



SCLS Delivery

2024 Challenges

3/16/23

Costs – A Narrative

- ▶ One year ago, inflation was inching up. Gas prices were nearly \$4. Budget was crafted with a 3% increase in the overall base for fees (with a new cost formula)
- ▶ The spike continued, unlike other times. This was different
- ▶ All vendors, supplies, costs had a significant increase after the budget was formed.
- ▶ And it continues. Fuel is less, but still higher than we budget it for typically
- ▶ Waltco (subcontractor) raised our fees by over 8% for 2023.

Staff



- ▶ Seniority: In November SWOT analysis: Our greatest strength, our greatest weakness simultaneously
 - ▶ Hard work, demands on time, etc.
- ▶ Base pay has not increased in 2 years.
- ▶ When vacancies appear, we need to be able to attract new staff in a different reality: pay has gone up to match the needs of potential new employees and our similar “industries”.
- ▶ Less than \$18 an hour does not create traffic (currently, we are \$15.72)

New Trucks



- ▶ Last made a purchase in 2021 (effectively)
 - ▶ Post pandemic shortage of new vehicles
 - ▶ We purchased one used small van and one nearly new Sprinter
 - ▶ Prices on that market were significantly higher than in the past
 - ▶ New vehicles just didn't exist
- ▶ New trucks are being stocked for purchase
- ▶ Trucks have not been in the base budget for several years. We paid for them out of contingency.

Statewide

- ▶ New UW service contract is due to be re-newed
 - ▶ Service level is TBD. We are at 5-day service since 2022 with a flat revenue (no increases built in)
- ▶ Statewide coordination (to implement PLSR initiatives) is uncertain
 - ▶ SCLS received a significant amount to coordinate
 - ▶ PLSR initiatives may need careful review due to pandemic realities and changes in the wake of that upheaval.
 - ▶ Volume drop
 - ▶ Cost