

FY 2017-18 Budget Process Presentation to City Council

Chuck Springer – Finance March 7, 2017

Objective

- Review the revised City budget process for the FY 2017-18.
- Begin the process with presentation of volume or usage forecasts for FY 2017-18.
 - Water
 - Wastewater
 - Electric
 - Solid Waste

FY 2017-18 Budgetary Process

- Budget process starts with efforts to reduce inefficiencies, costs and duplication of services
- Focus will be on cost containment strategies for all funds
- Baseline budgets for all funds will be prepared and presented that assume a “no increase” in rates, fees or taxes
- Staff recommended budgets will be based on:
 - Cost containment efforts
 - Goals for upcoming fiscal year and beyond
 - Long-term financial plan
- Director of Finance will present all summary budget overviews to both City Council and PUB with departmental staff presenting detailed information on rates, projections and capital plan
- All presentations to PUB will be followed by the same (or summary version) to City Council
- Line item details and staffing levels will be given to PUB and City Council in presentation materials

FY 2017-18 Budget Schedule

- March 7 – City Council receives this presentation on Utility Funds
- May 8 – PUB receives presentation of Water/Wastewater/Drainage Funds
- May 16 – CC receives presentation of Water/Wastewater/Drainage Funds
- May 22 – PUB receives presentation of Electric and Solid Waste Funds
- June thru July – CC receives budget presentations from City Department Directors
- June 6 – CC receives presentation of Electric and Solid Waste Funds and preliminary view of all City funds
- June 12 – PUB holds discussion of all Utility Fund budgets
- June 26 – PUB considers approval of recommended Utility Fund budgets
- July 10 – PUB reviews and considers any Utility Fund rate changes
- July 18 – CC receives presentation of PUB approved Utility Fund budgets and any recommended rate changes
- August 3 – CC presented with City Manager's recommended budget
- August 8 thru September 19 – CC budget discussions in work sessions
- August 15 – Public Hearing on Tax Rate (1st)
- September 12 – Public Hearing on Tax Rate (2nd) and Budget.
- September 19 – CC Adoption of FY 2017-18 budget

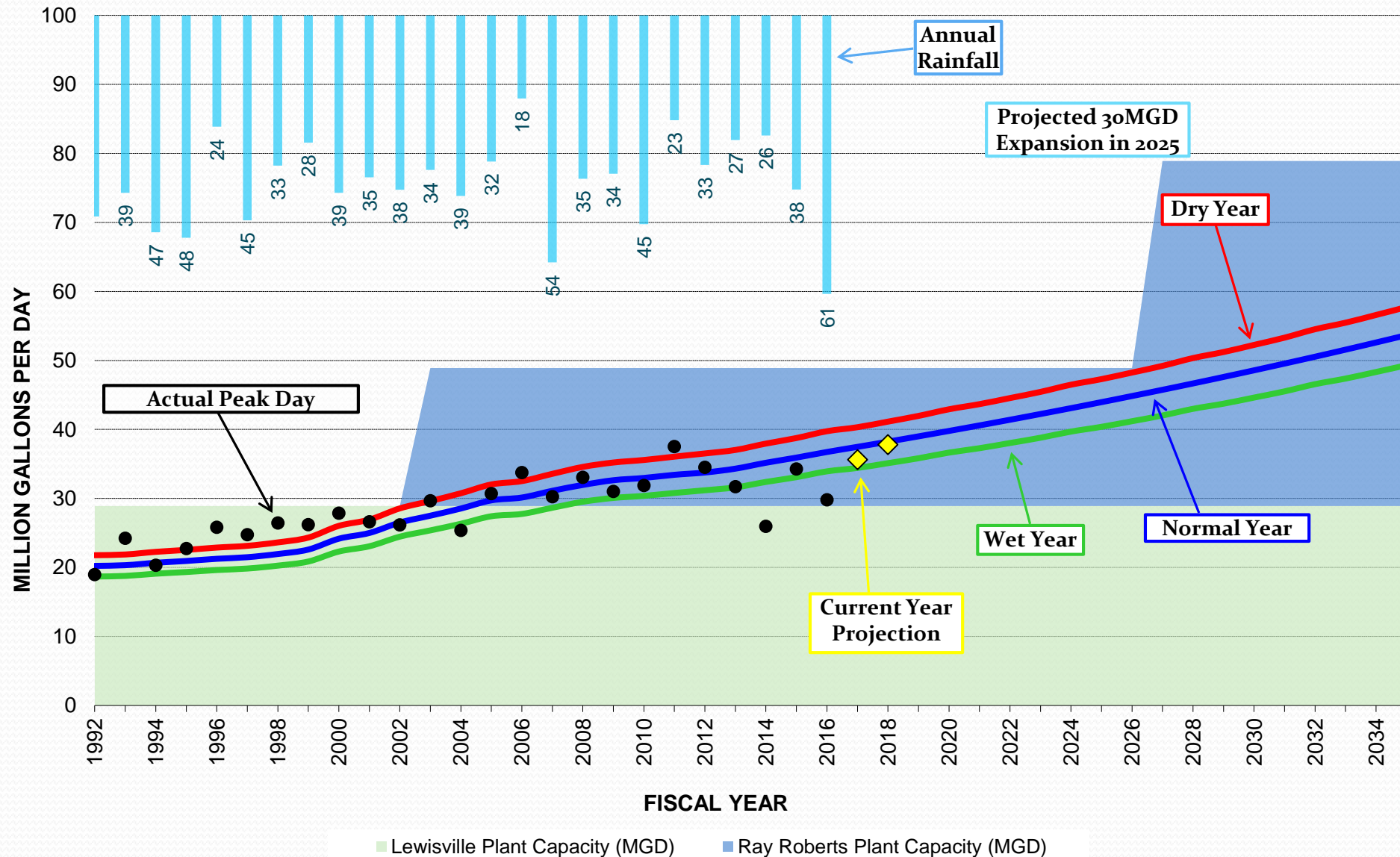


Water Volume Forecast FY 2017-18

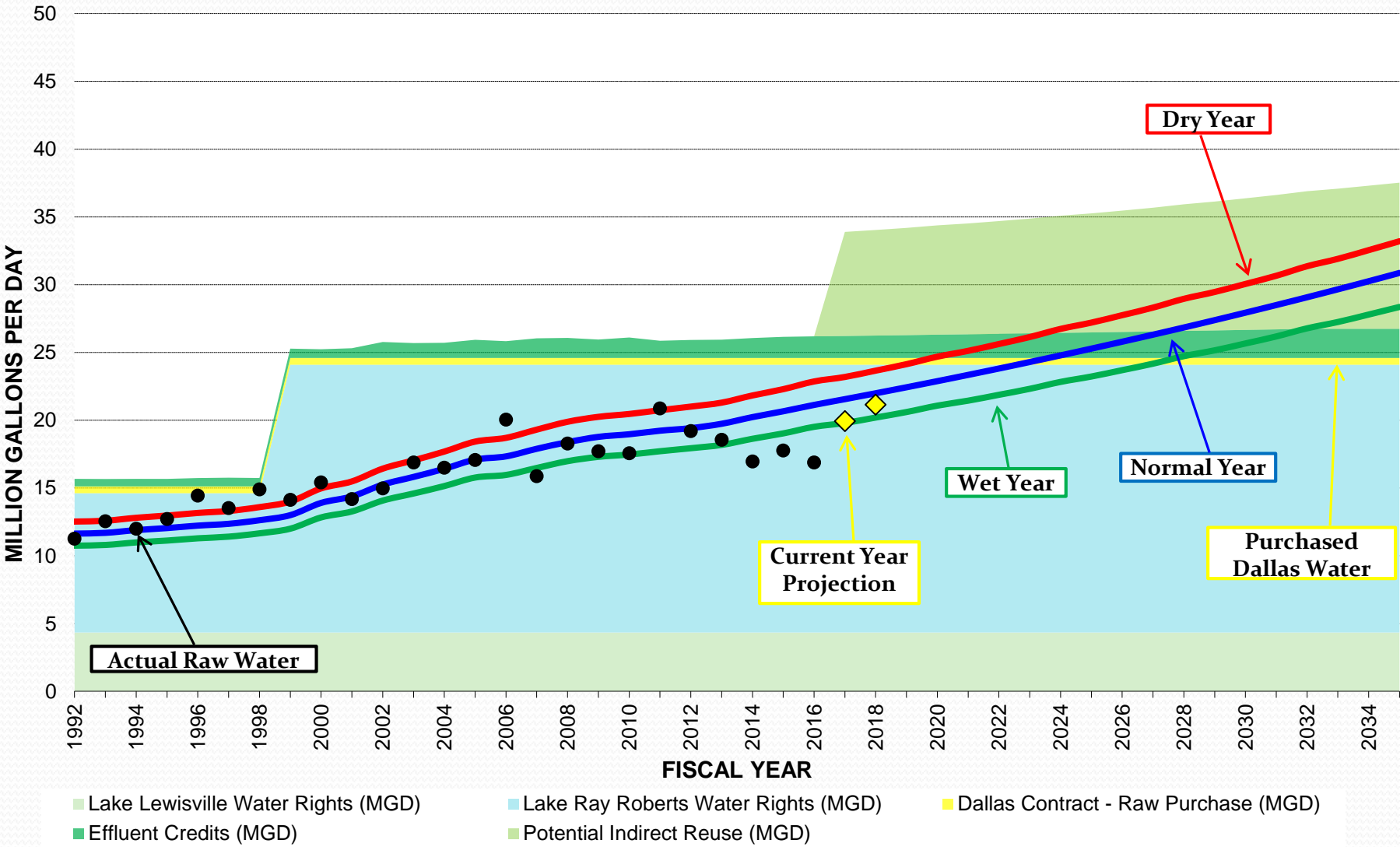
Water Customers by Class

Fiscal Year	Residential		Commercial		Wholesale	Total
2012	27,207	0.8%	4,161	-1.8%	2	31,370
2013	27,486	1.0%	4,226	1.6%	2	31,714
2014	27,915	1.6%	4,301	1.8%	2	32,218
2015	28,722	2.9%	4,552	5.8%	2	33,276
2016	29,411	2.4%	4,640	1.9%	2	34,053
2017	30,040	2.1%	4,694	1.2%	2	34,734
2018	30,682	2.1%	4,747	1.1%	2	35,429
2019	31,338	2.1%	4,800	1.1%	2	36,137
2020	32,007	2.1%	4,853	1.1%	2	36,860
2021	32,691	2.1%	4,906	1.1%	2	37,597
2022	33,390	2.1%	4,959	1.1%	2	38,349
2023	34,103	2.1%	5,013	1.1%	2	39,116
2024	34,832	2.1%	5,067	1.1%	2	39,899
2025	35,576	2.1%	5,121	1.1%	2	40,696
2026	36,336	2.1%	5,175	1.1%	2	41,510
2027	37,112	2.1%	5,229	1.0%	2	42,341

Historical and Projected Peak Day Finished Water Production



Raw Water Rights and Requirements with Indirect Reuse



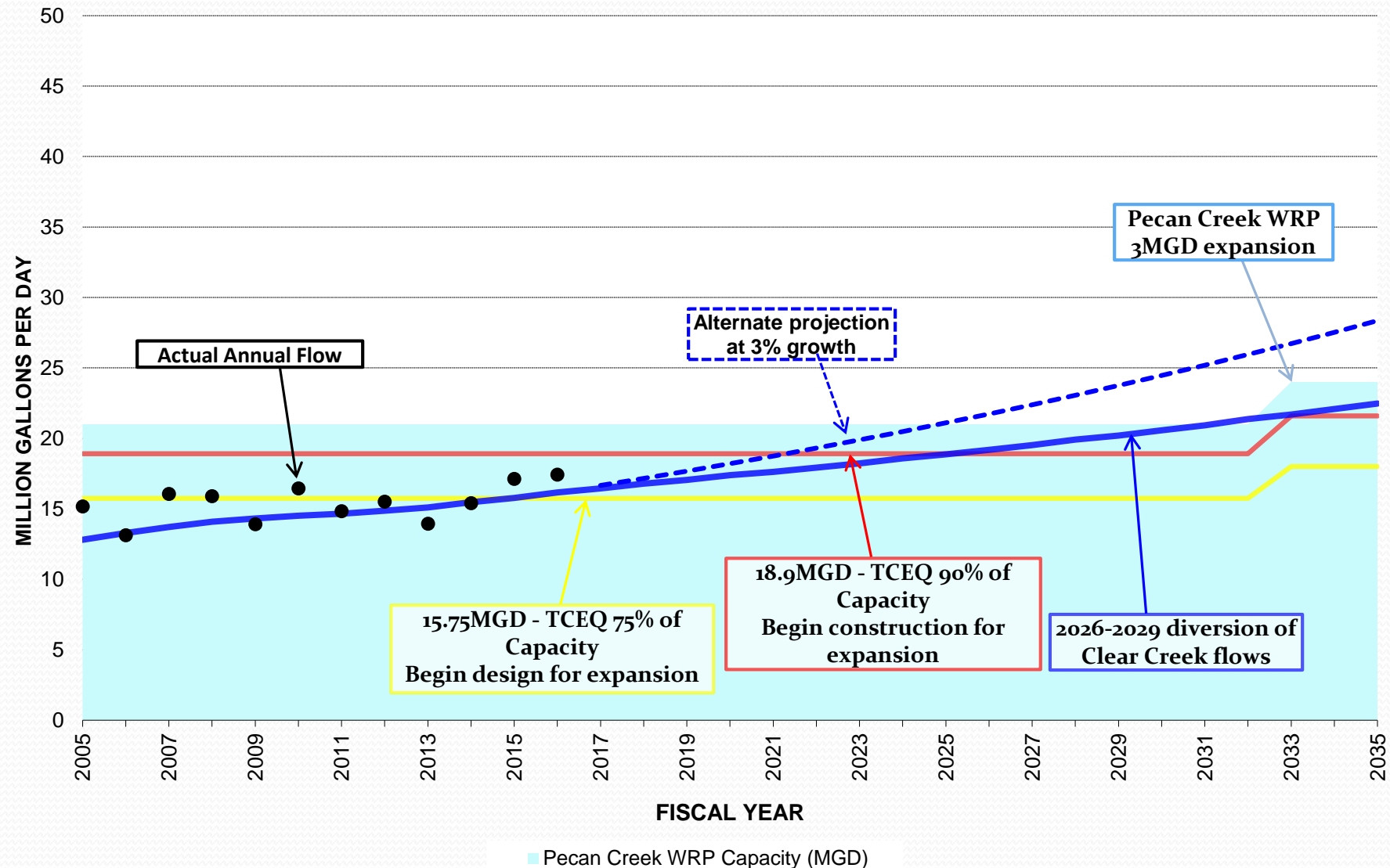


Wastewater Volume Forecast FY 2017-18

Wastewater Customers by Class

Fiscal Year	Residential		Commercial		Wholesale	Total
2012	26,691	0.8%	3,066	1.1%	4	29,761
2013	26,995	1.1%	3,091	0.8%	4	30,090
2014	27,548	2.0%	3,148	1.8%	4	30,700
2015	28,048	1.8%	3,178	1.0%	4	31,230
2016	28,851	2.9%	3,211	1.0%	4	32,066
2017	29,486	2.2%	3,253	1.3%	4	32,742
2018	30,134	2.2%	3,295	1.3%	4	33,433
2019	30,797	2.2%	3,338	1.3%	4	34,139
2020	31,475	2.2%	3,381	1.3%	4	34,860
2021	32,167	2.2%	3,425	1.3%	4	35,597
2022	32,875	2.2%	3,470	1.3%	4	36,349
2023	33,598	2.2%	3,515	1.3%	4	37,117
2024	34,337	2.2%	3,561	1.3%	4	37,902
2025	35,093	2.2%	3,607	1.3%	4	38,704
2026	35,865	2.2%	3,654	1.3%	4	39,523
2027	36,654	2.2%	3,701	1.3%	4	40,359

Pecan Creek Plant Flows Versus Treatment Capacity

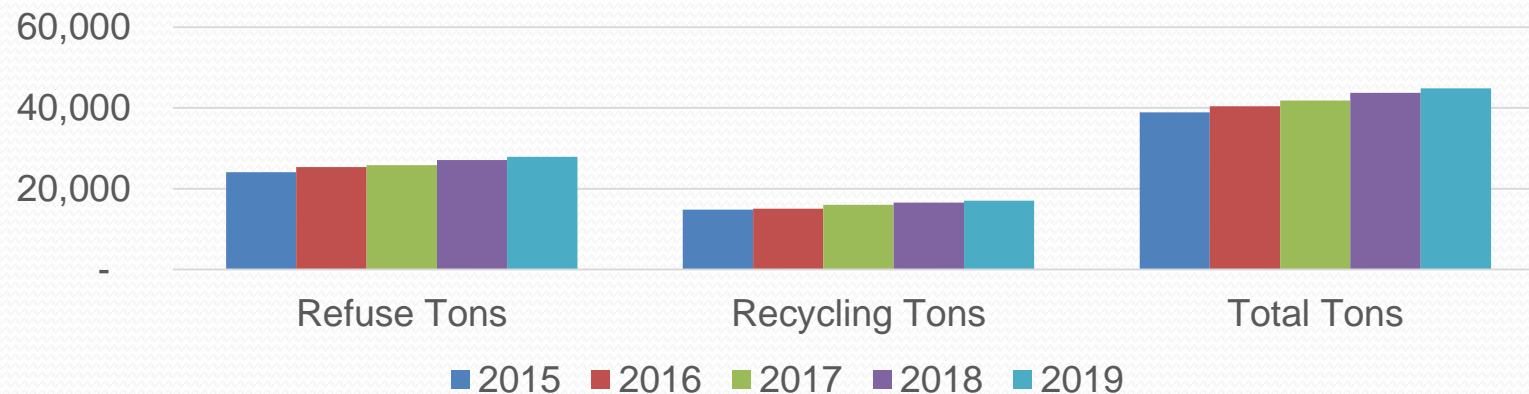


Solid Waste & Recycling Materials Forecast FY 2017-18

Residential Collection Services

Refuse and Recycling

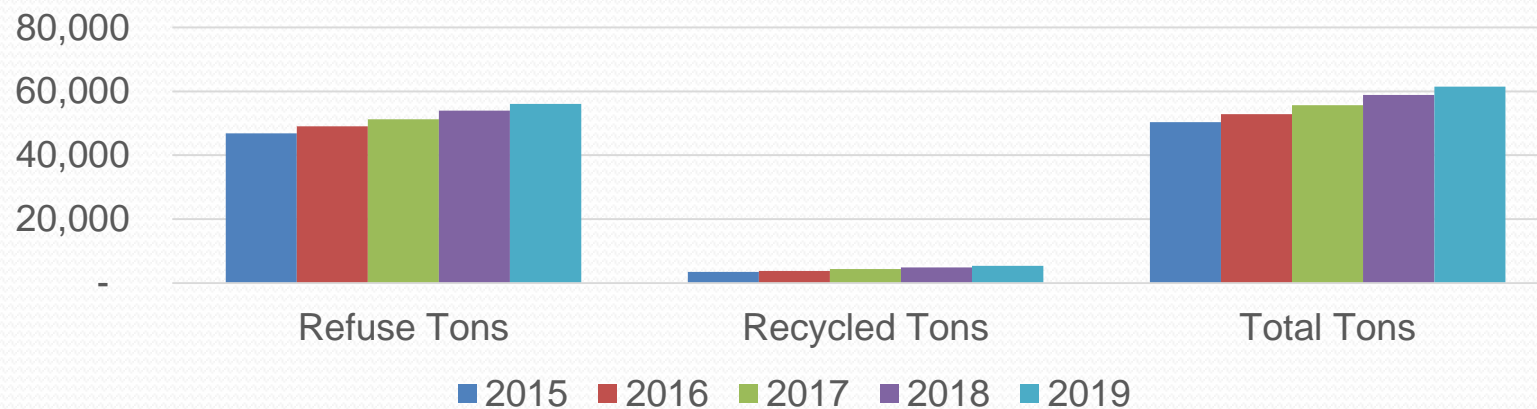
Fiscal Year	Monthly Average Customer	Refuse Cart Tons	Recycling Cart Tons	Yard Waste	Total Tons	Recycle %
2015	29,491	24,110	7,625	7,171	38,906	38.0%
2016	30,288	25,338	8,153	6,909	40,400	37.3%
2017	31,661	25,821	8,523	7,461	41,804	38.2%
2018	32,516	27,135	8,909	7,662	43,706	37.9%
2019	33,394	27,868	9,150	7,869	44,886	37.9%



Commercial Collection Services

Front & Side Load Service

Fiscal Year	Refuse Containers in Field	Recycling Containers in Field	Refuse Tons	Recycled Tons	Total % Recycled Tons	
2015	2,481	334	46,845	3,533	50,378	7.0%
2016	2,658	440	49,069	3,790	52,859	7.2%
2017	2,768	500	51,293	4,360	55,653	7.8%
2018	2,878	555	53,986	4,883	58,868	8.3%
2019	2,988	610	56,049	5,405	61,454	8.8%





Electric Usage Forecast FY 2017-18

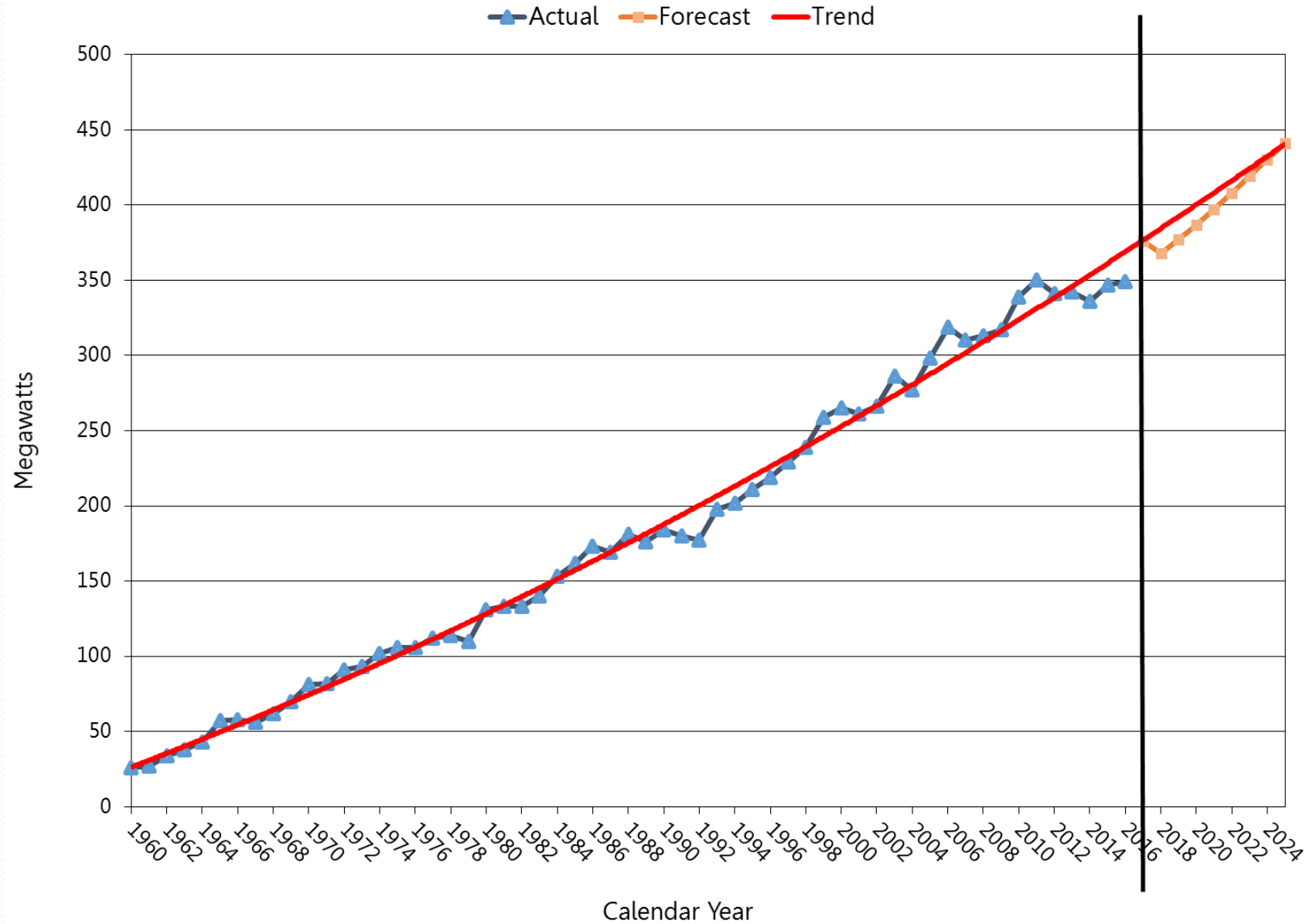
Annual Electric Customers by Class

Fiscal Year	Residential		Commercial		Industrial		Other		Total	
2010	39,819	-0.2%	4,734	1.8%	121	1.7%	499	3.5%	45,173	0.0%
2011	40,846	2.6%	4,846	2.4%	124	2.5%	426	-14.6%	46,242	2.4%
2012	42,054	3.0%	4,947	2.1%	124	0.0%	438	2.8%	47,563	2.9%
2013	43,572	3.6%	5,126	3.6%	127	2.4%	439	0.2%	49,264	3.6%
2014	44,241	1.5%	5,255	2.5%	127	0.0%	498	13.4%	50,121	1.7%
2015	44,203	-0.1%	5,130	-2.4%	124	-2.4%	602	20.9%	50,059	-0.1%
2016	45,163	2.2%	5,216	1.7%	135	8.9%	572	-5.0%	51,086	2.1%
2017	46,038	1.9%	5,343	2.4%	129	-4.4%	461	-19.4%	51,971	1.7%
2018	46,864	1.8%	5,439	1.8%	131	1.8%	469	1.8%	52,904	1.8%
2019	47,539	1.4%	5,517	1.4%	133	1.4%	476	1.4%	53,665	1.4%
2020	48,194	1.4%	5,593	1.4%	135	1.4%	483	1.4%	54,405	1.4%
2021	49,004	1.7%	5,687	1.7%	137	1.7%	491	1.7%	55,319	1.7%
2022	49,790	1.6%	5,778	1.6%	140	1.6%	499	1.6%	56,207	1.6%
2023	50,577	1.6%	5,870	1.6%	142	1.6%	506	1.6%	57,095	1.6%
2024	51,354	1.5%	5,960	1.5%	144	1.5%	514	1.5%	57,972	1.5%
2025	52,153	1.6%	6,053	1.6%	146	1.6%	522	1.6%	58,874	1.6%

Annual MWh Sales

Fiscal Year	Peak MW		Residential		Commercial		Industrial		Other		Total	
2010	339	7%	541,324	9%	256,435	2%	525,479	3%	35,167	6%	1,358,405	5.25%
2011	350	3%	569,711	5%	269,986	5%	544,448	4%	32,133	-9%	1,416,278	4.26%
2012	341	-3%	537,631	-6%	263,474	-2%	535,160	-2%	33,418	4%	1,369,683	-3.29%
2013	342	0%	541,109	1%	268,237	2%	535,984	0%	34,078	2%	1,379,407	0.71%
2014	336	-2%	565,587	5%	279,720	4%	542,806	1%	32,945	-3%	1,421,058	3.02%
2015	347	3%	576,810	2%	287,468	3%	565,632	4%	31,496	-4%	1,461,406	2.84%
2016	349	1%	552,695	-4%	289,030	1%	570,668	1%	20,924	-34%	1,433,317	-1.92%
2017	376	8%	597,904	8%	297,980	3%	586,317	3%	34,721	66%	1,516,922	5.83%
2018	368	-2%	590,207	-1%	294,144	-1%	578,769	-1%	34,274	-1%	1,497,394	-1.29%
2019	377	2%	596,039	1%	297,050	1%	584,488	1%	34,613	1%	1,512,189	0.99%
2020	387	3%	603,489	1%	300,763	1%	591,794	1%	35,045	1%	1,531,091	1.25%
2021	397	3%	611,033	1%	304,523	1%	599,191	1%	35,483	1%	1,550,230	1.25%
2022	408	3%	618,671	1%	308,329	1%	606,681	1%	35,927	1%	1,569,608	1.25%
2023	419	3%	626,404	1%	312,184	1%	614,265	1%	36,376	1%	1,589,228	1.25%
2024	430	3%	634,234	1%	316,086	1%	621,943	1%	36,831	1%	1,609,093	1.25%
2025	441	3%	642,162	1%	320,037	1%	629,717	1%	37,291	1%	1,629,207	1.25%

DME Peak Loads and Trend





Questions?