



Forecast Presentation

May 15, 2020





Presentation Topics

- Budget Process
- Department Overview -Key Performance Metrics
- FY21 Department Forecast
- Residential Rates Forecast
- CIP Highlights
- Clean Community Fee



Budget Process

- November 2019 – Management Retreat Held
 - Performance Review and Department Assessment
- March 2020 – Financial Forecast Submitted
 - City timeline for budget approval is compressed
- May 2020 – Proposed Budget Due
- July 2020 – Proposed Budget Presented to Council
- August 2020 – Budget Readings



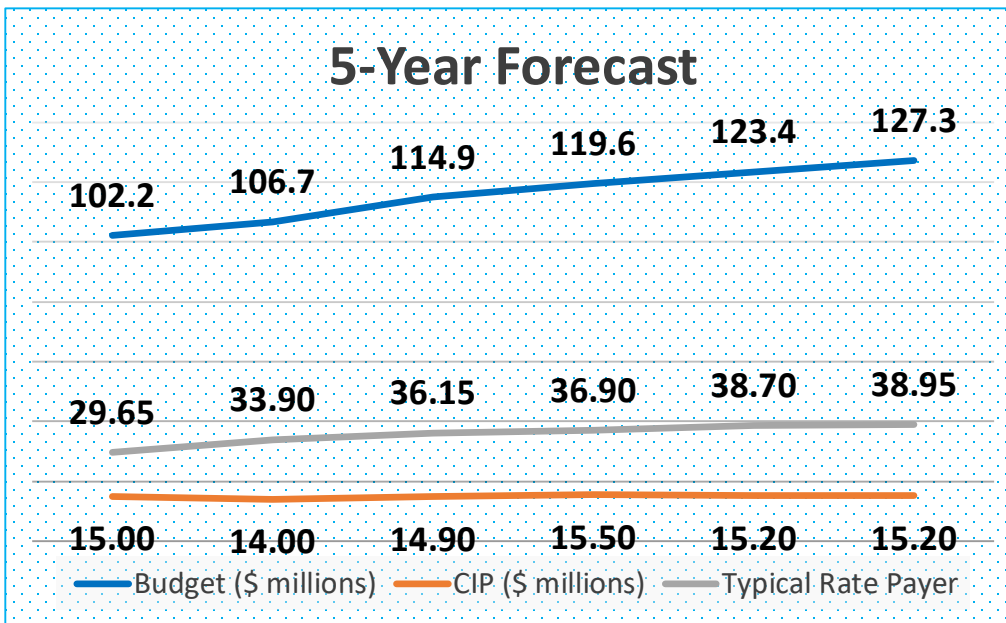
Department Overview

Key Performance Measure	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Amended	FY20 Estimated
Lost Time Injury Rate Per the Equivalent of 100 Employees	0.95	0.24	2.03	0.00	1.0
Percent of Combined Residential Collection Services Collected On-Time	99.89	99.89	99.89	100	99.89
Average Customer Satisfaction With the Quality of all Curbside and HHW Services	74	75	75	85	85
Estimated Percent of Curbside Collected Materials Diverted from Landfills by ARR	37.5	36.8	37.5	38.1	39.0
Percent of URO-Affected Properties Reporting Access to Recycling for Employees and Tenants	86	85	85	85	80

Financial Forecast



5-Year Forecast



Forecast Highlights

- ✓ Significant rate increase required to bring budget in alignment
\$4.25/month increase to Base Fee
- ✓ 11 new positions in operations to account for customer growth and to reduce overtime;
- ✓ \$6.75 Base Fee increase projected over the 5 year forecast.

* 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

	FY20	2021	2022	2023	2024	2025
	ESTIMATED	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
BEGINNING FUND BALANCE	\$ 16.7	\$ 11.5	\$ 11.4	\$ 11.3	\$ 10.9	\$ 11.2
REVENUE & TRANSFERS IN	\$ 96.5	\$ 106.6	\$ 114.8	\$ 119.2	\$ 123.7	\$ 125.4
EXPENSES & TRANSFERS OUT	\$ 101.7	\$ 106.7	\$ 114.9	\$ 119.6	\$ 123.4	\$ 127.3
CHANGE IN FUND BALANCE	\$ (5.2)	\$ (0.1)	\$ (0.1)	\$ (0.5)	\$ 0.3	\$ (1.9)
ENDING FUND BALANCE	\$ 11.5	\$ 11.4	\$ 11.3	\$ 10.9	\$ 11.2	\$ 9.3
FTEs	470	481	518	525	534	539



Residential Rates

	AMENDED	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
	2020	2021	2022	2023	2024	2025
CLEAN COMMUNITY FEE						
ARR Residential	\$ 4.70	\$ 4.70	\$ 4.70	\$ 4.70	\$ 4.70	\$ 4.70
BASE FEE	\$ 14.70	\$ 18.95	\$ 19.95	\$ 20.70	\$ 21.20	\$ 21.45
CART FEES						
24 gallon Res	\$ 3.85	\$ 3.85	\$ 4.30	\$ 4.30	\$ 4.80	\$ 4.80
32 gallon Res	\$ 5.10	\$ 5.10	\$ 5.75	\$ 5.75	\$ 6.40	\$ 6.40
64 gallon Res	\$ 10.25	\$ 10.25	\$ 11.50	\$ 11.50	\$ 12.80	\$ 12.80
96 gallon Res	\$ 28.80	\$ 28.80	\$ 34.55	\$ 38.40	\$ 38.40	\$ 38.40
TYPICAL RESIDENTIAL RATEPAYER						
CCF+ Base fees + 64 gallon Res	\$ 29.65	\$ 33.90	\$ 36.15	\$ 36.90	\$ 38.70	\$ 38.95



CIP Forecast Highlights

FY 2021 Appropriation – \$12.2 million

FY 2021 Spending Plan – \$14.0 million

Projects by Category	'21 Spending Plan
Vehicles and equipment	\$13.5 million
Landfill Improvements	\$0.1 million
Buildings and Improvements	\$0.3 million





Clean Community Fee Purpose

- Clean Community Fee (CCF) is established by ordinance to provide litter and nuisance abatement, street cleaning, household hazardous waste disposal, and the implementation and enforcement of the URO
- Billed to all residential and commercial customers in the city including apartment complexes and other multi-family customers
- Clean Community Customer Count (as of January 2020)
 - *Residential – 408,767 customers*
 - *Commercial – 25,250 customers*



Clean Community Fee

- In FY 2020, ARR Proposed reducing the CCF to achieve a realignment of costs – i.e. proposed reduction was offset by a Base Fee increase
- Council decided to maintain the CCF at its current level pending a report back to Council
- Councilmember Ellis' Budget Amendment and Direction



CM Ellis' Direction

- An informal audit of all City-funded litter abatement (and litter prevention) services to keep clean our parks, waterways, streets, preserves, and any other similarly serviced public lands or spaces. For each service, the audit should provide
 - Lead Department
 - Program or Service Name
 - Details of the Program or Service
 - Source(s) of Funding
 - FY 2017-18, FY 2018-19, and FY 2019-20 Funding Amounts (broken out by funding source and by ongoing vs one-time, as appropriate)



CM Ellis' Direction (cont'd)

- A cost of service study for the Clean Community Fee that presents options for expanded environmental clean-up services and their associated funding requirements, including
 - Increased levels of grounds litter abatement in parks and other outdoor PARD facilities
 - Increased levels of trash and recycling receptacle servicing in parks and other outdoor PARD facilities
 - Increased levels of street sweeping services
 - Increased levels of community outreach for litter prevention
 - Additional homeless encampment cleanups
 - Any other new or increased litter abatement or prevention services recommended by staff



Clean Community Fee-Status

- ARR developed plan in collaboration with other City departments
- Informal Audit – Completed April 2020
 - Inventory of litter abatement activities performed by Budget Office
- ARR will propose a budget amendment at the end of May to expand city-wide litter abatement activities to meet most of Council's direction
- Partnerships with Parks, Public Works, Downtown Community Court, Watershed Protection

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 'TYSON'. The truck on the right has the number 390. A large green banner with the text 'THANK YOU' is overlaid across the bottom of the image.

THANK YOU