OPERATING BUDGET
FISCAL NOTE

DATE OF COUNCIL CONSIDERATION: 4/23/26
CONTACT DEPARTMENT(S): Austin Resource Recovery
FUND: Austin Resource Recovery Fund

SUBJECT: Approve an ordinance amending Exhibit A of the Fiscal Year 2025-2026 Fees, Fines, and Other Charges ordinance (Ordinance No. 20250813-004) to amend Austin Resource Recovery fees for garbage collection in the Central Business District to eliminate the organics fee and increase the base customer charges and dumpster service and fee per cubic yard fees. Funding: This item is projected to result in additional revenue of $235,978 in the Fiscal Year 2025-2026 Austin Resource Recovery Fund.

CURRENT YEAR IMPACT:

	2025-2026 Approved	This Action	2025-2026 Amended
Beginning Balance	14,180,131	0	14,180,131
Total Revenue	145,351,311	235,978	145,587,289
Total Transfers In	5,105	0	5,105
Total Appropriated Funds	145,356,416	235,978	145,592,394
Requirements			
Program Requirements			
			0
All Other Programs	107,451,543		107,451,543
Total Program Requirements	107,451,543	0	107,451,543
Total Transfers Out	30,954,273	0	30,954,273
Total Other Requirements	8,379,141	0	8,379,141
Total Requirements	146,784,957	0	146,784,957
Excess (Deficiency) of Total Available Over Total Requirements	(1,428,541)	235,978	(1,192,563)
Ending Balance	12,751,590	235,978	12,987,568
FTEs	521.00	-	521.00

FIVE-YEAR IMPACT:

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Total Revenue	235,978	0	0	0	0
Total Requirements	0	0	0	0	0
Net Budget Impact	235,978	0	0	0	0

ANALYSIS / ADDITIONAL INFORMATION: City Code Section 15-16-4 requires the City to contract with a private collection company to provide solid waste services within the Central Business District (CBD). In FY 2026, Austin Resource Recovery (ARR) implemented rate increases in the CBD based on recommendations from a professional cost-of-service study.
The current contract provides daily collection, transport, processing, and disposal of trash and recycling, as well as daily litter abatement services within the CBD. This contract expired in April 2026. ARR issued a solicitation in October 2025 and Council approved the new contract on March 26, 2026. Under the new contract, prices for trash collection services increased by approximately 80%, and recycling collection prices increased by approximately 30% compared to the previous contract. Additionally, ARR will begin providing compost collection services in the CBD resulting in new collection costs not previously incurred.
Approval of this action will allow ARR to recover the cost of providing solid waste services in the CBD. Without the proposed rate adjustments, ARR is projected to incur a revenue shortfall of approximately $431,817.