



# SCLS Delivery – Budget Prep Update

ALL DIRECTORS MEETING

5/18/23

# 2024 Budget Prep

- ▶ Current Service Update
- ▶ Cost Considerations (at SCLS Delivery)
- ▶ Member Fee Outlook
- ▶ Other Factors TBD

# Current Service Update:

- ▶ Volume
  - ▶ Stabilized; 90-95% pre-pandemic outside of Dane County; 80-85% inside Dane County
  - ▶ 2021 Member Basket Volume: 237,500
  - ▶ 2022 Member Basket Volume: 247,500 (+4.2%)
- ▶ Route Adjustments:
  - ▶ ~July:
    - ▶ Re-connecting to La Crosse and new relay with Southwest Library System
    - ▶ Easing Volume crush on our Metro West and Dane South trucks (occurs Mondays and Tuesdays)
  - ▶ ~February (or the time we occupy the Pankratz building)
    - ▶ Numerous routes will have at least slight adjustments or route order changes to match the new location

# Cost Considerations – 2024

- ▶ Labor:
  - ▶ We are “below market” for our driver pay for both part and full time pay
  - ▶ The most significant portion of our budget (approximately 50%)
  - ▶ Full Time Drivers are \$1.77 per hour more than in 2014
  - ▶ Delivery Salary Budget in 2014: \$1,006,489
  - ▶ Delivery Salary Budget in 2023: \$1,046,656 (+4% over 9 years)
- ▶ Fuel:
  - ▶ Fuel remains high
  - ▶ Annually, we budgeted for fuel to be \$3.25 per gallon for all types. Diesel is significantly higher.
- ▶ Fleet:
  - ▶ New trucks have not been purchased in 3 years (we have bought used)
  - ▶ There is no contingency to purchase from (as we have done for several years)

# Member Fee Outlook:

- ▶ As a placeholder, I entered a 4.5% increase to member fees from 2023.
  - ▶ This is a conservative figure compared to what we see in the market
    - ▶ Waltco raised fees over 8%

# Other Factors TBD:

- ▶ University of Wisconsin System Contract is up for renewal.
  - ▶ I am projecting a similar request for increase
  - ▶ The current contract was written “pre-inflation”
  - ▶ Reminder that we took on more days of service (5 versus 4 previously), for less revenue
- ▶ Waltco expenses are projected to be smaller, but how much?
  - ▶ Current expense will be \$84,000. Used to be ~\$45,000
- ▶ Where/when hub model implementation factors in. Eastern Wisconsin has a lot of hurdles to clear.
  - ▶ What have we learned in our “pilot?”
    - ▶ 1: System oversight is critical and it works!
    - ▶ 2. More than one “hand-off” greatly increases inconsistency
  - ▶ When it happens, resources will be channeled to other services to complete connections
- ▶ State Aid impacts:
  - ▶ How much new money for SCLS
  - ▶ How that money is distributed within SCLS

## Next:

- ▶ I will update the Administrative Council as we approach the fee votes as the process reveals more accuracy in the next month-and-a-half