2016-2017 BUDGET QUESTION

Response to Request for Information

DEPARTMENT: Austin Water and Austin Resource Recovery

REQUEST NO.: 253

REQUESTED BY: Gallo

DATE REQUESTED: 9/2/16

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REQUEST: What is the FY 2016 marketing and advertising budget for Austin Water (AW) and Austin Resource Recovery (ARR)? What was the FY 2015 actual expenditure amount for the same categories?

RESPONSE:

Please see the following table for FY 2016 Austin Water marketing and advertising budget and FY 2015 marketing and advertising actual expenditure amount.

Austin Water (AW)	FY 2016 Amended Budget	FY 2015 Actual Expense
Marketing/Advertising	$1,045,071	$892,049

For the FY 2016 budget Austin Water's focus for our marketing and advertising efforts was the continued need for educating the importance of ongoing water conservation. In the summer of 2016 City Council approved a new one day per week outdoor irrigation ordinance. With this new ordinance the City of Austin implemented a permanent one day per week watering schedule which required the need to re-educate the public of the new schedule associated with the ordinance. The increase in 2016 in expenditures is a direct result of our increased advertising efforts before entering the peak summer irrigation months. Last summer our primary message was focused on the education of the new watering schedule. Our secondary message and efforts was to remind customers of the need to be vigilant and mindful of the potential for increased water usage during the summer months and the possibility of increased water bills. The Goal was to avoid the issues Austin Water and the City of Austin experienced with concerns from our customers in the summer of 2015.

During the FY 2015-16 fall, winter months our marketing and advertising efforts were focused on indoor water usage such as leaking facets, toilets and higher water using appliances. We also focus our efforts on Waste Water Averaging months as these months are used to calculate your wastewater rates for the entire billing year.

We encourage our customers through marketing and advertising to be stewards of one of our most important natural resources.

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Please see the following table and explanation for Austin Resource Recovery's marketing and advertising related to budgeted and actual expenses:

	FY 2015	FY 2015	FY 2016	FY 2017
Austin Resource Recovery (ARR)	**Amended Budget**	**Actual Expense**	**Amended Budget**	**Proposed Budget**
Marketing/Advertising	$591,952	$399,754	$611,557	$570,312

The approximate $192,000 difference between the Actual FY 2015 expenditures for advertising and the FY 2016 Amended Budget is primarily attributed to cost savings in FY 2015. In FY 2015, cost savings include using more online, targeted advertising and less print advertising to reach key audiences. As the people and properties affected by new Zero Waste programs and policies increase, the use of television, billboard, and print advertising will require additional investments to reach key audiences. In FY 2016, the Department's major marketing and advertising cost drivers include outreach to Austin Resource Recovery's curbside customers and outreach to properties and businesses affected by the Universal Recycling Ordinance.

In FY 2016, advertising for Austin Resource Recovery's curbside customers was focused on increasing recycling participation, promotion of the Austin Recycles Games, and reducing costly contamination in the stream of recyclable materials collected by the Department. The Austin Recycles Games were designed to increase how much Austin residents were recycling by creating a friendly competition among the council districts. Marketing and advertising investments in this initiative were targeted to raise awareness about recycling options and provide easy-to-use tips for residents. During the four-month competition the City saw a 7 percent increase in recycling citywide.

Additionally, in FY 2016, advertising for the business community focused on building awareness of the key requirements of the Universal Recycling Ordinance, This includes promoting technical assessments, small business rebates, and training opportunities to help the business community find cost effective Zero Waste solutions. Also, advertising investments were made to ensure that newly affected property owners and businesses had information needed to comply with the new organics diversion requirements and the Universal Recycling Ordinance's online annual diversion plan.

The Zero Waste goal established by the Austin City Council requires that residents and businesses take actions to reuse, recycle and compost so that fewer valuable materials go to area landfills. Using advertising to raise awareness, highlight educational opportunities, and encourage compliance is the most cost-effective way to achieve the behavior changes required by the Zero Waste goal. If the advertising budget were reduced then Austin could fall further behind our sustainability targets set forth in the Zero Waste Master Plan and may contribute to the City missing the Council-adopted 2020 goal of reaching 75% diversion. This would likely result in more materials sent to landfills and may result in more residents and businesses not having the information needed to comply with current ordinances.