

City of Austin

Economic Outlook & Financial Forecast Presentations



May 9, 2012





Austin Water Utility

Financial Forecast

May 9, 2012

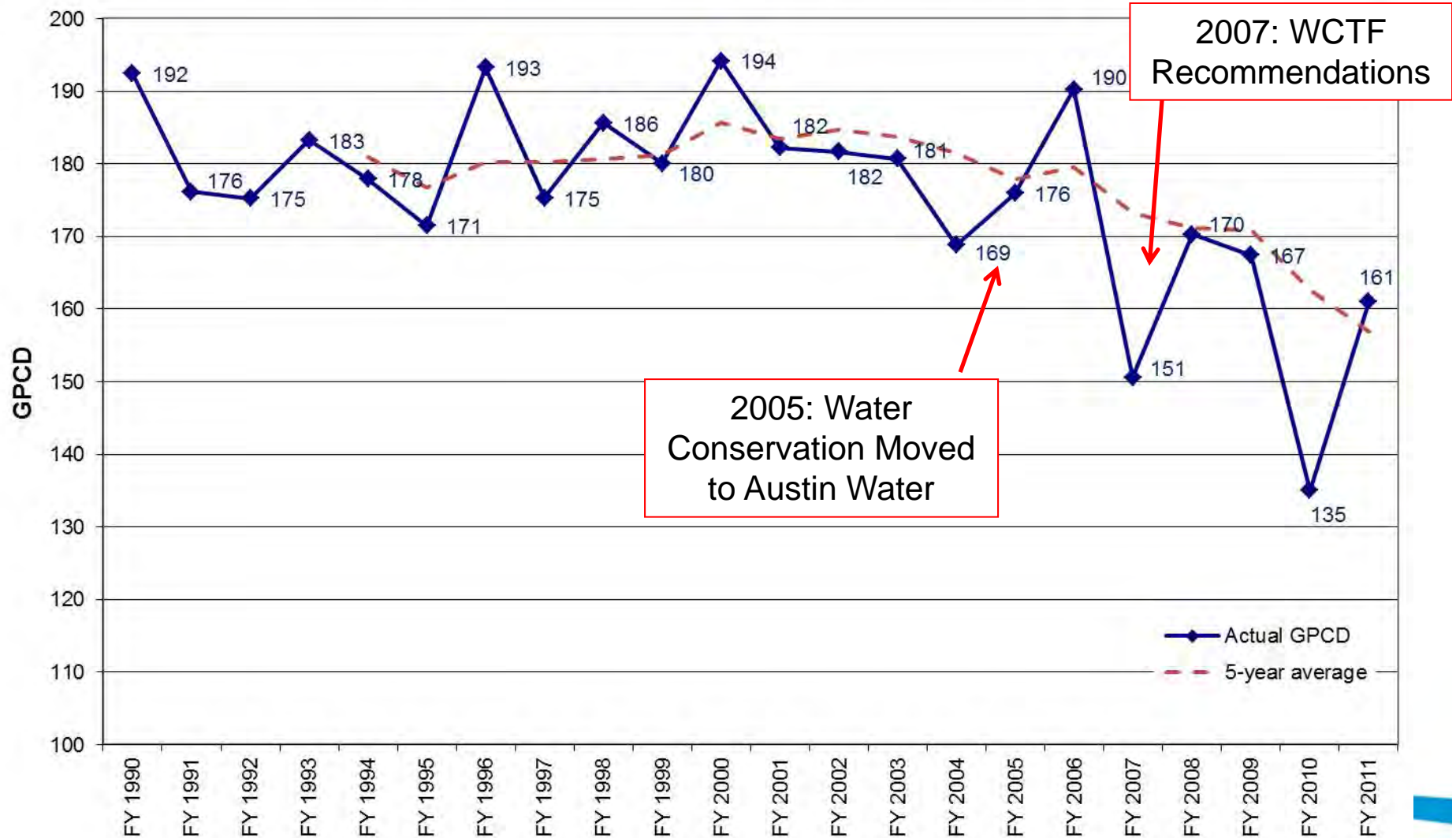
Presentation Outline

- Accomplishments & Goals
- Horizon Issue
- Revenues & Rates
- Requirements
- Capital Program
- Summary

Accomplishments

- Ongoing Gains in Water Conservation
 - Advances of last four years held during one of hottest and driest summers in history
 - Progress on 140 GPCD plan
 - reclaimed water system expansion
 - leak response and detection improvements
 - replacing aging and problematic pipe
 - strengthening enforcement of the water waste ordinance
- Use of 100% Green Power at all Facilities
- LCRA Water Management Plan (WMP)
 - Reshape WMP on how water is released from the highland lakes for interruptible customers downstream
- Joint Committee on AWU's Financial Plan
 - Working with Joint Committee on rates and finances

Austin Gallons per capita per day (GPCD) from 1990 to 2011

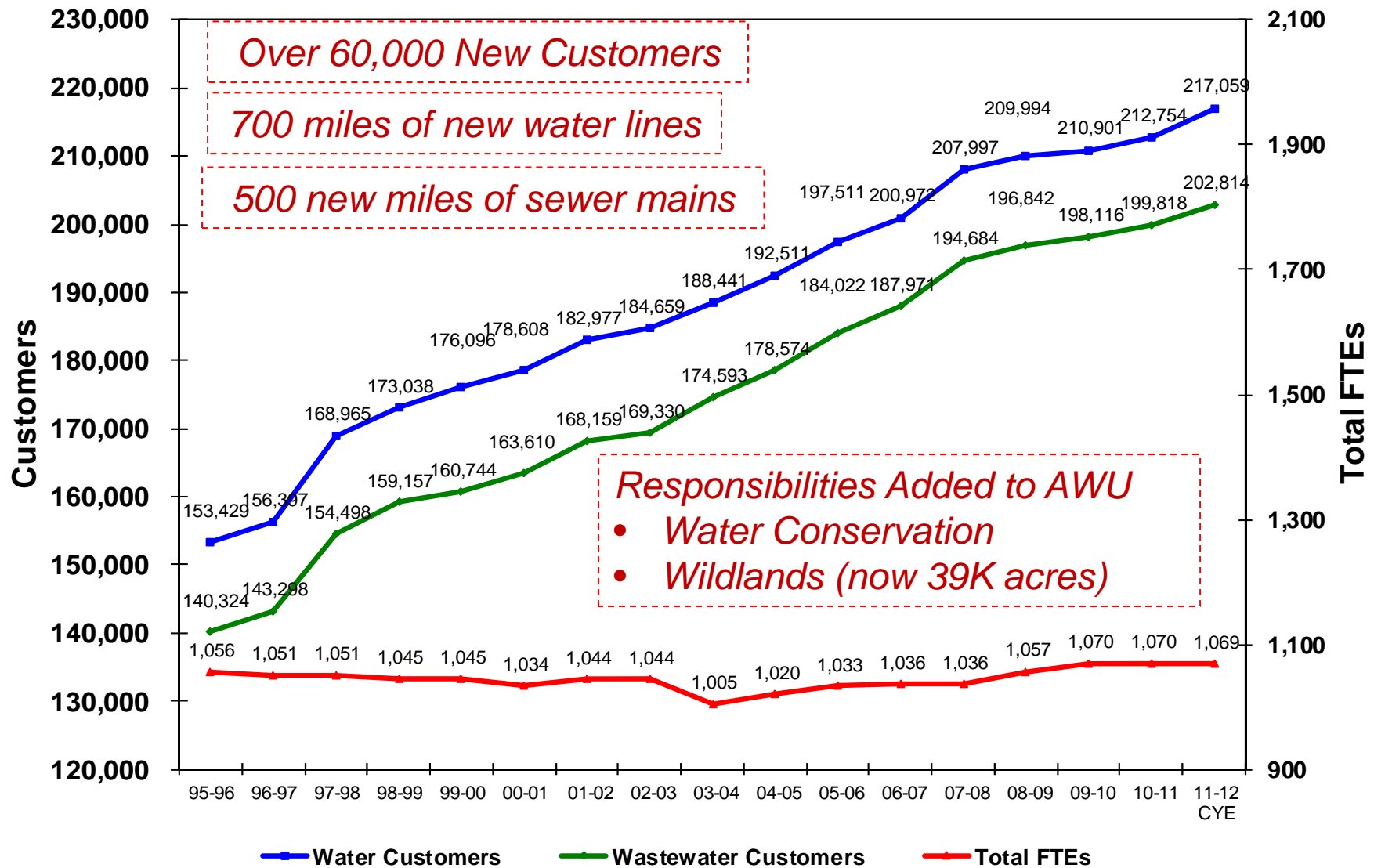


Accomplishments

- Progress on major capital projects
 - WTP4
 - Downtown tunnel
 - South IH-35
- Reclaimed water system expansion
 - ABIA now served by reclaimed system
 - UT connection plans approved
 - Agreement with PARD for reclaimed at Hancock Golf Course
 - Guerrero Park reclaimed system
 - Montopolis reservoir system expansion
- Treatment plant awards

Horizon Issue - Staffing

FTEs vs. Customer Growth



Five-Year Outlook: New Facilities

- Barclay Reservoir – 2012
- Allen Road Pump Station – 2012
- Glen Lakes System – 2012
- Pearce Lane Wastewater Treatment Plant (WWTP) – 2013
- Odor control facilities with Downtown Tunnel – 2013
- Hornsby Bend Biogas Generator – 2013
- Water Treatment Plant 4 – 2014
- Shaw Lane – 2014
- River Place MUD – 2014
- Lost Creek MUD – 2015
- Linger Lift Station – 2017
- SE Travis County MUD (5 lift stations) – 2017
- Reclaimed Expansion, inc.
 - Montopolis Tank
 - Burleson Pressure Conversion
 - Cemetery Mains Line (central east)
 - Junction 420 Line (downtown)
 - Lady Bird Lake Line (Holly area)
 - Onion Creek Phase I Line
 - Smith Road Line

Staffing Priority Areas

- Enhance Water Conservation, Reclaimed Water & Water Accountability
 - Conservation Staffing
 - Reclaimed Water Utility (CIP, O&M, Cross-Connection)
 - Water Accountability (Meters, Leak Response)
 - Marketing & Public Information
- Protect Public Health & Water Quality
 - Industrial Waste Pretreatment & Cross-connection Prevention
 - Water Quality Protection Lands

Staffing Priority Areas

- Manage a Growing System & Staffing New Facilities
 - Systems O&M
 - Annexations of MUDs
 - WTP4
- Planning for the Future
 - Water Supply Planning
 - Capital Improvement Planning & Prioritization
- Ensure Solid Business Practices
 - Safety & Emergency Preparedness
 - Facility Management
 - Technology & Innovation

2013 Staffing Proposal – 26 Positions

- Manage a Growing System & Staffing New Facilities
 - WTP4 (13 FTEs)
 - System Operations & Maintenance (4 FTEs)
- Enhance Water Conservation, Reclaimed Water, Water Accountability & Water Quality
 - Reclaimed Water (1 FTE)
 - Water Accountability – Meters (2 FTEs)
 - Water line replacement – Renew Austin (1 FTE)
 - Wildland management (1 FTE)
- Planning for the Future
 - Capital Improvement Planning & Prioritization (1 FTE)
- Ensure Solid Business Practices
 - Safety & Emergency Preparedness (2 FTEs)
 - Facility Management (1 FTE)

Staffing – Next Steps

- Current Five Year Forecast Staffing Plan
 - Staff WTP4 over next three years (33 FTEs)
 - Provide funding for small increase in staffing (about 10 per year)
- Develop Comprehensive Staffing Plan for 2014 Forecast that Addresses Long Term Needs and Business Case

Revenue Forecast

Revenue and Rates

- Projected Service Rate Increases

	2013	2014	2015	2016	2017
Water:	6.5%	4.6%	5.0%	5.2%	1.6%
Wastewater:	4.6%	2.9%	3.2%	3.6%	1.3%
Reclaimed:	10.6%	13.4%	13.5%	16.4%	16.3%
Combined:	5.6%	3.9%	4.2%	4.5%	1.5%

- Cost of Service Transition
 - Commercial & Large Volume customers at 7% above cost
 - 1%-2% transition to cost planned in 2013

Average Residential Customer Estimated 5-Year Bill Impact

	<u>Current 2012</u>	<u>Forecast 2013</u>	<u>Forecast 2014</u>	<u>Forecast 2015</u>	<u>Forecast 2016</u>	<u>Forecast 2017</u>
Water & RSF	\$ 33.22	\$ 35.71	\$ 37.71	\$ 39.97	\$ 42.45	\$ 43.55
Wastewater	39.45	41.26	42.46	43.82	45.40	45.99
Total	<u>\$ 72.67</u>	<u>\$ 76.97</u>	<u>\$ 80.17</u>	<u>\$ 83.79</u>	<u>\$ 87.85</u>	<u>\$ 89.54</u>
\$ Variance	-	\$ 4.30	\$ 3.20	\$ 3.62	\$ 4.06	\$ 1.69
% Variance	-	5.9%	4.2%	4.5%	4.8%	1.9%

Notes:

1. The Water Service bill impact includes a 1% transition to cost of service
2. Actual bill impact to be determined based on cost of service calculations
3. The Water Revenue Stability Fee (RSF) is projected to remain static at \$4.40 per 5/8" meter equivalent

Low-Income Customer Assistance Program (CAP)

- In effect since 2009; serves 5,500 AWU customers
- Waives Minimum (Fixed) Water and Wastewater Charges, and Revenue Stability Fee

Average Residential CAP Customers	Actual 2008 Rates	Actual 2009 Rates	Actual 2010 Rates	Actual 2011 Rates	Actual 2012 Rates	Estimated 2013 Rates
Water Service:						
Minimum Charge	\$ 5.35	\$ -	\$ -	\$ -	\$ -	\$ -
Volume Charges	16.40	17.57	18.48	19.61	21.72	23.35
Revenue Stability Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wastewater Service:						
Minimum Charge	\$ 7.10	\$ -	\$ -	\$ -	\$ -	\$ -
Volume Charges	25.74	26.66	27.72	29.22	30.20	31.59
CAP Average Monthly Bill:	\$ 54.59	\$ 44.23	\$ 46.20	\$ 48.83	\$ 51.92	\$ 54.94

Note: Bills based on 7,727 gallons water usage and 4,699 gallons wastewater discharge

Only a 0.6% increase in average residential CAP bill from FY08 to FY13 (Estimated)

Joint Committee Update

- Committee Meetings
 - 12 meetings completed
 - 3 additional meetings scheduled through May 2012
- 29 rate design options discussed
- Working on recommendations
 - Tiered fixed fee
 - Volumetric blocks/rates
 - Revenue stability reserve fund

Requirements Forecast

Total Requirements Summary

- Total requirements are projected to increase over the next 5 years by \$150.2 million or 32.2% from the amended budget

(In Millions)	Amended 2012	Forecast				
		2013	2014	2015	2016	2017
Operating Requirements	\$189.3	\$202.9	\$213.2	\$223.8	\$233.6	\$242.6
Debt Service	189.1	205.7	219.8	220.5	236.9	237.8
Transfers Out	87.5	105.0	100.9	123.0	129.6	135.7
Total Requirements	\$465.9	\$513.6	\$533.9	\$567.3	\$600.1	\$616.1

Full Time Equivalents	1,069	1,095	1,120	1,133	1,143	1,153
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Built-In Cost Drivers for 2013 (Millions)

Category	Proposed Increase (Millions)	Justification
O&M Support Costs	\$6.1	<ul style="list-style-type: none"> • Austin Energy Billing & Customer Care • Administrative Support-City • CTM Support
Personnel Costs	\$4.8	<ul style="list-style-type: none"> • 3.0% compensation adjustment • 2.0% additional retirement contribution • Health insurance increase • Additional FTEs
Electrical Costs	\$1.2	<ul style="list-style-type: none"> • Austin Energy Base Rate Increase
Debt Service	\$16.6	<ul style="list-style-type: none"> • Existing debt service \$6.6 M • New debt service \$10.0 M
Transfers Out	\$17.4	<ul style="list-style-type: none"> • Capital Improvement Program \$12.6 M • General Fund Transfer \$2.6 M • Reclaimed Utility Fund \$1.9 M • Sustainability Fund \$0.3 M

Capital Spending

Capital Improvement Program

\$1.02 Billion 5-Year Capital Spending Plan

\$ in millions

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Total</u>
Water	\$191.7	\$167.9	\$92.5	\$92.4	\$69.5	\$614.0
Wastewater	60.4	69.4	81.4	70.8	81.7	363.7
Reclaimed	<u>7.3</u>	<u>6.1</u>	<u>8.9</u>	<u>9.9</u>	<u>8.3</u>	<u>40.5</u>
Combined	<u>\$259.4</u>	<u>\$243.4</u>	<u>\$182.8</u>	<u>\$173.1</u>	<u>\$159.5</u>	<u>\$1,018.2</u>

Capital Improvement Program

Major Capital Projects for FY 2013-17 (Millions)

• WTP4 and associated transmission mains	\$238.9
• Existing treatment plant improvements	\$228.6
• Water & wastewater system rehabilitation	\$177.4
• Other distribution & collection system improvements	\$108.9
• Pump stations, reservoirs, and lift stations	\$ 78.5
• Annexed areas, vehicles, equipment, and other projects	\$ 59.3
• Service extension requests	\$ 44.9
• System relocations	\$ 41.2
• Reclaimed water projects	\$ 40.5

Fund Summary

(In Millions)	Amended 2012	CYE 2012	Forecast				
			2013	2014	2015	2016	2017
Beginning Balance	\$ 46.7	\$ 71.7	\$ 73.9	\$ 59.5	\$ 62.9	\$ 65.8	\$ 68.7
Revenue	458.8	462.4	492.2	529.3	559.9	591.5	607.4
Transfers In	4.6	4.6	7.0	8.0	10.3	11.5	11.4
Available Funds	\$ 463.4	\$ 467.0	\$ 499.2	\$ 537.3	\$ 570.2	\$ 603.0	\$ 618.8
Operating Requirements	189.3	189.3	202.9	213.2	223.8	233.6	242.6
Debt Service	189.1	188.0	205.7	219.8	220.5	236.9	237.8
Transfers Out	87.5	87.5	105.0	100.9	123.0	129.6	135.7
Total Requirements	\$ 465.9	\$ 464.8	\$ 513.6	\$ 533.9	\$ 567.3	\$ 600.1	\$ 616.1
Excess (Deficiency)	(2.5)	2.2	(14.4)	3.4	2.9	2.9	2.7
Ending Balance	\$ 44.2	\$ 73.9	\$ 59.5	\$ 62.9	\$ 65.8	\$ 68.7	\$ 71.4

Debt Coverage	1.51	1.53	1.50	1.53	1.62	1.61	1.63
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Questions?



City of Austin Financial Forecast

Austin Energy



May 9, 2012

Mission: *Deliver clean, affordable, reliable energy and excellent customer service.*



Major Accomplishments



- Rate review in progress
- Energy Resource Plan to 2020 adopted with Affordability Goal
- Purchased power contracts for 291 megawatts (MW) of coastal wind power
- 30 MW solar farm at Webberville online December 2011
- Successful conversion from Zonal to Nodal market
- Maintained excellent reliability during record breaking summer heat, setting new peak demand records
- Customer Care & Billing System online October 2011
- New customer service center in North Austin opened
- Maintained bond credit ratings
- Maintained and Improved System Reliability while meeting the needs of our growing service area



Horizon Issues



Challenges:

- Adjustment to Austin Energy's rate structure is needed to competitively position the utility for changes in the electric industry expected in the longer planning horizon
- Funding for power generation and improvements in the utility's infrastructure
- General Fund transfer policy
- Generation resource adequacy and drought conditions
- Aging and evolving workforce, an electric industry wide issue
- Critical infrastructure protection for NERC/CIP and technology changes

Progress:

- Rate review currently in progress with evaluation of financial policies
- Generation Plan continually evaluated and updated
- Investments in cyber security enhancements



FY 2013 Budget Highlights



- No new FTE's added until 2015
 - Vacancies approved by GM before posting to fill
- FY 2012 controllable cost remain fixed until 2014
- Revenue increase of \$71M per year assumed September 1, 2012



Proposed Rate Summary



- Plan for short-term & long-term financial stability & sustainability
- Assumes rate proposal in place by Sep 1, 2012 (\$7.8M in FY 2012)
- Funding from Reserves is needed to bridge the cash gap

\$127M Rate Proposal

Phase 2 \$31M
Rebuild Reserves (\$29M)

Remainder of rate (\$2M)
FY 2015
Phase 1 \$25M
Contracts expire
Industrials go to
published rates
5/2015
Phase 1 \$71M
No Reserves
9/2012

Transition Assumption for New Rates	Results	Operating Cash Forecast (in millions)	Reserve Forecast (in millions)
FY 2013 - \$71 million rate increase assumed	Non-compliance with Financial Policies	\$ 25	\$ 79
FY 2015 - \$31 million rate increase assumed	Non-compliance with Financial Policies	\$ 55	\$ 70
FY 2016 - \$25 million revenue increase as industrial customers contracts expire	Non-compliance with Financial Policies	\$ 55	\$ 93



5 Year Revenue Assumptions



Economic data for Travis County

Electric load forecast

- Average annual customer growth – 1.6%
- Energy sales average annual growth
 - Residential sales – 1.6%
 - Commercial sales – 0.9%
 - Industrial sales – 3.6%
 - System – 1.4%
- Average KWh usage per residential customer continues to decline
- Goal of 800 MW demand side management by FY 2020
- Sales forecast is weather normalized

Growth in revenue

- Rate increase; revenue requirements increase 12.5% by FY 2016
- Long-term contracts fix large customer rates (non-fuel) until May 2015

Recovery mechanism for rising transmission cost, ERCOT net settlement costs and fuel cost



5 Year Expenditure Assumptions



No new full-time equivalents (FTE) added in FY 2010 – FY 2014

- All vacancies must be approved by General Manager before posting to fill

City-wide labor cost increases (Salaries, health insurance, retirement contribution)

Contractual and commodity expenses

- Non personnel cost remain fixed until FY 2014 - then escalation of 3.5%

Transmission expense increases due to ERCOT requirements

Capital Improvement Spending Plan

- CIP debt funding increased due to cash constraints
- Continue to defer projects

Debt service requirements

- Existing debt service declines as new debt for capital program increases
- 4% interest rate on new debt, assuming our current bond rating

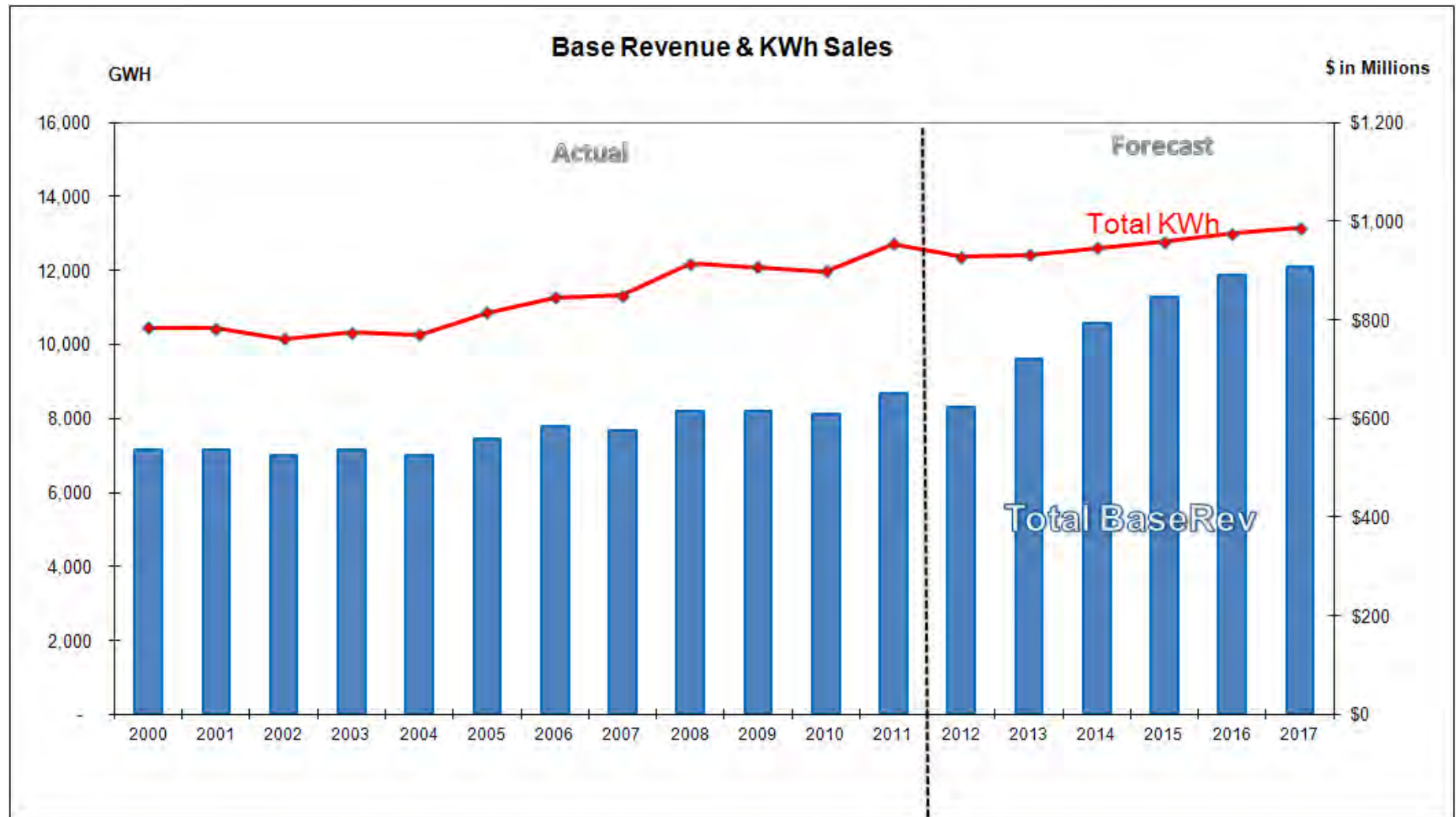
General Fund Transfer

- Proposed 12% on non-fuel revenue with minimum of \$105 million

Generation cost and unplanned outages are normalized



Base Revenue with kWh Sales

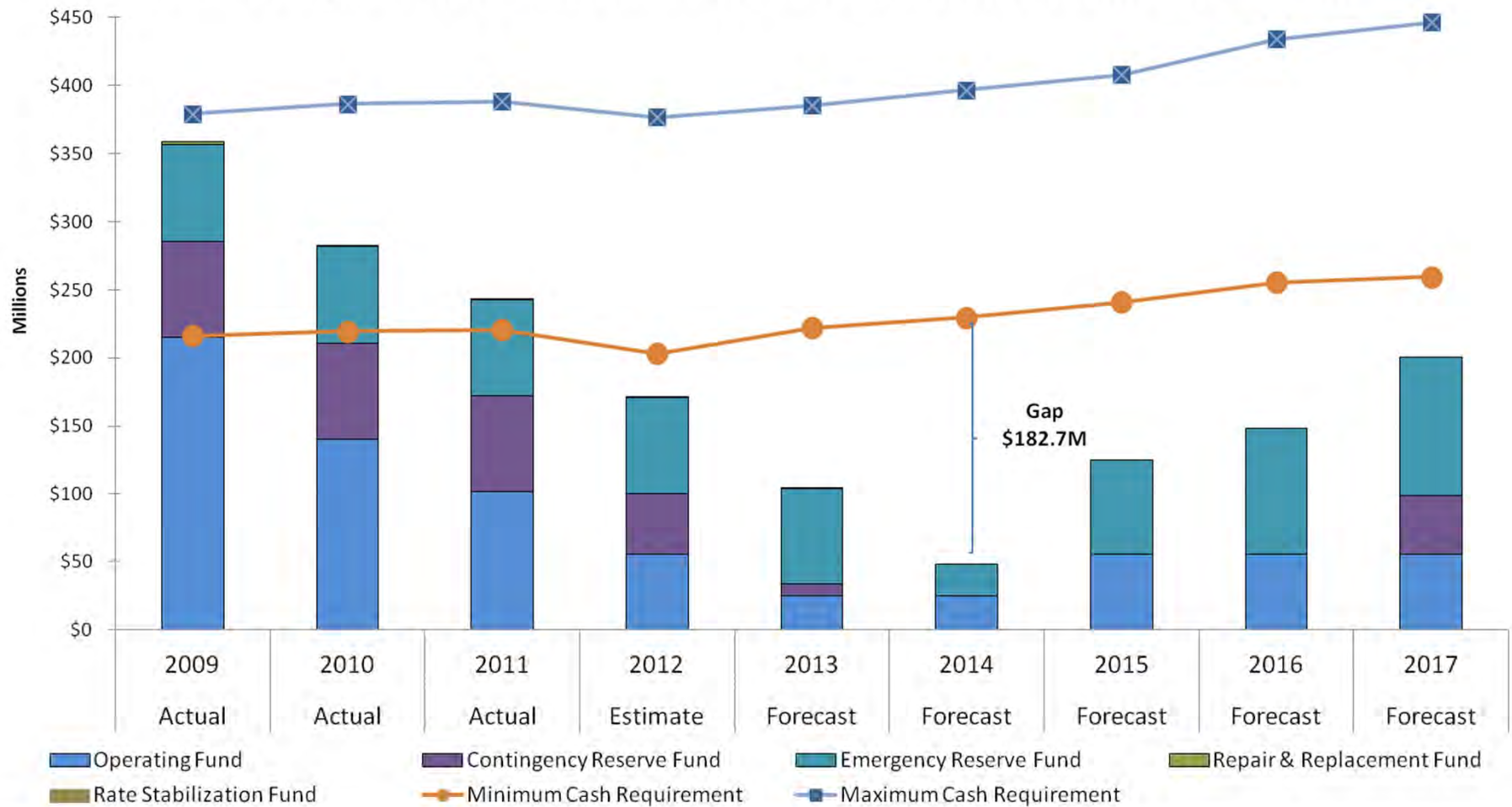




Cash and Reserves



Austin Energy Cash & Reserves Actual FY 2009-2011 with Forecast through FY 2017



AE uses on average \$3 million per day in operations.



Operating Cost Control



- No new FTEs in FY 2010, 2011, 2012, 2013, 2014
- \$12 million FY 2012 decreases in non-fuel requirements
 - Elimination of 6 vacant FTE's
 - Reductions to line clearance contracts
 - Reductions to billing costs for printing, supplies, postage
- FY 2013 Controllable Costs
 - Non-fuel operating requirements held flat at FY 2012 level
 - \$8.8 million reduction to cash funding of capital plan (increase debt funding ratios)
 - Lower capital plan and use of \$660,000 from over-funded Bond Retirement Reserve
- FY 2013 Budget Development
 - Continue work on cost reduction plan
 - Increase monthly cost monitoring to identify additional savings opportunities



FY 2013 Cost Drivers



Category	Estimated increase(decrease)	Description
Fuel Expenses	(30.2)	Decrease due to natural gas prices and usage for generation of electricity
Fayette Power Plant (coal)	5.5	Ownership share (50% - Units 1 & 2) of plant operating costs
STP Power Plant (nuclear)	18.4	Ownership share (16%) of plant operating costs, primarily due to planned maintenance
Transmission Expense	14.0	Rising costs for Texas Transmission Construction Program
Labor Related	5.0	City-wide cost increases for Health insurance (7%; \$1.2 million) and Salary Adjustments (3%; \$3.8 million)
Corporate Expense	2.9	2% retirement contribution (\$2.2 million), Communications & Technology Management updated
Administrative Support	1.1	Updated allocation for administrative support
Debt Service	6.1	Increase in debt service for interest on new 2012 debt and planned 2013 new debt
Transfer to Electric Capital Improvement Program	(8.8)	Decrease in cash funded portion of capital program

Modest economic growth and decline in average residential use, compared to recent past. Utility responded with cost management efforts since 2009.

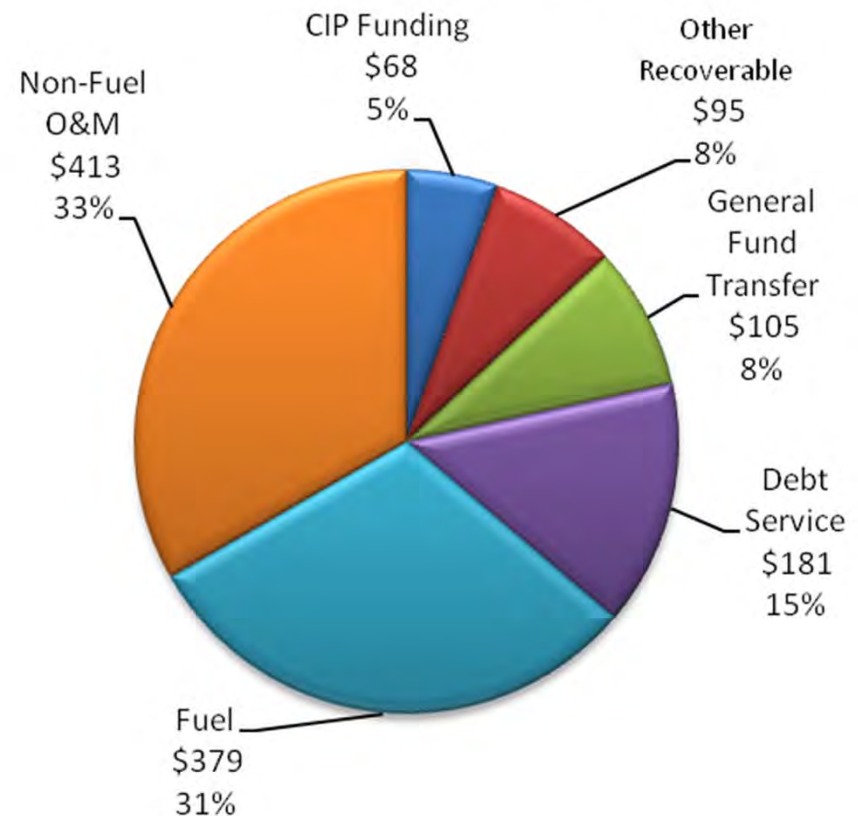


FY 2013 Total Requirements



- Operating & Maintenance (O&M)
 - *Fuel & Purchased Power (31%)*
 - *ERCOT , Transmission fees (8%)*
 - ***Non-fuel O&M (33%)***
- Capital Improvements (CIP)
 - *Debt Service (15%)*
 - *CIP Cash Funding (5%)*
- General Fund Transfer (8%)

FY 2013 Forecast \$1,241 M (in millions)





Capital Expenditure Deferrals



- FY 2010 CIP Plan reduced from prior 5-year plan
 - \$63 million defer Electric Service Delivery projects
- FY 2011 CIP Plan reduced from prior 5-year plan
 - \$24 million defer Electric Service Delivery projects
 - \$10 million eliminated contingency on Fayette scrubber project, as project nears completion
 - \$35 million fewer District Cooling projects due to economy
 - \$5 million reduction in solar PV for large rooftop lease
- FY 2012 CIP Plan
 - Deferred 200 MW expansion at Sand Hill Energy Center two years to FY 2015-2017 due to lower load forecast
 - Deferred building and/or buying renewable assets
- FY 2013 CIP Forecast Plan
 - \$1.15 billion five-year plan defers \$14 million in FY 2013 for Electric Service Delivery
 - Continue deferral of Generation construction or acquisitions



Forecast CIP 5-year Plan



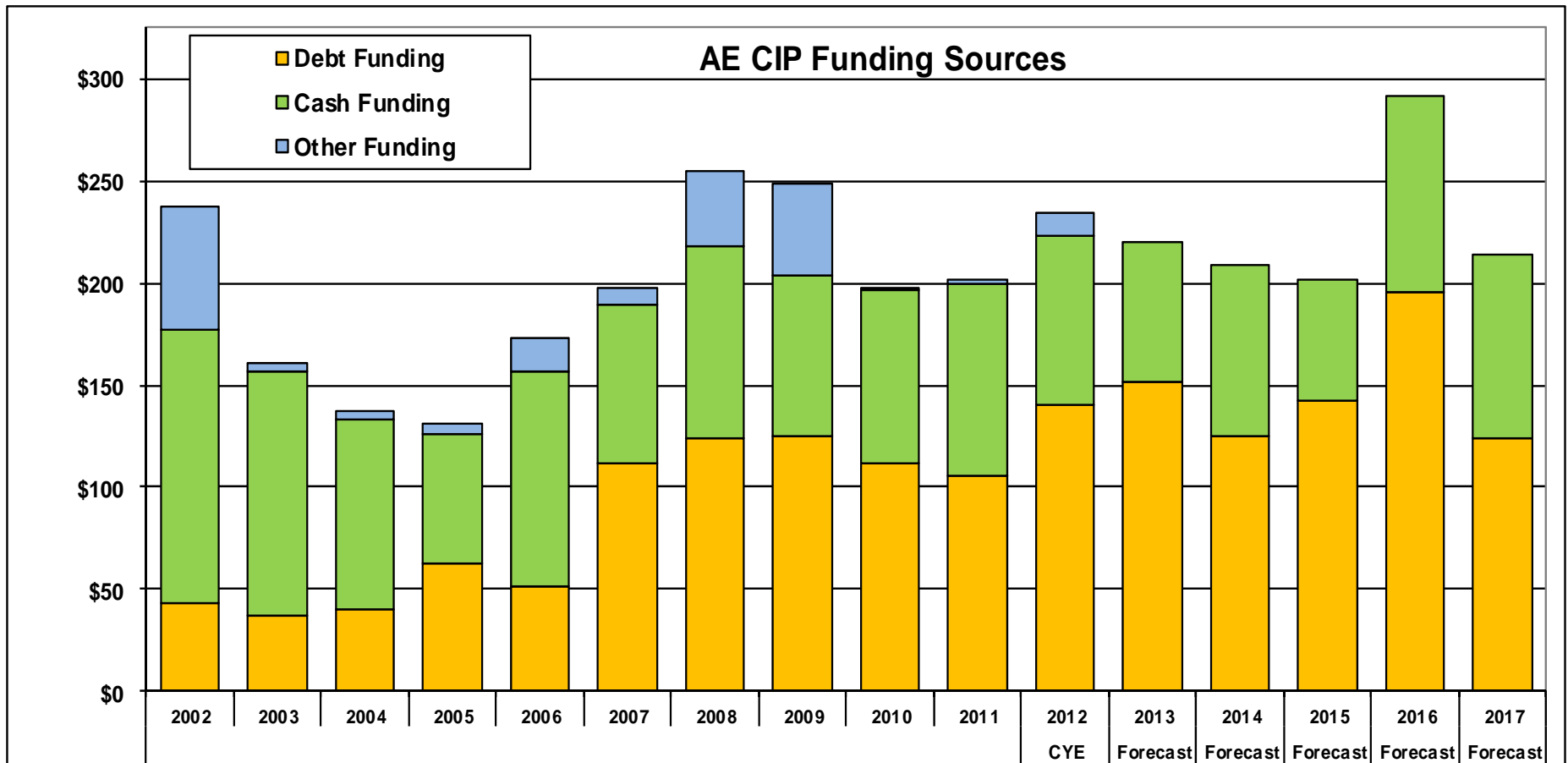
\$1.1 Billion Five Year Capital Spending Plan

\$ in Millions	Estimate						2013-2017
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Distribution	\$ 56	\$ 63	\$ 61	\$ 63	\$ 64	\$ 75	\$ 326
Distribution Substation	10	14	14	17	23	14	82
Transmission	22	43	65	15	15	65	203
Electric Service Delivery	88	120	140	95	102	154	611
Power Production	38	65	52	98	180	42	437
Customer Service Billing & Metering	4	4	4	4	4	4	20
Facilities, Technology & Support Services	59	31	16	10	17	17	91
Total	\$ 189	\$ 220	\$ 212	\$ 207	\$ 303	\$ 217	\$ 1,159

- Projects for power supply, reliability and customer service
- \$1,159 million 5-year plan with \$220 million in FY 2013
 - Electric Service Delivery - 53% of 5-year plan
 - Power Production - 38% of 5-year plan & includes 200 MW expansion at Sand Hill Energy Center in FY 2015-2017



AE CIP Funding Sources



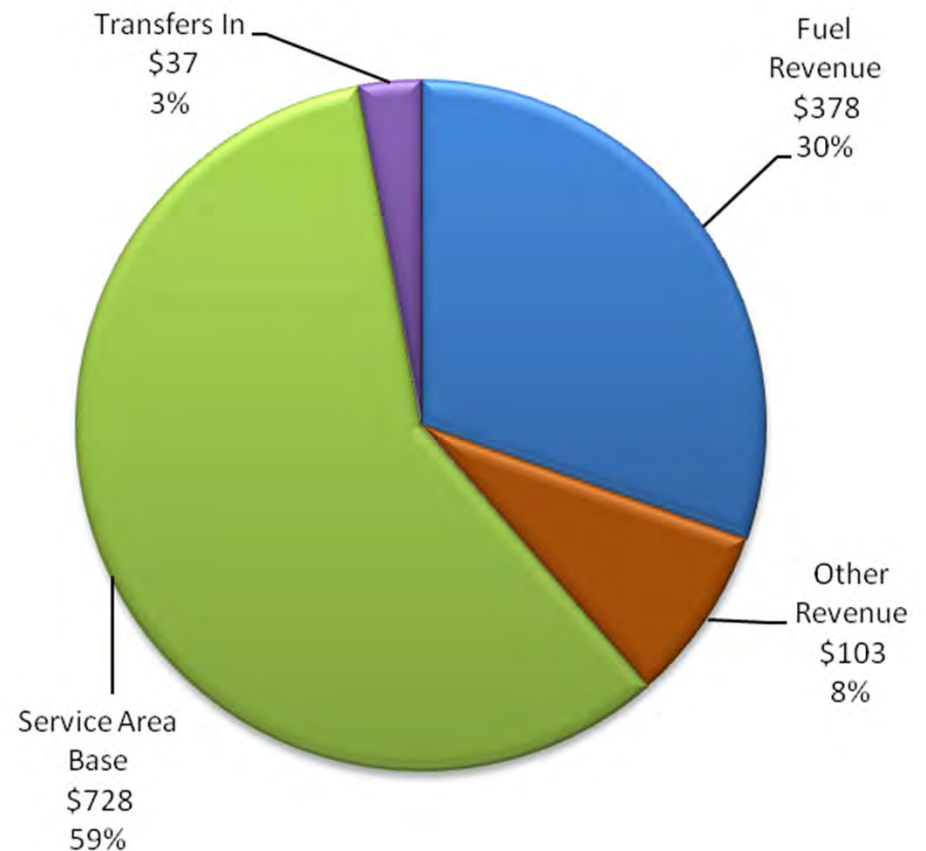


FY 2013 Total Available Funds



- Electricity Sales 59%
- Fuel Charge 30%
- Other Revenue 8%
 - *Transmission*
 - *Infrastructure Rental*
 - *District Cooling*
 - *Customer Fees*
 - *Interest Income*
- Transfers from Reserve Funds 3%

FY 2013 Forecast
\$1,246 M
(in millions)





Fund Summary Forecast



Fund Summary (Millions)	2011-12 Amended	2011-12 CYE *	2012-13	2013-14	2014-15	2015-16	2016-17
Beginning Balance	\$ 115	\$ 144	\$ 99	\$ 103	\$ 110	\$ 137	\$ 146
Revenue	1,139	1,147	1,210	1,236	1,313	1,404	1,456
Transfers In ***		25	37	56			
Available Funds	1,139	1,172	1,246	1,293	1,313	1,404	1,456
Fuel and Purchased Power	409	409	379	379	365	401	420
Other Recoverable	70	70	95	113	135	144	150
Operating Requirements	353	353	387	385	390	415	413
Debt Service	175	175	181	186	141	155	147
GFT	105	105	105	105	105	109	116
Transfers Out to Reserves	-	-	-	-	48	23	52
Other Transfers Out	1	1	0	0	0	0	0
Transfer to CIP	77	77	68	84	60	96	90
Other Requirements	28	28	26	34	42	51	60
Total Requirements	1,217	1,217	1,241	1,286	1,286	1,395	1,449
Excess (Deficiency)	(78)	(45)	5	7	27	9	8
Ending Balance	38	99	103	110	137	146	154
Strategic Reserve Fund	141	116	79	23	70	93	146
Total full-time equivalents **	1,706	1,706	1,706	1,706	1,715	1,723	1,732

*Budget 2012 + one month of rate increase (\$7.8M)

**FTEs include 47 for EGRSO

***Transfers in from Strategic Reserve



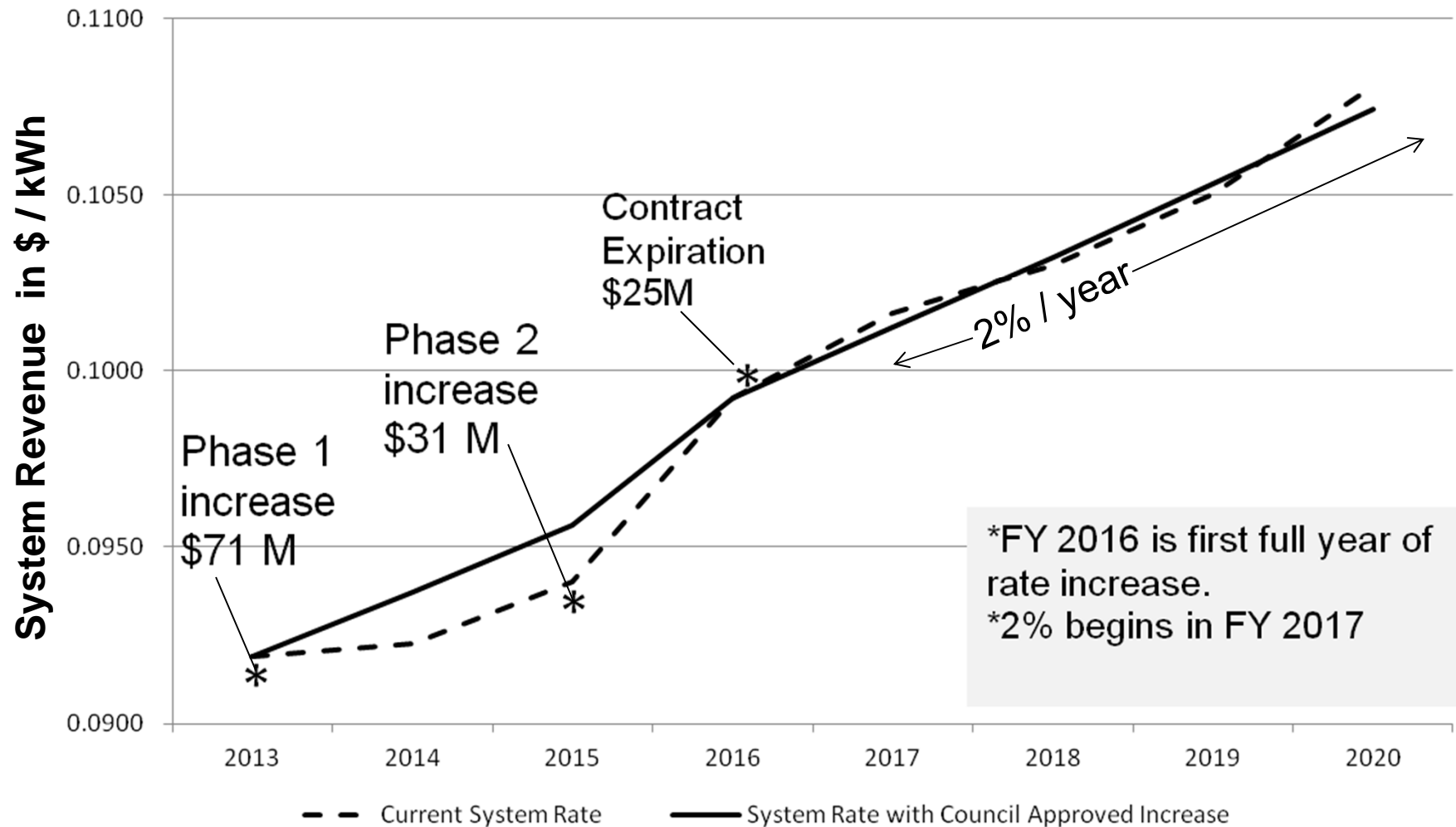
AE Financial Forecast Ratios



Austin Energy Financial Forecast Ratios					
	2013	2014	2015	2016	2017
Debt Service Coverage (DSC)					
Net Income before Depreciation & GFT	\$ 322,895,493	\$ 325,654,742	\$ 381,209,050	\$ 393,691,938	\$ 414,425,877
Debt Service	\$ 181,193,952	\$ 185,807,873	\$ 140,909,935	\$ 154,878,780	\$ 147,419,276
Traditional Debt Service Coverage	1.78	1.75	2.71	2.54	2.81
Debt / Equity Ratio					
Total Long-Term Debt	\$ 1,516,814,203	\$ 1,512,727,600	\$ 1,567,447,308	\$ 1,698,707,810	\$ 1,759,215,590
Total Equity	\$ 1,577,138,655	\$ 1,576,141,820	\$ 1,634,812,180	\$ 1,670,922,207	\$ 1,709,420,038
Debt / Equity Ratio	49%	49%	49%	50%	51%
Annual CIP Debt Funding	69%	60%	70%	67%	58%
Operating Funds - Days Cash on Hand					
Average Operating Fund Balance	\$ 40,086,243	\$ 25,000,000	\$ 40,000,000	\$ 55,000,000	\$ 55,000,000
Days Operating Funds on Hand	29	17	26	33	32



Affordability Graph

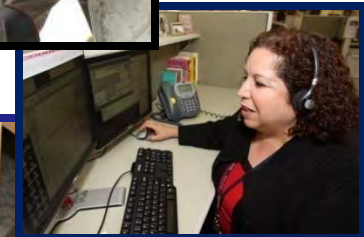




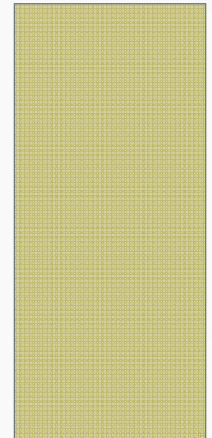
Questions or Comments

more information available at:

www.ci.austin.tx.us/financeonline/finance/financial_docs.cfm?ws=1&pg=1



ECONOMIC GROWTH AND
REDEVELOPMENT SERVICES OFFICE



MAJOR ACCOMPLISHMENTS

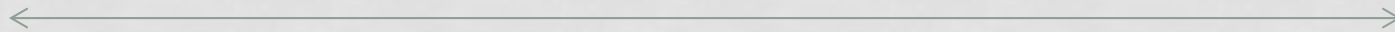
- Economic Development –
 - Apple Inc. – \$282.5M Investment, 3,635 jobs
 - U.S. Farathane - \$26.9M Investment, 228 jobs
- International Economic Development –
 - 64 unique international business and delegation visits
 - 380 international visitors
 - United Kingdom - Trade Mission
 - A virtual speed dating interaction
- Small Business Development Program –
 - U. S. Department of Housing and Urban Development \$8 million – Funding portion of the Family Business Loan Program
 - Launched Entrepreneurial Center for Small Businesses

MAJOR ACCOMPLISHMENTS

- Music -
 - Digital Resource Center
 - Plaza Saltillo Music Series:
 - Tex-Mex Tardeada
 - Tejanos at the Plaza
 - Music Venue Assistance Program - Case Studies
 - South by South West (SXSW)
 - Hosted 12 International Bands from 11 Countries at City Hall
- Cultural Arts –
 - The Economic Impact of the Creative Sector in Austin Study
 - Art in Public Places Completed Projects:
 - *Austin Animal Center: Every Place Is a History* by Brad Goldberg
 - *Austin Nature and Science Center: Arboreal Passage* by Colin McIntyre
 - *African-American Firefighters Memorial* by Jerald Don Evans

EGRSO OPERATING REQUIREMENTS AND SIGNIFICANT CHANGES

	FY12 Amended	FY13 Forecast	Variance
Requirements	\$9,969,437	\$11,311,510	13.5%
FTES	47.0	47.0	0%



<u>Category</u>	<u>Estimated Increases</u>	<u>Justification</u>
Base Personnel Costs	\$230,303	Accrued Payroll, Health Insurance, Market Study, Supplemental Retirement, Wage Adjustments, Worker Compensation
Administrative Support	\$1,060,470	EGRSO's allocation of Administrative Support previously report in Austin Energy
Office Rent	\$ 51,300	Contractual Rent Increases
<i>Totals</i>	<i>\$1,342,073</i>	

HORIZON ISSUES

- Review and implement economic development strategies to address jobs for the hard to employ
- Implement the International Economic Strategic Plan
- Coordinate an action plan in response to The Economic Impact of the Creative Sector in Austin Study
- Continue implementation of the 2009 Needs Assessment Study recommendations for Small Business services
- Implement the changes to Ordinance No. 20110210-029 Outdoor Music Venue Permit
- Amend the Art in Public Places (AIPP) Ordinance to preserve the 218 piece Art In Public Place Collections valued at \$8.1M

KEY PERFORMANCE MEASURES

<u>Measure</u>	<u>2009-10 Actual</u>	<u>2010-11 Actual</u>	<u>2011-12 Goal</u>	<u>2011-12 Estimated</u>
Number of New Jobs Created	1,550	1,689	500	3,853
Dollar amount of investment created through economic development efforts	36,300,000	13,000,000	30,000,000	309,500,000
Percent of Customers Satisfied with Business Solutions Center	100%	100%	100%	100%
Number of contracted technical assistance hours delivered	1,596	1,218	1,400	1,400

CHAPTER 380 PERFORMANCE BASED GRANTS

Company Name	Jobs Created/Retained	Company Investment
Home Depot Data Center	500	\$ 404,000,000
Alternative Technology Development Facility	325	100,000,000
Samsung Phase 1 and 2	1,200	7,600,000,000
Hewlett Packard Data Center	140	300,000,000
Friday Night Lights	463	32,500,000
HelioVolt	168	80,400,000
Hanger Orthopedics	269	6,700,000
LegalZoom	600	1,750,000
Facebook	200	3,150,000
eBay	1,000	4,940,000
The Advisory Board	239	8,100,000
US Farathane	218	27,000,000
Apple Inc.	<u>3,635</u>	<u>282,500,000</u>
Total	8,957	\$8,851,040,000

Questions



City of Austin Financial Forecast

Rate Summary & Next Steps



Major Rate & Fee Changes

Estimated fiscal impact of proposed rate and fee changes on “typical” residential rate payer:

	2012 Monthly Rate	2013 Projected Rate	Monthly Dollar Change	Typical rate payer defined as:
Austin Energy	\$91.62	\$96.83	\$5.21	<i>Based on average monthly residential customer usage of 1,000 Kwh</i>
Austin Water Utility	\$72.67	\$76.97	\$4.30	<i>The monthly average usage for a residential customer is 7,727 gallons of water and 4,699 gallons of wastewater</i>
Austin Resource Recovery	\$18.75	\$20.52	\$1.77	<i>A typical ARR residential customer uses a 64 gallon cart.</i>
Transportation User Fee	\$7.29	\$8.02	\$0.73	<i>per single-family home</i>
Drainage Utility Fee	\$7.75	\$8.35	\$0.60	<i>per single-family home</i>
Clean Community Fee	\$5.00	\$6.10	\$1.10	<i>per single-family home</i>
Property Tax Bill	\$73.06	\$75.85	\$2.79	<i>median priced home of \$182,228</i>
Total	\$276.14	\$292.64	\$16.50	average projected increase of 6.0%



Budget Timeline & Next Steps

May 18	Publication of Revised Menu of Potential Budget Reductions
May - June	Public Engagement and Budget Development
August 1	Proposed Budget Presented to City Council
August 15, 22	Budget Work Sessions
August 23, 30	Budget, Tax Rate and Utility Rate Public Hearings
September 10-12	Adoption of Budget & Tax Rate