



Water Fund and Solid Waste/Recycling Fund Budget Workshop

May 19, 2020

Information and Direction

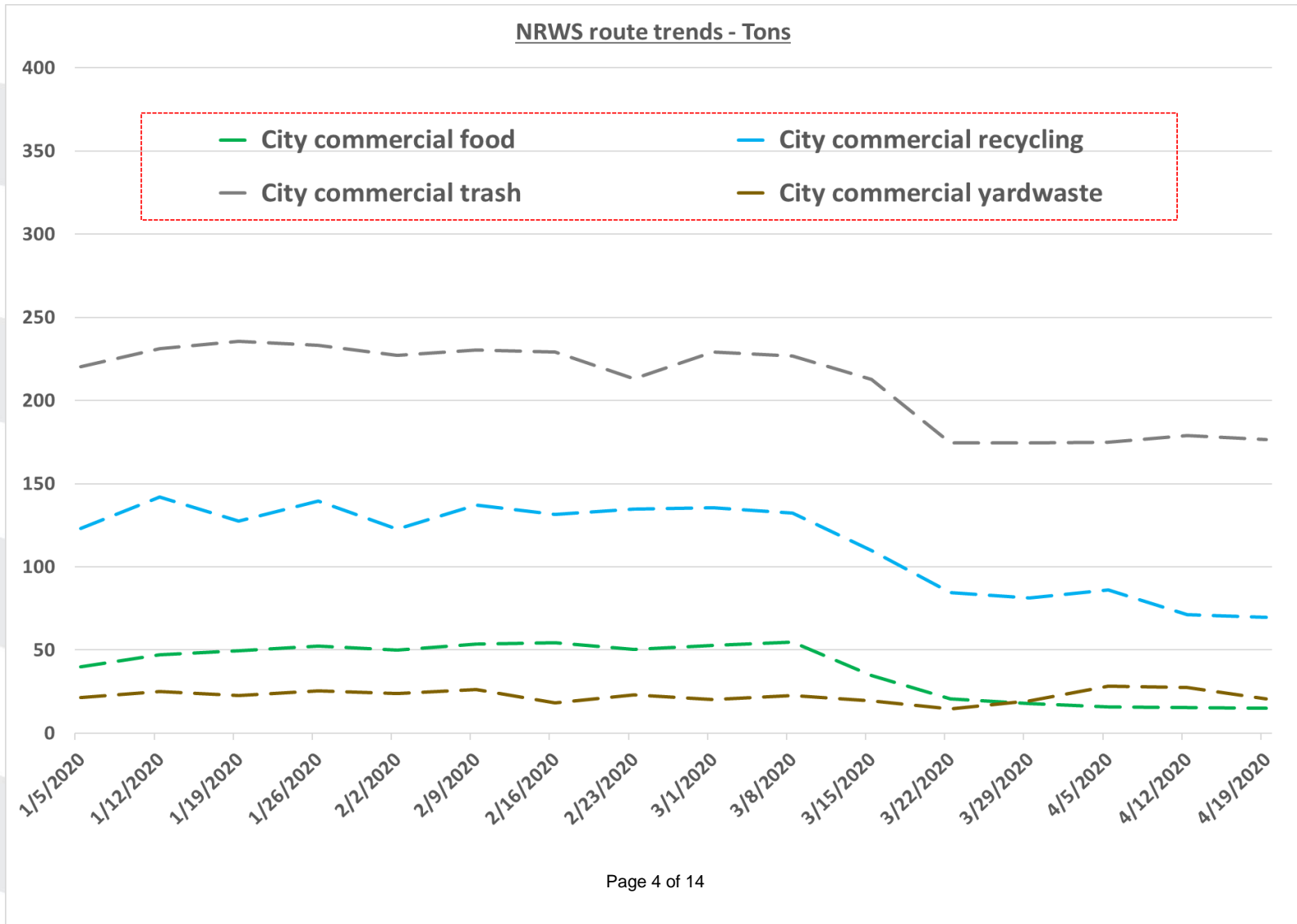
Today's presentation is provided to inform Council and receive direction and feedback.

Enterprise Funds

Differences from General Fund:

- Revenue is predominately based on rates charged to customers
- Revenue is received on a monthly/bi-monthly basis
- Labor costs are a small percentage of expenses

Solid Waste/Recycling Fund FY 2019/20 Impact



Solid Waste/Recycling Fund

FY 2019/20 Impact

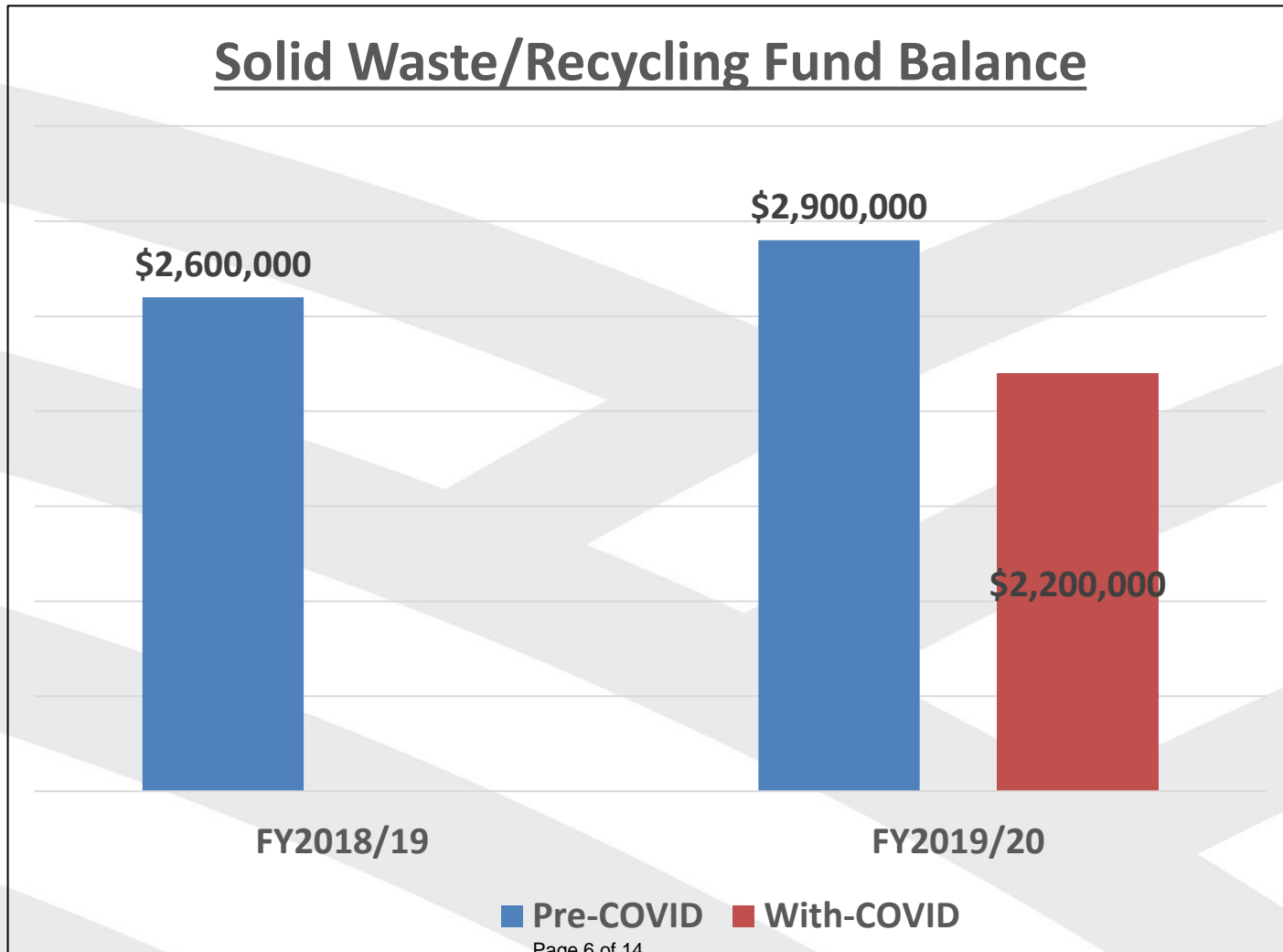
Factors to Consider:

- Disposal Tons – down 26%
- Food Composting Tons – down 68%
- Actual Billing – down \$150k in April

Service	Adjustment
Grocery	-5%
Lodging	-85%
Construction	-10%
Restaurants	-60%
Senior Care	+30%
Multi Family	+20%

Total Impact = \$690k

Solid Waste/Recycling Fund FY 2019/20 Impact



Solid Waste/Recycling Fund

FY 2020/21 Impact

Revenue Loss Assumptions = % of \$690k loss in Q4 of FY20:

Q1 - 90% (\$621k)

Q2 - 65% (\$449k)

Q3 - 33% (\$228k)

Q4 - 25% (\$173k)

\$1.5M

Delinquent Payments (5% of revenue)

\$1.2M

Total Impact = \$2.7M

Solid Waste/Recycling Fund

FY 2020/21 Impact

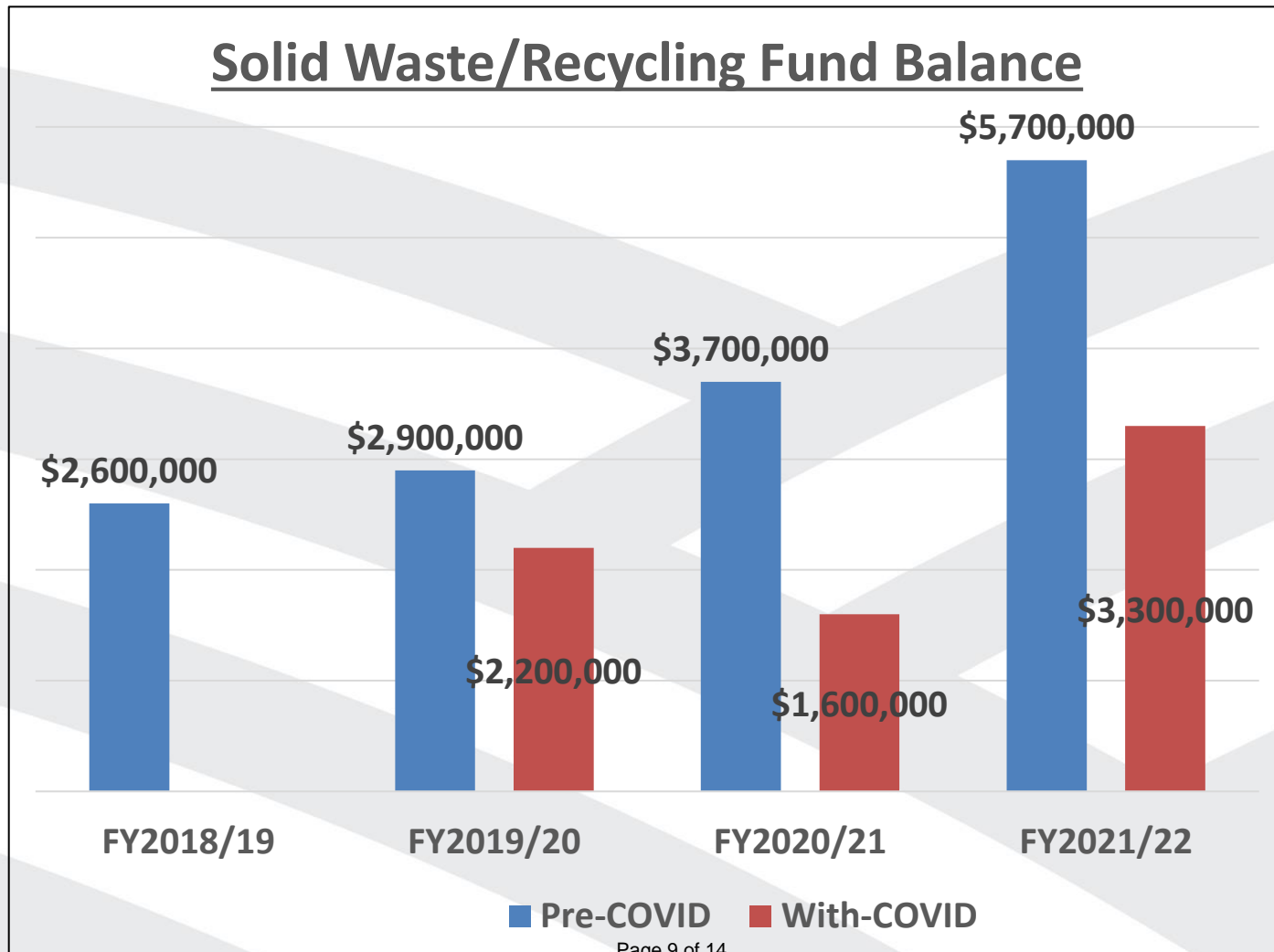
\$0.8M Projected Gain	—	\$2.7M Projected COVID Impacts	=	\$1.9M Adjustments Needed
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Options for reduced expenditures:

- Delete transfer to Street Resurfacing (\$1.1M)
- Contract changes with NRWS (\$100-\$700k)
- Freeze Transfer Station tip fees (\$50k)

➤ Potential Use of Fund Balance = \$600k

Solid Waste/Recycling Fund FY 2020/21 Impact



Water Fund FY 2019/20 Impact

Projected Revenue Impacts

- Hotels - \$200k
- Restaurants - \$40k

Total Impact = \$240k

Water Sales Revenue exceeds budget

\$1.0M

➤ No budget changes necessary

Water Fund

FY 2020/21 Impact

Revenue Loss Assumptions = % of \$240k loss in Q4 of FY20:

	<u>Hotels (\$200k)</u>	<u>Restaurants (\$40k)</u>
Q1	90% (\$180k)	100% (\$40k)
Q2	65% (\$130k)	100% (\$40k)
Q3	33% (\$70k)	50% (\$20k)
Q4	25% (\$50k)	50% (\$20k)

\$550k

Development Fees

\$400k

Total Impact = \$950k

Water Fund

FY 2020/21 Impact

Options to address \$950k revenue loss:

- Sale of NBA Water (\$1.0 - \$1.4M)
- Labor Concessions (\$400k)
- 3 – 6 Vacant Positions (\$400 - \$900k)

Delinquent Payments (5% of revenue)

\$1.5M

- Use Operating Reserves (\$2.6M) as needed

Next/Ongoing Steps

- Monitor Actuals – Billing and Delinquencies
- Closely monitor expenditures and other revenue
- Continue discussions with NRWS
- Proceed with NBA Water Sale
- Return to Council on June 8th for Budget Hearing

QUESTIONS?