

# **City of Austin**

Economic Outlook &  
Financial Forecast  
Presentations

Parks and Recreation Department  
Public Budget Meeting  
Parks and Recreation Board

May 22, 2012



# FY 2013 Budget Process

## Ongoing commitment to transparency and stakeholder engagement.

- Detailed reports published early in the process
  - citizen survey – October 2011
  - horizon issues update – March 2012
  - annual performance report and city dashboard – March 2012
  - unmet service demands report – April 2012
  - menu of potential budget reductions – May 2012
  - report on outcomes of community engagement – June 2012
  - proposed budget document – August 2012
  - all reports available at [www.austintexas.gov/finance](http://www.austintexas.gov/finance)
  
- 33-hours scheduled for Council discussion and input
  - city council policy retreat – Feb 29
  - financial forecast work sessions – April 18, May 2, 9
  - proposed budget work sessions – August 1, 15, 22



# FY 2013 Budget Process

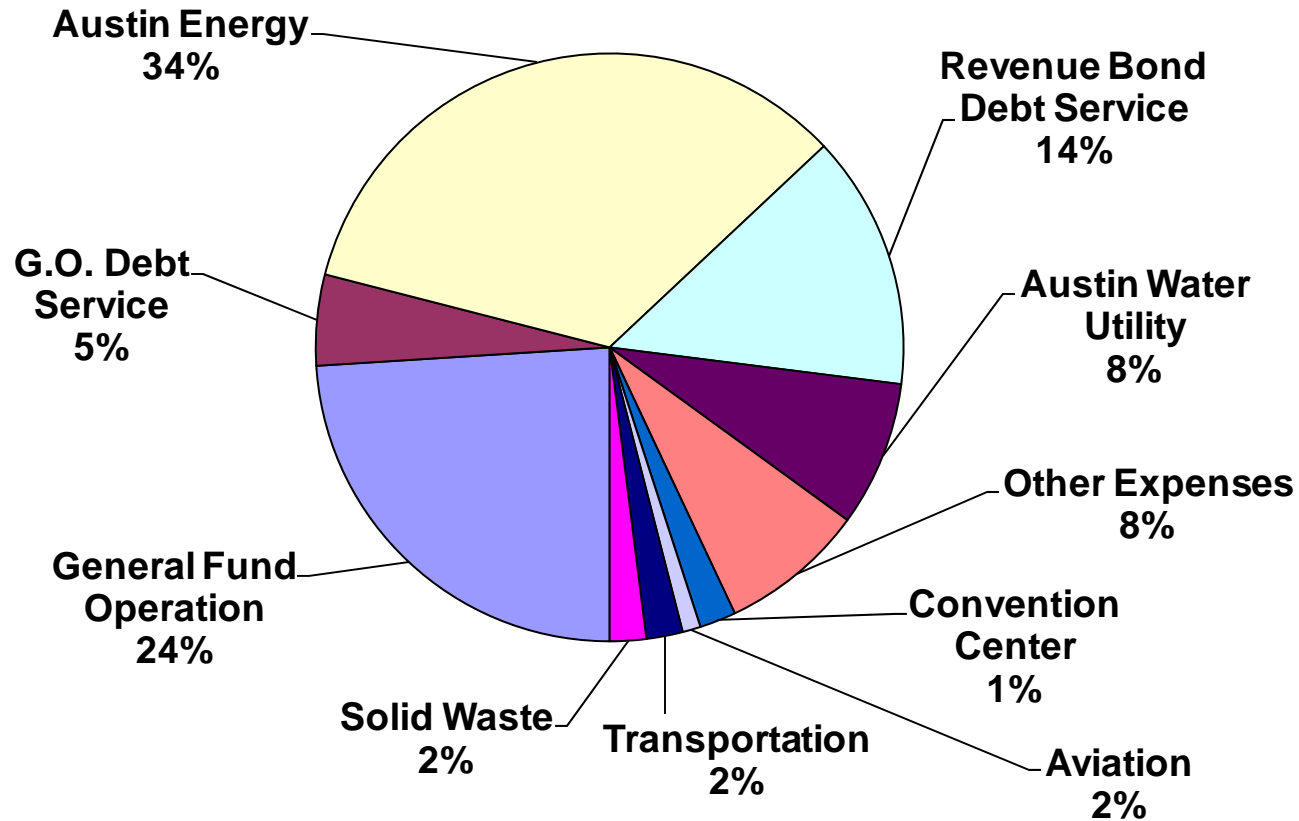
## Ongoing commitment to transparency and stakeholder engagement.

- Multiple opportunities for public involvement
  - 15 public budget meetings – May and June
  - public hearings on budget, tax rate, and utility rates – August 23, 30
  - online speakupaustin! community forum for ranking of unmet needs and potential cuts
  - new online budget priority setting application
  - new online public question and answer process
  - [www.austintexas.gov/finance](http://www.austintexas.gov/finance)
- Goal is an inclusive, transparent and data-driven approach to making budget recommendations



# All Funds Budget

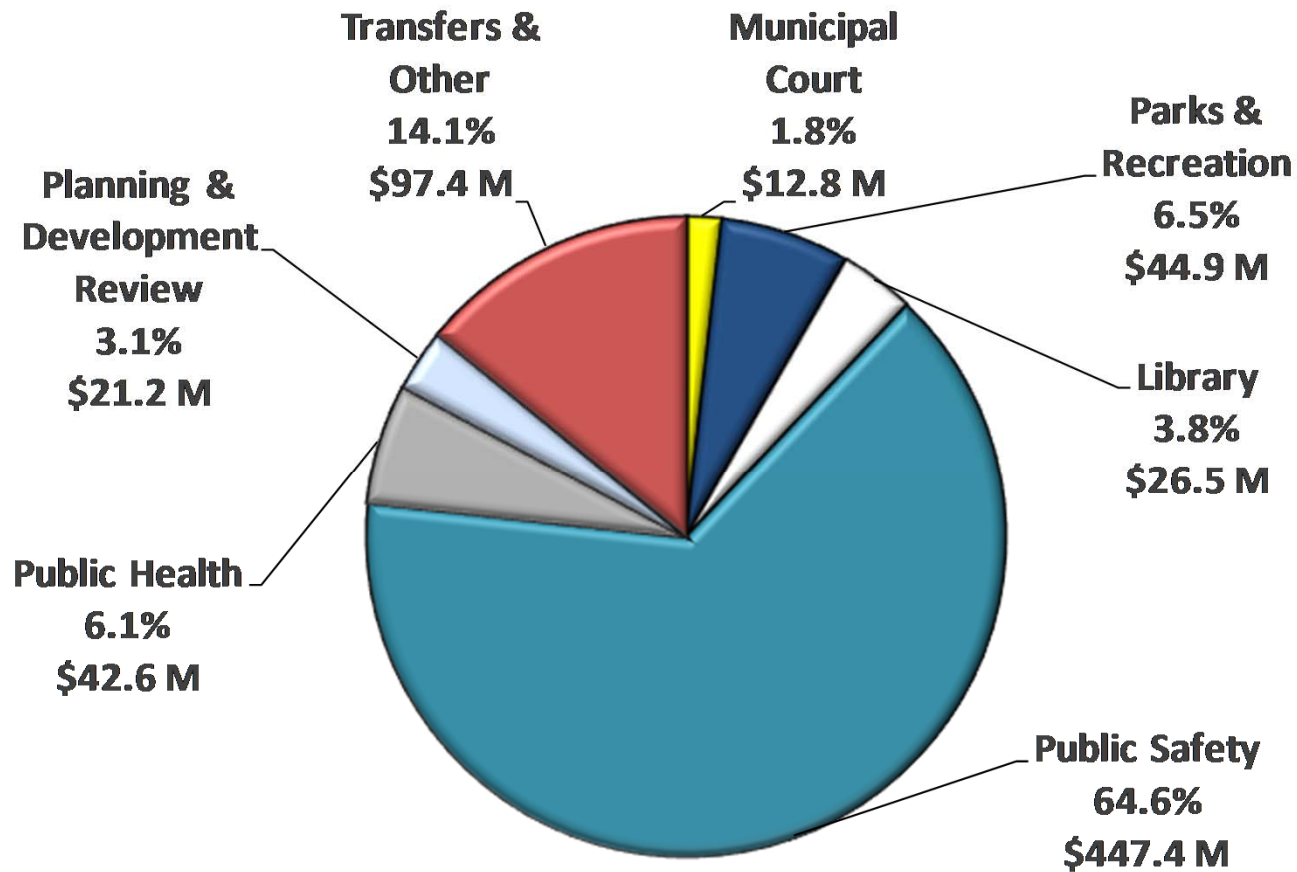
All City Funds Approved Uses of Funds FY 2011-12  
(\$2.8 billion)





# General Fund – Uses of Funds

Fiscal Year 2012 Amended Budget – \$692.8 Million

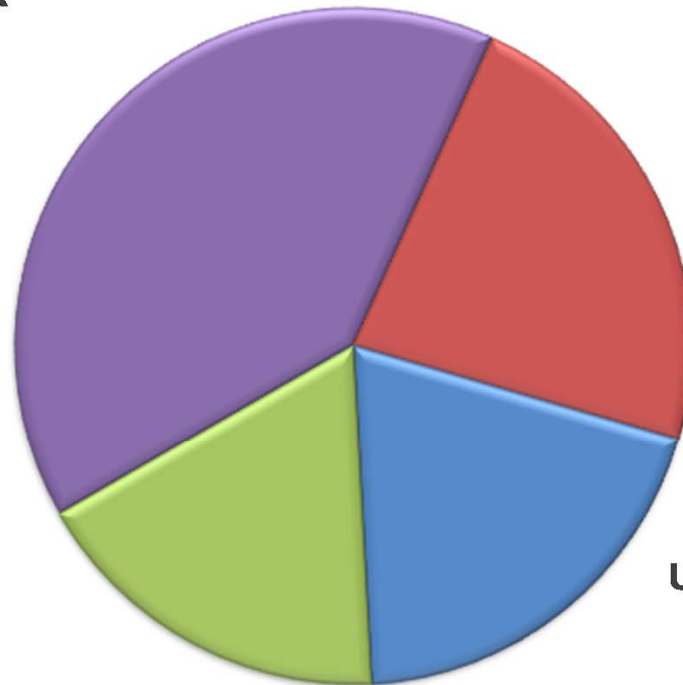




# General Fund – Sources of Funds

**FY 2012 Estimated General Fund Revenue \$697.2 Million**

**Property Tax**  
**40.1%**  
**\$279.4 M**



**Sales Tax**  
**22.8%**  
**\$158.7 M**

**Other**  
**17.5%**  
**\$122.2 M**

**Utility Transfers**  
**19.6%**  
**\$136.9 M**



# Projected New Revenue

Category	FY 2012 Amended Budget	FY 2013 Projected Budget	Change
Property Tax	279.4 m	313.3 m	33.9 m
Sales Tax	152.7 m	163.4 m	10.7 m
Utility Transfer	139.2 m	140.0 m	0.8 m
Other Revenue	121.6 m	121.9 m	0.3 m
<b>Total New Revenue</b>	<b>692.8 m</b>	<b>738.5 m</b>	<b>45.7 m</b>

- property tax rate – 1.8 cent increase assumed for FY 2013
- sales tax – YTD growth = 7.3%; 3% projected for FY 2013
- utility transfer policies – electric 9.1%; water 8.2%
- other revenue – development revenue, franchise fees, fines, charges for service and interest



# FY 2013 Cost Drivers

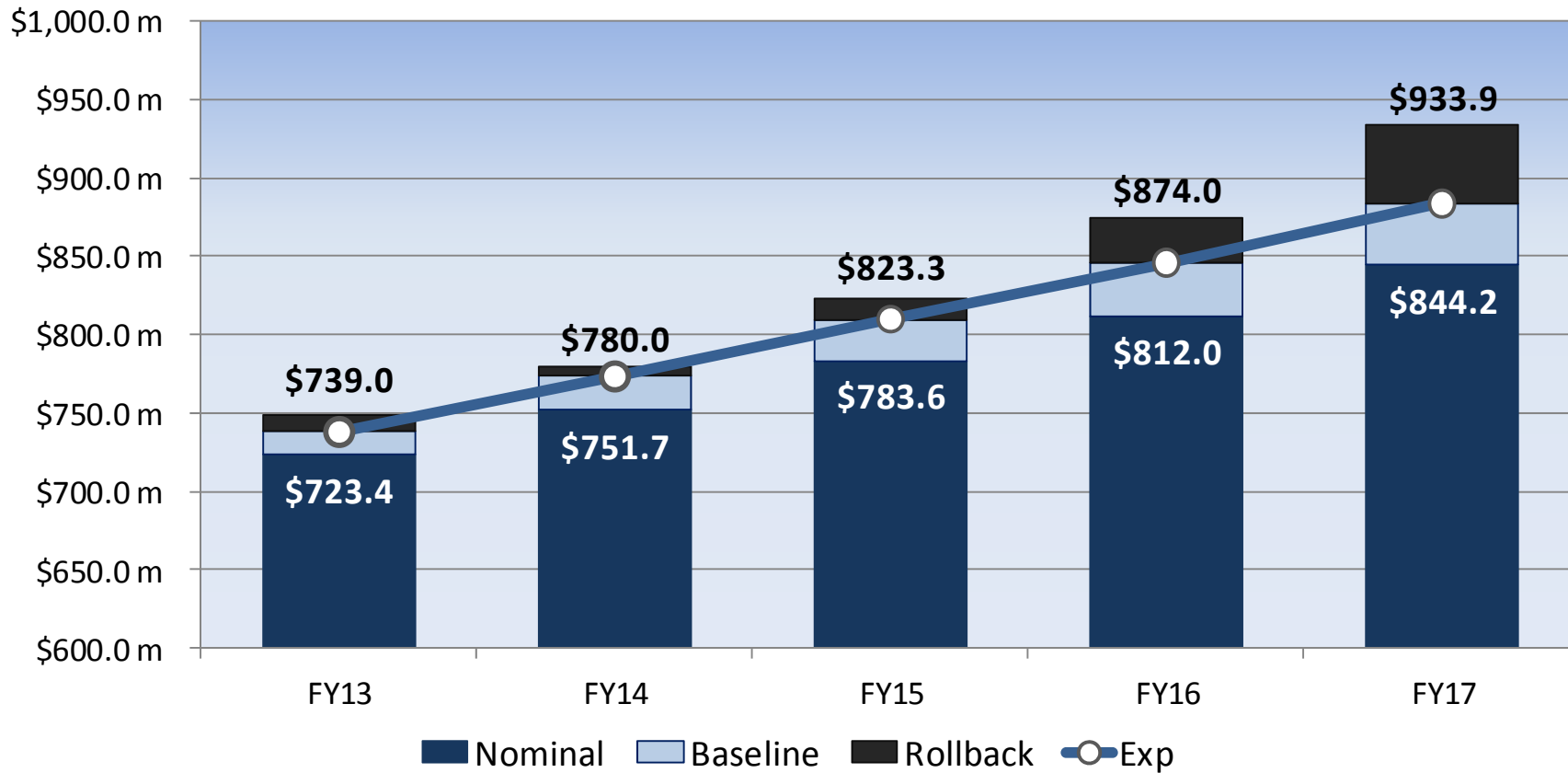
<u>Category</u>	<u>Estimated Increases</u>	<u>Justification</u>
Uniformed Personnel	\$20.4	<ul style="list-style-type: none"> <li>* police, fire &amp; EMS contracts / provisions</li> <li>* police &amp; fire step / longevity</li> <li>* 2.0 officers per 1000 - police</li> <li>* 4-person staffing - fire</li> <li>* overtime</li> <li>* annualized costs of positions added in FY 2012</li> <li>* health insurance</li> </ul>
Non-Uniformed Personnel	\$10.7	<ul style="list-style-type: none"> <li>* civilian wage adjustments</li> <li>* pension funding</li> <li>* health insurance</li> <li>* positions related to Asian American Resource Center &amp; Genealogy Center at Carver Museum</li> </ul>
Other Departmental Costs	\$3.4	<ul style="list-style-type: none"> <li>* outside contract increases</li> <li>* facility openings</li> <li>* ATCIC funding</li> <li>* fleet fuel and maintenance</li> <li>* personal protective equipment inspections - fire</li> </ul>
Transfers / Other Requirements	\$11.2	<ul style="list-style-type: none"> <li>* workers compensation, accrued payroll, liability reserve</li> <li>* support services fund</li> <li>* communication &amp; technology management</li> <li>* economic incentive reserve fund</li> <li>* reduced transfer to transportation fund &amp; code compliance</li> </ul>
<b>Totals</b>	<b>\$45.7</b>	





# Forecast Scenarios

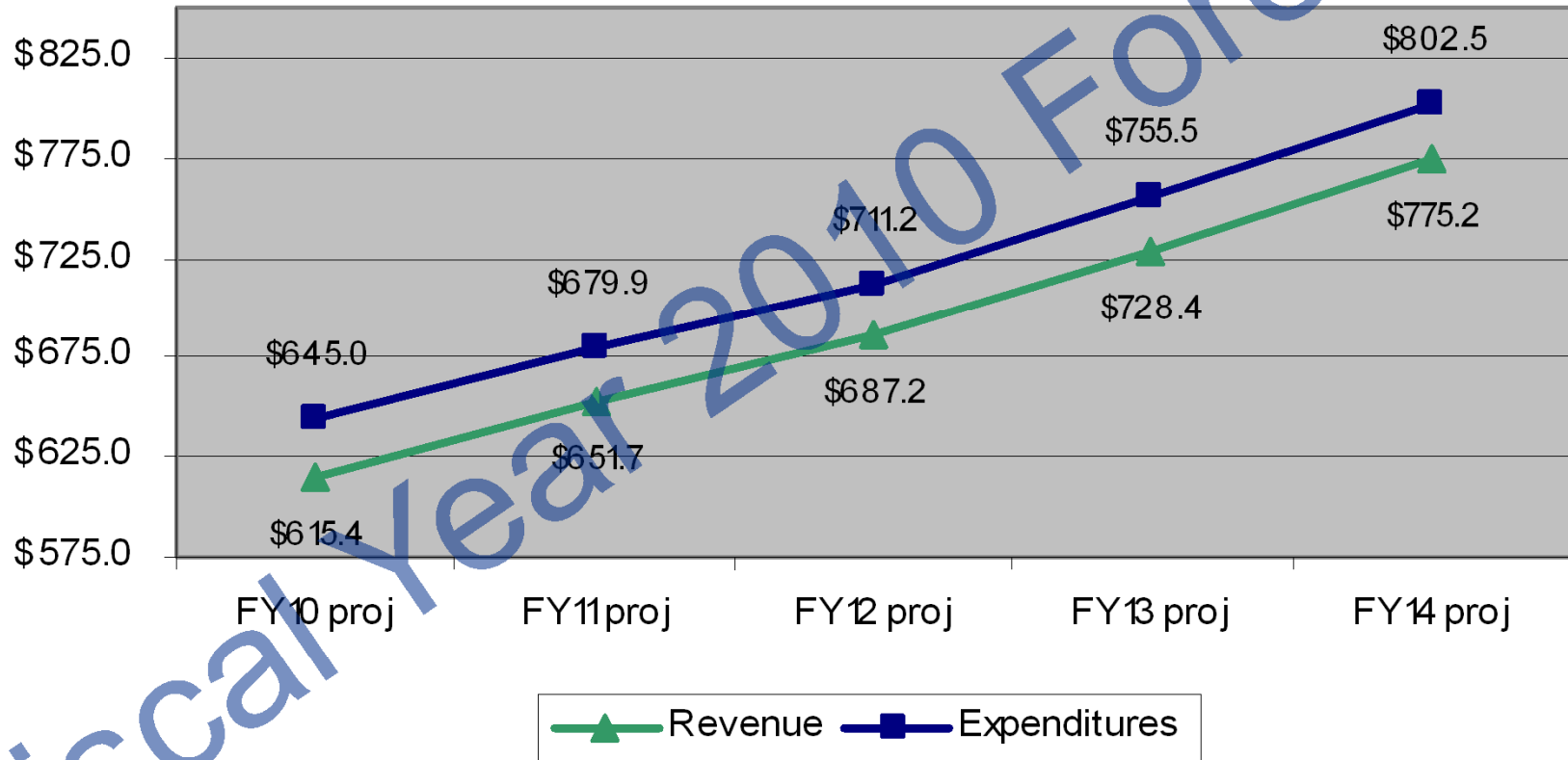
## Projected Baseline Expenditures vs. Revenues



# Revenue to Expenditures

## Projected General Fund Expenditures and Revenue

millions



\* FY2009-14 revenue projections show rollback property tax rate.





# Cost Containment Strategies

- Previous three budget cycles:
  - renegotiated labor contracts
  - eliminated FY 2010 wage increases and delayed market studies
  - eliminated 178 non-essential vacant positions
  - implemented a 2<sup>nd</sup> tier (lower cost) pension plan for new hires
  - reduced APD overtime budget by \$1 million
  - cut or eliminated various non-essential services including library and pool hours, supervised playground sites and the Trail of Lights
  
- FY 2013 cost containment strategies
  - reviewing cost estimates for employee health insurance, pay & benefits and workers' compensation
  - \$2.8 million menu of potential budget reductions
  - no layoffs
  - no impacts to front-line public safety services
  - also monitoring revenues – particularly sales tax and development



# Unmet Service Demands

- Department requests total \$24.6 million and 222 positions
- Highlights include:
  - funding to offset reduction in CDBG/HOME grants
  - funding for expiring grant positions in health & human services
  - 911 call takers and additional communications support staff
  - additional staffing for the one stop shop
  - maintenance of parks and park facilities
  - animal services center staffing
  - library services staffing
  - fire prevention activities
  - support services staffing for public safety departments
  - emergency medical services demand units



# 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>
<b>Total</b>	<b>\$276.14</b>	<b>\$292.64</b>	<b>\$16.50</b>	<b><i>average projected increase of 6.0%</i></b>



# Budget Timeline & Next Steps

<b>Feb 29</b>	Council Retreat
<b>April 18, May 2, 9</b>	Department Forecast Presentations
<b>May 18</b>	Publication of Revised Menu of Potential Budget Reductions
<b>May - June</b>	Public Engagement and Budget Development
<b>August 1</b>	Proposed Budget Presented to City Council
<b>August 15, 22</b>	Budget Work Sessions
<b>August 23, 30</b>	Budget, Tax Rate and Utility Rate Public Hearings
<b>September 10-12</b>	Adoption of Budget & Tax Rate



## Questions / Comments

more information available at:

[www.austintexas.gov/finance](http://www.austintexas.gov/finance)