FY 2020 Proposed Budget

Environmental Sustainability Work Session Presentation
March 20\textsuperscript{th}, 2019
Work Session Themes

- Revenue
- CIP
- ACPS Operating & CIP
- Economic Sustainability
- **Environmental Sustainability**
- Accountable, Effective & Well-Managed Government
- Safe, Secure and Just Community/Healthy & Thriving Residents
- BFAAC/Follow-up Items
Tonight’s Agenda

• DASH 2020 Budget
• WMATA 2020 Request
• RiverRenew Combined Sewer Outfall (CSO) Project Coordination
• Stormwater Implementation
• Resource Recovery Fee
• Environmental Action Plan Education and Outreach
• Energy Audits
• Renewable Energy Credits (REC)s
Environmental Sustainability FY 2020 Budget

- DGS- Energy Management, $1,513,096
- DASH Operating, $12,172,274
- King Street Trolley, $997,293
- DOT Paratransit, $1,608,645
- VRE, $149,151
- WMATA, $19,993,308
- T&ES General/Grant Fund Ops, $42,455,432
- T&ES Stormwater Ops, $6,771,479
- T&ES Sanitary Ops, $11,394,596
DASH FY 2020 Proposed Budget

- General Manager’s FY 2020 Proposed Budget- 5.1% increase from FY 2019

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th>FY19</th>
<th>FY20</th>
<th>Change</th>
<th>% Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel: Regular steps, Safety Mgr, Labor Relations Mgr</td>
<td>$13.21M</td>
<td>$13.66M</td>
<td>$0.44M</td>
<td>3.3%</td>
</tr>
<tr>
<td>Non-Personnel: Technology, legal counsel, fuel, parts, equipment</td>
<td>$3.91M</td>
<td>$4.34M</td>
<td>$0.44M</td>
<td>11.2%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$17.1M</td>
<td>$18.0M</td>
<td>$0.88M</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>FY19</th>
<th>FY20</th>
<th>Change</th>
<th>% Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>DASH Passenger &amp; Contract Revenue with Fare Increase from $1.75 to $2 (FY19 revenue budget overestimated collections)</td>
<td>$4.81M</td>
<td>$4.83M</td>
<td>$0.02M</td>
<td>0.5%</td>
</tr>
<tr>
<td>City Regular Subsidy to DASH</td>
<td>$11.35M</td>
<td>$12.17M</td>
<td>$0.82M</td>
<td>7.2%</td>
</tr>
<tr>
<td>King Street Trolley Subsidy</td>
<td>$0.96M</td>
<td>$1.00M</td>
<td>$0.04M</td>
<td>4.0%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$17.12M</td>
<td>$18.00M</td>
<td>$0.88M</td>
<td>5.1%</td>
</tr>
</tbody>
</table>
DASH FY 2020 Proposed Budget

- General Manager’s FY20 Proposed Budget = +5.1% from FY19 ($880,020)

- Expenditures
  - **Personnel**: regular step increases, Safety Manager, Labor Relations Manager: $441,170 increase
  - **Non-Personnel**: Intelligent Transportation Systems, legal counsel, fuel, parts, equipment: +$438,850

- Revenues
  - **DASH Passenger & Contract Revenue**: $24,045 (0.5%)
    - Assumes Fare Increase from $1.75 to $2.00 ($262,547)
    - FY19 Revenue Budget overestimated collections by $262,072 adjustment
  - **City Regular Subsidy**: +$817,618 (7.2%)
  - **King Street Trolley Subsidy**: +$38,357 (4.0%)
Washington Metropolitan Area Transit Authority (WMATA)

- Pending Adoption of adjusted WMATA proposed budget at the end of March, the City Manager’s Operating Budget Funds:
  - FY 2020 Operating 3% Capped increase to FY 2019 Base
  - All WMATA board approved Legislative Exclusions
WMATA

<table>
<thead>
<tr>
<th></th>
<th>WMATA Proposal</th>
<th>City Manager Proposal</th>
<th>WMATA Finance Committee Approved (pending)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2019 Base</td>
<td>$43.0 M</td>
<td>$43.0 M</td>
<td>$43.0 M</td>
</tr>
<tr>
<td>3% Growth</td>
<td>$3.1 M</td>
<td>$3.1 M</td>
<td>$3.1 M</td>
</tr>
<tr>
<td>Legislative Exclusions</td>
<td>$2.1 M</td>
<td>$1.0 M</td>
<td>$0.3 M</td>
</tr>
<tr>
<td>New Initiatives</td>
<td>$0.9 M</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$1.8 M</td>
<td>$1.8 M</td>
<td>$1.8 M</td>
</tr>
<tr>
<td>Future Labor Agreements</td>
<td>-</td>
<td>-</td>
<td>?</td>
</tr>
<tr>
<td><strong>FY 2020</strong></td>
<td><strong>$50.9 M</strong></td>
<td><strong>$48.9 M</strong></td>
<td><strong>$48.2 M</strong></td>
</tr>
</tbody>
</table>

*WMATA Approved Legislative Exclusions reduced due to: The start up costs from the Silver Line is being taken out of operating as a legislative exclusion and paid for with Federal Transit Administration (FTA) Preventative Maintenance funds, which is a one-time source.*
RiverRenew (CSO Project) Coordination

- City staff are working closely with AlexRenew to facilitate City, State and Federal regulatory approvals and permits
- Current planning level cost estimate: $370 million - $550 million
- $25 million state grant toward the project in Governor’s FY20 budget
- Rate increases by AlexRenew will be needed to fund remaining project in future years
- RiverRenew project website: [https://riverrenew.com/](https://riverrenew.com/)
Stormwater Implementation

• State and federal mandates to clean Chesapeake Bay and protect local streams requires City to reduce pollution in stormwater runoff
• Stormwater Utility Fee Implementation
• Proposed FY2020 operating of $5M
  • Provides for operation, maintenance and repairs to 185 miles of storm sewer pipes, 13,500 storm sewer structures, and hundreds of Stormwater Best Management Practices (BMPs)
  • Maintenance of Outfall at Oronoco Bay
Residential Resource Recovery Fee

- This program was transferred from the General Fund to a fee supported Special Revenue fund
  - The General Fund continues to support tax-exempt households
  - The Commercial Refuse program remains in the General Fund in FY 2020
- The annual household fee needed to support the program increases from $373 to $406.
Residential Resource Recovery Fee
Recycling

- Drivers in fee increase:
  - Cost of recycling collection and processing is increasing by $526,000
    - Increase in contamination
    - China’s National Sword policies
    - Limitations on sorting technologies and finding end markets
  - Administrative Indirect Costs increase by $351,251
  - Workers’ Comp increase of $100,000
- Transitioning Spring Clean-Up to Year-Round Clean-Up Service saves $65,350
Residential Resource Recovery Fee - WasteSmart

- Proposed budget does not include Wastesmart services
- Recommended on the Additional Options List (AOL) provided to Council this past February
- Additional increase to fee is $10.67 per customer
- Would require an ordinance

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
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<tbody>
<tr>
<td>Glass Drop-Off Program</td>
<td>$40,000 annually</td>
</tr>
<tr>
<td>Recycle Right - Education &amp; Outreach Improvements to Fight Contamination</td>
<td></td>
</tr>
<tr>
<td>• Recycle Right Campaign</td>
<td></td>
</tr>
<tr>
<td>• Improved print materials (translations, graphics) and refreshed website</td>
<td></td>
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<tr>
<td>• Digital resources for schools, commercial and multifamily properties</td>
<td></td>
</tr>
<tr>
<td>• What Goes Where Sorting Tool</td>
<td>$120,000 scalable</td>
</tr>
<tr>
<td>Reduce &amp; Reuse Programming</td>
<td></td>
</tr>
<tr>
<td>• Share-A-Bag Pilot</td>
<td>$10,000</td>
</tr>
<tr>
<td>• Online Reuse Directory (Repair/Donate/Consign)</td>
<td></td>
</tr>
<tr>
<td>Mandatory Yard Waste Separation &amp; Plastic Bag Ban for Yard Waste</td>
<td>$30,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$200,000</strong></td>
</tr>
</tbody>
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Energy Audits

- Systematic analysis of energy performance opportunities for City facilities and operations
  - Integrate asset condition auditing and energy auditing processes
  - Integrate energy performance, greenhouse gas, and return-on-investment indicators with Facilities Condition Index (FCI) rating and CIP project prioritization methodology
- Cost is $100K in the CIP
- Follows the Environmental Action Plan (EAP) Phase 1 Energy Efficiency Action 1
Renewable Energy Certificates (RECs)

• Increase REC purchases to offset 100% of City’s electricity use
  • Temporary measure as transition to:
    • Increase in onsite generation
    • Direct purchasing
      • Offsite power purchase agreements
      • Utility-run green tariff program
      • Demonstrate regional additionality and matched to City electrical load characteristics

• Increased from $58K to $100K
• EAP Phase 1 Renewable Energy Action 1
Upcoming Dates

• Accountable, Effective & Well Managed Government Work Session March 27

• Deadline for submitting budget questions March 29

• Notice of intent to consider add/deletes requiring an ordinance April 1

• Safe, Secure & Just Community/Healthy & Thriving Residents Work Session April 3

• Final Budget Work Session (BFAAC & Follow-up) April 8

• Add/Delete Proposals due April 11