| <b>TYPICAL RESIDENTIAL RATEPAYER</b>  |          |          |          |          |          |          |
| <b>CCF+ Base fees + 64 gallon Res</b> | \$ 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**

**Proposed Budget Due**

**Aug 5**

**Proposed Budget Presentation**

**Aug 20, 29, Sep 4**

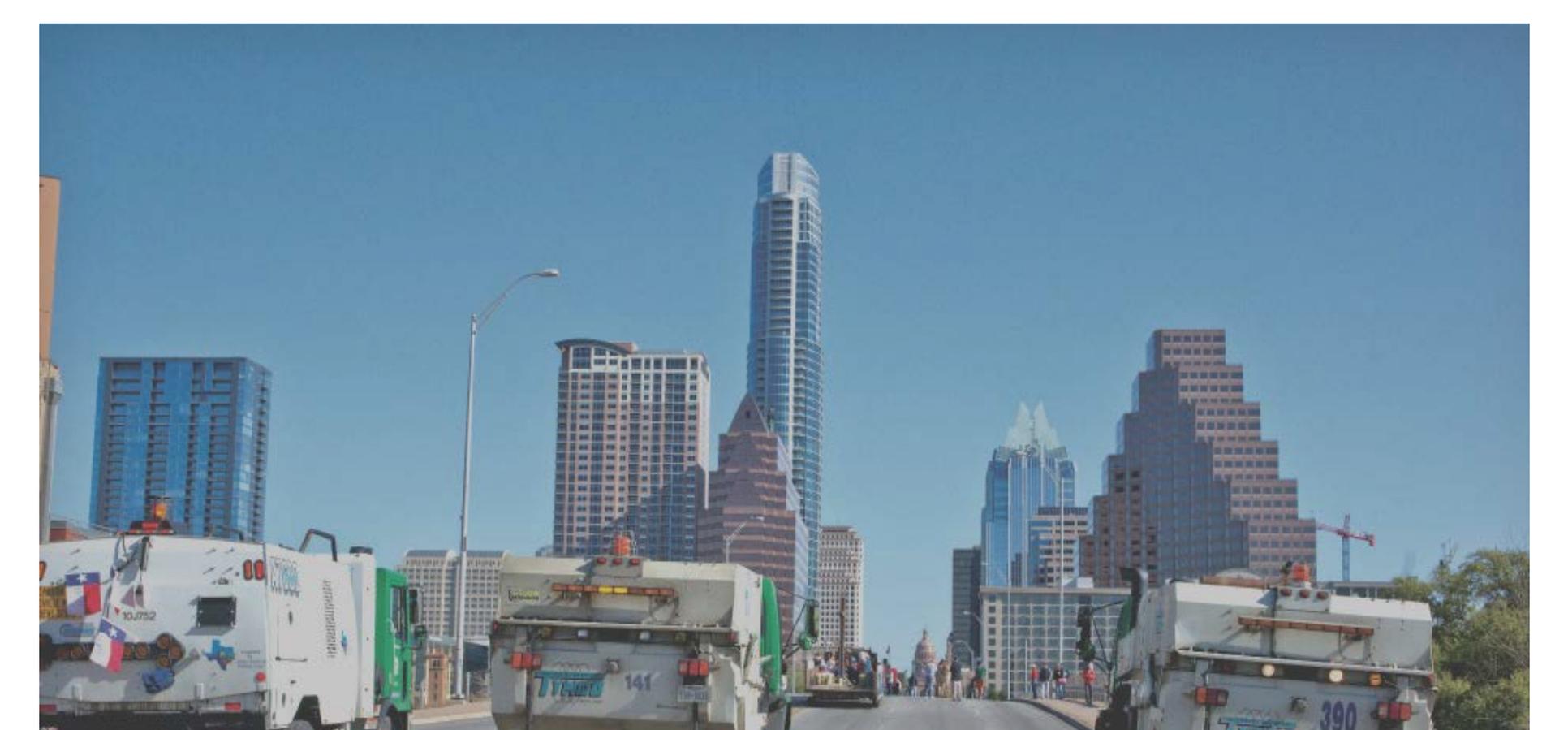
**Council Budget Work Sessions**

**Aug 22 & 28**

**Budget and tax hearings**

**Sep 10**

**Budget Readings**

A photograph of a city street in Austin, Texas, featuring a skyline of modern skyscrapers under a clear blue sky. In the foreground, several white recycling trucks with green accents are driving away from the viewer. The trucks have various markings, including the number '141' on the middle truck and '390' on the rightmost truck. A large, bright green banner with the word 'QUESTIONS' in white capital letters is overlaid at the bottom of the image.

# QUESTIONS