



# Solid Waste & Recycling Department

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FY 2017-18 Budget Presentation



# Solid Waste & Recycling Department Assumptions

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- Revenue growth based on historical trends and customer data
- Rates based on cost of service
- Minimum debt coverage ratio of 1.25
- Vehicle and equipment funding goals
  - Heavy Duty 50% revenue funded
  - Light Duty 100% revenue funded
- No rate increases proposed for FY17-18 through FY20-21



# Solid Waste & Recycling Department Cost Containment Strategies

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- Reduced FY16-17 CIP by \$9.4 M
  - Annual debt service savings of \$1.1M
- Reduced O&M expenses FY16-17 to FY17-18 by \$620,294
  - Fuel, outside contract services, vehicle maintenance
- Eliminated 2 FTEs (savings of \$202,625)
- Reduced communications service and equipment expense by \$175,000 over five years



# Solid Waste & Recycling Department Future Risks and Mitigation

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- Moseley Road Landfill
  - Funding of \$6.4 M (\$3.2 M available, \$3.2 M in FY17-18 CIP)
  - Evaluation of options underway
- Final approval of Municipal Solid Waste Permit Amendment
  - Public notice phase
  - Regulatory requirements
- Landfill wholesale customers (external from city)
  - Analyzing need for contractual agreements





# Solid Waste & Recycling Department Updated Forecast Growth

	FY 2018 Original	FY 2018 Updated
Residential Customer Growth	32,516	32,412
Commercial FL / SL Refuse	5.8%	4.7%
Commercial Roll-Off Tons	9.4%	7.4%
Landfill Retail Tons	15.0%	11.0%
Landfill Wholesale Tons	3.5%	3.5%



# Solid Waste & Recycling Department 5 Year Forecast – Zero Rate Increase

				Actual	Budget	Projection					
				FY 2016	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>Revenues (x 1,000)</b>											
Collection Services Revenue				\$24,741	\$26,558	\$26,385	\$27,469	\$28,604	\$29,577	\$30,398	\$31,154
Other Revenues				\$8,120	\$10,292	\$9,212	\$10,038	\$11,976	\$11,669	\$12,263	\$12,750
	Subtotal			\$32,861	\$36,850	\$35,597	\$38,018	\$40,580	\$41,246	\$42,661	\$43,904
Planned Use of Reserves *				\$0	\$0	\$0	\$512	\$0	\$0	\$0	\$0
	<b>TOTAL REVENUES</b>			<b>\$32,861</b>	<b>\$36,850</b>	<b>\$35,597</b>	<b>\$38,530</b>	<b>\$40,580</b>	<b>\$41,246</b>	<b>\$42,661</b>	<b>\$43,904</b>
<b>Expenditures (x 1,000)</b>											
O&M				\$17,136	\$20,733	\$19,820	\$20,812	\$22,158	\$22,999	\$23,940	\$25,042
Fixed Assets				\$2,213	\$3,169	\$2,559	\$2,771	\$2,141	\$2,234	\$2,718	\$2,981
Transfers (Internal and External)				\$2,540	\$2,698	\$2,696	\$2,966	\$3,050	\$3,137	\$3,426	\$3,588
Franchise Fee				\$1,577	\$1,809	\$1,780	\$1,901	\$1,999	\$2,062	\$2,133	\$2,195
Debt Service				\$7,325	\$8,140	\$8,082	\$9,699	\$10,367	\$10,876	\$10,413	\$9,900
Closure/Post-Closure				\$398	\$266	\$266	\$379	\$374	\$392	\$409	\$428
	<b>TOTAL EXPENSES</b>			<b>\$31,190</b>	<b>\$36,814</b>	<b>\$35,202</b>	<b>\$38,528</b>	<b>\$40,089</b>	<b>\$41,700</b>	<b>\$43,039</b>	<b>\$44,134</b>
	<b>Net Income</b>			<b>\$1,671</b>	<b>\$36</b>	<b>\$395</b>	<b>\$1</b>	<b>\$491</b>	<b>(\$454)</b>	<b>(\$378)</b>	<b>(\$230)</b>
Rate Increases				3%	2%	2%	0%	0%	0%	0%	0%
<b>RESERVE BALANCES</b>											
<b>Wrkng Cptl + Op Reserve</b>				<b>\$7,751</b>	<b>\$6,081</b>	<b>\$8,146</b>	<b>\$8,147</b>	<b>\$8,638</b>	<b>\$8,184</b>	<b>\$7,806</b>	<b>\$7,577</b>
Number of Working Days (Target 52-66 Days)				91	60	84	77	79	72	66	63
Closure/Post-Closure Fund				\$7,381	\$7,044	\$7,699	\$8,137	\$7,973	\$8,430	\$8,908	\$9,409
Debt Coverage Ratio				1.75	1.62	1.59	1.48	1.45	1.35	1.43	1.50
*Includes one-time transfer of \$511,510 related to property purchase proceeds from Solid Waste acreage sold to Denton Municipal Electric for future substation.											

# Solid Waste & Recycling Department 5 Year Forecast – Proposed 1.0% increase in FY 21-22

				Actual	Budget	Projection					
				FY 2016	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>Revenues (x 1,000)</b>											
Collection Services Revenue				\$24,741	\$26,558	\$26,385	\$27,469	\$28,604	\$29,577	\$30,398	\$31,465
Other Revenues				\$8,120	\$10,292	\$9,212	\$10,038	\$11,976	\$11,669	\$12,263	\$12,781
	Subtotal			\$32,861	\$36,850	\$35,597	\$38,018	\$40,580	\$41,246	\$42,661	\$44,246
Planned Use of Reserves *				\$0	\$0	\$0	\$512	\$0	\$0	\$0	\$0
	<b>TOTAL REVENUES</b>			<b>\$32,861</b>	<b>\$36,850</b>	<b>\$35,597</b>	<b>\$38,530</b>	<b>\$40,580</b>	<b>\$41,246</b>	<b>\$42,661</b>	<b>\$44,246</b>
<b>Expenditures (x 1,000)</b>											
O&M				\$17,136	\$20,733	\$19,820	\$20,812	\$22,158	\$22,999	\$23,940	\$25,043
Fixed Assets				\$2,213	\$3,169	\$2,559	\$2,771	\$2,141	\$2,234	\$2,718	\$2,981
Transfers (Internal and External)				\$2,540	\$2,698	\$2,696	\$2,966	\$3,050	\$3,137	\$3,426	\$3,588
Franchise Fee				\$1,577	\$1,809	\$1,780	\$1,901	\$1,999	\$2,062	\$2,133	\$2,212
Debt Service				\$7,325	\$8,140	\$8,082	\$9,699	\$10,367	\$10,876	\$10,413	\$9,900
Closure/Post-Closure				\$398	\$266	\$266	\$379	\$374	\$392	\$409	\$428
	<b>TOTAL EXPENSES</b>			<b>\$31,190</b>	<b>\$36,814</b>	<b>\$35,202</b>	<b>\$38,528</b>	<b>\$40,089</b>	<b>\$41,700</b>	<b>\$43,039</b>	<b>\$44,152</b>
	<b>Net Income</b>			<b>\$1,671</b>	<b>\$36</b>	<b>\$395</b>	<b>\$1</b>	<b>\$491</b>	<b>(\$454)</b>	<b>(\$378)</b>	<b>\$93</b>
Rate Increases				3%	2%	2%	0%	0%	0%	0%	1%
<b>RESERVE BALANCES</b>											
<b>Wrkg Cptl + Op Reserve</b>				<b>\$7,751</b>	<b>\$6,081</b>	<b>\$8,146</b>	<b>\$8,147</b>	<b>\$8,638</b>	<b>\$8,184</b>	<b>\$7,806</b>	<b>\$7,900</b>
Number of Working Days (Target 52-66 Days)				91	60	84	77	79	72	66	65
Closure/Post-Closure Fund				\$7,381	\$7,044	\$7,699	\$8,137	\$7,973	\$8,430	\$8,908	\$9,409
Debt Coverage Ratio				1.75	1.62	1.59	1.48	1.45	1.35	1.43	1.53
*Includes one-time transfer of \$511,510 related to property purchase proceeds from Solid Waste acreage sold to Denton Municipal Electric for future substation.											

# Solid Waste & Recycling Department Revenues

Revenues	FY 2015-16 Actuals	FY 2016-17 Budget	FY 2016-17 Estimate	FY 2017-18 Proposed
ASSET SALES AND INTEREST INCOME	1,778,409	405,050	414,550	457,550
RESIDENTIAL COLLECTION SERVICES	11,374,857	12,033,115	12,129,201	12,216,239
COMMERCIAL COLLECTION SERVICES	14,196,533	15,436,305	15,171,763	16,127,039
LANDFILL GATE AND MATERIAL SALES	5,175,525	7,422,374	6,509,926	6,582,033
SALE OF PROCESSED RECYCLABLE MATERIALS	139,705	1,288,077	1,096,497	1,803,312
MISCELLANEOUS (RENTAL PROPERTY)	195,658	209,430	180,295	262,295
ALTERNATIVE FUELING STATION	0	56,025	94,874	569,556
USE OF RESERVES	0	0	0	511,510
<b>Total</b>	<b>\$32,860,687</b>	<b>\$36,850,376</b>	<b>\$35,597,106</b>	<b>\$38,529,534</b>



# Solid Waste & Recycling Department Expenditures

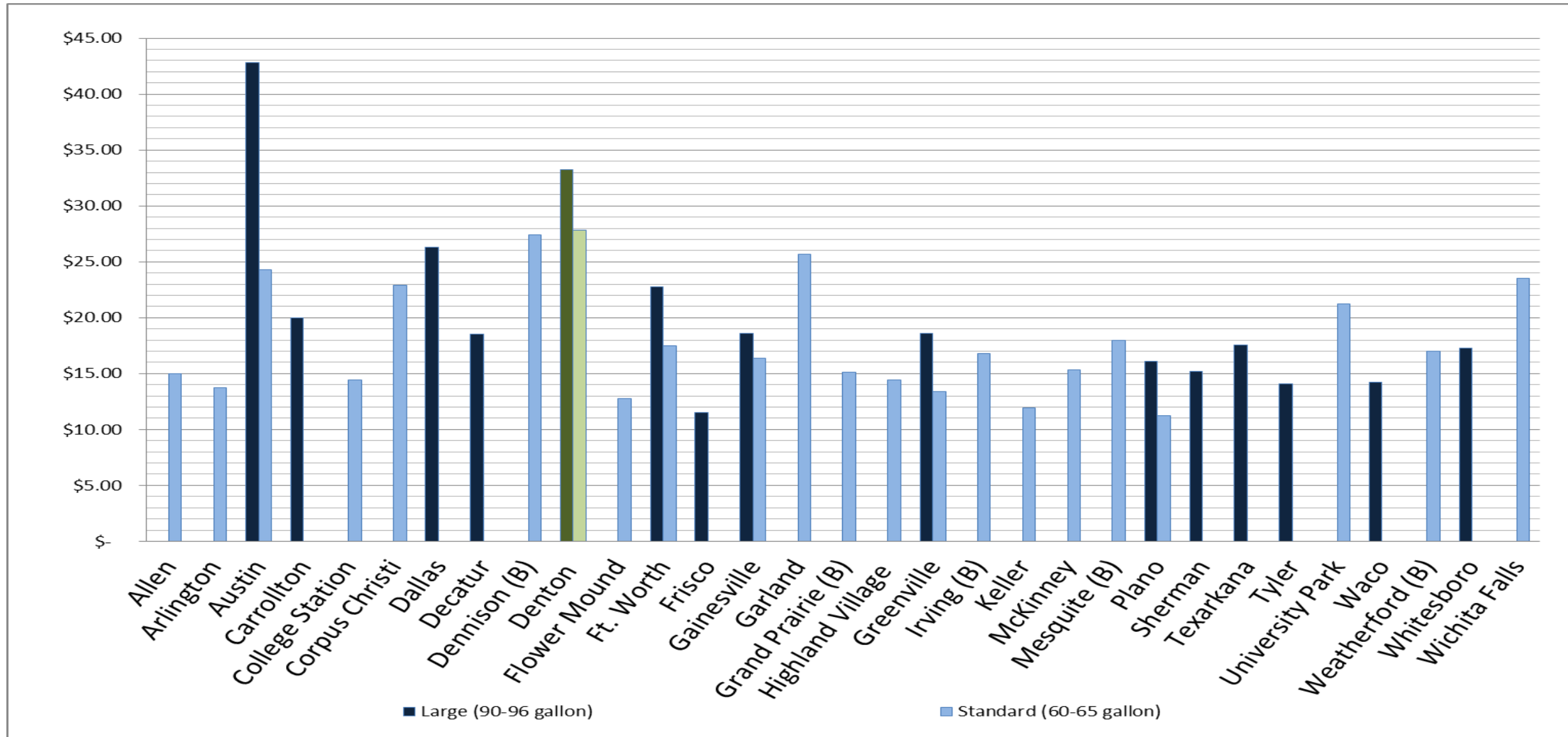
Expenses	FY 2015-16 Actuals	FY 2016-17 Budget	FY 2016-17 Estimate	FY 2017-18 Proposed
PERSONAL SERVICES	\$9,811,577	\$11,397,799	\$11,081,493	\$11,683,418
MATERIALS & SUPPLIES	\$539,362	\$577,275	\$513,043	\$525,355
MAINTENANCE & REPAIR	\$552,345	\$538,715	\$689,875	\$671,275
INSURANCE	\$194,245	\$224,503	\$224,503	\$233,631
FRANCHISE FEE	\$1,576,872	\$1,808,587	\$1,779,855	\$1,900,901
LANDFILL CLOSURE / POST CLOSURE	\$398,073	\$265,541	\$265,541	\$378,757
MISCELLANEOUS	\$63,193	\$68,750	\$72,010	\$74,400
OPERATIONS	\$5,975,696	\$7,925,921	\$7,239,087	\$7,624,367
FIXED ASSETS	\$162,352	\$641,500	\$31,500	\$7,500
DEBT SERVICE	\$7,325,342	\$8,140,351	\$8,082,424	\$9,698,967
GENERAL FUND COST OF SERVICE	\$959,636	\$965,128	\$965,128	\$1,200,687
COST OF SERVICE	\$1,580,791	\$1,732,892	\$1,730,392	\$1,765,318
TRANSFER TO CAPITAL PROJECTS	\$2,050,489	\$2,527,500	\$2,527,500	\$2,763,510
<b>Total</b>	<b>\$31,189,973</b>	<b>\$36,814,463</b>	<b>\$35,202,352</b>	<b>\$38,528,086</b>
FTEs	FY 2015-16 Actuals	FY 2016-17 Budget	FY 2016-17 Estimate	FY 2017-18 Proposed
Regular	124.5	135.5	134.5	132.5
Temporary/Seasonal	0.0	0.0	0.0	0.0
<b>Total Personnel</b>	<b>124.5</b>	<b>135.5</b>	<b>134.5</b>	<b>132.5</b>

# Solid Waste & Recycling Department

## 5 Year Capital Plan

Categories	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	Total
ADMINISTRATION (SOFTWARE AND UPGRADES)	300,000	0	0	0	0	300,000
RESIDENTIAL COLLECTION CARTS	550,000	300,000	300,000	300,000	300,000	1,750,000
COMMERCIAL COLLECTION CONTAINERS	650,000	400,000	450,000	450,000	450,000	2,400,000
LANDFILL INFRASTRUCTURE	3,575,000	2,425,000	825,000	1,675,000	1,125,000	9,625,000
MOSELEY LANDFILL AND FACILITY IMPROVEMENTS	3,911,510	600,000	200,000	200,000	200,000	5,111,510
OFF ROAD HEAVY EQUIPMENT	882,000	1,725,000	2,700,000	1,500,000	1,580,000	8,387,000
REFUSE AND OTHER VEHICLES	1,747,000	2,998,000	2,766,000	2,927,000	2,760,000	13,198,000
<b>Total</b>	<b>\$11,615,510</b>	<b>\$8,448,000</b>	<b>\$7,241,000</b>	<b>\$7,052,000</b>	<b>\$6,415,000</b>	<b>\$40,771,510</b>
Funding						
NEW C.O. LONG TERM (20 YR)	4,575,000	1,775,000	425,000	1,125,000	1,225,000	9,125,000
NEW C.O. MEDIUM TERM (10 YR)	1,050,000	900,000	250,000	1,100,000	250,000	3,550,000
NEW C.O. SHORT TERM (5 YR)	3,391,000	3,736,000	4,369,000	2,148,000	2,100,000	15,744,000
REVENUE FUNDING	2,599,510	2,037,000	2,197,000	2,679,000	2,840,000	12,352,510
<b>Total</b>	<b>\$11,615,510</b>	<b>\$8,448,000</b>	<b>\$7,241,000</b>	<b>\$7,052,000</b>	<b>\$6,415,000</b>	<b>\$40,771,510</b>

# Residential Rate Comparison





# Solid Waste & Recycling Department

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## Questions / Comments

