

City of Austin, Texas

Five-Year Financial Forecast and Economic Outlook: 2015-2019



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HIGHLIGHTS

- **Lower Property Tax Rate in FY 2014-15 and Long-term Financial Stability**

The Financial Forecast projects an FY 2014-15 property tax rate of 49.57 cents per \$100 of assessed value, a 0.7-cent reduction from the FY 2013-14 rate of 50.27 cents. Continued structural financial stability is forecasted through FY 2018-19, at property tax rates significantly below the rollback threshold.

- **Continued Commitment to Exemplary Public Safety Services**

To maintain high quality public safety services in the face of rapid population growth, the Financial Forecast anticipates the addition of 187 new police officers and 16 firefighters over the next five fiscal years. 59 new police officers are forecast for FY 2014-15.

- **Increase in Austin Water Utility Rates Required**

As a result of lower water consumption from the community's response to the historic drought and the Utility's conservation efforts, per capita water usage is declining markedly in Austin. In order to maintain the financial stability of the utility, AWU is forecasting a larger rate increase than typical in FY 2014-15.

- **Stable Outlook for Austin Energy**

Austin Energy does not plan a base rate increase in FY 2014-15 and forecasts only modest increases in FY 2015-16 and FY 2017-18. Over the course of the forecast period, AE projects continued financial stability allowing for the replenishment of reserves to levels stipulated in the City's financial policies.

- **Strong Commitment to our Workforce**

In an effort to continue to attract, retain, and reward world-class employees, the Forecast includes a 3.5% wage adjustment for civilian employees in FY 2014-15, and 3% in the subsequent out years. Wage increases for sworn personnel are included at levels stipulated by their respective labor contracts.

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Document Guide








The Financial Forecast and Economic Outlook Report: 2015-2019 focuses on FY 2014-15 while illuminating critical issues facing departments over the next five year horizon. The report is divided into several sections. The first section discusses the City's financial outlook from an aggregate perspective, highlighting issues and cost assumptions shared by all City enterprises. New for this year, the Forecast Report includes discussions on Citywide staffing projections over the report horizon. Property taxes and utility fees are then examined with an eye toward total cost burden for City residents. This analysis covers tax rates for all five local taxing jurisdictions as well as City utility rates and enterprise fees.

An overview of the General Fund is presented documenting revenue and expenditure projections over the next 5 years. The discussion begins with an analysis of the General Fund's major revenue categories: property tax, sales tax, development revenue, and transfers in from the utilities. Projections on General Fund expenditures are then provided with the major highlights by department.

Information on Austin Energy, the Austin Water Utility and other funds follow the General Fund section. The narratives are organized similarly, starting with a discussion of expenditures and staffing, moving on to revenue and rates, and culminating with a review of the fund's projected financial health.

The final two report sections contain the Austin MSA April 2014 Economic Forecast provided by Texas Perspectives and fund summaries for all funds highlighted within this report. Fund summaries are rounded to the nearest 100 thousand dollars.

Timeline

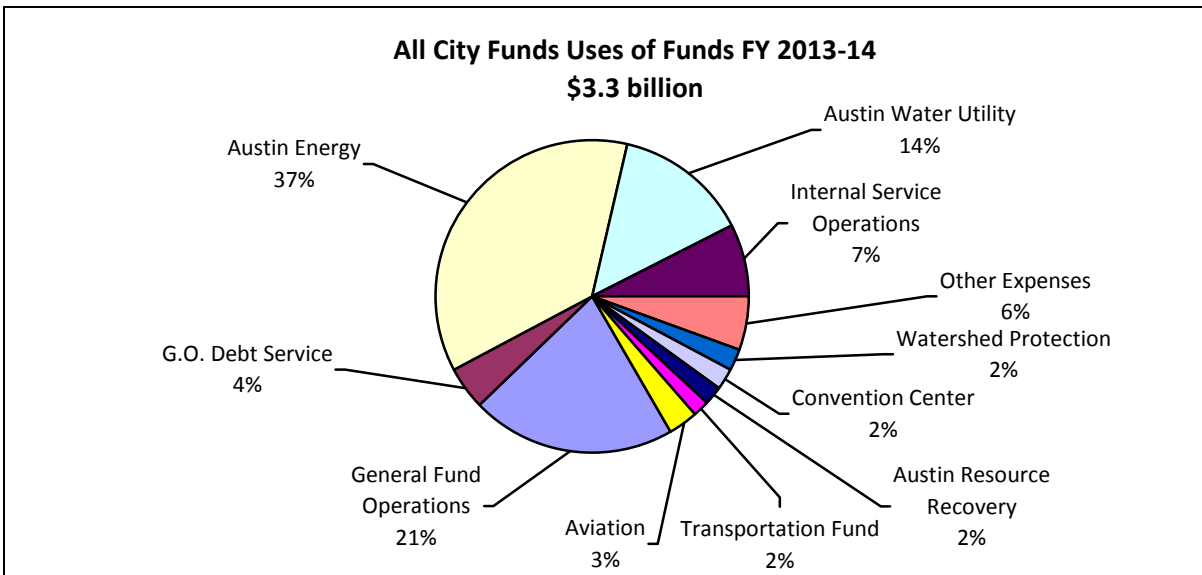
 <u>April 24</u>	Presentation of Financial Forecast to Council
 <u>May 8</u>	Council Work Session: Forecast Q&A
 <u>July 31</u>	Presentation of Proposed Budget to Council
 <u>August 7</u>	Department Budget Presentations Available
 <u>August 13</u>	Council Work Session: Department Budgets
 <u>August 21 & 28</u>	Public Hearings: Budget and Rates
 <u>September 8-10</u>	Budget Adoption

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Citywide Cost Drivers

The City of Austin's annual operating budget for FY 2013-14 totals \$3.3 billion, comprising operations ranging from typical municipal services such as public safety, infrastructure maintenance, trash removal, parks maintenance, and library operations to the more specialized functions of our electric and water utilities, convention center, and airport.

The chart below gives a broad overview of the City's major expenditures, organized by fund. Combined, Austin Energy and the Austin Water Utility account for just over 50% of the City's total budget, while the General Fund—which pays for Police, Fire, EMS, Parks and Recreation, Libraries, Health and Human Services, Animal Services, Planning and Development, and Municipal Court—constitutes 21% of this budget.



While each of the City's enterprises has its own unique funding requirements, there are a number of cost drivers—such as health insurance, fleet maintenance, fuel costs, and wage increases—that are shared by all departments. This section discusses these items in the aggregate; more detailed, department-specific expenditure information is provided later in the report.

Wages and Other Compensation

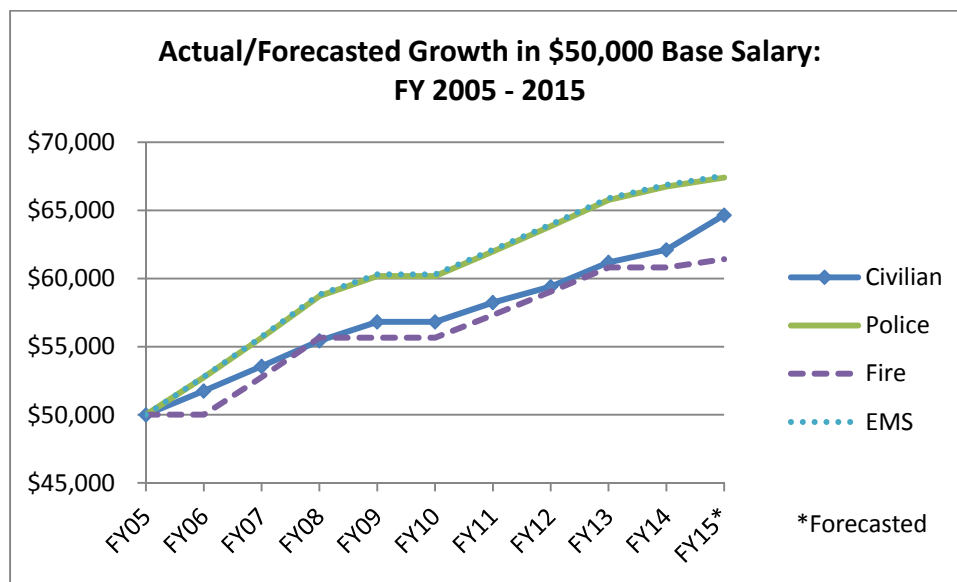
In the FY 2014-15 Forecast, a 3.5% base wage increase for civilian personnel is anticipated. Additional civilian wage increases reflect the annualized cost of a \$750 salary increase for all civilian employees, which took effect on April 1, 2014, approved by Council in the FY 2013-14

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Budget. Further base wage increases of 3% for civilians are assumed for each of the subsequent out years of the forecast period.

Sworn employees of the City's three public safety departments receive wage increases in accordance with negotiated labor contracts. Sworn EMS employees and Austin Police Association members will receive base wage increases over the next three years of 1%, 1%, and 2%, respectively, as established in labor contracts approved in 2013. Both groups will also continue to receive additional salary enhancements through Step and Longevity pay policies. Although the City does not have a current contract with the Austin Firefighters' Association, the Forecast maintains a placeholder for potential wage increases for sworn firefighters at the levels included for sworn Police and EMS.

As can be seen in the graph below, the City has made significant investments in its workforce over the past decade.



Medical and Dental Insurance

Contributions to the Employee Benefits Fund for healthcare expenses are anticipated to grow by 8% in FY 2014-15 and by 10% annually for the remainder of the forecast. This growth rate is conservatively projected based on the City's recent historical experience. Per-employee contributions to the Employee Benefits Fund have grown at a compound annual rate of 6.1% over the past ten years, and in four of those years the annual increase was greater than or equal to 8%. While employee healthcare will remain one of the City's most significant cost drivers, a study recently commissioned by the Human Resources Department and conducted by consultant Towers Watson showed that growth in the City's healthcare expenses has been below the industry average for the past several years.

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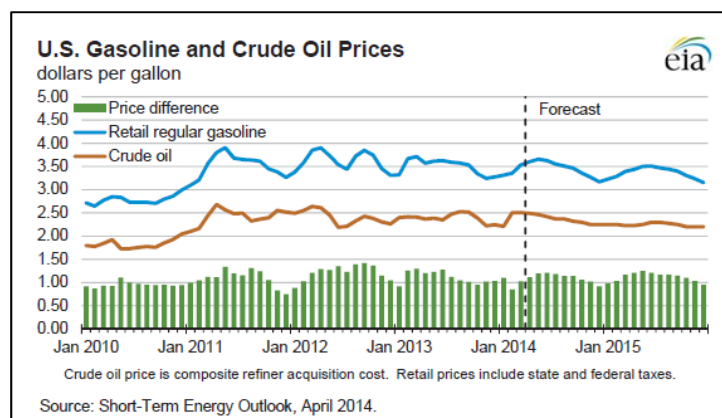
Retirement Benefits

The FY 2014-15 Forecast projects financial stability in all three of the City's retirement systems: the Employees' Retirement System (ERS), the Police Retirement System (PRS), and the Firefighters' Retirement System (FRS). The City's contribution rates to these systems are currently 18%, 21.63% and 22.05% of employees' salaries, respectively, and are projected to remain at these levels throughout the forecast period. Sworn EMS and all civilian employee contributions to the ERS are forecasted to remain fixed, at 8% of salary. Contribution rates for active FRS members currently stand at 17.2% of base salary. This contribution rate is scheduled to increase to 17.7% in FY 2014-15, 18.2% in FY 2015-16, and to 18.7% in FY 2016-17 and subsequent out years. Police officers currently contribute 13% of their salary to the PRS; this contribution rate is expected to remain fixed throughout the forecast period.

Fuel and Fleet Maintenance

The City of Austin maintains a diverse and extensive fleet of vehicles to meet the operational needs of our diverse government services. The Fleet Services department has experienced a rising demand for preventative maintenance, primarily due to the increasing number of vehicles in the fleet. As a result, In FY 2014-15, fleet maintenance costs are projected to grow at a 10% annual rate throughout the forecast. Fleet maintenance cost estimates will continue to be refined throughout the budget development process as specific department-level needs are evaluated and incorporated.

The City's fuel costs projections are based largely on pro-jections calculated by the U.S. Energy Information Administration for unleaded, diesel and propane. As illustrated in this graph, gas prices are expected to level out over the short-term. However, Citywide fuel costs are forecasted to increase 3% in FY 2014-15, which is again primarily the function of a growing fleet. The additional costs will also cover a portion of the Fleet department's administrative expenses.



Utility Costs

Austin Energy does not plan a base rate increase in FY 2014-15 and anticipates very modest increases in FY 2015-16 and FY 2017-18. The other components of electric rates that impact City departments and all AE customers are the Community Benefit Charge—which covers the Customer Assistance Program (CAP), servicing of area street lighting and the Energy Efficiency Program (EEP)—and the Regulatory Charge—which is a straight pass-through to consumers

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for costs approved by the Public Utility Commission and other regulatory agencies. Changes to the Community Benefit Charge are largely driven by Council action changing the CAP or EEP. At this time, no assumptions for an increase in these programs are being included in the Forecast. A \$50 million increase in the Regulatory Charge is projected over the five years. The Power Supply Adjustment (PSA), also a direct pass-through to consumers, does not affect City departments since all City accounts pay a premium to be on Green Choice and, therefore, are not subject to the PSA.

The Austin Water Utility projects that rate increases will be needed over the forecast to maintain structural financial stability of its operations, including a significant increase in FY 2014-15. To ensure departments would not be negatively impacted by the prospective increase, utility payments were compared with budgeted amounts. In all but our highest two user-departments—Austin Energy and PARD—current budget levels are sufficient to cover the rate increase. An additional \$100,000 is being added to the Golf Fund to cover the cost of watering golf courses. AE is projecting to increase its budget for water and wastewater in FY 2014-15 to \$2.9 million. This is due to increased rates for reclaimed water used at the Sand Hill Energy Center (\$200K increase) and a combination of increased rates and usage for the chilled water operations at on-site energy plants (\$325K increase).

Bad Debt Expense

With the implementation of a new Customer Care and Billing (CC&B) system, the City did not pursue the collection of past-due accounts while the system was being stabilized in order to give adequate time to verify the accuracy. This, in combination with Council direction to delay service cut-offs for nonpayment, resulted in an increase in the number of longer-term delinquent accounts. As a result, the amount the City was unable to collect from past-due accounts peaked at just over \$24 million in FY 2012-13, \$15 million higher than budgeted. Austin Energy provides billing services through CC&B for all City utilities including AWU, ARR, the Transportation User Fee, the Drainage Utility Fee and the Clean Community Fee. For FY 2013-14, bad debt expense is estimated to remain at \$24 million. Over the forecast, this lost revenue due to failure-to-pay is projected to gradually return to pre-CC&B-implementation levels. The table below shows actual and projected bad debt expense by department from FY 2012-13 through FY 2018-19.

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Austin Energy	\$17.2	\$17.2	\$14.4	\$11.7	\$9.0	\$6.2	\$3.5
Water	\$1.7	\$1.7	\$1.6	\$1.5	\$1.4	\$1.3	\$1.2
Wastewater	\$1.3	\$1.3	\$1.3	\$1.3	\$1.2	\$1.2	\$1.1
Austin Resource Recovery	\$1.8	\$1.8	\$1.6	\$1.4	\$1.2	\$1.0	\$0.8
Watershed (Drainage)	\$1.3	\$1.3	\$1.3	\$1.2	\$1.1	\$1.0	\$0.9
Transportation	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9
Total (millions)	\$24.3	\$24.3	\$21.1	\$17.9	\$14.8	\$11.6	\$8.5

Staffing Projections

Staffing costs represent the single largest component of the City's Budget, and an accurate projection of future staffing levels is essential to forecasting expenditure growth. This section details existing positions and projected changes in the City's Financial Forecast.

The City of Austin currently has 12,709 full-time equivalents (FTEs) authorized. Of those, 5,964 are budgeted in the General Fund; 5,069 in enterprise departments; 1,362 in internal service funds; and 314 in grant funds. Over the course of the next five years, staffing levels Citywide are forecasted to increase 4.1%, or 526 FTEs. The table shows staffing growth projections over the forecast by department.

Staffing projections for General Fund departments do not include any positions required to implement new programs or enhance service levels. However positions have been included to address service demands arising from newly annexed areas, a growing population, and the opening of new facilities. Notable staffing additions for General Fund Departments are:

- 68.25 positions between FY 2015-16 and FY 2017-18 associated with the opening of the new central library in November 2016;
- 187 new police officers over the next five years, including 59 in FY 2014-15, to keep pace with the City's projected population growth;
- 36 firefighter positions, previously funded by an expiring SAFER grant, are being transferred to the General Fund in FY 2014-15; and,
- 16 new firefighters in FY 2016-17 to staff the Onion Creek Fire Station, which is expected to be completed and ready for operation by June 2017.

Notable staffing additions for Enterprise Departments over the forecast time horizon include:

- 17 positions in Aviation in FY 2014-15 to support the new shared-use gate system and to manage increased demands for traffic control and security services attributable to growth in passenger activity and construction of new facilities;
- 136.75 positions over the next 5 years in the Austin Water Utility but none in FY 2014-15 as the utility is delaying implementation of its 5-year staffing plan one year; and
- 10 new positions per year are forecasted for Austin Energy beginning in FY 2015-16.

More detailed information regarding these staffing increases is provided later in the report in a more specific discussion of each department's forecasted needs.

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Personnel Summary: Projected Full-Time Equivalents by Department

Department/Fund	FY 2014 Approved	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	FY 2019 Forecast
Animal Services	95.50	95.50	95.50	95.50	95.50	95.50
EMS (Non-Sworn)	74.50	73.50	73.50	73.50	73.50	73.50
EMS (Sworn)	476.00	480.00	480.00	480.00	480.00	480.00
Fire (Non-Sworn)	83.00	83.00	83.00	83.00	83.00	83.00
Fire (Sworn)	1,093.00	1,129.00	1,129.00	1,145.00	1,145.00	1,145.00
Health & Human Services	204.75	204.75	204.75	204.75	204.75	204.75
Library	359.05	359.05	408.30	416.30	427.30	427.30
Municipal Court	165.75	165.75	165.75	168.75	168.75	168.75
Parks and Recreation	622.75	622.75	622.75	622.75	622.75	622.75
Planning & Development Review	357.00	357.00	357.00	357.00	357.00	357.00
Police (Non-Sworn)	645.25	645.25	645.25	645.25	645.25	645.25
Police (Sworn)	1,787.00	1,846.00	1,873.00	1,906.00	1,944.00	1,974.00
General Fund Total	5,963.55	6,061.55	6,153.80	6,197.80	6,246.80	6,276.80
Austin Energy	1,672.75	1,672.75	1,682.75	1,692.75	1,702.75	1,712.75
Austin Convention Center	251.00	251.00	251.00	251.00	251.00	251.00
Austin Resource Recovery	415.00	415.00	418.00	422.00	422.00	422.00
Austin Transportation-Parking Management	51.50	55.50	55.50	55.50	55.50	55.50
Austin Transportation-Transportation Fund	130.00	144.00	144.00	144.00	144.00	144.00
Austin Water Utility	1,157.35	1,157.35	1,217.10	1,248.10	1,272.10	1,294.10
Aviation	362.00	379.00	379.00	379.00	379.00	379.00
Child Safety	9.00	15.75	15.75	15.75	15.75	15.75
Code Compliance	108.00	108.00	112.00	116.00	120.00	124.00
Economic Development	53.00	53.00	53.00	53.00	53.00	53.00
Juvenile Case Manager Fund	9.00	9.00	9.00	9.00	9.00	9.00
Neighborhood Housing & Community Development	24.00	24.00	24.00	24.00	24.00	24.00
Parks & Recreation-Golf	38.00	38.00	38.00	38.00	38.00	38.00
Public Works-Capital Projects Management	201.00	197.00	197.00	197.00	197.00	197.00
Public Works-Transportation Fund	313.00	295.00	295.00	295.00	295.00	295.00

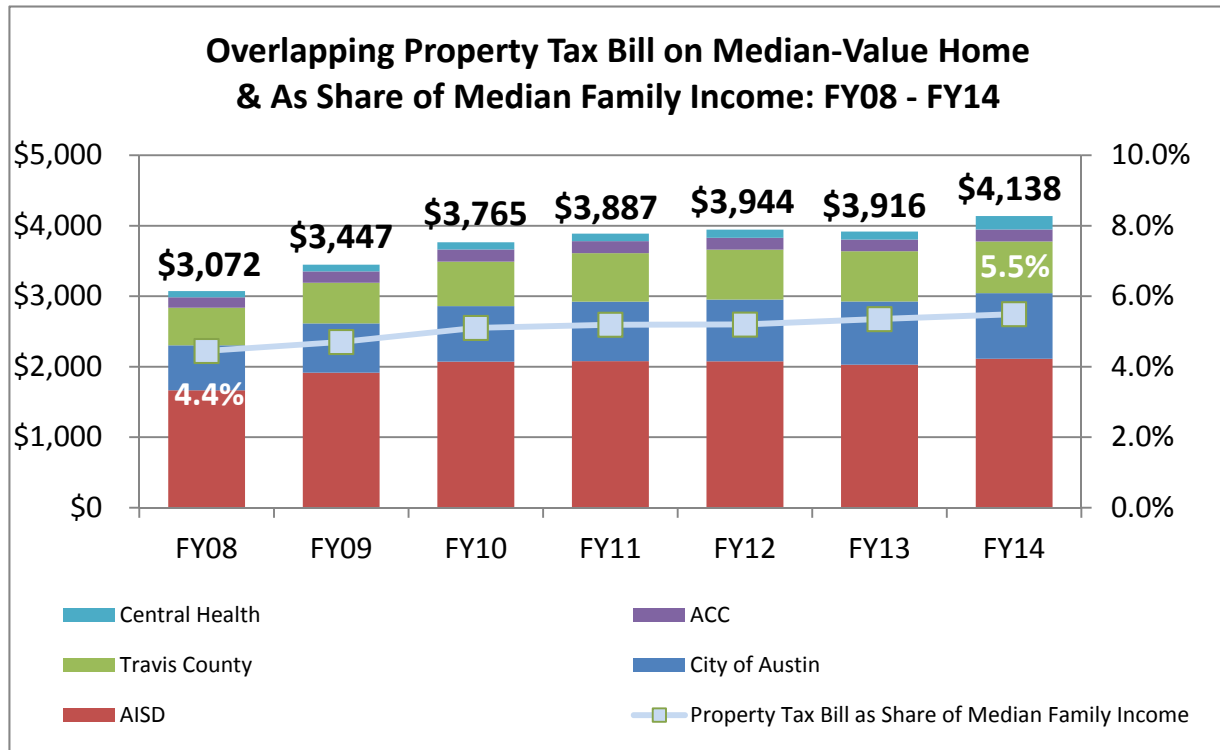
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Department/Fund	FY 2014 Approved	FY 2015 Forecast	FY 2016 Forecast	FY 2017 Forecast	FY 2018 Forecast	FY 2019 Forecast
Traffic Safety Fund	2.00	2.00	2.00	2.00	2.00	2.00
Watershed Protection	272.75	272.75	277.75	279.75	282.72	283.75
Enterprise and Other Funds Total	5,069.35	5,089.10	5,170.85	5,221.85	5,262.82	5,299.85
Internal Services Funds Total	1,362.08	1,379.08	1,380.08	1,380.08	1,380.08	1,380.08
Grant Funds Total	314.00	278.00	278.00	278.00	278.00	278.00
Citywide FTE Total	12,708.98	12,807.73	12,982.73	13,077.73	13,167.70	13,234.73

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Overlapping Tax Bill Analysis and Impact of Forecasted Tax and Fee Changes

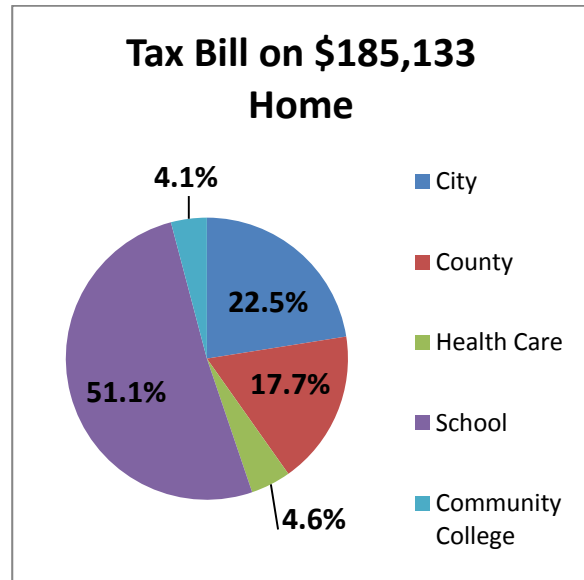
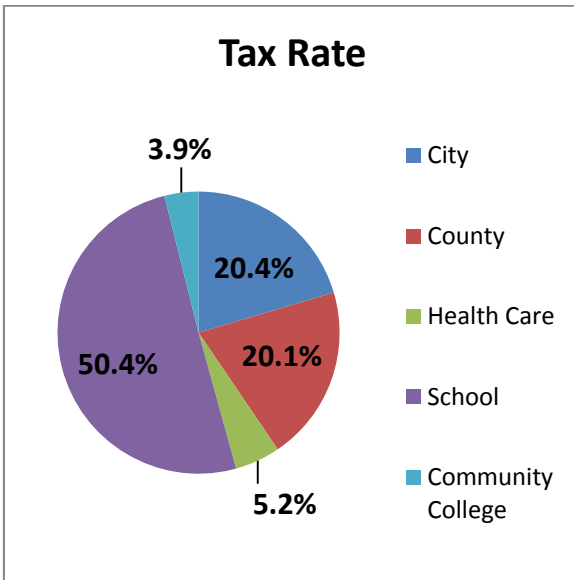
Taxes



The chart above displays the recent history of the combined property tax burden experienced by a typical Austin homeowner, defined as the owner of a median-value home who pays taxes to the City of Austin, Travis County, Austin Independent School District (AISD), Austin Community College (ACC), and Central Health. It also displays the combined property tax bill in any given fiscal year as a percentage of median family income.

The charts and tables below provide additional detail as to the breakdown of the FY 2013-14 combined overlapping property tax rate and overlapping property tax bill experienced by the owner of a median-value home in Austin.

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Jurisdiction	Austin	Share
City	0.5027	20.4%
County	0.4946	20.1%
Health Care	0.129	5.2%
School	1.242	50.4%
Community College	0.0949	3.9%
Total Tax Rate	2.4632	100.0%

Jurisdiction	Austin	Share
City	\$931	22.5%
County	\$733	17.7%
Health Care	\$191	4.6%
School	\$2,113	51.1%
Community College	\$171	4.1%
Total Tax Rate	\$4,138	100.0%

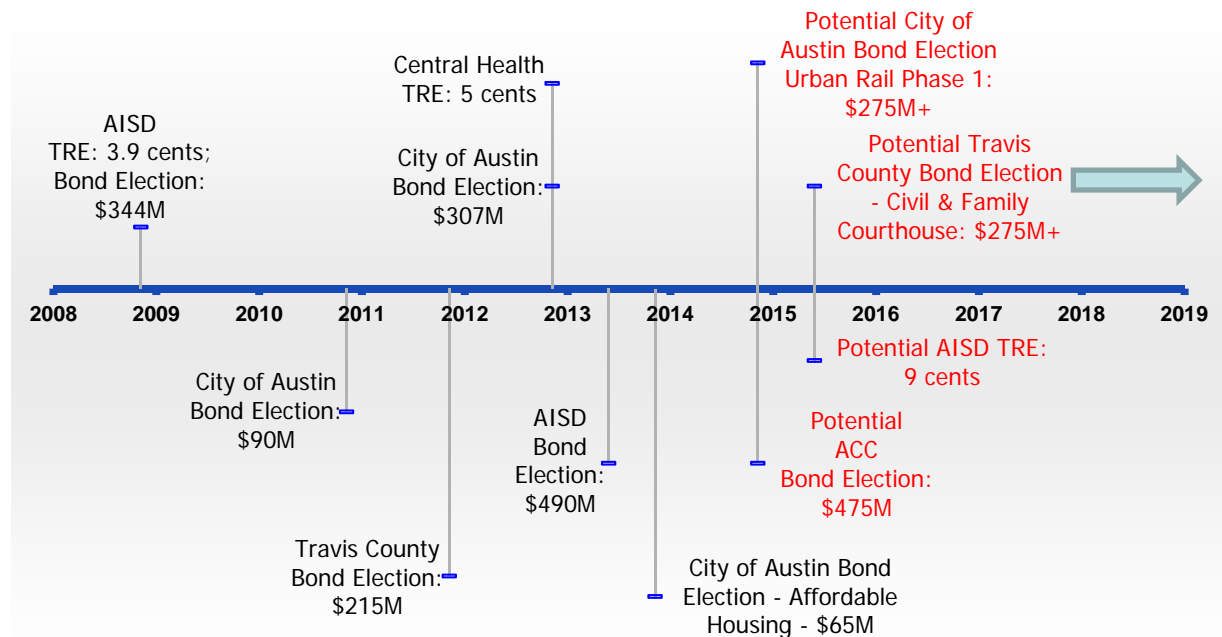
As these graphics illustrate, the largest component of an Austin resident's tax bill is the school district, followed by the City of Austin, Travis County, Central Health, and Austin Community College. On an overlapping basis, the property tax burden associated with these entities represents 5.5% of a median family's income in FY 2013-14, up from 4.4% in FY 2007-08.

Looking ahead to FY 2014-15, the property tax rates of other jurisdictions cannot yet be accurately predicted. With respect to the City of Austin, an FY2014-15 property tax bill of \$959 is forecasted for a median-value home, net of expected appreciation of residential property values and a projected 0.7-cent decrease in the property tax rate. This represents an increase of approximately \$28 per year, or \$2.35 per month, from FY 2013-14.

The City of Austin is sensitive to the fact that its property tax bill is not the only one its residents receive. The City Council and City staff coordinate with counterparts from the other taxing entities in the region to ensure that each organization maintains a holistic view of the total tax burden shouldered by the City's residents as it considers its tax rate each year.

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Increasingly, the region's taxing entities are working together to coordinate with regard to the timing and scope of prospective bond or tax rate elections. The following timeline displays the recent history of such elections, as well as potential future elections. City financial staff will continue to work proactively with their counterparts in the other jurisdictions to develop timely cost and affordability-impact projections with respect to these potential elections.



Fees

While it levies property and other taxes to support the operations of its public safety- and community services-oriented General Fund departments, the City also operates several “enterprise” departments, so called because their structure more closely resembles that of a traditional private-sector business enterprise. These departments include Austin Energy, Austin Water Utility, Austin Resource Recovery, Watershed Protection Department, Public Works, Austin Transportation, and Code Compliance and each generally finance their operation through rates and fees rather than taxes.

However, because these departments are operated by the City and charge fees that are paid by nearly all of Austin’s residents in one form or another, assessing the level of these fees and their impact to our typical citizen is a critical piece of any analysis of Austin’s cost for government services.

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The Forecast includes proposed rate and fee increases associated with these enterprise and utility departments, which are necessary to fund core cost drivers, service expansions, and the construction and maintenance of capital projects and facilities, while maintaining structural financial balance. The table below demonstrates the impact of forecasted property tax, fee, and utility rate changes in FY 2014-15 for a typical city of Austin resident.

PROJECTED RATE INCREASES				
Description	2014 Monthly Rate	2015 Proposed Rate	Monthly Dollar Change	Typical Ratepayer
Austin Energy	\$105.18	\$106.87	\$1.69	residential customer using 1,000 Kwh
Austin Water Utility	\$88.30	\$93.14	\$4.84	residential customer with typical usage patterns*
Austin Resource Recovery	\$19.75	\$22.00	\$2.25	residential customer using a 64-gallon cart
Clean Community Fee	\$6.65	\$7.85	\$1.20	per single-family home/residence
Transportation User Fee	\$7.80	\$8.25	\$0.45	per single-family home/residence
Drainage User Fee	\$9.20	\$9.80	\$0.60	per equivalent residential unit
Property Tax Bill	\$77.56	\$79.91	\$2.35	Assumes forecasted property tax rate of 49.57 cents per \$100 of assessed value and projected median home value of \$193,453
Total	\$314.44	\$327.82	\$13.38	combined projected increase of 4.3%

*In FY 2013-14, AWU's typical residential customer used 8,000 gallons of water and 4,700 gallons of wastewater. For FY 2014-15, as a result of a shift in AWU's customer base toward increased conservation efforts, it is projected that the typical customer will use 7,000 gallons of water and 4,700 gallons of waste water. Monthly rates for FY 2013-14 and FY 2014-15 therefore reflect different volumes of projected water usage.

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General Fund

The General Fund is the general operating fund for the City of Austin. It includes nine departments that provide programs, activities, and services directly to the citizens of Austin, as well as to surrounding communities. These departments include Emergency Medical Services, Fire, Health & Human Services, Animal Services, Library, Municipal Court, Parks & Recreation, Planning & Development Review, and Police.

This section details the General Fund's projected revenue and expenditures for fiscal years 2014-15 through 2018-19. Please note that included expenditure increases are only those deemed necessary to maintain existing service levels, or to fulfill initiatives, mandates, or service expansions previously authorized by the City Council. A general overview of revenue and expenditures is followed by a more detailed review of General Fund department expenditure projections.

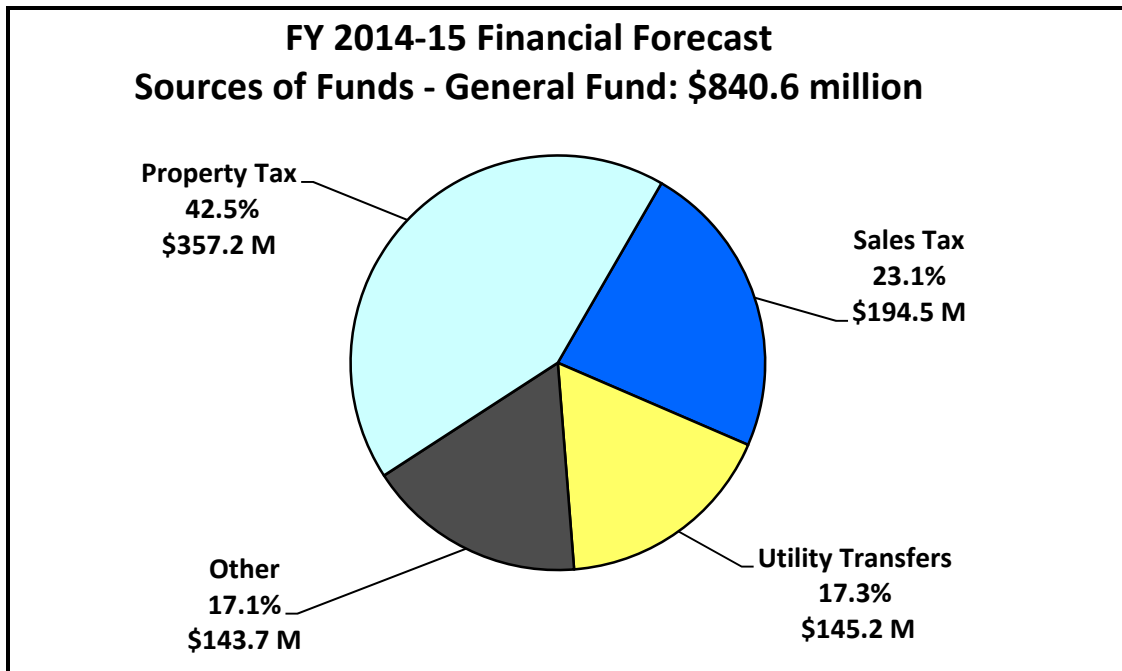
This Financial Forecast projects structurally balanced General Fund budgets in all years of the forecast time horizon.

REVENUE

General Fund revenues are categorized into four broad categories: property tax, sales tax, transfers in from the two City-owned utilities, and other revenue. Property taxes are a result of the tax rate per \$100 of property valuation. Sales tax collections allocated to the City of Austin are 1% of the price of taxable goods and services sold in the city of Austin. Transfers into the General Fund are received from the electric and water utilities. Other revenue comprises development fees, franchise fees, fines, forfeitures, penalties, licenses, permits, inspections, charges for services, and interest.

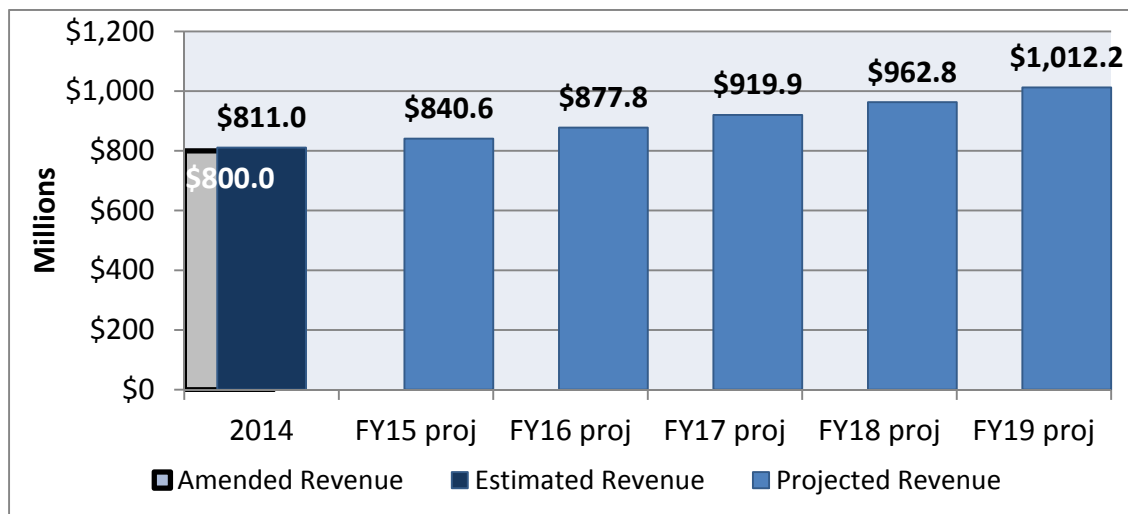
The graph on the following page depicts each of these four revenue categories as a percent of total projected General Fund revenue for FY 2014-15.

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The graph below depicts estimated General Fund revenue for FY 2013-14 and projected revenue for FY 2014-15 through FY 2018-19. FY 2014-15 forecasted revenue for the General Fund totals \$840.6 million, an increase of \$40.6 million from the FY 2013-14 budgeted revenue and \$29.7 million from estimated FY 2013-14 revenue. The revenue forecast reflects a tax rate reduction of 0.7 cents per \$100 of taxable value in FY 2014-15 and only modest tax rate increases in the out years.

General Fund Revenue Forecast



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Property Tax Revenue

The Financial Forecast projects that in FY 2014-15 the property tax rate will decrease to 49.57 cents per \$100 of assessed value from its current level of 50.27 cents, a reduction of 0.7 cents.

Forecasted property tax revenue is based on applying this property tax rate to projected total citywide assessed valuation, as determined from the estimated tax rolls from the Travis Central Appraisal District, the Williamson Central Appraisal District, and the Hays Central Appraisal District. The Forecast reflects a citywide assessed valuation of \$95.9 billion, which represents an increase of 8.4% over last year's valuation. This figure includes \$1.6 billion in new construction, primarily as a result of strong commercial and multifamily development activity. Looking ahead, City financial staff expects the robust growth in property value to continue, if at a slightly more moderate pace. More specifically, total assessed valuation in Austin is currently projected to increase by a further 6.9% in 2015-16 and slightly more conservatively at 5.15 in FY 2016-17 and 5% annually in the two subsequent fiscal years.

The FY 2013-14 property tax bill on a median-value home assessed at \$185,133 is \$931. The median-value home is projected to appreciate by approximately 4.5% in FY 2014-15, to \$193,453. At the forecasted FY 2014-15 property tax rate of 49.57 cents per \$100 of assessed value, the annual property tax bill on a median-value home rises to \$959, an increase of about \$28 per year or \$2.35 per month. The table below illustrates the forecasted changes in assessed property values, tax rates, and property tax revenue for the next five fiscal years.

Fiscal Year	Projected AV Growth	Projected Rate	Projected Revenue
FY 2014-15	8.4 %	0.4957	\$355.3 m
FY 2015-16	6.9 %	0.4986	\$381.9 m
FY 2016-17	5.1 %	0.5083	\$411.5 m
FY 2017-18	5.0 %	0.5150	\$439.6 m
FY 2018-19	5.0 %	0.5214	\$474.8 m

Sales Tax

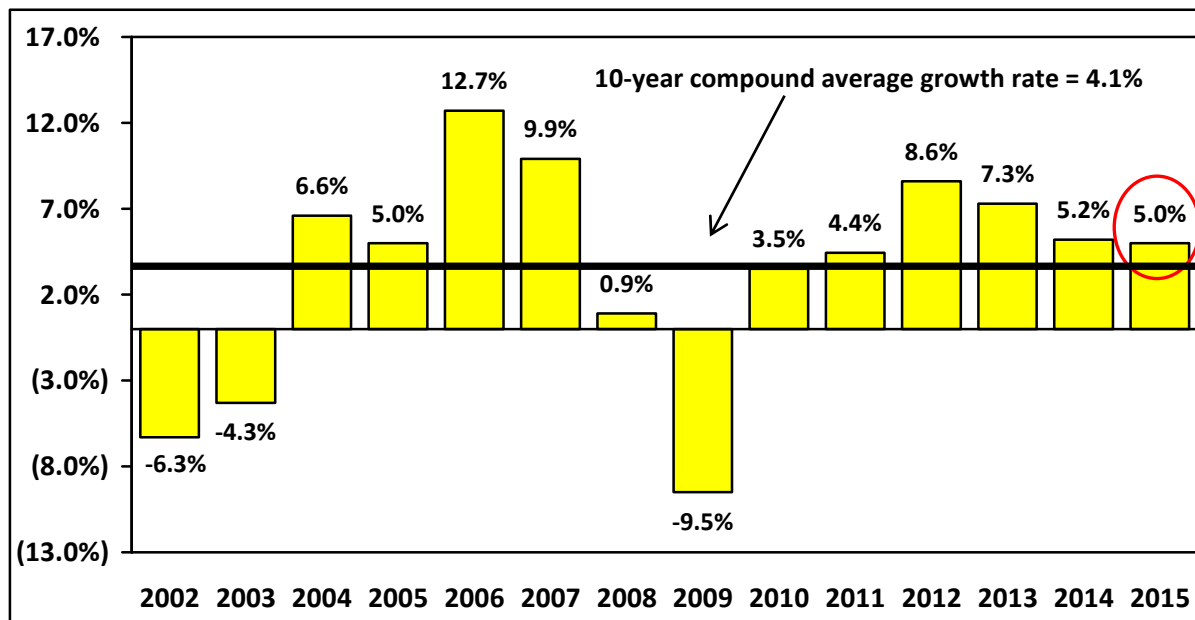
Sales tax is levied on the sale, lease, or rental of qualifying goods and services within the Austin city limits. Certain foods and drugs as well as governmental purchases are exempted from the sales tax. Sales tax is collected by businesses at the time of the sale and paid periodically to the Texas Comptroller of Public Accounts. The Comptroller then remits the portion due to the locality where the business is located. In the city of Austin, the State

FINANCIAL FORECAST

collects 8¼ cents for every dollar spent on retail sales. Of this amount, the State keeps 6¼ cents, 1 cent is allocated to the City and 1 cent is allocated to the Capital Metropolitan Transportation Authority.

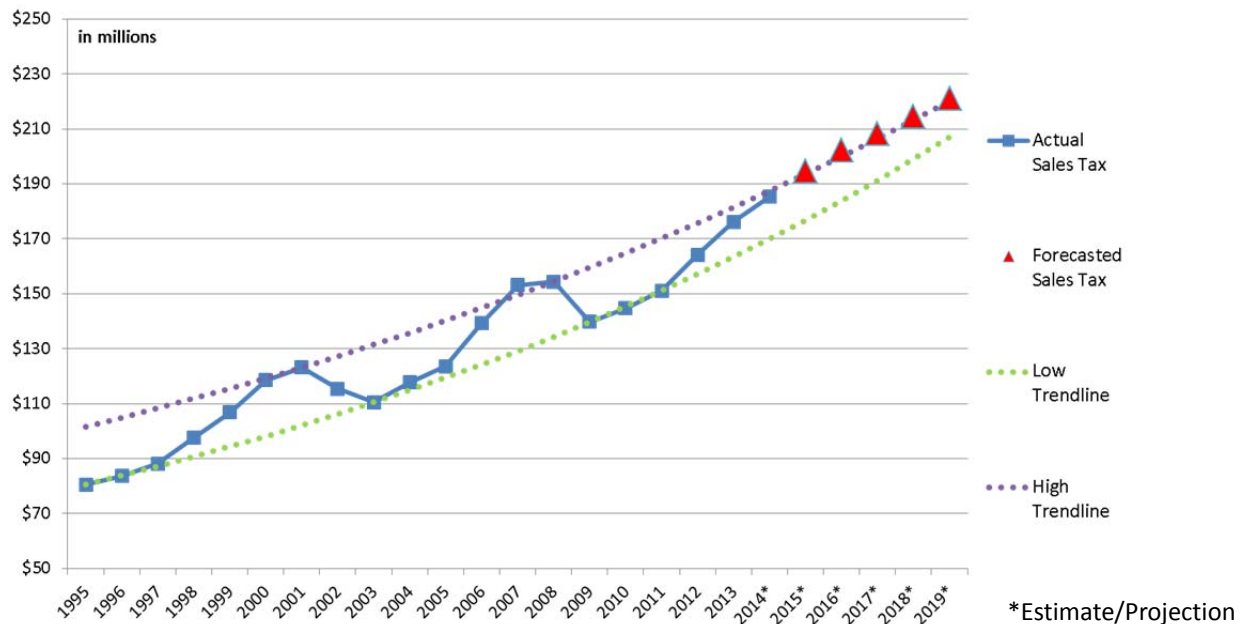
Sales tax collections are volatile since they are directly related to the strength of the local economy. The chart on the following page tracks the growth in Austin's sales tax collections since 2002.

Austin has generally experienced strong sales tax growth over the past decade, with a compound annual growth rate of 4.1%. FY 2013-14 collections are estimated to end the year at 5.2% above FY 2012-13 levels. In line with this experience, sales tax revenue is forecasted to grow by 5% over estimated FY 2013-14 collections to an FY 2014-15 total of \$194.5 million. This projection is slightly more conservative than projections provided by the City's economic consultant TXP. Annual growth rates of 4%, 3%, 3%, and 3% are conservatively projected in FY 2015-16 through FY 2018-19, respectively; the smaller anticipated growth rates reflect historical experience tempered by the greater uncertainty associated with longer-term projections. Conservative sales tax projections are considered a best practice and are viewed favorably by the various rating agencies.



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The graph below illustrates the history of actual sales tax receipts, as well as estimated and forecasted sales tax figures for fiscal years 2013-14 through 2018-19.



Utility Transfers

The General Fund receives annual transfers from Austin Energy and Austin Water Utility at 12% of three-year average non-fuel revenue and 8.2% of three-year average revenue, respectively. Note that the Austin Energy transfer policy set a floor of \$105 million until the calculated transfer based on 12% of non-fuel revenue exceeded that amount. These transfers serve as payments in lieu of property taxes, dividends, or return-on-equity-type payments commonly paid to municipal governments by investor-owned utilities. The transfer from the electric utility is forecast at \$105 million in FY 2014-15, the same level as in the FY 2013-14 Budget, while the transfer from the Austin Water Utility is forecasted to increase by \$1.1 million to \$39.0 million. The combined transfers from these two utilities are projected to rise to \$170.1 million by FY 2018-19. However, the overall share of General Fund revenue coming from the two utility transfers is projected to fall from its FY 2013-14 level of 17.6% to 16.8% by FY 2018-19.

Franchise Fees

Franchise fees are assessments charged for a company's use of the City's rights-of-way. Three major categories of franchise exist in Austin: telecommunications, gas, and cable. Revenue associated with these fees generally correlate to growth or contraction in customer base and is also influenced by inflationary pressures. A \$200,000 reduction in franchise fee revenues is

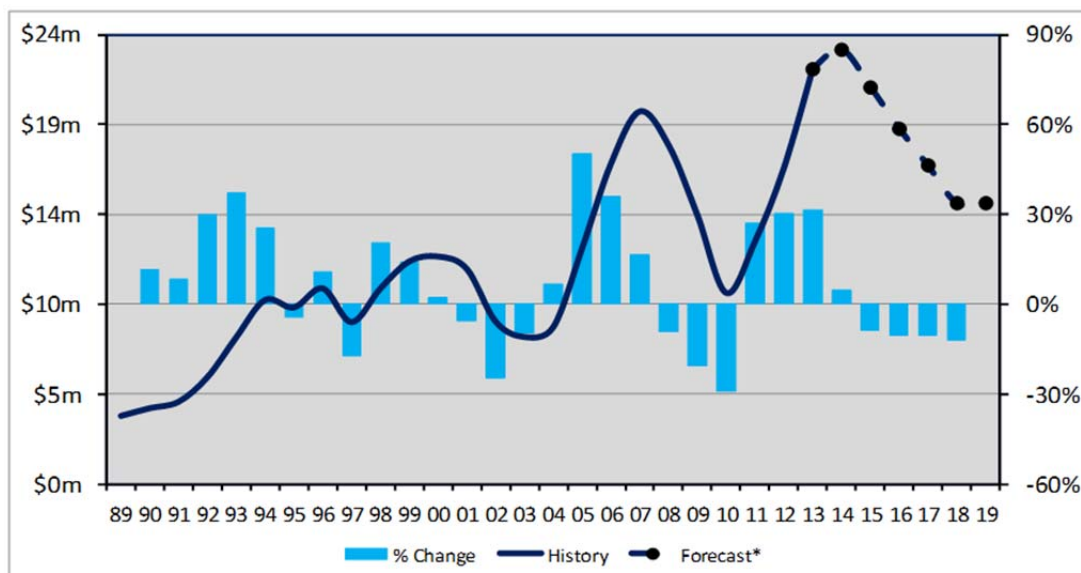
FINANCIAL FORECAST

forecast for FY 2014-15 compared to estimated FY 2013-14 revenues. This slight reduction is primarily attributable to changes in the City's franchise agreement with the Pedernales Electric Cooperative. Franchise fee revenue is forecasted to grow by an additional 1.0% in each subsequent year of the forecast period, which reflects the relatively sluggish underlying growth in this revenue source in recent years.

Building and Development Fees

Building and development revenue comes from a variety of fees and charges for permits, the largest subcategories of which are single- and multi-family residential development and commercial development. This revenue category is as strongly tied to the health of the local economy as is sales tax revenue, while being even more volatile. For instance, as recently as FY 2009-10, building and development revenue dropped nearly 30%—or \$4.2 million—in a single year. City financial staff works closely with the Planning and Development Review department to monitor applications for permits and other leading indicators of demand in order to remain highly sensitive to signs of a downturn. This analysis has led staff to conclude that the high level of permitting activity which began in FY 2010-11, fueled by the shrinking pool of available homes and continued influx of new residents, will persist in FY 2014-15. While growth continues to be largely driven by multi-family permitted units, permitting activity for single-family homes is showing increasing signs of strength.

The graph below illustrates the 25-year history of the City's development revenue, as well as estimated FY 2013-14 and forecasted FY 2014-15 through FY 2018-19 receipts. It also juxtaposes the actual or projected annual growth rate associated with this revenue.

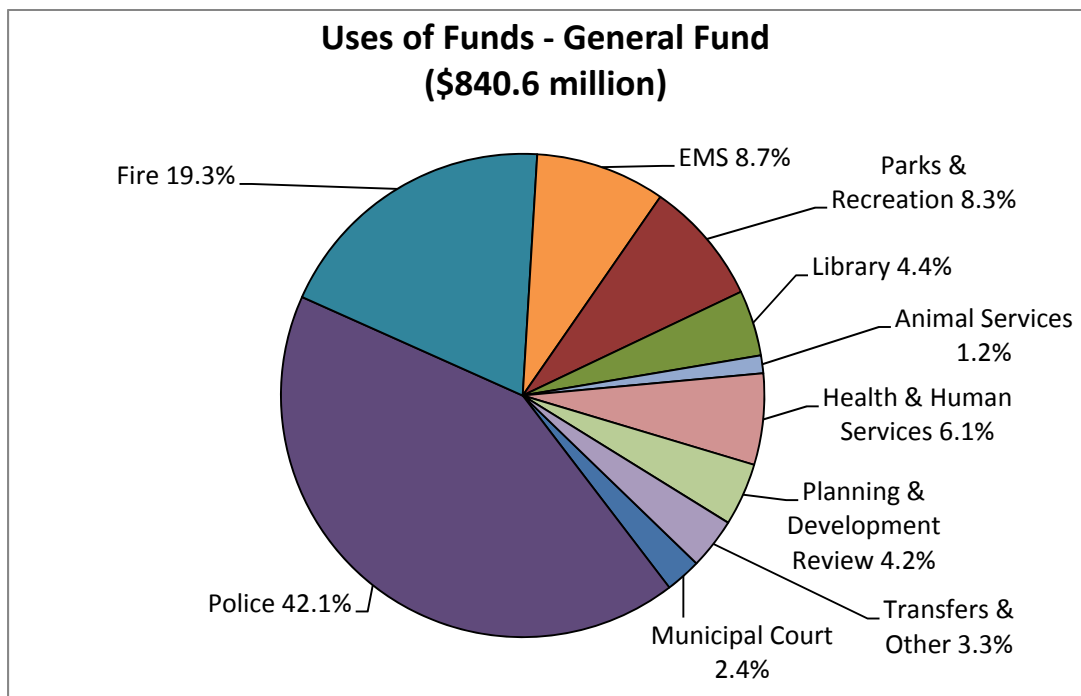


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FY 2014-15 development revenue is forecasted at \$21.2 million, which would be the third-highest year ever for development revenue, but a decrease of \$2.0 million from FY 2013-14 estimated revenue. The same respect for the cyclical nature of trends and the awareness of disproportionate downside risk that informs sales tax projections also drive the medium-term forecast for building and development revenues. The Forecast projects permitting activity to decline steadily over the next five years, with development revenue falling to a sustained level of \$15.0 million by FY 2018-19.

EXPENDITURES

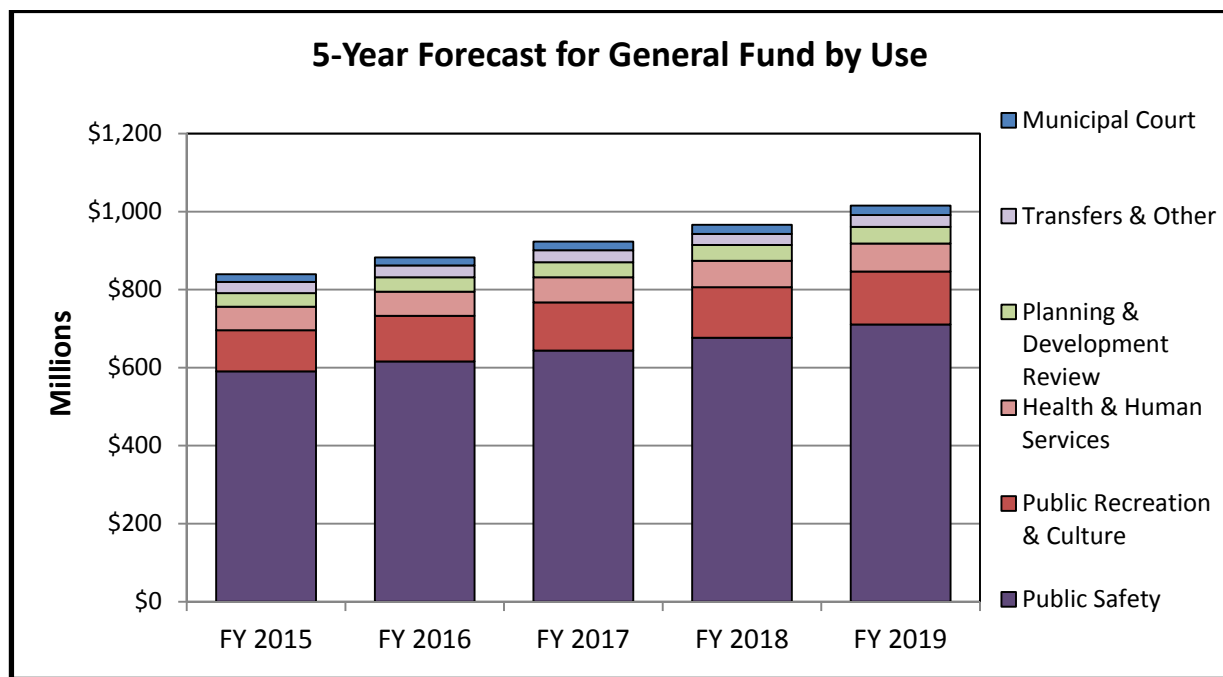
Total requirements for the General Fund in the FY 2014-15 Forecast are \$840.6 million, which is \$40.6 million, or 5.1%, higher than the FY 2013-14 Amended Budget. As depicted on the chart below, the largest portion of the General Fund budget is allocated to the three public safety departments: Police (42.1%), Fire (19.3%), and Emergency Medical Services (8.7%). The community service departments, namely Parks and Recreation, Health and Human Services, Library, and Animal Services, collectively comprise 20% of the General Fund budget. Planning and Development Review, Municipal Court, and Transfers/Other collectively represent the remaining 9.9% of General Fund resources.



As illustrated in the graphic on the following page, the make-up of the General Fund is not expected to change significantly over the next 5 years. While the overall spending is projected to grow by \$176.3 million, or 21% from FY 2014-15 to FY 2018-19, the ratio of

FINANCIAL FORECAST

spending by category is projected to remain relatively constant. Aside from the addition of police officers needed to keep pace with a growing population, all of the projected growth is due to bringing on new facilities, such as the new central library and Onion Creek fire station, and built-in cost drivers such as wage increases, health insurance, rent or lease agreements. Unlike past years, departments were instructed to forego developing a list of Unmet Service Demands and instead to identify those unfunded initiatives deemed critical to operations and then look for ways to fund those critical priorities within existing resources. During budget development, management will review the departments' recommendations for addressing critical priorities and determine which, if any, will be incorporated into the FY 2014-15 Proposed Budget.



FY 2014-15 GENERAL FUND DEPARTMENT FORECAST HIGHLIGHTS

Animal Services Office

The Animal Services Office is projecting an overall increase of \$0.5 million, or 5.8%, in their operating budget for FY 2014-15. The most significant forecast increase is \$0.3 million for drugs and medical supplies at the shelter. The department is also forecasting a \$78,000 increase in electrical services related to running the new Austin Animal Shelter as well as the auxiliary facility currently in operation at Town Lake Animal Shelter.

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Emergency Medical Services

The Emergency Medical Services Department (EMS) is projecting an overall increase of \$2.6 million, or 4.3%, in their operating budget for FY 2014-15. The most significant forecast increase is \$1.0 million for a 1.0% wage increase and step increase for all sworn personnel. An additional \$0.3 million is included for costs associated with commander classification change as EMS commanders move from a 48-hour work week to a 42-hour work week and from an exempt status to a non-exempt status. Also included are contractual cost increases in the amount of \$175,000 for rank promotional assessments and structured oral boards per the requirements of the association contract. Finally, EMS entered into an agreement with the Travis County Healthcare District to provide services through the department's Community Health Paramedic Program. Costs for an additional two Medic II positions for the expansion of the program are included in the Forecast as per the contract renewal for FY 2014-15. These costs will be fully reimbursed by the Healthcare District.

Fire

The Austin Fire Department (AFD) is projecting an overall increase of \$3.3 million, or 2.3%, in their operating budget for FY 2014-15. The most significant forecast increase is the conversion of 36 grant-funded firefighters into the General Fund at a cost of \$2.1 million in FY 2014-15. In 2012, the City was awarded a Staffing for Adequate Fire and Emergency Response (SAFER) grant. These grant funds provided funding for the sworn positions and allowed the department to achieve 4-person staffing on each apparatus four years ahead of schedule. This grant will end mid-FY 2014-15 and the General Fund will assume the personnel costs.

Due to a delay in hiring as the U.S. Department of Justice reviewed the AFD's cadet hiring process, the department has been unable to proceed with any cadet classes in FY 2013-14. Without adding positions, additional overtime funding of \$0.6 million is necessary to maintain 4-person staffing levels. Current estimates put vacancies peaking at over 100 in FY 2014-15. The overtime increase is a short-term temporary funding source until cadet classes and hiring resume. Other personnel costs related to sworn FTEs are also increasing. Step increases for service tenure and longevity pay require a combined \$0.6 million.

Health and Human Services

The Health and Human Services Department is projecting an overall increase of \$0.2 million, or 0.5%, from the FY 2013-14 Budget. Personnel costs related to existing positions are increasing by \$0.5 million in FY 2014-15. One-time expenses of \$0.3 million for Voter ID legal consultation in FY 2013-14 are removed from the Forecast. There are no forecasted increases to the Social Service Contracts programs.

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Library

Austin Public Library (APL) is forecasting a total increase of \$1.4 million, or 4.4%, in their operating budget for FY 2014-15. The increase will fund base cost drivers and \$0.1 million in materials. Annual increases in the materials budget allow APL to maintain consistency in the materials collection and to meet demand. Also included in the FY 2014-15 increase are incremental increases for technology hardware and software maintenance.

Municipal Court

The Municipal Court is projecting a budget increase of \$0.6 million, or 3.8%, for FY 2014-15. The additional funding covers employee pay increases, growth in health insurance costs and modest facility rental increases.

Parks and Recreation

The Parks and Recreation Department (PARC) is projecting a \$61.2 million operating budget for FY 2014-15, an increase of \$1.3 million, or 2.2%, over the prior year. The majority of this increase covers base personnel cost drivers. However, \$460,000 is being added as a result of the completion of a significant number of capital improvements, annexations, and parkland dedications which require funding for utilities and maintenance supplies to properly preserve the City's new assets. New parks include approximately 21,000 additional square footage to facilities, 65.57 additional parkland acres, 13.5 miles of trails across Austin, and 60,000 square feet of expanded parking lots.

Planning and Development Review

Planning and Development Review Department (PDRD) is projecting an increase of \$1.1 million, or 3.9%, in FY 2014-15 to cover wage and insurance increases. With regards to staffing, one CCD Division Manager position is transferring to PDRD to provide management and administrative support for a total cost of \$0.1 million. Additionally, PDRD is transferring an Assistant Director to the Code Compliance Department (CCD). This position is currently funded by CCD, so this transfer has no impact on the General Fund.

Police

The Austin Police Department (APD) is projecting an overall increase of \$12.4 million, or 4.2%, in their operating budget for FY 2014-15. Austin's growth in both area and population are some of the more influential factors contributing to APD's cost increases. The department is forecasting adding 59 police officers to the FY 2014-15 Budget, keeping pace with a growing population; the cost for these officers is \$3.3 million. Each budget cycle, the budget includes 6 months of funding for new officers, aligning with the timing and length of the cadet classes for that year. Thus, the Forecast includes \$1.5 million in the annualized cost from adding 47 officers in the FY 2013-14 Budget. The contractual increases for salaries, retirement, and step pay for sworn personnel total \$4.0 million for FY 2014-15.

Austin Energy

Austin Energy (AE) will focus the next five years on financial stability, as well as on the continued delivery of clean, affordable, reliable energy with excellent customer service. In continuing the implementation of the FY 2012-13 rate case and rate restructuring, AE will raise base rates in FY 2015-16 and FY 2017-18, to allow the utility to continue building reserves to acceptable financial policy levels as well as keep up with rising costs. Conservative increases in personnel and operating expenditures will enable AE to respond to growth within the service area and provide the necessary capital improvements to keep the system reliable. Austin Energy continues to focus on climate protection and energy efficiency which will result in AE continuing to stay ahead of schedule to meet renewable energy goals by 2020.

Expenditures and Staffing

The major expenditure categories within AE include operating and maintenance of the utility, the purchase of fuel, payments for debt and transfers to fund electric capital improvements and the transfer to the City's General Fund. Expenditure assumptions for the Financial Forecast include:

- A \$17 million decrease in FY 2014-15 in debt service is attributable to the Series 2012 A & B Bond issuance, which restructured payments with better interest rates and a modified payment schedule;
- Costs recovered directly from consumers—which include transmission and Electric Reliability Council of Texas (ERCOT) administrative expenses—increase from \$98 million to \$148 million over the five years due primarily to ongoing Texas Transmission Construction Programs;
- The five year spending plan for capital improvements, which includes continued investment in infrastructure and technology to secure the utility's grid and remain in compliance within all state and federal guidelines, is projected at \$1.3 billion; and
- The General Fund transfer is stable at \$105 million for FY 2014-15 then gradually increases to \$120 million by FY 2018-19.

Austin Energy will not add FTEs in FY 2014-15. Looking into the future, the utility is projecting a modest annual staffing increase of 10 FTEs.

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Austin Energy Staffing Outlook by Program

	FY 2014 Amended	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Customer Care	351.00	351.00	354.00	356.00	356.00	360.00
Distributed Energy Services	107.00	107.00	108.00	110.00	112.00	112.00
Electric Service Delivery	538.75	538.75	541.75	544.75	547.75	551.75
Power Supply & Market Operations	245.00	245.00	245.00	245.00	247.00	247.00
Support Services	431.00	431.00	434.00	437.00	440.00	442.00
Total FTEs	1672.75	1672.75	1682.75	1692.75	1702.75	1712.75

Revenue and Rates

Austin Energy receives about 91% of its revenue from sales of electric service to retail customers in its service territory. Sales of electricity include two main components—base and pass-through revenue. Base revenue is derived from the number of customers, usage levels and price. Pass-through revenues are designed to pass specific costs through to customers (no profit added). Other revenue includes transmission revenue, infrastructure rental, chilled water services, customer fees, and interest income.

Revenue assumptions for the Financial Forecast include:

- No base rate increase is forecast for FY 2014-15; however, a bill increase of \$1.69 per month is projected for a typical customer as a result of increases in the regulatory charge which recovers costs attributable to the growth of transmission resources in the Electric Reliability Council of Texas (ERCOT);
- A base rate increase of 1.9% will occur in October 2015 for FY 2015-16, primarily to cover base cost drivers and to meet financial policies. An additional 1.9% increase will occur in October 2017 for FY 2017-18. AE will conduct a cost of service review to support the rate structure and increases;
- Electric sales (non-fuel) will increase over the five years at a compounded annual growth of 1.2%, a decrease of 0.1% from the prior forecast due to efficiency gains in lighting, appliances and building standards, conservation programs in our service territory, and pricing signals;
- Recoverable revenue, including the power supply adjustment (PSA) or fuel charges, community benefit and regulatory costs, is expected to increase over the forecast period.

Fund Balance

Austin Energy's fund balance is a combination of cash and accounts receivable netted against accounts payable. AE's operating cash fluctuates from day to day and month to month depending on when payments for fuel come due and the timing in which revenue is collected from customers. AE collects a larger share of revenue during the hotter summer months. Fuel

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payments can be quite large, especially if AE has an outage at one of the AE-owned plants and is forced to buy additional power in the market to serve native load. This can be quite costly depending on the time of year and demand on the electric grid in the ERCOT market. Austin Energy's goal is to start building its reserves to prepare for these situations and improve the financial health of the utility. Any excess operating cash over the minimum required amounts in the fund balance at the end of the fiscal year will be transferred to AE's Strategic Reserve Fund in order to meet the financial policies covering its reserve funds.

During FY 2012-13, financial results show a net income of over \$66 million, a vast improvement over the net loss of \$31 million in the previous fiscal year. This improving financial condition, a result of the rate restructuring and economic growth, will enable Austin Energy to forecast transfers to reserves in each of the five years of the Forecast. By doing so, the Strategic Reserve Fund financial policy target will be met by FY 2015-16, enabling the utility to continue towards the goal of full financial compliance for reserves by FY 2019-20. The following table provides a five-year summary of the Austin Energy Fund's revenue, expenditures and fund balance:

AUSTIN ENERGY FUND (in millions)

	2014 Amended	2014 CYE	2015	2016	2017	2018	2019
Beginning Balance	195.1	224.4	257.6	263.4	280.5	302.3	326.8
Total Available Funds	1364.4	1364.4	1397.1	1495.2	1478.6	1535.1	1599.2
Total Requirements	1331.2	1331.2	1391.3	1478.1	1456.8	1510.6	1574.1
Ending Balance	228.3	257.6	263.4	280.5	302.3	326.8	351.9
45-Day Reserve Requirement	60.7	60.7	65.7	69.8	70.4	72.0	74.2
Average Monthly Bill (Typical Ratepayer)	\$105.18	\$105.18	\$106.87	\$108.86*	\$108.86*	\$110.88*	\$110.88*

*The Average Monthly Bill reflects changes to the base rates only. The numbers do not reflect changes to the PSA, Regulatory Charge or Community Benefit Charge since those are unknown at this time.

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Austin Water Utility

Over the 5-year financial forecast period, the Austin Water Utility (AWU) is projecting a reduction in water sales, assuming that drought conditions will continue and that Stage 2 Water restrictions remain in effect. The forecast also assumes a further reduction in sales from the Water Conservation 140 GPCD Plan. The result of these factors is that water sales are projected to be significantly lower in the coming years and that structural fixes need to be incorporated into the forecast. AWU is addressing the projected financial imbalance by initiating cost containment measures and by evaluating business model structural changes that will address revenue requirements within a new “normal” consumption pattern. The combined impact of lowering expenditures and increasing fees to mitigate likely revenue declines which will allow the Utility to remain fiscally stable throughout the forecast. Over the Forecast, the Utility projects slight improvements to the debt coverage ratio of 1.5 to 1.6.

Expenditures and Staffing

In FY 2012-13, AWU conducted a gap analysis to determine where the greatest need for staffing existed. A 5-year staffing plan was then designed to systematically address the staffing shortage in order of criticality. Over the ensuing 5 years the Utility planned to add 200 FTEs. In FY 2013-14, Austin Water implemented year one of the staffing plan adding 63 new positions. Sixty additional positions were forecasted to be added in FY 2014-15. However, due to the reduced water usage and ensuing imbalance, the staffing plan has been deferred for one year. This deferral has eliminated the need to add \$4.3 million in costs in FY 2014-15 and has pushed the increase out into FY 2015-16 when the Utility will be better positioned to absorb the increase.

Austin Water Utility's Staffing Outlook

Program	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	Amended					
Engineering Services	63.00	63.00	66.00	69.00	69.00	69.00
Environmental Affairs & Cons.	83.30	83.30	92.05	95.05	98.05	98.05
One Stop Shop	6.00	6.00	6.00	6.00	6.00	6.00
Pipeline Operations	351.00	351.00	369.00	378.00	378.00	386.00
Reclaimed Water Services	3.00	3.00	3.00	3.00	3.00	3.00
Treatment	400.50	400.50	416.50	420.50	431.50	439.50
Water Resources Management	68.00	68.00	70.00	72.00	74.00	75.00
Support Services	182.55	182.55	194.55	204.55	212.55	217.55
Total FTEs	1,157.35	1,157.35	1,217.10	1,248.10	1,272.10	1,294.10

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In an effort to reduce the anticipated rate increases projected for FY 2014-15, Austin Water developed a cost containment strategy and identified \$4.5 million in savings (which equates to 5% of non-personnel costs) for the current year. These savings have been continued into the FY 2014-15 Financial Forecast. However, most of the Utility's costs are fixed—related to required capital improvements, paying debt service requirements, and operating the utility—so, despite revenue constraints, expenditure need to increase in FY 2014-15 and beyond.

Significant capital improvements are forecasted to meet growth in service demands, system reliability standards, compliance with regulatory requirements, annexations, and utility relocations due to street reconstruction in the Austin area. Approximately 40% of total operating revenue each fiscal year is required for paying principal and interest due on debt used to finance capital improvements. Projected increases to the operations and maintenance budget are due to the Citywide cost drivers like health insurance costs, wage increases, and the maintenance of vehicles. AWU also has cost increases due to the billing and customer care system. The following are expenditure highlights for the Financial Forecast:

- Operating requirements are projected to increase by \$41.9 million over the 5-year Forecast, an average of \$8.4 million per year.
- Annual debt service payments are projected to increase by \$20.5 million, or 9.6%, over the five years.
- Implementation of the staffing plan will continue starting in FY 2015-16, after a one-year delay. Staffing will increase by 136.75 FTEs over the five year period at a cost of \$11.3 million.

Revenue and Rates

Revenue from the sale of water, wastewater, and reclaimed water service, including the Reserve Fund Surcharge, total approximately \$485.6 million for FY 2013-14. These revenues are projected to increase by \$153.5 million over the 5-year forecast. The following are revenue highlights for the Financial Forecast:

- Stage 2 Water restrictions are assumed throughout the Forecast.
- Reclaimed rates increase to 40% of the potable water rates by FY 2018-19.
- The projected combined rate increase for FY 2014-15 is 9.0% and the combined rate increase over the forecast period totals 20.8%, or an average of 4.2% annually.
- In FY 2014-15, the Reserve Fund volumetric surcharge will increase from \$0.15 to \$0.19 per 1,000 gallons collecting \$7.7 million in FY 2014-15. The Reserve Fund is projected to reach its goal of 120 days of Operations & Maintenance by FY 2018-19.
- Typical customer usage has dropped from 8,000 gallons of water usage in FY 2013-14 to 7,000 gallons for FY 2014-15. The increase to the typical customer bill for FY 2014-15 is projected to be \$4.84, or 5.5%, from \$88.30 to \$93.14.
- All customers will continue to transition to cost of service. The commercial and large volume customers cost will transition by 1% throughout the Forecast.

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Fund Balance

The Austin Water Utility Fund contains three linked funds that make up one department: Water, Wastewater and Reclaimed. The combined fund balance is forecasted at \$68.6 million for FY 2014-15. This balance is based on cost containment efforts, funding of all cost drivers and includes a forecasted combined rate increase at 9.0% in FY 2014-15. Austin Water Utility Fund is also required by the City's financial policies to maintain a "reserve requirement", which is equivalent to 60 days of cash reserve for budgeted operations and maintenance. In FY 2012-13, a Water Revenue Stability Reserve Fund was created and established for the purpose of offsetting current year water service revenue shortfalls below budgeted revenue levels. By the end of FY 2014-15, AWU anticipates a reserve fund balance of \$19.1 million. The Utility is forecasting it will be in compliance with this policy by FY 2018-19. The table below provides a five-year summary of the Austin Water Utility Fund revenue, expenditures and fund balance:

Austin Water Utility
(in millions)

	2014 Amended	2014 CYE	2015	2016	2017	2018	2019
Beginning Balance	52.0	58.2	43.1	68.6	80.9	96.4	107.2
Total Available Funds	544.9	508.8	562.9	596.8	622.5	647.0	666.0
Total Expenditures	538.8	523.9	537.4	584.5	607.0	636.2	641.2
Ending Balance	58.1	43.1	68.6	80.9	96.4	107.2	132.0
Monthly Residential Fee							
Single-family Home	\$88.30	\$88.30	\$93.14	\$96.65	\$100.02	\$103.55	\$105.60

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AUSTIN RESOURCE RECOVERY

Expenditures and Staffing

The Austin Resource Recovery (ARR) forecast includes the resources necessary to carry out its stated mission of achieving Zero Waste by providing excellent customer services that promote waste reduction, increase resource recovery, and support the City of Austin's sustainability efforts. At the same time, the department recognizes the need to minimize costs and leverage existing efficiencies and is, therefore, forecasting no new positions in FY 2014-15. However, three new positions are planned in FY 2015-16 and four in FY 2016-17 related to the Universal Recycling Ordinance, Brownfields redevelopment and the new Household Hazardous Waste (HHW) door-to-door program. The department will revisit staffing needs annually during business planning and the financial forecast process to assess whether future growth and operational needs require other staffing adjustments.

Austin Resource Recovery Staffing Outlook by Program

Program	FY 2014					
	Amended	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Collection Services	239.75	239.75	240.75	240.75	240.75	240.75
Remediation	5.25	5.25	5.25	5.25	5.25	5.25
Litter Abatement	46.50	46.50	46.50	46.50	46.50	46.50
Operations Support	49.83	49.83	49.83	50.83	50.83	50.83
Support Services	45.84	45.84	45.84	45.84	45.84	45.84
Waste Diversion	27.83	27.83	29.83	32.83	32.83	32.83
Total FTEs	415.00	415.00	418.00	422.00	422.00	422.00

ARR is estimating a \$3.5 million increase in requirements over the FY 2013-14 Budget. In addition to the Citywide cost drivers discussed previously, the department is forecasting an increase of \$0.4 million in payments for General Obligation (GO) Debt Service primarily related to the purchase of new Compressed Natural Gas vehicles and the scheduled replacement of obsolete vehicles. In FY 2015-16, payments on the GO Debt will decrease by \$0.8 million followed by another \$1.5 million reduction in FY 2016-17.

Austin Resource Recovery has utilized its ending balance over the past several fiscal years to avoid rate increases. The department is in the second year of a three year budgeting exercise designed to bring structural soundness to the Department's budget, and to provide more accurate planning of requirements in future years. No new programs are slated to begin in FY 2014-15; however, costs associated with mandated, on-going programs such as curbside collection, the composting pilot and the Universal Recycling Ordinance, will add costs to the Department's budget. FY 2014-15 will see the implementation of the third year of the

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Universal Recycling Ordinance, which includes technical assistance and support to businesses and multi-family apartment complexes. The residential organics collection pilots will continue in FY 2014-15, though the planned expansion of the program has been delayed. Staff will evaluate the data provided by the program at the end of FY 2014-15 to determine the feasibility of implementing organics collection citywide.

In FY 2013-14, ARR completed the purchase of a large tract of land in Northeast Austin. The cost for this land is spread out over three fiscal years for a cost of \$0.5 in FY 2014-15, \$1.4 in FY 2015-16 and \$2.6 in FY 2016-17. When fully operational, the site will consist of a household hazardous waste facility and a maintenance facility, and house ARR operations and administrative staff. Additionally, the site will have a fueling center to increase route efficiencies and drive down fuel costs.

Revenue and Rates

Total revenue for FY 2014-15 is projected at \$80.8 million, an increase of \$8.5 million over the previous year. Austin Resource Recovery receives the majority of its revenue from the cart rates and the Clean Community Fee. These fees pay for existing levels of service as well as expanded and new programs called for in the Department's Master Plan. FY 2014-15 requires monthly residential rate increases of \$1.20 for the Clean Community Fee and \$1.75 for the 64-gallon cart fee in order to begin to balance the current budget and to cover forecasted base increases. The department anticipates the need for further rate increases after FY 2014-15, though this decision will be reevaluated each budget cycle. As a result of these rate increases and forecasted customer growth, the department's revenue is projected to increase by \$24.4 million through FY 2018-19.

Fund Balance

The Fund balance is projected to decrease to \$0.4 million in FY 2014-15. This is below the Department's minimum 30 day operating reserve policy, which requires an ending balance of \$6.1 million. However, evaluation of the Department's need for this level of reserve is currently underway and may result in a recommendation to modify the existing financial policy. The Fund balance is projected to build back up starting in FY 2015-16 and reached \$6.7 million in FY 2018-19. The table on the following page provides a five-year summary of the Austin Resource Recovery Fund's revenue, expenditures and fund balance.

FINANCIAL FORECAST

AUSTIN RESOURCE RECOVERY FUND (in millions)

	2014 Amended	2014 CYE	2015	2016	2017	2018	2019
Beginning Balance	14.1	13.9	3.7	0.3	2.5	4.7	7.1
Total Revenues	72.3	69.7	80.8	91.5	94.4	95.9	96.7
Total Expenditures	80.7	79.9	84.2	89.3	92.1	93.6	97.0
Ending Balance	5.8	3.7	0.4	2.5	4.7	7.1	6.7
Monthly Residential Fee							
Clean Community Fee- <i>Residential*</i>	\$3.55	\$3.55	\$4.75	\$4.75	\$4.75	\$4.75	\$4.75
Combined Cart Fee- <i>64 gal. customer</i>	\$19.75	\$19.75	\$21.50	\$24.95	\$24.95	\$24.95	\$24.95

** ARR's portion only; the Code Compliance Department also receives a portion of the overall fee.*

FINANCIAL FORECAST

AUSTIN TRANSPORTATION DEPARTMENT

Expenditures and Staffing

As the City continues to grow, management of the existing network and design of new transportation systems are key to keeping pace with access to all that Austin has to offer. Completed near-term strategies to improve IH-35 through Austin as part of the Mobility35 project, design of improvements to the “Y” at Oak Hill, and leadership in the Project Connect Regional High-Capacity Transit System Plan are just three high-profile examples of the ongoing contributions of the Austin Transportation Department (ATD). Context Sensitive Design for city streets, Traffic Calming through the Local Area Traffic Management program, and improving driver convenience through proactive parking management are three lower profile yet equally important neighborhood-scale programs that the department enables every day. To help accomplish these and other initiatives ATD is adding 4 new positions and transferring in 14 positions, net, from the Public Works Department for FY 2014-15. Beginning in FY 2015-16, ATD estimates maintaining staffing levels at proposed strength for planning, design, operations and management of the City’s transportation system.

Austin Transportation Department Staffing Outlook by Program

Fund	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	Amended					
One Stop Shop	27.00	27.00	27.00	27.00	27.00	27.00
Parking Enterprise	51.50	55.50	55.50	55.50	55.50	55.50
Traffic Management	85.00	94.00	94.00	94.00	94.00	94.00
Transportation Project Development	6.00	6.00	6.00	6.00	6.00	6.00
Support Services	12.00	17.00	17.00	17.00	17.00	17.00
Total FTEs	181.50	199.50	199.50	199.50	199.50	199.50

The following 14 positions are being repurposed from the Public Works Department (PWD) in FY 2014-15: Two positions will facilitate the Austin Street Banner and the Right-of-Way Management programs, which will be offset by rising banner revenue. Four positions will replace engineering staff diverted from traffic studies and Austin 311 requests to the Signals division - these positions will be funded by a transfer from the Parking Management fund. Eight positions are also transferring in from the areas of bicycle program planning, communication assets, and administrative support following the split of the two departments. Four new Parking Enforcement FTEs are being requested in the Parking Enterprise (funded via parking revenue) to cover additional metered area.

In addition to staffing and personnel changes listed above, ATD is forecasting \$1.4 million of cost increases in FY 2014-15 for wage and health insurance adjustments, fleet, fuel and

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support service cost increases, including a new allocation of support costs previously borne by PWD. ATD also projects an increase of \$0.7M for 12 replacement vehicles and 8 new vehicles that will be financed. For FY 2015-16 through FY 2018-19, ATD forecasts operating expenses to increase \$3.2 million, or approximately 4-5% per year.

Revenue and Rates

The Transportation User Fee (TUF) is the primary source of revenue for ATD. Total revenue from the TUF is forecast at \$49.6 million for FY 2014-15 based on the amount needed to fund cost drivers and new expenditures plus population growth. PWD and ATD are jointly projecting an increase for FY 2014-15 of \$0.45 per single-family home, which would bring the residential fee to \$8.25 per month from the current \$7.80 per month. Approximately \$0.18 of the increase is from ATD related expenses. \$0.3M is estimated from population growth and new development. The ATD portion of the TUF, with the rate increase and natural growth, is anticipated to be \$12.7 million for FY 2014-15. Additionally, Right-of-Way and other fees that support ATD are increasing by approximately \$0.6 million due to an increasing number of activities and special events.

The General Fund provides a small but important programmatic need for the department for costs not appropriate from user fees, consisting of strategic transportation planning activity and Special Event fee costs waived through Council action. This transfer is projected to increase by \$0.1 million for FY 2014-15. The Parking Management Fund will also transfer in \$0.9 million in to the fund for rent and support costs.

Revenue projections from the Parking Management Fund are projected to rise slightly for FY 2014-15 reflecting expansions from Rainey Street, West Campus and Parking Benefit Districts. Total revenue from the Parking Management Fund is projected at \$9.7M for FY 2014-15.

Fund Balances

The ending balance of the ATD portion of the Transportation Fund is forecast at \$0.4 million for FY 2014-15. The overall financial health of the ATD portion of the Transportation Fund remains in sound condition. During the five-year forecast period, the fund balance is projected to decrease gradually from \$1.0 million in FY 2013-14 to zero in FY 2018-19. The table on the following page provides a five-year summary of the department's portion of revenue, expenditures and balances.

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AUSTIN TRANSPORTATION - TRANSPORTATION FUND

(in millions)

	2014 Amended	2014 CYE	2015	2016	2017	2018	2019
Beginning Balance	3.1	3.1	1.0	0.4	0.4	0.4	0.3
Total Revenues	13.7	13.7	17.7	19.3	19.9	20.5	21.2
Total Expenditures	15.8	15.8	18.3	19.3	19.9	20.6	21.4
Ending Balance	1.0	1.0	0.4	0.4	0.4	0.3	0.0
Monthly Residential Fee - Single-family Home							
ATD portion, increase			\$0.18	\$0.08	\$0.08	\$0.10	\$0.11
PW portion, increase			\$0.27	\$0.27	\$0.28	\$0.29	\$0.31
PWD/ATD Combined	\$7.80	\$7.80	\$8.25	\$8.60	\$8.96	\$9.35	\$9.77

For the end of FY 2014-15, Parking Management Fund balance is forecasted at \$0.5 million. The following table provides a five-year summary of revenue, expenditures and fund balances.

PARKING MANAGEMENT FUND

(in millions)

	2014 Amended	2014 CYE	2015	2016	2017	2018	2019
Beginning Balance	2.3	2.8	1.6	0.5	0.7	0.6	1.2
Total Revenues	9.3	9.3	9.7	11.0	10.9	11.1	11.3
Total Expenditures	10.5	10.5	10.8	10.8	11.0	10.6	10.7
Ending Balance	1.0	1.6	0.5	0.7	0.6	1.2	1.9

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AVIATION

Expenditures and Staffing

At a time when many other U.S. airports are losing air service routes, Austin's strong economy helped to bring new routes and service to Austin Bergstrom International Airport (ABIA) in FY 2013-14: British Airways, Aeromar and Allegiant Air. In addition, two local concessionaires will be coming this spring, Hoover's Cooking and Vino Volo. Austin-Bergstrom has experienced consistent passenger growth for four consecutive years. In calendar year 2013, ABIA provided service to over 10 million passengers. During the first four months of the FY 2013-14, the enplaned passenger traffic increased 7% over the prior year. This upward trend is expected to continue throughout the forecast period. A 4% enplanement growth rate is used for the 5-year forecast period.

Projected passenger traffic is a key indicator used to forecast airport revenue and staffing requirements related to ABIA passenger services. As a result of this growth, Aviation is forecasting the addition of 17 new positions for FY 2014-15 at a cost of \$1.5 million.

Aviation Staffing Outlook by Program

Program	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	Amended					
Facilities, Management, Operations & Airport Security	258.00	264.00	264.00	264.00	264.00	264.00
Support Services	67.00	73.00	73.00	73.00	73.00	73.00
Business Services	20.00	20.00	20.00	20.00	20.00	20.00
Airport Planning and Development	17.00	22.00	22.00	22.00	22.00	22.00
Total FTEs	362.00	379.00	379.00	379.00	379.00	379.00

Six of the new positions will allow for the conversion of temporary staff to permanent status. These positions support traffic control, security services and the new shared-use gate system. The demand for these services has increased substantially in recent years as a result of increasing passenger activity and construction. Five new positions are required in the Airport Planning and Development program to support the growing number and complexity of construction projects, such as the gate expansion and new parking garage on the West side of Lot A. Four additional positions are needed to keep pace with the growing demand for fleet and equipment services associated with the addition of several new airlines and managing numerous construction projects. Lastly, increases in parking, ground transportation and concession revenues necessitate an increase in support staff.

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Between FY 2015-16 and FY 2018-19, Aviation is not forecasting additional positions. However, the department will revisit its staffing needs annually as part of the budget process to assess whether future growth and operational needs require staffing adjustments.

In addition to staffing increases, Aviation is forecasting a \$2.8 million increase in other operational expenses in FY 2014-15. This includes \$0.9 million for consultant and contractual services areas such as new airlines lease agreements, IT engineering services, baggage handling system and other services. Aviation is adding \$0.8 million for maintenance for buildings, information technology hardware and software, bridges and carousels, infrastructure and equipment. Advertising and publication services are also increasing by \$0.3 million. Lastly, small tools, chemicals, capital outlay and other miscellaneous items are increasing by \$0.8 million. For the remainder of the forecast, operating expenses are projected to increase at an annual average rate of 5%.

Debt service payments requirements are forecast to increase from \$17.7 million to \$44.9 million over the five-year forecast period. This significant increase in debt service is connected to a variety of planned capital investments including construction of a new parking garage, a 9-gate terminal expansion, and numerous other airport updates and improvements.

Revenue and Rates

Total revenue for FY 2014-15 is projected at \$114.4 million, an increase of \$11.2 million over the previous year. Aviation revenues can be split into two major categories: airline revenue and non-airline revenue. The major sources of airline revenue are terminal rents and landing fees paid by airlines that provide service out of ABIA. In FY 2014-15, airline revenue is projected to increase \$3.6 million, or 8%, due to recovery of higher airport operating costs. From FY 2015-16 through FY 2018-19, airline revenue is expected to grow by an additional \$18.7 million, or 8.5% annually.

Non-airline revenue, which is primarily concession revenues and parking fees, is forecast to increase 13%, or \$7.6 million, in FY 2014-15. This growth is primarily attributable to the growing amount of passenger traffic the airport has experienced. Further increases in non-airline revenue, totaling \$14.9 million, are projected over the final four-year time horizon.

Fund Balance

The Airport Operating Fund is unlike most city utility and enterprise funds. Aviation does not carry a fund balance from year to year. Rather, any funds in excess of total funding requirements are transferred to Airport Capital Fund for capital projects servicing the debt utilized for ABIA and for future operating costs. The below table provides a five-year summary of the Aviation Fund's revenue, expenditures and fund balance:

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AIRPORT OPERATING FUND

(in millions)

	2014 Amended	2014 CYE	2015	2016	2017	2018	2019
Beginning Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Available Funds	111.0	113.1	122.7	129.9	138.7	144.0	158.5
Total Requirements	90.0	94.3	97.1	102.0	111.3	116.7	141.0
Transfer to Capital Fund*	21.0	18.8	25.6	27.9	27.4	27.3	17.5
Ending Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0

* Any excess funds are transferred to the Airport Capital Fund

AIRPORT CAPITAL FUND

(in millions)

	2014 Amended	2014 CYE	2015	2016	2017	2018	2019
Beginning Balance	64.2	64.2	75.3	82.9	94.7	106.6	118.2
Total Available Funds	21.1	18.9	25.7	28.0	27.5	27.4	17.6
Total Requirements	7.8	7.8	18.1	16.2	15.6	15.8	15.7
Ending Balance	77.5	75.3	82.9	94.7	106.6	118.2	120.1

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CODE COMPLIANCE

The Code Compliance Department (CCD) continues to focus on its mission to provide quality education and enforcement of codes and ordinances for our citizens so that Austin will be a more livable city. CCD investigates reports from members of the community on property conditions, building activities, zoning and structures thought to be in non-compliance with city codes throughout Austin. City codes establish minimum building, maintenance, and zoning standards that protect the health, safety and welfare of the community.

Expenditures and Staffing

CCD estimates a \$0.5 million increase in expenditures in FY 2014-15, including increases in Citywide cost drivers such as wage adjustment, health insurance, workers' compensation, fleet maintenance, and fuel. CCD is forecasting the addition of 4 new inspector positions for each fiscal year from FY 2015-16 through FY 2018-19 in order to handle an anticipated increase in the Case Investigation Program workload due to population growth and the increased focus on multifamily properties and neighborhood code enforcement.

Code Compliance Staffing Outlook by Program

Program	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	Amended					
Case Investigation	56.00	56.00	60.00	64.00	68.00	72.00
Licensing & Registration Compliance	20.00	20.00	20.00	20.00	20.00	20.00
Operational Support	0.00	18.00	18.00	18.00	18.00	18.00
Support Services	32.00	14.00	14.00	14.00	14.00	14.00
Total FTEs	108.00	108.00	112.00	116.00	120.00	124.00

Revenue and Rates

The Code Compliance Department derives its revenue from the Clean Community Fee (CCF), the Waste Hauler Fee, the Short Term Rental License Fee, and miscellaneous other revenue. The FY 2014-15 forecast revenue for CCD is \$16.6 million, which is \$0.4 million higher than FY 2013-14. Over the five-year forecast period, CCD's total revenue is anticipated to increase by \$4.6 million due to a growth in customer accounts and increases to the CCF.

The CCF is the primary source of revenue for CCD. No increase is projected in the CCF in FY 2014-15. However, revenue from the CCF is projected to increase \$0.5 million due to an increase in population growth. The five-year total CCF increase is expected to be \$0.55 to the single-family homeowner, equal to \$4.6 million over the same period.

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Fund Balance

The Code Compliance Fund is projected to be structurally balanced during the five-year forecast period. The table below provides a five-year summary of the Code Compliance Fund's revenue, expenditures and fund balance.

CODE COMPLIANCE FUND (in millions)

	2014 Amended	2014 CYE	2015	2016	2017	2018	2019
Beginning Balance	1.2	1.5	1.2	0.0	0.3	0.1	0.3
Total Available Funds	16.2	15.9	16.6	18.6	19.0	20.3	20.8
Total Requirements	17.3	16.2	17.8	18.3	19.2	20.1	21.1
Ending Balance	0.1	1.2	0.0	0.3	0.1	0.3	0.0
Clean Community Fee							
Single-family Home (CCD)	\$3.10	\$3.10	\$3.10	\$3.45	\$3.45	\$3.65	\$3.65
Single-family Home (ARR)	\$3.55	\$3.55	\$4.75	\$4.75	\$4.75	\$4.75	\$4.75

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CONVENTION CENTER

Expenditures and Staffing

The Austin Convention Center Department (ACCD) FY 2014-15 Forecast includes those resources necessary to maintain and operate the Austin Convention Center, the Palmer Events Center, the African American Cultural and Heritage Facility, and three parking garages. The department works tirelessly to earn recognition from its customers and industry for providing industry leading, best managed services and world class facilities. No new FTEs are planned for the five forecasted years. The total FTEs for the department are expected to remain at FY 2013-14 levels throughout the five-year forecast horizon.

Convention Center Staffing Outlook by Program

Program	FY 2014					
	Amended	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Event Operations	215.50	215.50	215.50	215.50	215.50	215.50
Support Services	35.50	35.50	35.50	35.50	35.50	35.50
Total FTEs	251.00	251.00	251.00	251.00	251.00	251.00

Total projected expenditures are \$84.7 million for FY 2014-15, an increase of \$14.1 million from FY 2013-14. Program requirements including personnel and other programmatic costs are rising by \$2.7 million. These cost increases include the purchase of stacking chairs, rope/stanchion replacement, tables, racking systems carts and upgraded water coolers for both facilities, additional temporary staffing for security, electric lighting supplies, increases in electric charges, credit card fees, and security and technology services. Also scheduled are transfers to the Capital Budget of \$14.6 million, including \$6.0 million from the Convention Center Operating Fund, \$7.9 million from the Venue Project Fund and \$0.7 million from the Palmer Events Center (PEC) Operating Fund. These transfers will be used for building improvements and facility development. Individual projects planned to be completed within the forecast timeframe focus on building improvements to further the department's mission and goals and will help to better service customers.

Key capital projects include rebuilding escalators, installing a new elevator in the 2nd Street parking garage, renovating the Castleman Bull House to provide new a meeting space for clients, and making exterior site improvements to create a new outdoor event space. Other planned projects include: IT enhancements, lighting automation, acoustic installation, garage repairs, and generator upgrades to provide for future facility development. Contractors will perform the work required for these projects due to their complexity and scope.

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Partially offsetting some of the expenditure growth are reductions from the prior year by \$3.2 million for FY 2014-15 which includes a \$2.8 million settlement agreement paid in FY 2013-14 and \$0.4 million less in debt service and other transfers.

Total expenditures for the five year horizon are projected to increase by \$5.9 million to a total of \$90.6 million. Program expenditures are forecasted to increase approximately \$4.1 million during this period. There is also a \$1.8 million increase in transfers and other requirements.

Revenue and Rates

Total revenue for FY 2014-15 is \$78.9 million, an increase of \$6.9 million over the prior year. This increase includes Hotel/Motel Occupancy Tax collections that represent approximately 60% of the total combined Convention Center revenue. With the strong local economy, the FY 2014-15 collections are projected to increase by \$3.5 million above the FY 2013-14 Budget to \$46.7 million. The Rental Car Tax collection is also projected to increase by \$0.7 million to \$8.7 million. Contractor revenue, which includes catering, concession and audio visual/rigging services, is projected to increase by \$0.9 million to \$11.2 million. Additionally based on booking trends and the usage of the parking facilities, the overall facility and parking revenues for FY 2014-15 are projected to increase by \$1.9 million to \$12.2 million. The FY 2014-15 Forecast includes a 3% increase in the facility rental for the Convention Center and a 5% increase in the standard utility rate. The daily variable and night parking rates are estimated to increase slightly.

FY 2015-16 through FY 2018-19, total revenue is expected to grow by an additional \$11.8 million to \$90.7 million. This includes Hotel/Motel Occupancy Tax collections projected to increase by \$8.5 million, Rental Car Tax collection projected to increase by \$1.5 million, contractor revenue projected to increase by \$0.7 million, and facility and parking revenues projected to increase by \$1.1 million.

Fund Balance

The FY 2014-15 Convention Center All Funds Combined Summary forecast includes the Convention Center, the Palmer Events Center and the Venue Funds. It is important that an appropriate level of funding be maintained to provide for any unexpected financial needs which could occur. The FY 2014-15 forecasted ending balance is slightly lower than the ending balance in the FY 2013-14 Budget. This is due to a \$6.0 million transfer from the Convention Center Operating Fund to the CIP and a \$7.9 million transfer from the Venue Project Fund to the CIP for future building improvements. However, the FY 2013-14 estimated ending balance is projected to be \$3.6 million higher than the Amended Budget due to a significant projected increase in Hotel/Motel Occupancy Tax and car tax collections as well as increased department-generated revenue. This increased revenue will result in an estimated FY 2013-14 ending balance of \$34.8 million.

A financial policy goal for ACCD is to maintain a 60-day operating reserve in the Convention Center Operating Fund. The department will continue to proactively manage operational

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revenue and expenditures to maintain its fund balance. Combined fund balances are anticipated to remain in the \$29.0 million range during the forecast period. The table below provides a five-year summary of the Convention Center's revenue, expenditures and fund balance:

CONVENTION CENTER ALL FUNDS COMBINED (in millions)

	2014 Amended	2014 CYE	2015	2016	2017	2018	2019
Beginning Balance	29.9	33.5	34.8	29.0	27.8	29.0	29.2
Total Revenues	72.0	75.8	78.9	82.1	84.9	87.8	90.7
Total Expenditures	70.6	74.5	84.7	83.4	83.6	87.6	90.6
Ending Balance	31.2	34.8	29.0	27.8	29.0	29.2	29.3

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ECONOMIC DEVELOPMENT

Expenditures and Staffing

The Economic Development Department's FY 2014-15 Financial Forecast is \$12.9 million; 2% less than the FY 2013-14 Amended Budget. The Forecast includes incremental increases for employee wages and benefits, administrative support, rental adjustments, and grant support, and removes one-time funding for an inter-local agreement with the Texas Facilities Commission for a state facility study related to the Capital Complex Master Plan. No new positions are being forecasted.

Economic Development Staffing Outlook by Program

Program	FY 2014					
	Amended	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Cultural Arts & Contracts	10.50	10.50	10.50	10.50	10.50	10.50
Global Business Recruitment and Expansion	7.00	7.00	7.00	7.00	7.00	7.00
Music and Entertainment	4.00	4.00	4.00	4.00	4.00	4.00
Redevelopment	11.00	11.00	11.00	11.00	11.00	11.00
Small Business Development	12.50	12.50	12.50	12.50	12.50	12.50
Support Services	8.00	8.00	8.00	8.00	8.00	8.00
Total FTEs	53.00	53.00	53.00	53.00	53.00	53.00

Revenue and Rates

The Economic Development Department derives its funding via transfers in from Austin Energy, Austin Water Utility, Austin Resource Recovery, and the General Fund, as well as miscellaneous fees. FY 2014-15 will be the second year of a four-year transition from funding solely by Austin Energy to the shared-funding model, which is based on a proportionate share of revenue. The contributions by department are shown in the table on the following page.

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ECONOMIC DEVELOPMENT FUND TRANSFERS IN (in millions)

	2014 Amended	2014 CYE	FY 2015	2016	2017
General Fund	1.3	1.3	1.7	2.8	3.9
Austin Energy	11.4	11.4	9.1	8.2	6.7
Austin Water Utility	0.6	0.6	1.2	1.9	2.6
Austin Resource Recovery	0.1	0.1	0.2	0.3	0.3
Total Transfers-In	13.4	13.4	12.2	13.2	13.5

Fund Balance

The Economic Development Fund's financial health is sound with positive fund balances projected in all years of the Forecast.

ECONOMIC DEVELOPMENT FUND (in millions)

	2014 Amended	2014 CYE	2015	2016	2017	2018	2019
Beginning Balance	0.0	0.0	0.7	0.1	0.1	0.1	0.1
Total Available Funds	13.5	13.5	12.3	13.3	13.6	14.0	14.4
Total Expenditures	13.2	12.8	12.9	13.3	13.6	14.0	14.4
Ending Balance	0.3	0.7	0.1	0.1	0.1	0.1	0.1

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NEIGHBORHOOD HOUSING & COMMUNITY DEVELOPMENT

Expenditures and Staffing

The Neighborhood Housing and Community Development (NHCD) Department is projecting an overall increase of \$0.2 million, or 5.5%, in its operating budget for FY 2014-15 to cover Citywide cost drivers and wage and insurance increases for grant-funded FTEs. The department anticipates grant funding will continue to be a challenge in future budgets, and any reduction in federal funding would require either the elimination of positions or additional support from other local sources to maintain the current level of service. However, at this time there has not been any notification of reduced funding, so the department is not including this possibility in its projections. No new positions are being forecasted over the next 5 years.

NHCD Staffing Outlook by Program

Program	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	Amended					
Community Development	2.00	2.00	2.00	2.00	2.00	2.00
Housing	17.00	17.00	17.00	17.00	17.00	17.00
Support Services	33.00	33.00	33.00	33.00	33.00	33.00
Total FTEs	52.00	52.00	52.00	52.00	52.00	52.00

Revenue and Grants

The City estimates receiving \$9.7 million in new grant appropriations from the U.S. Department of Housing and Urban Development (HUD), including \$7.0 million from the Community Development Block Grant (CDBG) and \$2.7 million from the HOME Investment Partnership Program (HOME). The other sources of revenue supporting NHCD and its services come from transfers. The local revenue source is a \$4.0 million transfer in from the Sustainability Fund, which is a net increase of \$0.2 million to address rising City cost drivers, and a \$0.8 million General Fund transfer to the Housing Trust Fund. Lastly, the University Neighborhood Overlay (UNO)–Housing Trust Fund revenue is largely derived from fees paid by developers, and as typical, is forecasted at zero. All these sources are supporting the NHCD Fund, the Housing Trust Fund and the University Neighborhood Overlay (UNO)–Housing Trust Fund.

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Other Funding Sources

The Housing Trust Fund (HTF), established on April 20, 2000, is dedicated to preserving and creating reasonably priced housing in the city of Austin. It is managed by the Austin Housing Finance Corporation (AHFC), a part of NHCD. The transfer to the HTF is based on 40% of all City property tax revenue (excluding TIFs) generated from developments built on City-owned lands to the Housing Trust Fund within the defined Desired Development Zone for affordable housing. The department anticipates \$1.2 million in expenses in FY 2014-15 based on the estimated number of projects.

The University Neighborhood Overlay (UNO) Housing Trust Fund is also managed by the AHFC. The UNO District was established by Council on September 2, 2004 to increase the amount of rental housing that is available to households at or below 50% of the median family income in the area generally west of the University of Texas campus. At this time the department anticipates spending the remaining \$0.6 million fund balance in FY 2013-14 on approved projects.

Funding Summary

For FY 2014-15, the total funding for the Neighborhood Housing and Community Development Department is projected to be \$14.5 million from the various sources noted above. In addition, voters approved \$65 million in bonds on November 5, 2013 to support affordable housing projects and programs. More information on the Housing Bonds is included in the Capital Budget section under 2013 Bonds.

Summary of FY 2014-15 NHCD Funding (in millions)

Funding Source	Amount
CDBG	\$7.0
HOME	\$2.7
Sustainability Fund	\$4.0
Housing Trust Fund	\$0.8
UNO	\$0.0
Total	\$14.5

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PUBLIC WORKS

The Public Works Department (PWD) has an organizational mission to provide an integrated approach to the development, design, construction, and maintenance of the City's infrastructure systems and facilities. The nature of the Department's work touches almost every aspect of daily life, and is reflected in PWD's vision statement, ***Public Works Connects You All Around Austin.***

Expenditures and Staffing

The Public Works Department is decreasing its workforce by 15.25 positions, net, in the FY 2014-15 Forecast. The reasons for these reductions are an anticipated decrease in future Capital Improvement Projects workload, the performance of some work by contract, and the transfer of positions that are currently providing support service functions to the Austin Transportation Department. Included in the staff restructuring, PWD is repurposing 6.75 FTEs to convert 9 long-time temps within the Child Safety Fund (CSF) to permanent positions. In FY 2015-16 through FY2018-19, PWD estimates maintaining staffing levels at the new revised strength for continued operations, maintenance, and management of City's infrastructure systems and the delivery of capital improvement projects on behalf of City.

Public Works Staffing Outlook by Program

Fund	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	Amended					
Pedestrian Infrastructure	5.75	5.00	5.00	5.00	5.00	5.00
Capital Projects Delivery	144.00	139.00	139.00	139.00	139.00	139.00
Child Safety	9.00	15.75	15.75	15.75	15.75	15.75
Minor Construction and Repair	96.25	86.25	86.25	86.25	86.25	86.25
One Stop Shop	0.25	0.00	0.00	0.00	0.00	0.00
Quality and Standards Management	26.00	24.00	24.00	24.00	24.00	24.00
Right-of-Way Maintenance	25.00	25.00	25.00	25.00	25.00	25.00
Street Preventative Maintenance	90.00	90.00	90.00	90.00	90.00	90.00
Street Repair	55.00	55.00	55.00	55.00	55.00	55.00
Support Services	71.75	67.75	67.75	67.75	67.75	67.75
Total FTEs	523.00	507.75	507.75	507.75	507.75	507.75

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No new programs are being added to either the Capital Projects Management Fund (CPMF) or the Public Works Transportation Fund (PWTF). Aside from increases attributable to the base cost drivers, the only increases of significance are for capital items. One-time costs of \$2.4 million to replace or buy new vehicles and equipment are included in the PWTF and \$0.3 million is included in the CPMF for PC replacements. The Child Safety Fund is adding \$0.7 million for the temp-to-perm conversion.

Revenue and Rates

The Transportation User Fee (TUF) is the primary source of revenue for Public Works and the Transportation Fund. PWD and ATD are jointly projecting an increase in FY 2014-15 of \$0.45 (5.8%) per single-family home, which will increase the residential fee to \$8.25 per month. \$0.27 of the increase is from PWD related expenses. PWTF revenue is projected to increase \$1.6 million, of which \$0.5 million is due to population growth and new development. For FY 2015-16 through FY 2018-19, PWD and ATD jointly project a TUF increase of 4%-5% per year tied to continued recovery of Citywide cost drivers.

Capital Projects Management Fund revenue is expected to increase in the coming years corresponding to projected cost increases from associated Citywide cost drivers. For the final four years of the Forecast, there is also the potential for substantial revenue reductions as sponsor-related work drops off. If the work level does decrease, staff reductions may become necessary to maintain the CPMF's structural integrity.

Lastly, the Child Safety Fund (CSF) revenue is projected to remain relatively flat over the forecast horizon, without changes to school zone violation fine and registration fee allocation which is the funding source for the crossing guard operations at over 200 crossing locations. Without an increase in allocation of fines collected in school zones, the Fund will go into a negative balance status. The amount of revenue from City Traffic violations has not increased over the last 20 years, but the services provided by the Fund have doubled in correlation to City population growth.

Fund Balance

The ending balance of the PWTF is forecasted at \$2.7 million for FY 2014-15 and continues to be financially sound through FY 2018-19. The five-year summary of Public Works Transportation Fund's revenue, expenditures and balance is shown in the table on the following page.

FINANCIAL FORECAST

PUBLIC WORKS - TRANSPORTATION FUND

(in millions)

	2014 Amended	2014 CYE	2015	2016	2017	2018	2019
Beginning Balance	9.0	9.0	6.2	2.7	2.7	2.7	2.7
Total Available	46.3	48.3	47.7	50.1	51.9	53.1	54.8
Total Expenditures	50.6	51.1	51.2	50.1	51.9	53.1	54.8
Ending Balance	4.7	6.2	2.7	2.7	2.7	2.7	2.7
Monthly Residential Fee - Single-family Home							
PWD portion, increase			\$0.27	\$0.27	\$0.28	\$0.29	\$0.31
ATD portion, increase			\$0.18	\$0.08	\$0.08	\$0.10	\$0.11
PWD/ATD Combined	\$7.80	\$7.80	\$8.25	\$8.60	\$8.96	\$9.35	\$9.77

The Forecast of the CPMF is built on the assumption that workloads will lighten slightly in FY 2014-15 and then remain stable through FY 2018-19. Using that basis, the overall financial health of the Capital Projects Management Fund remains in sound condition through the forecast period. However, it is important to note that PWD does foresee a high likelihood that sponsor-related work will continue to drop throughout the last four years of the forecast period. The two main drivers fueling this concern are the significant decrease to AWU's Capital Program and the completion of the majority of the projects which are under the current bond programs. PWD is currently making adjustments to address this decreased workload forecast, including eliminating 5 vacant positions in FY 2014-15. If there is a prolonged shortage of capital work, the fund will not be able to absorb it and other cost-savings or revenue-generating measures will need to be enacted.

The five-year summary of Capital Projects Management Fund's revenue, expenditures and fund balance is shown below.

CAPITAL PROJECTS MANAGEMENT FUND

(in millions)

	2014 Amended	2014 CYE	2015	2016	2017	2018	2019
Beginning Balance	1.4	1.1	1.3	0.8	0.3	0.3	0.3
Total Available	26.5	26.5	27.5	28.1	29.5	30.7	31.5
Total Expenditures	26.3	26.3	28.0	28.6	29.5	30.7	31.5
Ending Balance	1.6	1.3	0.8	0.3	0.3	0.3	0.3

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Without an increase in allocation of fines collected in school zones or reduction in program expenditures, the Fund is projected to go into a negative balance status. Staff is in the process of analyzing options for addressing this critical priority. The five-year summary of the Child Safety Fund's revenue, expenditures and fund balance is shown below.

CHILD SAFETY FUND (in millions)

	2014 Amended	2014 CYE	2015	2016	2017	2018	2019
Beginning Balance	0.3	0.3	0.1	(0.2)	(0.4)	(0.7)	(0.9)
Total Available	1.8	1.8	1.8	1.9	2.0	2.0	2.1
Total Expenditures	2.0	2.0	2.1	2.2	2.2	2.2	2.2
Ending Balance	0.1	0.1	(0.2)	(0.4)	(0.7)	(0.9)	(1.1)

FINANCIAL FORECAST

WATERSHED PROTECTION

The Watershed Protection Department (WPD) FY 2014-15 Forecast includes those resources necessary to meet its mission of protecting lives, property and the environment by reducing the impact of flood, erosion and water pollution. The Drainage Utility Fund is used to maintain and improve water quality, create stable stream systems, and to maintain drainage infrastructure. The department is projecting no new FTEs in FY 2014-15 and only a modest increase in program expenditures to maintain the current level of service provision.

Expenditures and Staffing

From FY 2015-16 through FY 2018-19, WPD estimates a total of 11 new FTEs for a personnel cost of \$1.0 million. Six new positions in the Water Quality program will be supporting various duties such as maintaining compliance with federal regulations for the endangered salamander, interagency coordination and environmental integration to emergency responses, hydrogeological activities at Barton Springs, modeling of area watershed and support for the storm water discharge permit program. Three new positions will support the Flood Hazard Mitigation program providing support for in-house engineering studies and reports and engineering support in the development of feasibilities and technical assistance to other City departments. One of these positions will also provide administrative support by researching public information requests and assisting with records management. One new position in the Infrastructure and Waterway Maintenance program will be responsible for periodic and on-going maintenance at over 850 storm water treatment facility locations. Also, one new position in the Watershed Policy and Planning program will support the projected increase to the Earth Camp program.

Watershed Protection Staffing Outlook

Program	FY 2014					
	Amended	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Infrastructure & Waterway Maint.	127.33	127.33	128.33	128.33	128.33	128.33
Water Quality Protection	60.00	60.00	61.00	63.00	65.00	66.00
Flood Hazard Mitigation	29.33	29.33	32.33	32.33	32.33	32.33
Watershed Policy and Planning	27.59	27.59	27.59	27.59	28.59	28.59
Support Services	21.50	21.50	21.50	21.50	21.50	21.50
Stream Restoration	7.00	7.00	7.00	7.00	7.00	7.00
Total FTEs	272.75	272.75	277.75	279.75	282.75	283.75

FINANCIAL FORECAST

Total expenditures for FY 2014-15 are \$81.1 million, an increase of \$7.0 million from FY 2013-14. The largest projected increases for FY 2014-15 are baseline increases of \$1.1 million for health insurance, wage adjustments, fuel, fleet maintenance, and program expenditure increases of \$1.7 million that include \$0.4 million to annualize Waller Creek Tunnel operating expenses. An increase of \$0.2 million is included for education and outreach costs, including funds for additional flood awareness ads in late summer/early fall and emergency radio ads when storms are imminent. Finally an increase of \$2.0 million is included in the Forecast so that the drainage utility can increase its transfer to its CIP. For FY 2014-15, the total transfer to CIP will be \$24.4 million.

Total expenditures for the final four years of the Forecast increase by \$16.8 million to \$97.9 million. Operating expenses are forecasted to increase approximately 12% during this period. The CIP transfer increases by \$4.4 million for a total transfer to CIP of \$28.7 million. Debt service for Waller Surface improvements and Onion Creek Flood buyouts is projected to increase from \$2.3 million to \$3.6 million.

Revenue and Rates

Total revenue for FY 2014-15 is \$78.3 million, an increase of \$5.9 million or 7% over 2013-14. The FY 2014-15 Forecast continues the series of drainage fee increases that were resumed in FY 2012-13 with the goal of increasing the drainage utility's base transfer amount to its CIP program to \$30.0 million per year. This goal almost achieved in FY 2018-19 of the Forecast.

The primary funding source for the Drainage Utility is the monthly drainage fee assessed to city of Austin utility customers. The FY 2014-15 fee revenue is based on residential and commercial customer growth of 2.0% and 0.8%, respectively. This fee is expected to provide approximately 99%, or \$77.1 million, of the department's revenue for the upcoming fiscal year. Drainage fee revenue is expected to increase by 7% over FY 2013-14 levels.

The new monthly rate reflects a 6.5% increase from \$9.20 to \$9.80, an increase to the base billing unit, of 60 cents per equivalent residential unit (ERU) for residential customers. The residential growth is based on current trends and is in keeping with the City demographer's estimate. The non-residential growth estimate is based on analysis of past non-residential growth rates, which are significantly lower than residential growth rates. Other revenue sources for the department include interest income and development revenue.

The total revenue for the final four years of the Forecast is expected to grow by \$19.9 million to \$98.2 million. The drainage fee is projected to increase to \$11.65 per ERU by FY 2018-19, an increase of \$2.45 over the entire forecast period.

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Fund Balance

The fund balance of the Drainage Utility Fund is forecasted at \$4.3 million for FY 2014-15. Though declines in fund balance are anticipated in FY 2014-15 through FY 2018-19, the overall financial health of the Drainage Utility Fund is in compliance with City policies. During the five-year forecast period, the fund balance is projected to remain between \$4.2 million and \$5.1 million each year. The table below provides a five-year summary of the Drainage Utility Fund's revenue, expenditures and fund balance.

DRAINAGE UTILITY FUND
(in millions)

	2014 Amended	2014 CYE	2015	2016	2017	2018	2019
Beginning Balance	6.2	7.5	7.0	4.3	4.2	4.4	4.7
Total Revenues	72.4	72.9	78.3	85.4	89.9	94.5	98.2
Total Expenditures	74.1	73.4	81.1	85.5	89.7	94.1	97.9
Ending Balance	4.5	7.0	4.3	4.2	4.4	4.7	5.1
Monthly Residential Fee							
Equivalent Residential Unit	\$9.20	\$9.20	\$9.80	\$10.55	\$10.95	\$11.35	\$11.65

Capital Budget

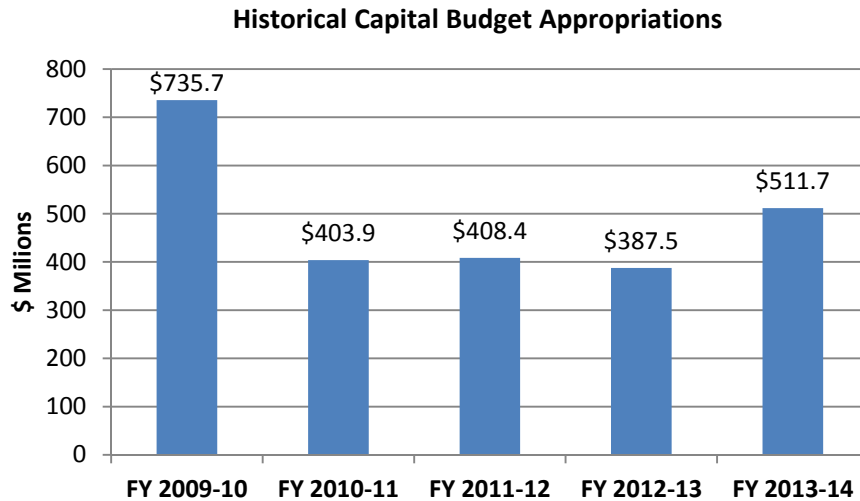
The City of Austin's Capital Improvement Program (CIP) includes a wide array of projects to improve public facilities and infrastructure assets. The projects may include construction and renovation of recreation centers and libraries, acquisition of parkland, reconstruction of streets, rehabilitation of water and wastewater lines, electrical power distribution, and the purchase of capital equipment. The varied nature of capital projects means the time required for completion also varies. Each year, the City of Austin produces a CIP Five-Year Plan that outlines the various capital projects, and associated funding and spending plans, that will take place over the upcoming five-year period. It is not intended to be an all-inclusive inventory of the City's capital needs. Instead, it outlines the planned projects with available funding sources. The CIP Five-Year Plan reflects the City's values and priorities, the community's vision expressed in the Imagine Austin Comprehensive Plan, and the commitment to being the Best Managed City in the country.

To determine which projects appear in the CIP Plan, each City department identifies potential new projects as well as existing ongoing projects and programs aimed at existing infrastructure networks, city facilities, and services. The prioritization process details for each department are customized based on specific service responsibilities; however some generalizations about the process can be made. Typically, the process starts with department review of their upcoming capital improvement needs early in the fiscal year and prioritizing them for inclusion in the CIP by using technical assessments of infrastructure condition and need, public input received through individual department's planning efforts, and requests from City Boards, Commissions, and Council.

Once the CIP Five-Year Plan is completed, it serves as the basis for the development of the annual capital budget. Unlike the operating budget, which must make annual appropriations, capital budget funds are available until exhausted, over multiple years. The most common funding sources for the CIP are debt, cash transfers, and grants. Debt sources include public improvement bonds (voter approved), certificates of obligation, contractual obligations, and commercial paper. The use of debt is suitable in capital projects because it promotes intergenerational equity in bearing the costs of the projects in conjunction with enjoying the benefits over time.

As previously noted, capital budget funds are utilized over multiple years. As a result, the amount of new appropriations approved each year can fluctuate depending on if one or more departments initiate significant projects that require similarly significant levels of appropriation. The chart below provides a five-year history of approved capital budget appropriations.

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New appropriations have declined in recent years primarily because funds necessary for various large scale projects and programs were fully appropriated previously (e.g. Water Treatment Plan #4, the New Central Library, etc.). The table below provides a high level overview of the City's CIP spending plan over the next five years, divided between General Obligation Bond Programs and Enterprise/Other projects. The information following the table provides greater detail on active bond programs and associated projects. More detailed information on enterprise/other spending and associated projects can be found following the Voter-Approved Bond Projects section.

CIP Five Year Spending Plan (\$s in Millions)

	FY2015	FY2016	FY2017	FY2018	FY2019	TOTAL
GO Bond Program	\$132.5	\$86.7	\$33.9	\$13.0	\$10.1	\$276.2
Enterprise/Other	\$682.9	\$804.0	\$770.6	\$520.4	\$526.2	\$3,304.1
Total	\$815.4	\$890.7	\$804.5	\$533.4	\$536.3	\$3,580.3

VOTER-APPROVED BOND PROJECTS

The City currently has four active major bond programs, including 2006, 2010, 2012, and 2013. When a bond program is approved by the voters, the full authorized amount is not appropriated all at once. Instead, it is appropriated in installments in accordance with the prioritization, coordination, and timing of projects over the life of the bond program.

2006 Bond Program

The 2006 Bond Program was approved by the voters on November 7, 2006 and includes seven propositions for a total of \$567.4 million in authorization.

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- Proposition one authorized \$103.1 million in funding for various transportation projects, such as street reconstruction, bicycle and pedestrian infrastructure, and traffic signals. This includes \$10.6 million, or over 10% of the authorization, allocated for sidewalk projects. The East 7th Street reconstruction project benefited from this funding source to complete reconstruction, streetscape, and pedestrian improvements.
- Proposition two authorized \$145.0 million in funding for the design and construction of drainage facilities to improve flood control, erosion control, water quality, and storm water drainage, as well as the acquisition of open space. This includes \$24.5 million for Onion Creek flood hazard mitigation. The East Bouldin storm drain improvements project accounts for \$10.8 million and is nearing completion. The Boggy Creek Green Belt stream restoration project accounts for \$4.5 million and is also nearing completion.
- Proposition three authorized \$84.7 million in funding for various parks and recreation projects, such as renovation and improvements to existing parks and facilities, trails, swimming pools, and parkland acquisition. This includes \$7.0 million for Bartholomew Pool which will require additional contractals and commodities in the FY 2014-15 operating budget.
- Proposition four authorized \$31.5 million in funding for community and cultural facilities, including the Zachary Scott Theatre, the African American Cultural and Heritage Facility, the Asian American Resource Center, the Austin Film Studios, the Emma S. Barrientos Mexican American Cultural Center, and the Mexic-Arte Museum. All proposition four projects, with the exception of the Mexic-Arte Museum are complete.
- Proposition five authorized \$55.0 million in funding for various affordable housing projects, including rental, home ownership, home repair, and permanent supportive housing. All but approximately \$250,000 of the funds have been expended to support these efforts.
- Proposition six authorized \$90.0 million in funding for a new Central Library to replace the Faulk Central Library. The new Central Library began construction in FY 2012-13 and is projected to open in spring 2016. The new facility will impact the Austin Public Library operating budget with an anticipated 68.25 FTEs and \$6,390,329 in additional funds to be implemented in phases beginning in FY 2015-16.
- Proposition seven authorized \$58.1 million in funding for public safety facilities including a joint public safety training facility, a police station, an Emergency Medical Services (EMS) facility, a municipal courthouse, and an animal services center.

2010 Bond Program

The 2010 Bond Program was approved by the voters on November 2, 2010 and includes one proposition for a total of \$90.0 million in authorization. The focus of the 2010 Bond Program is to enhance mobility in the region through a variety of projects and programs such as street

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reconstruction, pedestrian, ADA, and bikeway improvements, signals and intersection improvements, and partnership projects. The full \$90.0 million has been appropriated and over 93% has been spent or encumbered due to the success of efforts such as Accelerate Austin. The Boardwalk Trail at Lady Bird Lake, which accounts for 22% of the bond program, will reach final completion at the close of FY 2013-14. The Colorado Street Reconstruction project between 3rd and 7th Streets reached substantial completion in early FY 2013-14 accounts for 7.5% of the program. Finally, the 2010 Bond Program also contributes approximately \$16.6 million for pedestrian improvements for sidewalks and ADA compliance.

2012 Bond Program

The 2012 Bond Program was approved by the voters on November 6, 2012 and includes six propositions for a total of \$306.6 million in authorization. The 2012 Bond Program was developed in alignment with many of the priority programs of the Imagine Austin Comprehensive Plan, such as investing in a compact and connected Austin, growing and investing in Austin's creative economy, and using green infrastructure. The 2012 Bond Program received its first installment of appropriation via a budget amendment in the amount of \$37.2 million on May 9, 2013. An additional appropriation of \$98.5 million was included in the FY 2013-14 Budget and an estimated \$86 million appropriation is anticipated in FY 2014-15.

- Proposition twelve authorized \$143.3 million in funding to transportation and mobility projects including street improvements, sidewalks, bridge, bikeways, signals, and facilities. \$25 million, or approximately 17.4% of the proposition, is allocated to pedestrian improvements for sidewalk and ADA compliance. Additional significant projects in the proposition include the Mopac Bridge over Barton Creek which will add a dedicated bicycle facility to the existing bridge, improvements to IH 35, 3rd Street Reconstruction and YBC (Y at Oak Hill at Barton Creek) Urban trail.
- Proposition thirteen authorized \$30.0 million for open space and watershed protection acquisition. Approximately 60% of funding was allocated to purchase over 600 acres at the Hudson Ranch as water quality protection land. At this location, rainfall can access and recharge the Edwards Aquifer and then quickly reach Barton Springs. Runoff from the ranch flows into Onion Creek, the largest water source to Barton Springs. This tract also widens the ownership of land providing option locations for the proposed Violet Crown Trail.
- Proposition fourteen authorized \$77.7 million for parks and recreation projects, including citywide park improvements, facility improvements, and cemetery renovations. The Dove Springs District Park Recreation Center Expansion will add 4,000 square feet to increase available class room and meeting space. It is expected to be complete in FY 2016-17 and is projected to have an operating impact in FY 2017-18.

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- Proposition sixteen authorized \$31.1 million in funding for public safety facility improvements, including a new Fire/EMS station in the Onion Creek area that will require an additional 16 sworn positions and an estimated \$2.0 million in additional funds in the Austin Fire Department operating budget, in starting FY 2016-17.
- Proposition seventeen authorized \$11.1 million for health and human services facility improvements. This includes the Women and Children's Shelter Renovations and Expansion project to address critical facility needs and programming expansion. Expansion components will provide additional sleeping quarters, childcare facilities, and parking. The project is estimated for completion in early FY 2017-18.
- Proposition eighteen authorized \$13.4 million in funding for library, museum, and cultural arts facilities improvements including interior and exterior renovations at numerous branch libraries and funding for the improvements to and expansion of the Austin Film Studios facilities. The Austin Film Studios project will be completed through an agreement with the Austin Film Society and have no impact on the operating budget.

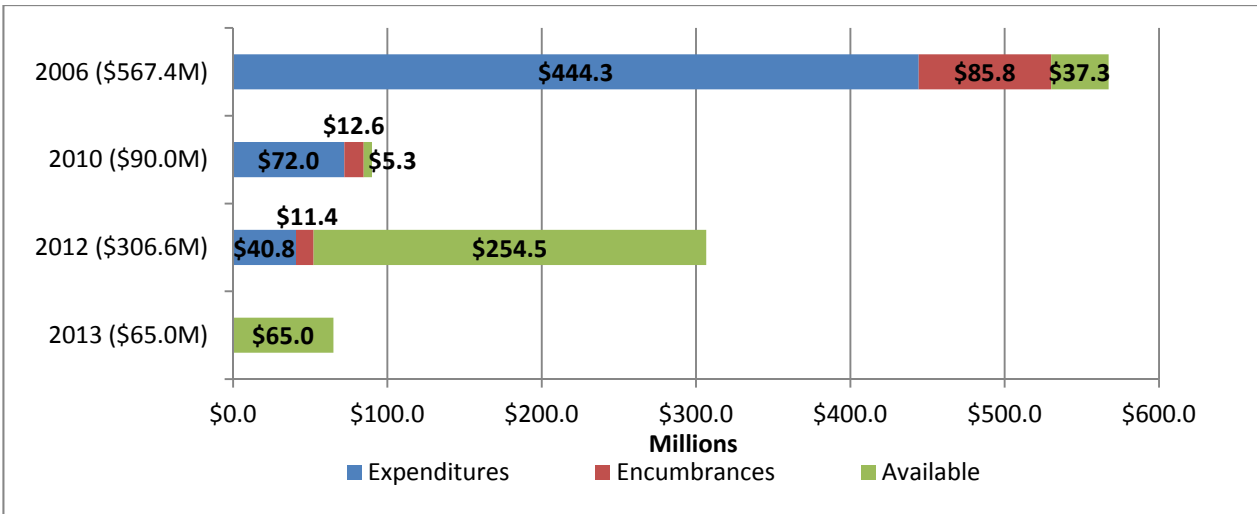
2013 Bond Program

The 2013 Bond Program was approved by the voters on November 5, 2013 and included one proposition for \$65 million in authorization to support affordable housing projects and programs. It is projected the projects and programs will be implemented over a six year period. The first installment of \$15.0 million in appropriation was approved by City Council on January 23, 2014. The remaining \$50.0 million will be appropriated each fiscal year through FY 2018-19.

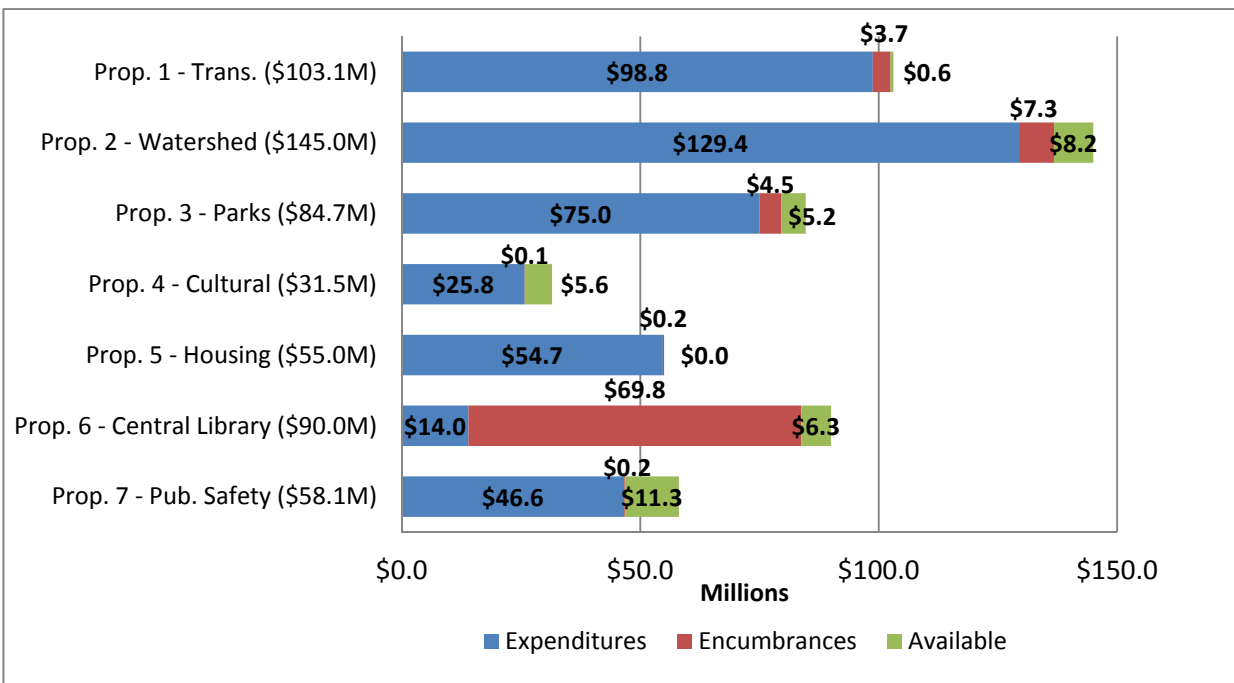
The charts below provide an overview of the bond program expenditures, encumbrances, and available funds through the close of the second quarter of FY 2013-14.

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2006, 2010, 2012, and 2013 BOND PROGRAMS

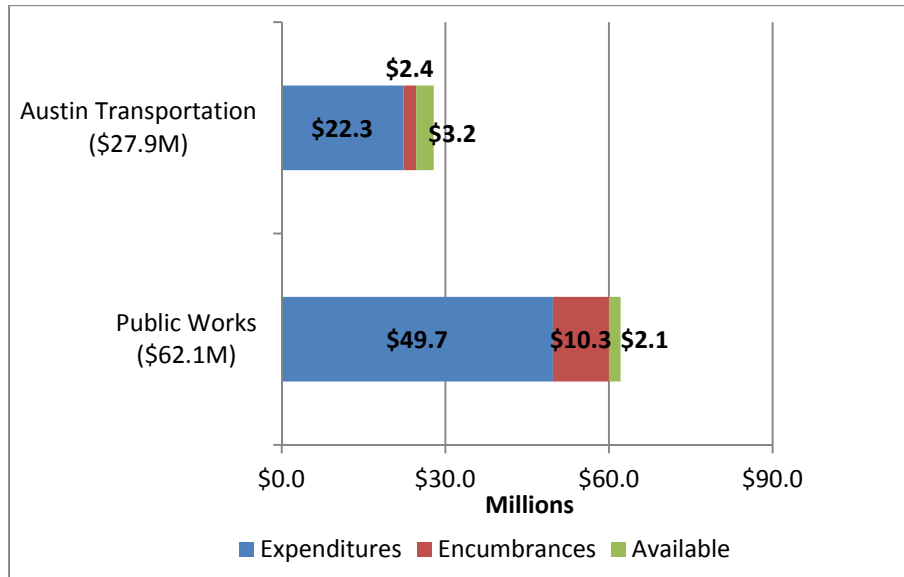


2006 BOND PROGRAM (\$567.4 million)

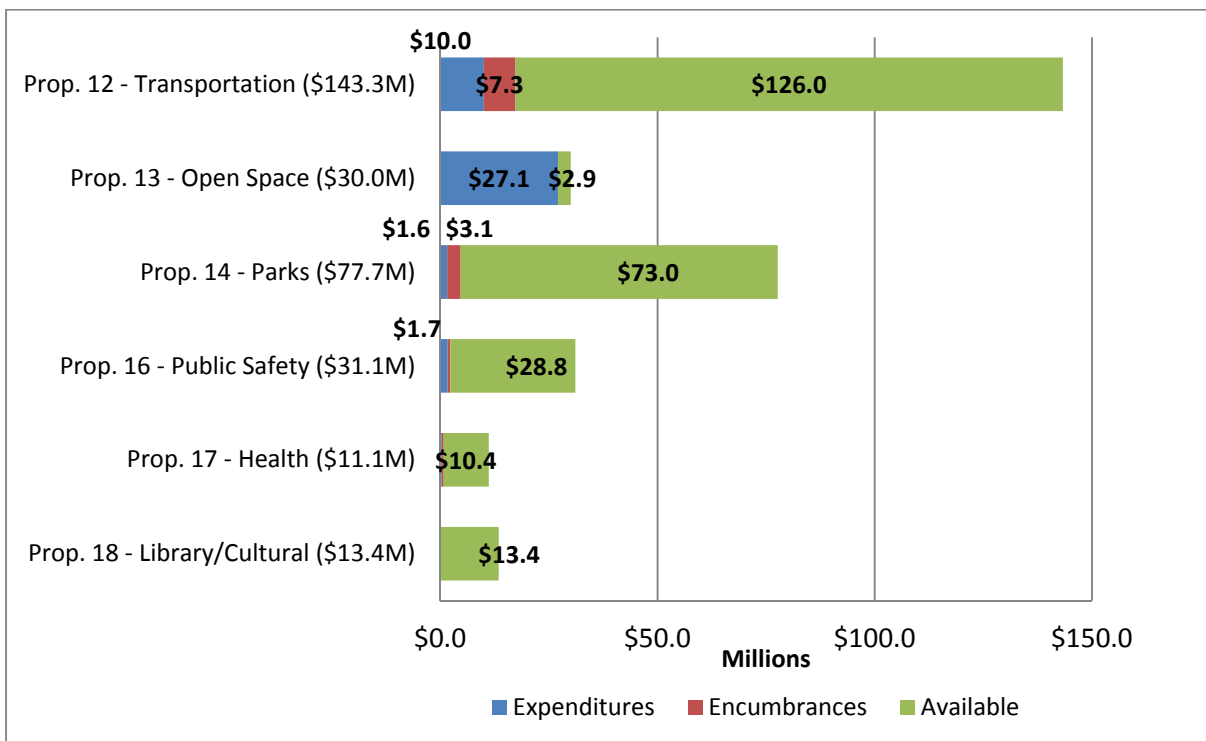


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2010 BOND PROGRAM (\$90.0 million)

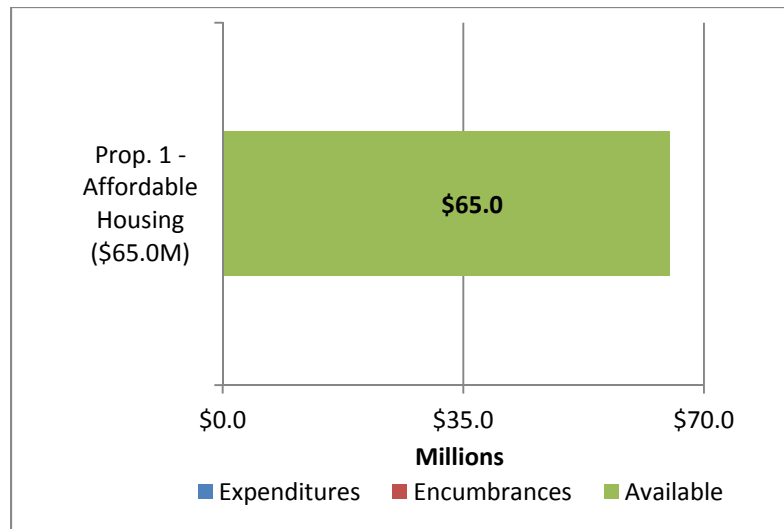


2012 BOND PROGRAM (\$306.6 million)



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2013 BOND PROGRAM (\$65.0 million)



PROJECT HIGHLIGHTS

The previous CIP Five-Year Spending Plan table presented a high level overview of GO Bond Programs and Enterprise/other spending. The table presented below provides a more detailed breakdown of the Enterprise/other spending.

Enterprise/Other CIP Five Year Spending Plan (\$s in Millions)

	FY2015	FY2016	FY2017	FY2018	FY2019	TOTAL
Austin Energy	\$238.2	\$292.9	\$290.5	\$256.5	\$257.7	\$1,335.8
Austin Water	\$176.8	\$163.8	\$153.4	\$162.1	\$169.0	\$825.2
Aviation	\$108.5	\$150.9	\$232.6	\$34.9	\$26.1	\$553.0
Watershed	\$26.4	\$115.9	\$50.4	\$40.3	\$67.0	\$300.0
Austin Resource Recovery	\$7.3	\$4.1	\$4.2	\$9.1	\$3.0	\$27.6
Convention Center	\$8.5	\$2.9	\$4.4	\$0.13	\$0.0	\$15.9
Other	\$117.1	\$73.6	\$35.1	\$17.3	\$3.5	\$246.6
Total	\$682.9	\$804.0	\$770.6	\$520.4	\$526.2	\$3,304.1

Austin Energy

Austin Energy's CIP focuses its efforts on a number of programs, including power production, transmission and distribution, on-site generation (e.g. chillers and customer piping connections), alternative energy, customer service and metering, support services (e.g.

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IT/facilities). Its FY 2014-15 work plan includes upgrades to various systems at the Decker Power Station and Sand Hill Energy Center, transmission substation upgrades at the Salem Walk Substation, continued Dark Sky streetlight upgrades, implementation of a meter data management system, a telecommunication make-ready project for poles to accommodate high speed internet, and community solar projects. The work plan also includes construction of a new Riverside Drive campus to house several business units currently in leased space on Barton Springs Road and in the Town Lake Center facility.

Aviation

The Aviation Department has numerous large-scale projects underway or in the early stages, including the East Infill and East Terminal Gate Expansion projects. The East Infill project will add 55,000 square feet of new terminal space through a multi-level addition to the East end of the terminal, including new security checkpoint facilities, baggage handling, support facilities, loading dock, and shell space. Substantial completion is expected in 2015. The East Terminal Gate Expansion project will add approximately 70,000 square feet of new terminal concourse space, 7 or more new loading bridges, 12,000 square feet of concessions space, international gate capabilities, baggage carousels, airline operations offices, added aircraft parking positions and taxi lanes, and passenger experience enhancements. Substantial completion is expected in 2017. The department expects a need to increase its operating budget by \$1.5 million for new staff to address passenger growth and new initiatives in FY 2014-15.

Austin Resource Recovery

The Austin Resource Recovery Department will utilize available acreage at the closed FM 812 landfill in an innovative way by building the new Austin [re]Manufacturing Hub. The Hub will be used for the development of new recycling and green technologies. These facilities will help move Austin toward its zero waste goals in accordance with the City Council's adoption of the Austin Resource Recovery Master Plan from 2011. These facilities are planned to be complete in FY 2018-19.

Austin Water Utility

The Austin Water Utility Department's CIP projects include programs such as service extension to newly annexed areas, lift stations, pump stations, rehabilitation, relocations, reservoirs, SER reimbursements, transmission/distribution, treatment plants, vehicles and equipment, water reclamation initiatives, wastewater collection and other projects. The Water Treatment Plant 4 Project is expected to be operational in May/June of 2014. All new FTEs required to operate the plant were previously added to the Utility's operating budget. As the department makes efforts to reduce the anticipated rate increases project in FY 2014-15, the department has developed a cost containment strategy to reduce operating and capital costs. As such, its five-year spending plan has been reduced by nearly \$150 million through reprioritization of its capital program.

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Communications and Technology Management

The Communications and Technology Management Department will continue with the Greater Austin-Travis County Regional Radio System (GATRRS) Upgrade budgeted at \$32 million. This project includes critical replacement of three main components of the GATRRS: microwave network, radio repeaters, and dispatch consoles. Replacement is required due to scheduled end-of-life, end-of-parts-availability, and end-of-repair for all three component systems between 2012 and 2019. The project will replace all items over a six-year period (FY2013-14 through FY 2017-18) and the cost will be shared among the four GATRRS Coalition partners: City of Austin, Travis County, Austin Independent School District, and University of Texas per interlocal agreement.

Convention Center

The Austin Convention Center Department (ACCD) will continue its effort to improve its facilities to make them more appealing to potential clients, it will make significant improvements to its south side by improving outdoor venue space for clients and patrons. Design and construction are expected to begin in FY 2014-15.

Economic Development Department

The Economic Development Department (EDD) continues to place considerable focus on the Seaholm District Redevelopment, a public-private partnership. The redevelopment will combine cultural and community needs in a unique mixed use setting. City of Austin responsibilities include roadway improvements, the Bowie Underpass, a parking garage, extensive utility work, and the extension of 2nd Street. The project also requires coordination with the new Central Library and redevelopment of the former Green Water Treatment plant site.

Parks and Recreation

The Parks and Recreation Department regularly utilizes public-private partnerships (P3s) in its operations and capital program. A recent P3 project with C3 Presents and the Austin Parks Foundation is the Auditorium Shores improvements project that includes irrigation, re-grading of event lawn, trail re-route, and a new off leash area. The FY 2014-15 Forecast includes \$61,000 for contractals and \$23,750 for commodities to support this re-development.

Planning and Development Review

In FY 2014-15, Planning and Development Review will continue to work with consultants on the CodeNEXT revision to Austin's Land Development Code in support of the Imagine Austin Comprehensive Plan. The current budget is \$2 million and spending is planned through FY 2015-16. The Department is utilizing extensive community engagement throughout the project.

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Watershed Protection

Last, Watershed Protection will continue construction of the Waller Creek Tunnel with a scheduled completion date of late 2014. Due to the tunnel, approximately 28 acres of downtown property will be removed from the 100-year floodplain. In anticipation of the redevelopment of the Waller Creek District, various City departments, such as Parks and Recreation, Watershed Protection, and Public Works, will begin efforts such as stream bank erosion mitigation, trail restoration, and park redesign in partnership with the Waller Creek Conservancy. The FTEs required for operation of the Waller Creek Tunnel were included in the FY 2013-14 Budget to ensure staff is available as the tunnel gradually comes online throughout the year. The FY 2014-15 Forecast does include a small amount of funding necessary to annualize costs associated with the FTEs and related contractals/commodities.

DEBT

The CIP forecast relies on several funding sources, such as cash transfers and grants with the most prevalent being debt issuance. Debt is tax-supported for the General Government Departments and revenue-supported for the Enterprise departments. Debt sources include public improvement bonds, certificates of obligation, contractual obligations, and commercial paper. The use of debt is suitable in capital projects because it promotes intergenerational equity in bearing the costs of the projects in conjunction with enjoying the benefits.

A bond rating is a measure of a city's ability to repay its debt. Several factors are considered when assigning a rating, including the local economy and the strength of the city's financial and administrative management as well as various debt ratios. GO Net debt per capita is an important ratio and is calculated by dividing the net outstanding general obligation bond principal by the population. As of September 30, 2012, Austin's GO net debt per capita was \$1,379.03. The amount of debt owed by jurisdictions with boundaries overlapping the City's is also considered. The City's overlapping net debt per capita ratio is higher at \$3,635.38 because the debt of Travis County, the Austin Independent School District, as well as other local entities, is considered in the calculation. The City's GO bond ratings are ranked the highest ranking given among all three agencies (Moody's Investors Services, Standard & Poor's Services, and Fitch).

The City of Austin's bond ratings as of June 30, 2013 are:

Description	General Obligation	Utility Systems
Moody's Investors Services	Aaa	Aa1
Standard & Poor's	AAA	AA
Fitch	AAA	AA –

FINANCIAL FORECAST

Revenue bonds are different from general obligation bonds in that debt service is paid by ratepayers both inside and outside the city. Factors considered when rating revenue bonds include financial performance of the enterprise activity, long range planning for capital improvements and the process of setting rates and fees.

The level of revenue debt is dependent upon the number of enterprise activities within the City. Because the City of Austin owns its own water and wastewater utility as well as an airport, convention center and electric utility, revenue debt issued by the City will exceed that issued by many municipalities of comparable size which do not provide those services. The combined utility systems revenue bond debt rating is Aa1 by Moody's (highest usually given is AA) which means the outstanding revenue bonds are considered a good credit risk.

Austin MSA April 2014 Economic Forecast



austintexas.gov



Austin MSA Economic Forecast

The National Economy

In the wake of tepid performance over the past several years (compounded by weather-related issues this past winter), national economic growth has shown signs of accelerating this spring. For example, the 8+ million jobs that were lost during the recession have finally been replaced, although the drop in median household income over the past five years and a growing labor force indicate the labor market remains less than healthy. Nevertheless, housing starts are picking up in many markets across the country, and measures of industrial production are also starting to improve. Meanwhile, energy prices are stable, contributing to an inflation environment that has yet to reflect either rising demand or high levels of debt.

Figure 1: Real (Inflation-Adjusted) Annual GDP Growth

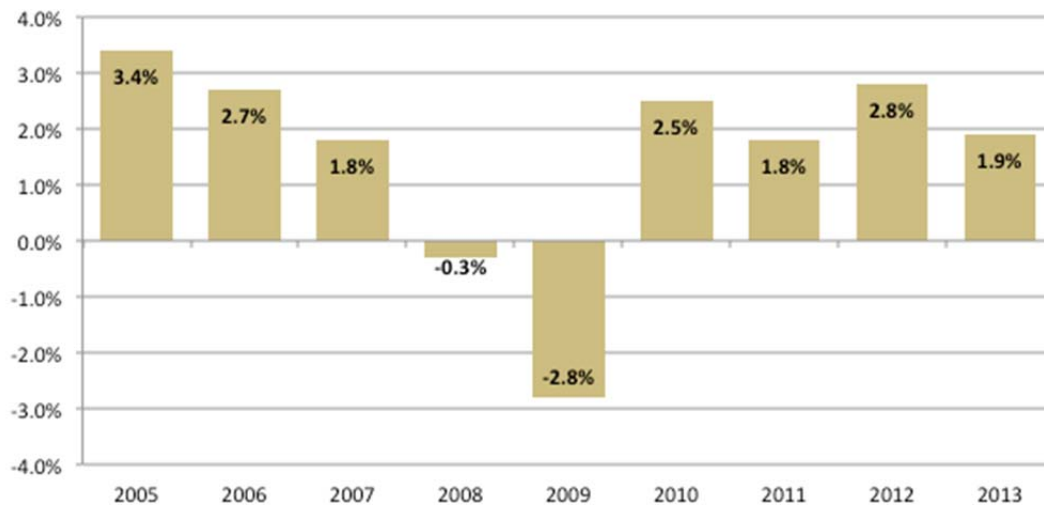
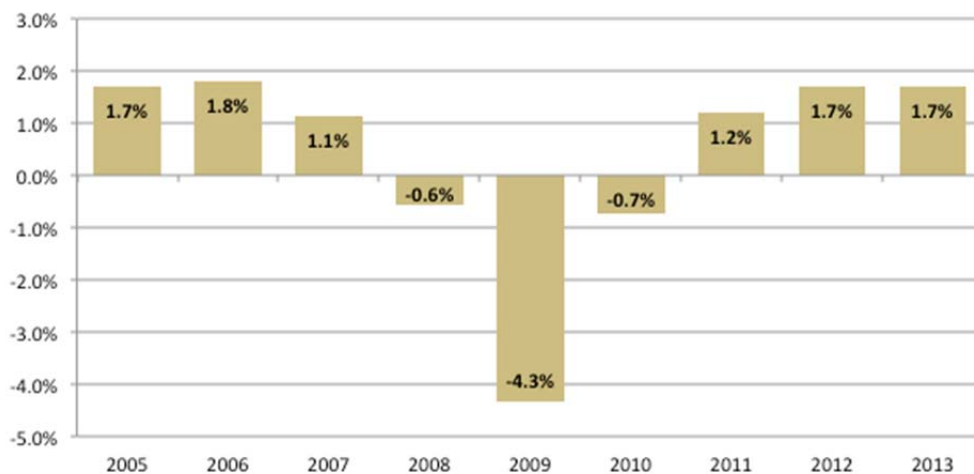
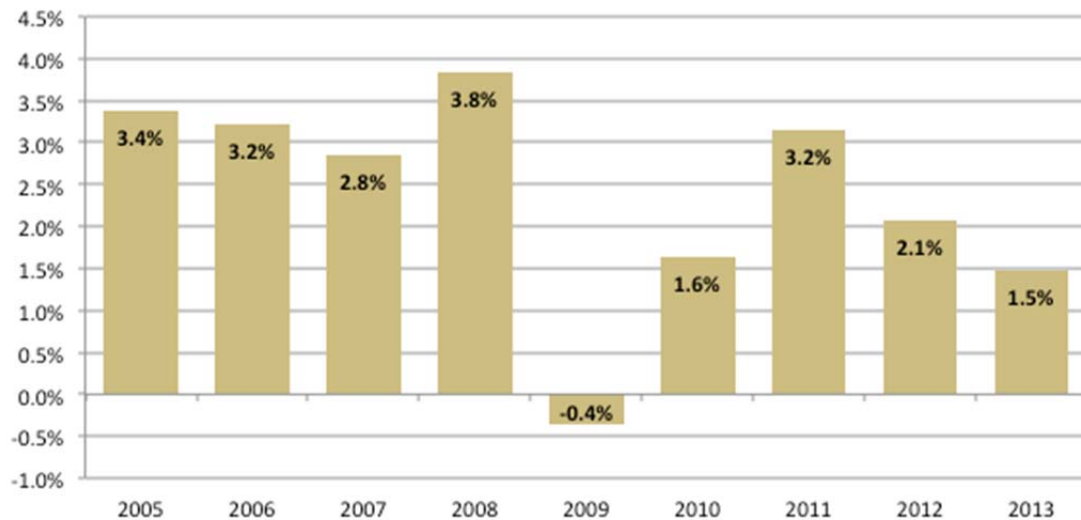


Figure 2: National Employment Growth (12-Month Change)



Sources: Bureau of Economic Analysis; TXP

Figure 3: Consumer Price Index Growth (12-Month Change)



Sources: Bureau of Labor Statistics; TXP

The current year promises to be stronger than 2013, as the economic cycle begins to mature. Meanwhile, a range of additional factors that depressed growth last year (higher effective federal tax rates due to the rise in marginal rate for top earners, the expiration of the 2% Social Security tax cut, and increases related to the Affordable Care Act, as well as the automatic spending cuts mandated by sequester) are no longer in force. Taken together, the story is of improving economic fundamentals and an economy that has absorbed the impact of policy changes, yielding a forecast for GDP growth this year in the 3% range. Given the inflation environment, expect monetary policy to remain accommodative and interest rates to remain near record lows for the foreseeable future, even though market rates have crept up slightly in recent months.

The expectation is that relative prosperity will be the norm for some time. According to the Congressional Budget Office (CBO):

“After a frustratingly slow recovery from the severe recession of 2007 to 2009, the economy will grow at a solid pace in 2014 and for the next few years, CBO projects. Real GDP (output adjusted to remove the effects of inflation) is expected to increase by roughly 3 percent between the fourth quarter of 2013 and the fourth quarter of 2014—the largest rise in nearly a decade. Similar annual growth rates are projected through 2017. Nevertheless, CBO estimates that the economy will continue to have considerable unused labor and capital resources (or “slack”) for the next few years.”

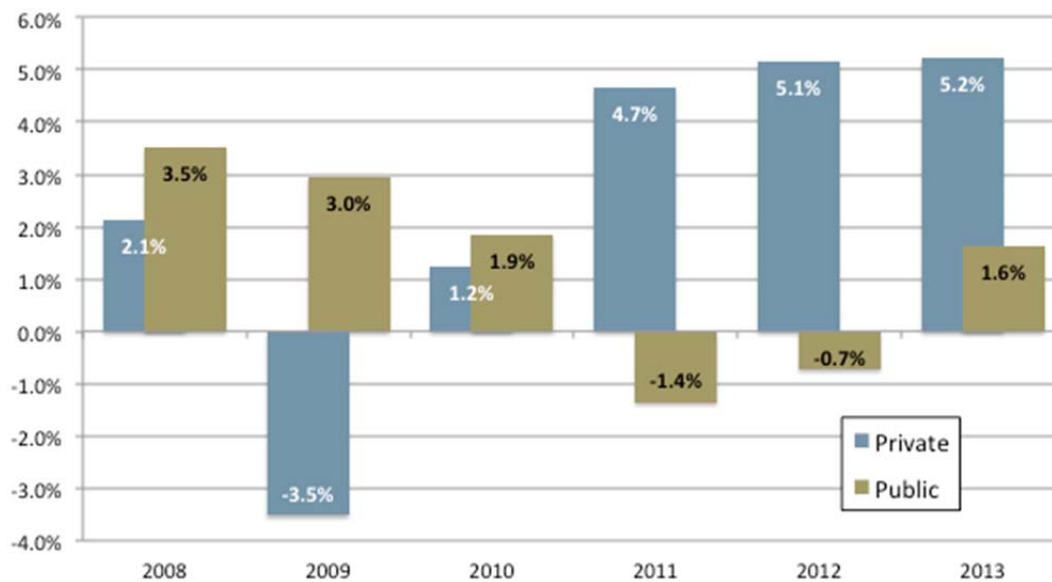
This projection is consistent with CBO’s view last year.

The Austin MSA Economic Forecast

The hits keep coming for the Austin economy. Using job growth as the yardstick, Austin has been the fastest growing major metro area in country for the past year, with 37,100 net new jobs representing 4.5% growth. This is a continuation of a long-running trend, as the Chamber of Commerce reports that Austin also has the fastest rate of job growth over the last 5 years (15%) and the last 10 years (35%). The private sector now accounts for the vast majority of the above, with a gain of about 34,500 net new jobs last year. The majority of the new jobs are found in commercial sectors of the economy, in part reflecting sustained population increases.

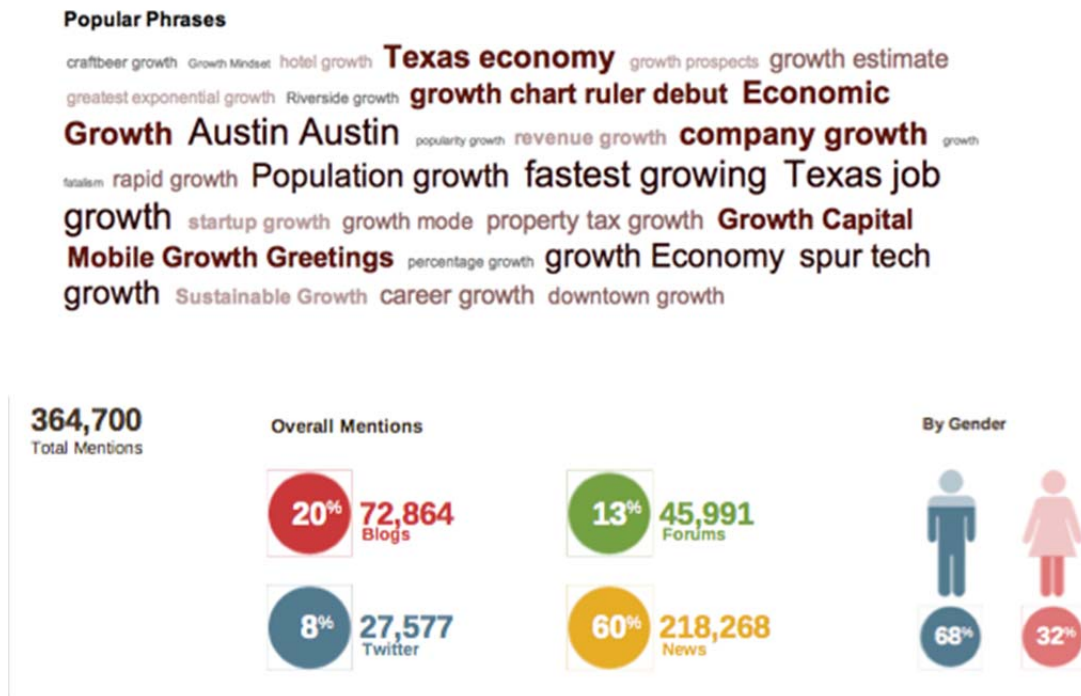
Other indicators tell a similar story. For example, consumer spending growth (as measured by sales tax collections) did slow slightly last year, but it remains consistent with long-term trend levels. Tourism continues to be a rapidly growing element of the local economy, as once again, 2013 was a record year for hotel revenue, and occupancy is also at a very high level. Meanwhile, housing markets have tightened, reflecting both strong demand and diminishing supply. The balance of new units permitted has shifted toward multi-family in recent years, reflecting strong institutional investment in housing in the central city. Given all of this, it's not surprising that social media reflects a very positive overall view of the economy, a trend that cuts across both platforms and gender.

Figure 4: Total Austin MSA Employment Growth: Public vs. Private Sector



Sources: Bureau of Labor Statistics; TXP

Figure 5: The Austin Economy: Social Media View

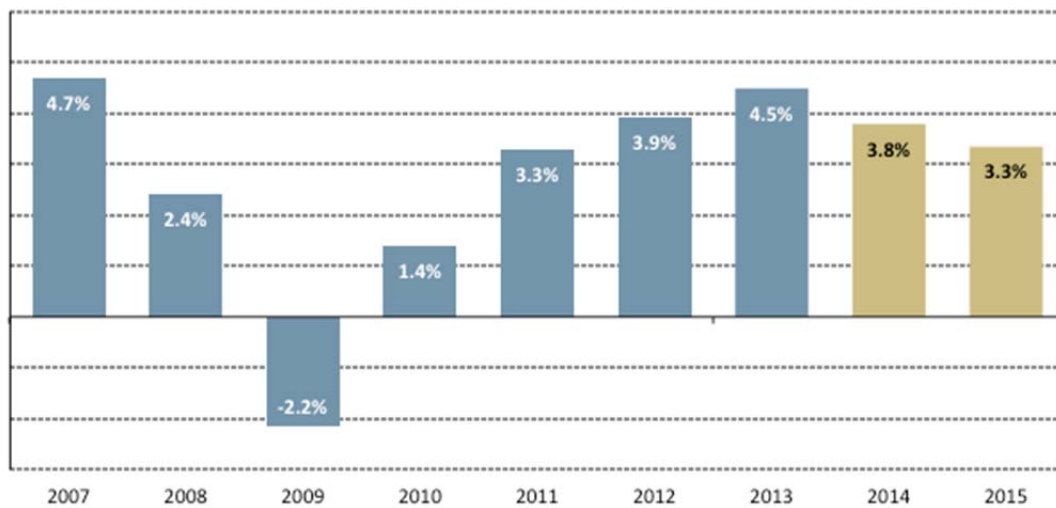


Sources: Influence Opinions, Inc., TXP

Austin is arguably the brightest economic star in the United States, a status that should not change this year. Economic performance will remain strong through 2015, though slightly slower growth rates reflect the law of large numbers as well as measurement against an improved base. As a result, the forecast is for the overall creation of 32,900 net new jobs in 2014, followed by 30,100 during 2015. Meanwhile, total personal income should continue to expand in the 6-7% range annually for the next two years.

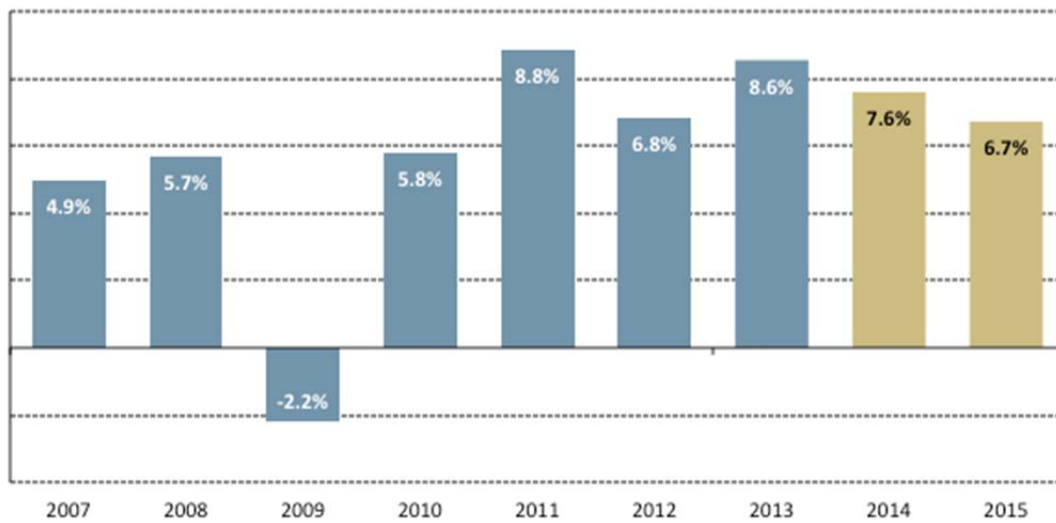
While the concerns about significant public sector job loss at the State appear to have abated, only modest growth on the public side is expected. However, the private sector is projected to create 29,500 net new jobs this year, followed by 29,800 more during 2015. Services of all kinds are where the majority of the new jobs will be found, along with Leisure & Hospitality, but all major private sector industry segments will experience net jobs growth. Other measures of the economy also should stay on track, although likely at somewhat slower rates. In spite of the upsurge in real estate, overall supply may not keep up with demand, as the timing of lot development means that there is a looming shortage across the region. Taken together, Austin remains a high-value proposition. In other words, lifestyle amenities and economic opportunity stack up well here as compared to both peer communities and larger metro areas across the nation.

Figure 6: Total Austin MSA Employment Growth Forecast



Sources: Bureau of Labor Statistics; TXP

Figure 7: Total Austin MSA Earnings by Place of Residence Growth Forecast

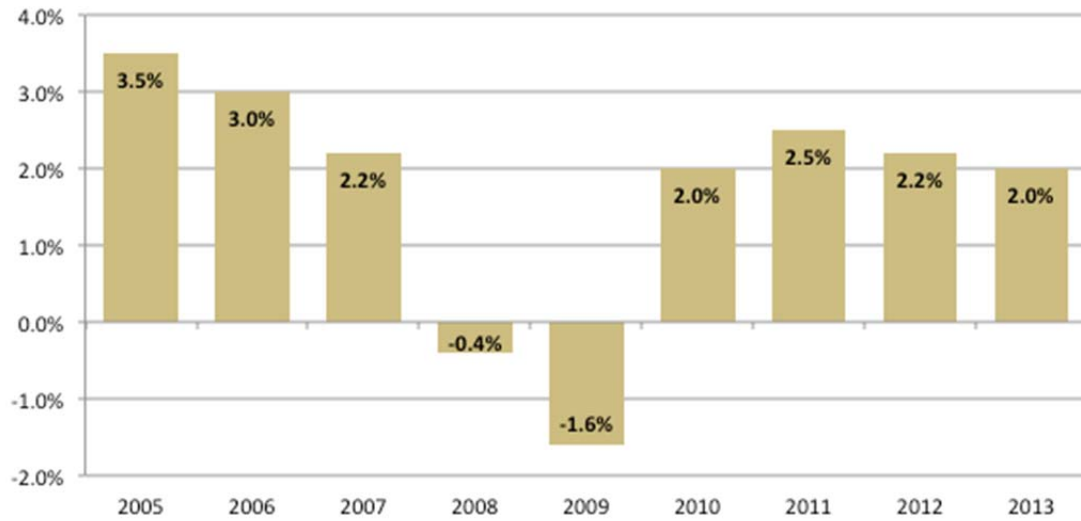


Sources: Bureau of Economic Analysis; TXP

Additional Information

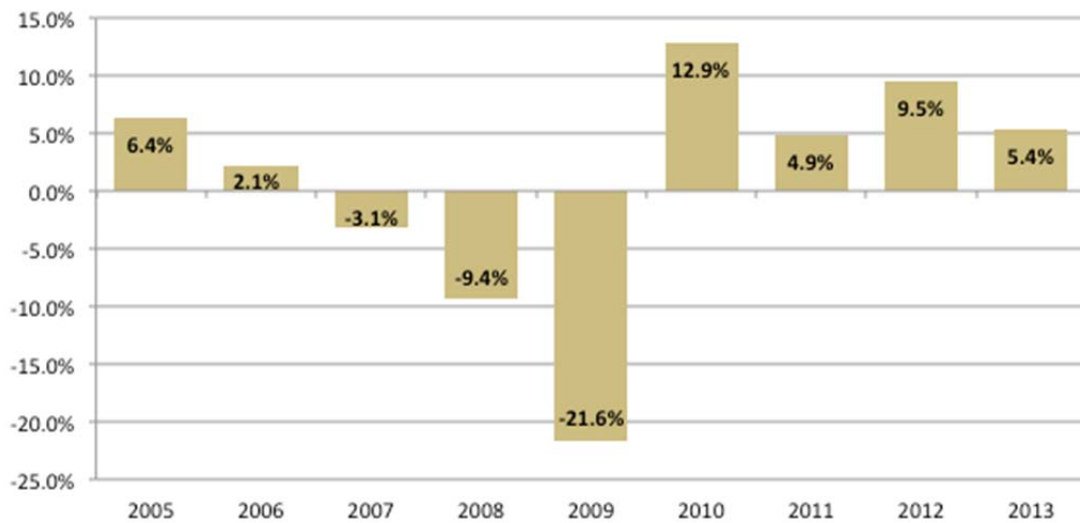
National Economy

Figure US.1: Real Annual Personal Consumption Expenditure Growth



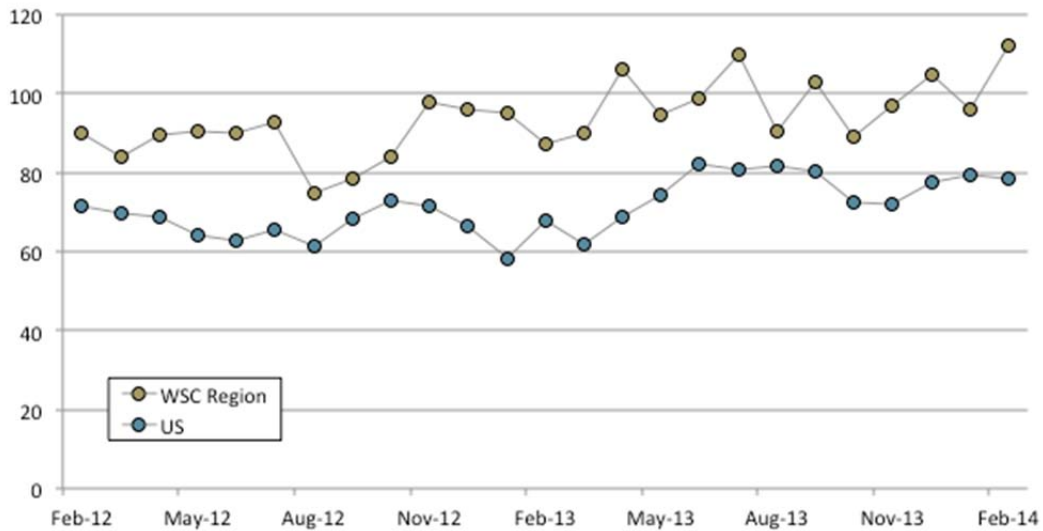
Sources: Bureau of Economic Analysis; TXP

Figure US.2: Real Annual Investment Growth



Sources: Bureau of Economic Analysis; TXP

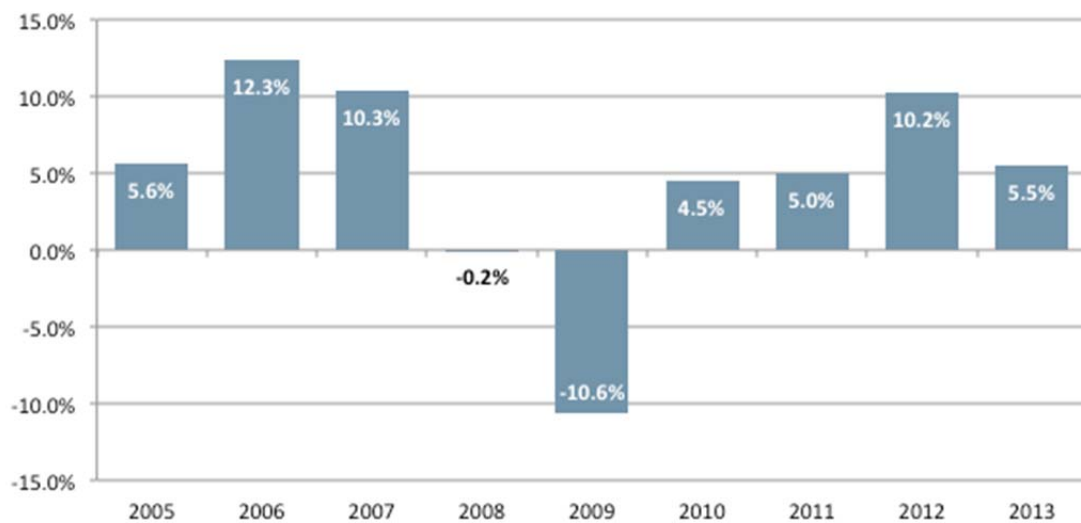
Figure US.3: Consumer Confidence (1982 = 100)



Sources: Conference Board; TXP

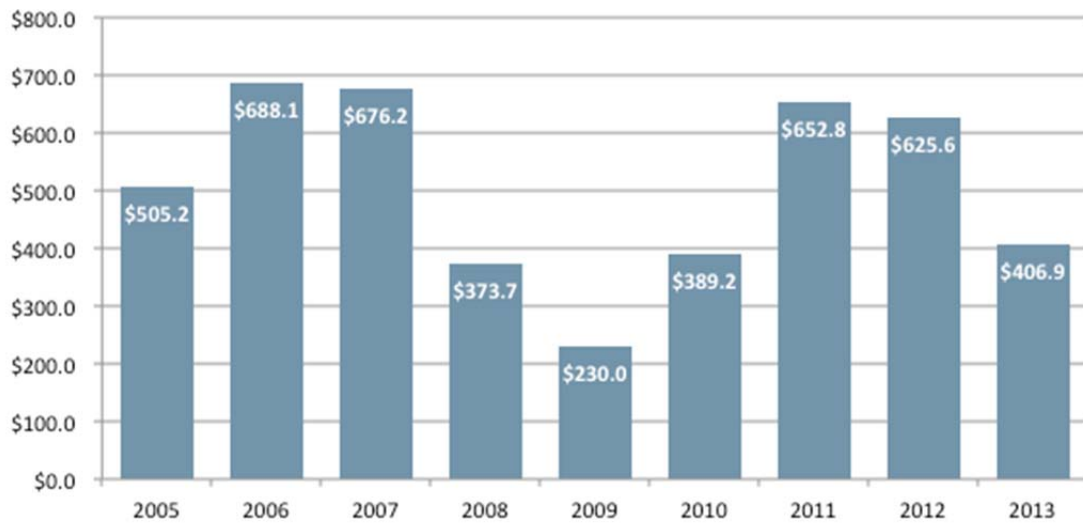
Austin Area Economy

Figure AUS.1: City of Austin Sales Tax Growth (12-Month Change)



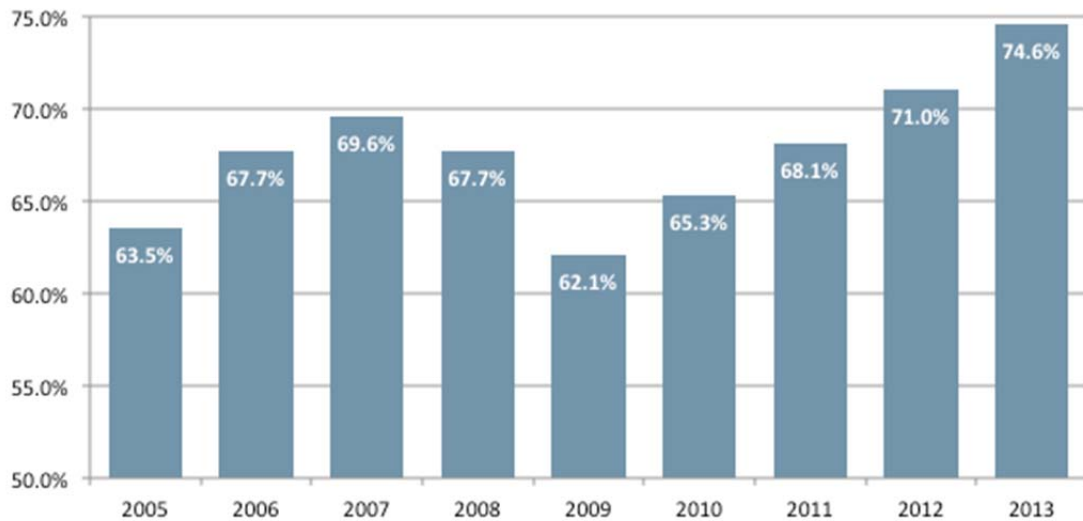
Sources: Texas Comptroller; TXP

Figure AUS.2: Austin Area Venture Capital Invested (\$ Millions)



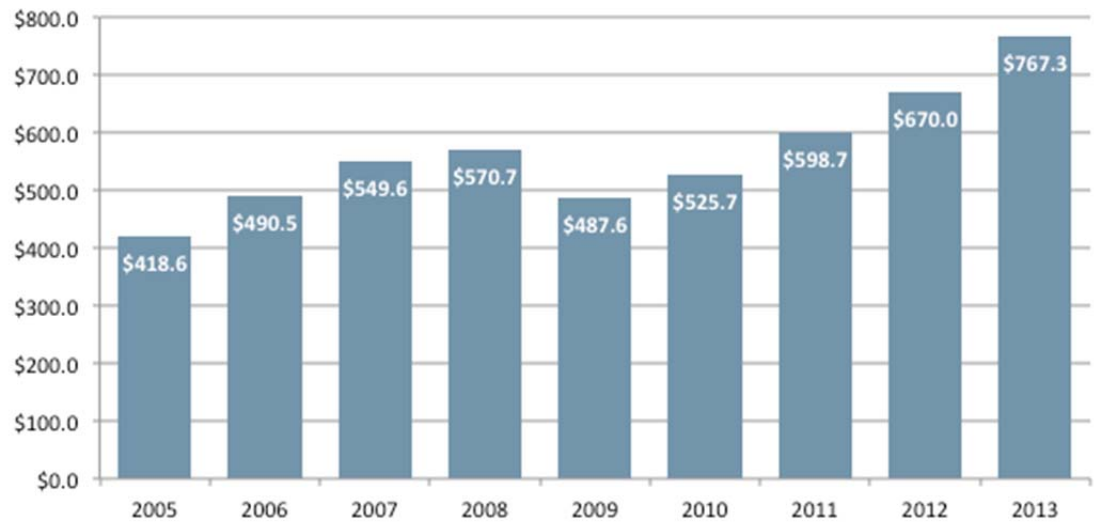
Sources: PWC Moneytree; TXP

Figure AUS.3: Hotel Occupancy in the City of Austin



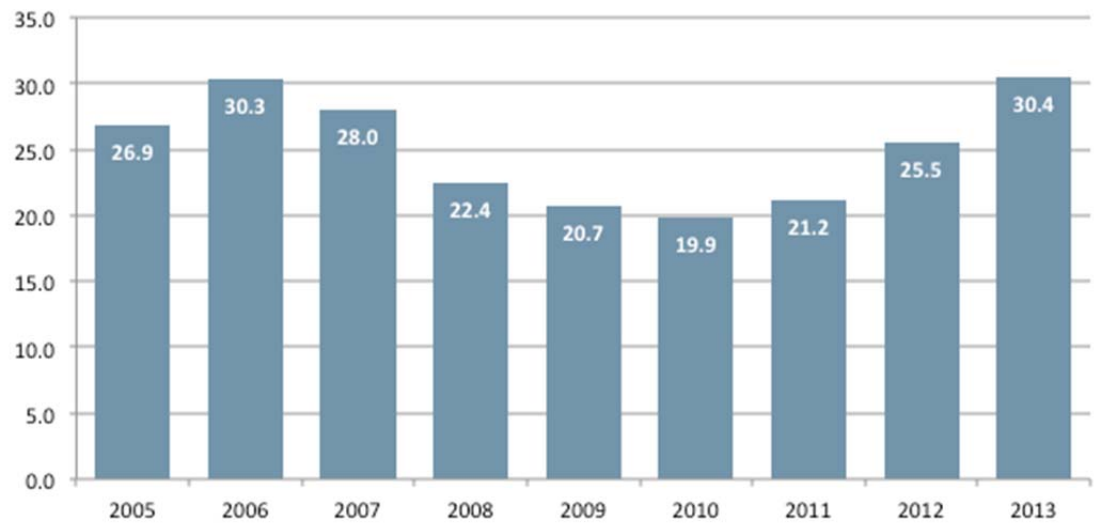
Sources: Texas Governor's Office; TXP

Figure AUS.4: Hotel Revenue in the City of Austin (\$Millions)



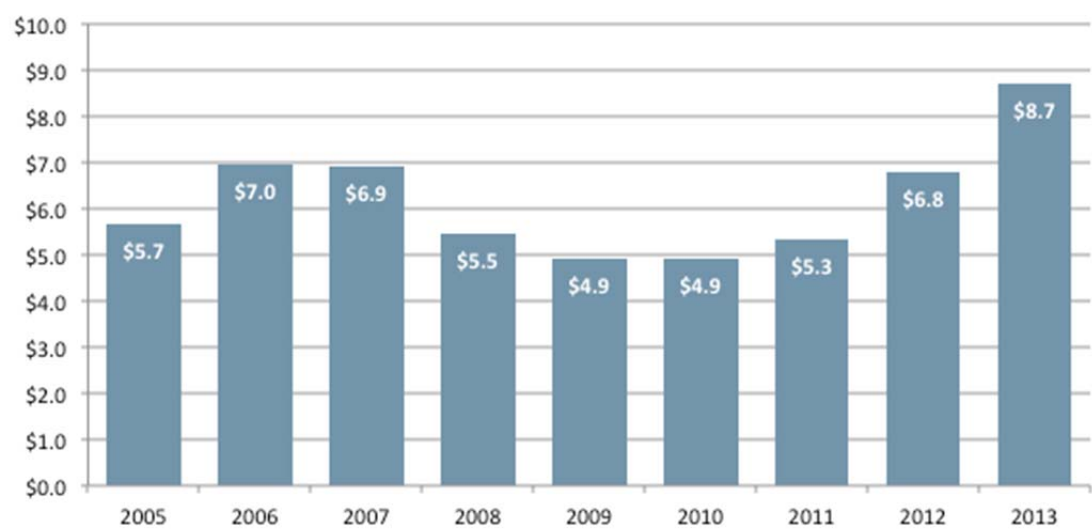
Sources: Texas Governor's Office; TXP

Figure AUS.5: Austin MSA Single-Family Home Sales (000s)



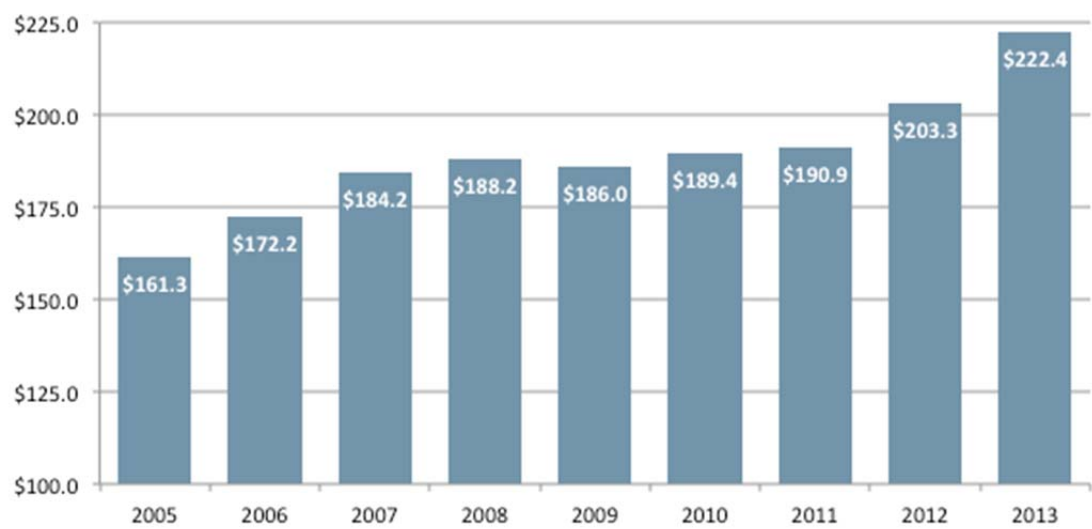
Sources: Texas A&M Real Estate Research Center; TXP

Figure AUS.6: Austin MSA Single-Family Home Sales Volume (\$Billions)



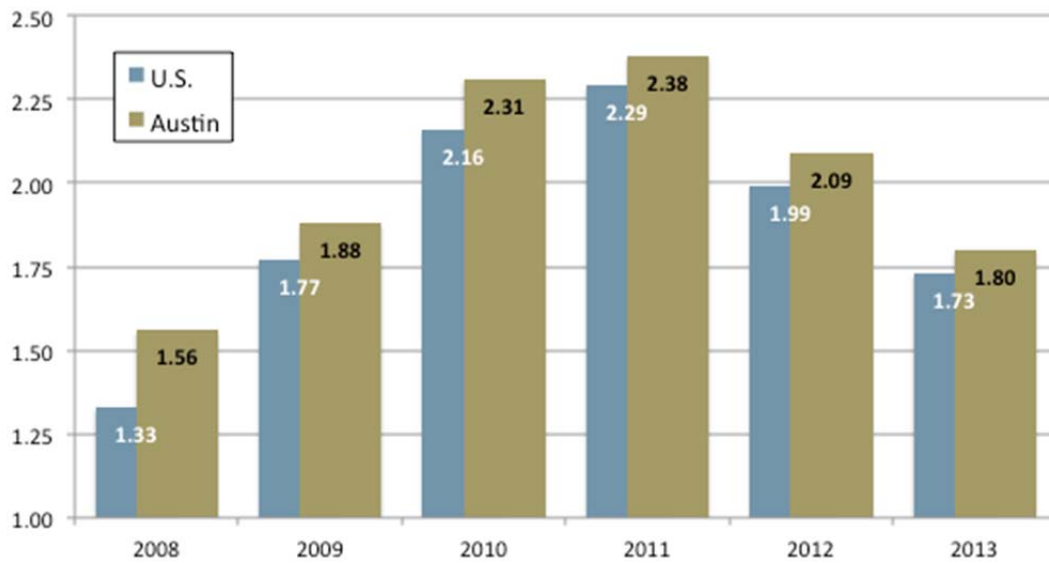
Sources: Texas A&M Real Estate Research Center; TXP

Figure AUS.7: Austin MSA Median Single-Family Home Sales Price (\$000s)



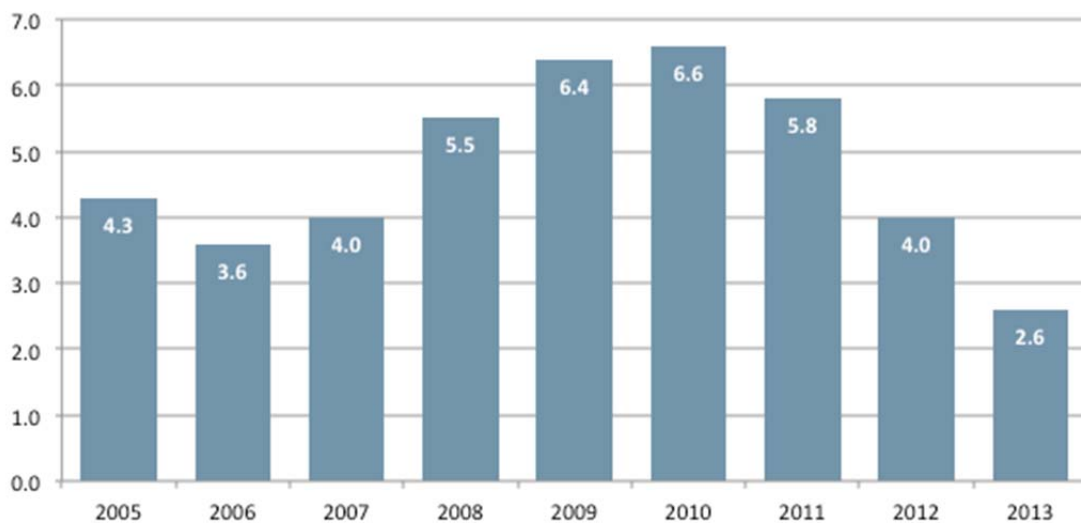
Sources: Texas A&M Real Estate Research Center; TXP

Figure AUS.8: Texas Housing Affordability Index (THAI)



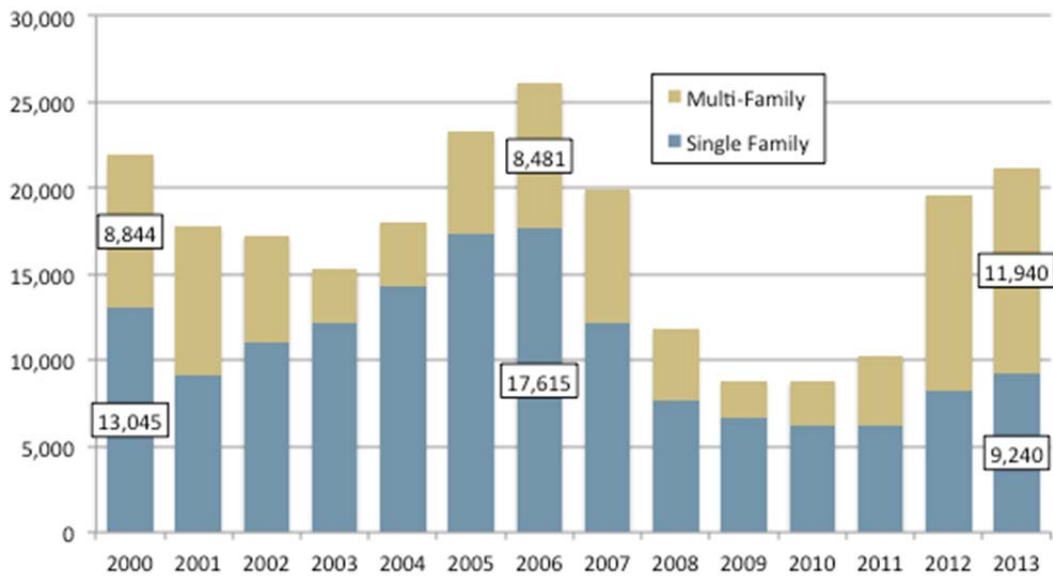
Sources: Texas A&M Real Estate Research Center; TXP

Figure AUS.9: Austin MSA Months of Housing Availability



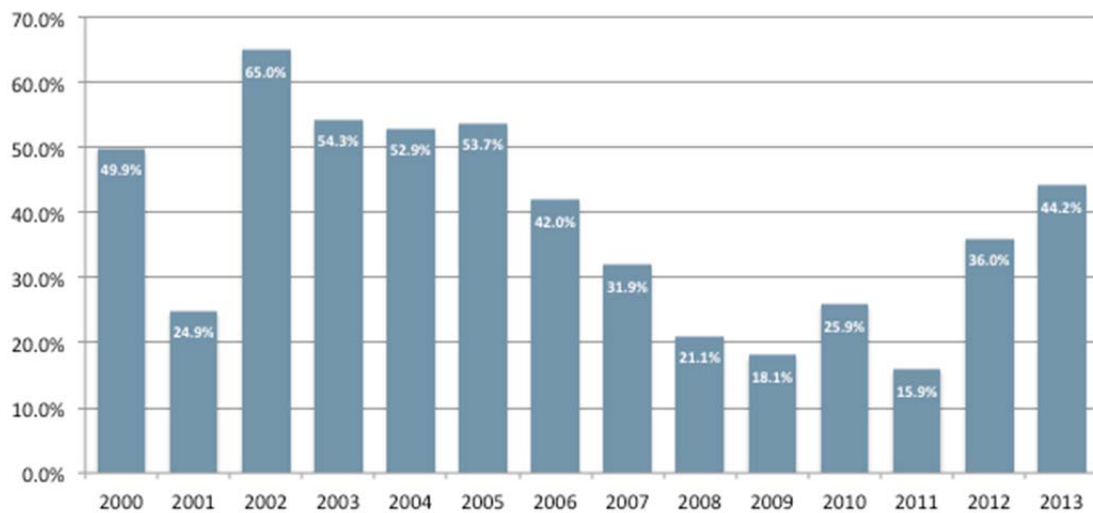
Sources: Texas A&M Real Estate Research Center; TXP

Figure AUS.10: Austin MSA Housing Units Permitted



Sources: Texas A&M Real Estate Research Center; TXP

Figure AUS.11: MSA Housing Units Permitted as % of Net Population Growth



Sources: Texas A&M Real Estate Research Center; TXP

Figure AUS.12: Detailed Austin MSA Employment (000s)

	Employment (000s)						
	2012	2013	2014	2015	2016	2017	2018
Natural Resources/Construction	42.1	45.1	47.8	49.7	51.0	51.9	52.5
Manufacturing	50.9	52.2	53.5	54.7	55.9	57.1	58.2
Trade, Transportation, & Utilities	146.5	152.4	157.7	163.9	170.3	176.8	183.5
Information	22.2	23.3	24.2	25.0	25.7	26.5	27.2
Financial Activities	46.1	48.2	50.0	51.4	52.8	54.2	55.6
Professional & Business Services	125.4	134.3	141.9	148.4	154.8	161.1	167.4
Educational & Health Services	97.6	100.7	103.3	105.4	107.4	109.4	111.3
Leisure & Hospitality	94.2	101.0	106.8	111.8	116.7	121.5	126.4
Other Services	35.5	37.7	39.6	41.1	42.7	44.2	45.7
Total Private	628.2	660.5	695.0	724.8	751.4	777.3	802.7
Government	166.5	169.2	172.2	175.7	179.2	182.8	186.4
Total Employment	827.0	864.1	897.0	927.1	956.5	985.5	1,014.1

Sources: Bureau of Labor Statistics; TXP

Austin Convention Center Five Year Forecast

(millions)

	Amended <u>2013-14</u>	Estimated <u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
BEGINNING BALANCE	29.9	33.5	34.8	29.0	27.8	29.0	29.2
REVENUE							
Hotel/Motel Occ. Tax	43.3	44.9	46.7	49.1	51.0	53.1	55.2
Rental Car Tax-PEC	7.9	8.4	8.7	9.0	9.4	9.8	10.2
Facility Revenue	10.4	11.4	12.2	12.7	12.9	13.1	13.3
Contractor Revenue	10.3	10.9	11.2	11.2	11.5	11.7	11.9
Interest Earnings	0.1	0.1	0.1	0.1	0.1	0.1	0.1
TOTAL AVAILABLE FUNDS	72.0	75.8	78.9	82.1	84.9	87.8	90.7
PROGRAM REQUIREMENTS							
Event Operations	34.9	33.6	37.4	37.9	39.2	40.4	41.8
Support Services	6.8	6.8	7.0	6.4	6.5	6.6	6.7
TOTAL PROGRAM REQUIREMENTS	41.7	40.4	44.4	44.3	45.7	47.0	48.5
OTHER REQUIREMENTS							
Compromise Settlement	2.8	2.8	0.0	0.0	0.0	0.0	0.0
Accrued Payroll	0.1	0.1	0.1	0.1	0.2	0.2	0.2
TOTAL OTHER REQUIREMENTS	2.9	2.9	0.1	0.1	0.2	0.2	0.2
TRANSFERS OUT							
Debt Service	20.1	19.6	19.7	19.7	19.6	19.6	19.5
GO Debt	2.3	2.3	2.2	2.2	1.5	2.0	2.0
All Other Transfers	3.6	9.2	18.3	17.2	16.7	18.8	20.4
TOTAL TRANSFERS OUT	26.0	31.1	40.2	39.0	37.8	40.4	41.9
TOTAL REQUIREMENTS	70.6	74.5	84.7	83.4	83.6	87.6	90.6
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	1.4	1.3	(5.8)	(1.3)	1.3	0.2	0.1
ENDING BALANCE	31.2	34.8	29.0	27.8	29.0	29.2	29.3
FTEs	251.00	251.00	251.00	251.00	251.00	251.00	251.00

Austin Energy Department Five Year Forecast

(millions)

	Amended <u>2013-14</u>	Estimated <u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
BEGINNING BALANCE	195.1	224.4	257.6	263.4	280.5	302.3	326.8
REVENUE							
Base Revenue	654.0	654.0	671.1	695.8	702.1	722.9	738.4
Fuel Revenue	470.5	470.5	450.3	469.4	453.2	475.1	510.4
Community Benefit Revenue	53.0	53.0	48.7	53.8	55.1	56.4	57.8
Regulatory Revenue	75.5	75.5	100.4	119.7	124.7	129.9	135.1
Transmission Revenue	62.2	62.2	71.8	74.3	76.4	78.4	80.5
Transmission Rider	0.3	0.3	0.2	0.0	0.0	0.0	0.0
Other Revenue	46.5	46.5	51.4	58.4	63.7	68.8	73.3
Interest Income	2.4	2.4	3.2	3.3	3.4	3.6	3.7
TOTAL REVENUE	1364.4	1364.4	1397.1	1474.7	1478.6	1535.1	1599.2
TRANSFERS IN							
Other Transfers In	0.0	0.0	0.0	20.5	0.0	0.0	0.0
TOTAL AVAILABLE FUNDS	1364.4	1364.4	1397.1	1495.2	1478.6	1535.1	1599.2
PROGRAM REQUIREMENTS							
Fuel Expenses	470.5	470.5	450.3	469.4	453.2	475.1	510.4
Recoverable Expenses	97.8	97.8	123.2	132.4	137.6	142.9	148.1
Non-Fuel O&M	235.1	235.1	253.7	253.4	262.1	271	280.2
Conservation	17.9	17.9	18.5	19.1	19.8	20.4	21.1
Conservation Rebates	23.5	23.5	23.9	24.4	24.9	25.4	26
Nuclear and Coal Plants Ops.	109.9	109.9	100.5	120.5	109.6	106.3	109.3
Other Operating Expenses	7.2	7.2	17.9	15.9	13.1	10.5	8.5
TOTAL PROGRAM REQUIREMENTS	961.9	961.9	988.0	1035.1	1020.3	1051.6	1103.6
TRANSFERS OUT							
Debt Service	137.1	137.1	119.8	141.9	133.1	139.0	141.6
Capital Improvement Prg.	83.8	83.8	90.4	94	109.4	110.9	119.9
General Fund	105.0	105.0	105.0	106.0	110.0	115.0	120.0
Strategic Reserve	0.0	0.0	42.0	38.0	2.0	4.0	6.0
Repair & Replacement	0.0	0.0	0.0	11.0	28.0	32.0	20.0
Non-Nuclear Decommissioning	0.0	0.0	2.0	5.6	5.6	5.6	5.6
Trunked Radio	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Worker's Compensation	2.2	2.2	2.3	2.6	2.8	3.1	3.4
Liability Reserve	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Administrative Support	21.0	21.0	23.1	25.4	28.0	30.7	34.3
Communication & Technology	7.0	7.0	7.7	8.4	9.0	9.8	10.5
Economic Incentives Reserve	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Economic Development Fund	11.4	11.4	9.1	8.2	6.7	6.9	7.1

Austin Energy Department Five Year Forecast

(millions)

	Amended <u>2013-14</u>	Estimated <u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
TOTAL TRANSFERS OUT	368.5	368.5	402.4	442.1	435.6	458.0	469.4
TOTAL OTHER REQUIREMENTS	0.8	0.8	0.9	0.9	0.9	1.0	1.1
TOTAL REQUIREMENTS	1331.2	1331.2	1391.3	1478.1	1456.8	1510.6	1574.1
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	33.2	33.2	5.8	17.1	21.8	24.5	25.1
ADJUSTMENT TO GAAP	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ENDING BALANCE	228.3	257.6	263.4	280.5	302.3	326.8	351.9
O&M Without Fuel	492.1	492.1	538.6	566.7	568.0	577.6	593.2
O&M Without Fuel Per Day	1.3	1.3	1.5	1.6	1.6	1.6	1.6
45 Days Reserve Requirement	60.7	60.7	65.7	69.8	70.4	72.0	74.2
Strategic Reserve Fund	106.0	106.0	148.0	186.0	188.0	192.0	198.0
FTEs	1672.75	1672.75	1672.75	1682.75	1692.75	1702.75	1712.75

Austin Resource Recovery Five Year Forecast

(millions)

	Amended 2013-14	Estimated 2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
BEGINNING BALANCE	14.1	13.9	3.7	0.3	2.5	4.7	7.1
REVENUE							
Residential	46.8	46.1	51.3	59.7	62.0	63.1	63.3
Commercial	1.7	2.1	2.4	2.7	2.8	2.8	2.9
Extra Stickers and Carts	0.4	0.6	0.6	0.5	0.5	0.4	0.4
Clean Community Fee	16.7	16.4	21.7	23.7	24.1	24.6	25.0
Recycling Sales	5.6	3.6	3.8	3.9	3.9	4.0	4.1
Interest	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Property Sales	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Intergovernmental	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other Revenue	0.8	0.8	0.8	0.8	0.8	0.8	0.8
TOTAL AVAILABLE FUNDS	72.3	69.7	80.8	91.5	94.4	95.9	96.7
PROGRAM REQUIREMENTS							
Collection Services	33.3	33.5	34.6	36.1	37.7	39.3	41.1
Landfill Closure and Post Closure	1.0	0.9	1.6	1.7	1.8	1.8	1.9
Litter Abatement	5.3	5.2	5.9	6.1	6.4	6.7	7.0
Operations Support	5.9	5.8	4.3	5.7	5.9	6.0	6.2
Support Services	7.5	7.0	8.7	9.5	10.4	11.3	12.1
Waste Diversion	4.6	4.2	4.6	5.0	5.4	5.7	6.0
TOTAL PROGRAM REQUIREMENTS	57.5	56.4	59.7	64.2	67.5	70.7	74.2
TOTAL OTHER REQUIREMENTS	5.4	5.7	6.3	6.1	5.9	5.8	5.6
TRANSFERS OUT							
Comm and Tech Mgmt. Fund	0.9	0.9	1.0	1.1	0.8	1.4	1.5
Administrative Support-City	2.6	2.6	2.8	3.0	3.3	3.5	4.0
GO Debt Service	11.2	11.2	11.6	10.8	9.3	9.4	8.8
Other Transfers	3.0	3.0	2.7	4.0	5.2	2.7	2.9
TOTAL TRANSFERS OUT	17.7	17.7	18.2	19.0	18.7	17.1	17.2
TOTAL REQUIREMENTS	80.7	79.9	84.2	89.3	92.1	93.6	97.0
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	(8.3)	(10.2)	(3.4)	2.2	2.3	2.4	(0.3)
ENDING BALANCE	5.8	3.7	0.3	2.5	4.7	7.1	6.7
FTEs	415.00	415.00	415.00	418.00	422.00	422.00	422.00
Clean Community Fee Increase	\$0.15	\$0.15	\$1.20	\$0.00	\$0.00	\$0.00	\$0.00
Combined Cart Fee Increase	\$0.00	\$0.00	\$1.75	\$3.45	\$0.00	\$0.00	\$0.00

Austin Transportation - Transportation Fund Five Year Forecast
(millions)

	Amended <u>2013-14</u>	Estimated <u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
BEGINNING BALANCE	3.1	3.1	1.0	0.4	0.4	0.4	0.3
REVENUE							
Austin Transportation							
Transportation User Fee	10.2	10.2	12.7	13.8	14.3	14.8	15.3
Use of Property	2.3	2.3	2.7	2.8	2.8	2.9	3.0
Other Licenses/Permits	0.3	0.3	0.5	0.5	0.5	0.5	0.5
TOTAL REVENUE	12.8	12.8	15.9	17.1	17.6	18.2	18.8
TOTAL TRANSFERS IN	0.9	0.9	1.8	2.2	2.3	2.3	2.4
TOTAL AVAILABLE FUNDS	13.7	13.7	17.7	19.3	19.9	20.5	21.2
PROGRAM REQUIREMENTS							
Austin Transportation							
Traffic Management	7.7	7.7	9.2	9.2	9.4	9.6	9.8
Transportation Project Develop.	0.5	0.5	0.5	0.6	0.6	0.6	0.6
One Stop Shop	2.4	2.4	2.6	2.7	2.7	2.8	2.9
Support Services	1.4	1.4	2.2	2.6	2.7	2.7	2.8
TOTAL PROGRAM REQUIREMENTS	12.0	12.0	14.5	15.1	15.4	15.7	16.1
TOTAL TRANSFERS OUT	3.5	3.5	3.5	3.9	4.2	4.6	5.1
TOTAL OTHER REQUIREMENTS	0.3	0.3	0.3	0.3	0.3	0.3	0.3
TOTAL REQUIREMENTS	15.8	15.8	18.3	19.3	19.9	20.6	21.5
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	(2.1)	(2.1)	(0.6)	0.0	0.0	(0.1)	(0.3)
ENDING BALANCE	1.0	1.0	0.4	0.4	0.4	0.3	0.0
FTEs	130.00	130.00	144.00	144.00	144.00	144.00	144.00
Monthly Residential Fee							
Single Family	\$7.80	\$7.80	\$8.25	\$8.60	\$8.96	\$9.35	\$9.77

Austin Water Department Five Year Forecast

(millions)

	Amended 2013-14	Estimated 2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
BEGINNING BALANCE	52.0	58.2	43.1	68.6	80.9	96.4	107.2
REVENUE							
Water Services	270.7	244.0	288.8	302.6	315.3	328.6	342.5
Wastewater Services	244.5	234.6	243.6	258.6	269.4	280.8	291.2
Reclaimed Water Services	0.9	1.0	1.2	1.4	1.6	2.0	2.4
Reserve Fund Surcharge	6.5	6.0	7.7	9.4	10.0	10.5	3.0
Miscellaneous Revenue	8.3	9.2	8.8	8.7	8.8	8.9	9.0
Interest Income	0.3	0.3	0.3	0.4	0.8	1.2	1.2
TOTAL REVENUE	531.2	495.1	550.4	581.1	605.9	632.0	649.3
TOTAL TRANSFERS IN	13.7	13.7	12.5	15.7	16.6	15.0	16.7
TOTAL AVAILABLE FUNDS	544.9	508.8	562.9	596.8	622.5	647.0	666.0
PROGRAM REQUIREMENTS							
Treatment	80.1	77.6	77.1	80.6	83.2	86.0	90.4
Pipeline Operations	41.7	40.7	41.1	43.6	45.6	47.1	51.7
Engineering Services	11.3	11.1	11.1	11.7	12.3	12.6	12.9
Water Resources Management	7.5	7.5	7.5	7.9	8.3	8.7	9.0
Environ. Affairs & Conserv.	12.8	12.4	12.4	13.5	14.1	14.7	15.0
Support Services - Utility	23.7	23.3	23.5	25.4	26.9	28.2	29.3
Reclaimed Water Services	0.4	0.4	0.4	0.4	0.4	0.4	0.5
One Stop Shop	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Other Operating Expenses	11.3	12.3	12.5	13.7	15.1	16.6	18.4
TOTAL PROGRAM REQUIREMENTS	189.4	185.9	186.2	197.4	206.5	214.9	227.8
OTHER REQUIREMENTS	18.0	18.0	21.5	22.2	23.3	24.4	25.6
TOTAL DEBT SERVICE	214.3	214.0	216.7	222.4	230.5	244.0	234.5
TRANSFERS OUT							
Capital Improvement Program	42.2	33.2	35.3	55.2	52.8	55.2	56.9
General Fund	37.9	37.9	39.0	41.6	44.5	47.5	49.7
Reclaimed Utility Fund	3.8	3.8	2.9	4.9	5.0	2.5	3.5
Other Transfers	33.2	31.1	35.9	40.8	44.4	47.7	43.2
TOTAL TRANSFERS OUT	117.1	106.0	113.0	142.5	146.7	152.9	153.3
TOTAL REQUIREMENTS	538.8	523.9	537.4	584.5	607.0	636.2	641.2
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	6.1	(15.1)	25.5	12.3	15.5	10.8	24.8
ENDING BALANCE	58.1	43.1	68.6	80.9	96.4	107.2	132.0
FTEs	1,157.35	1,157.35	1,157.35	1,217.10	1,248.10	1,272.10	1,294.10
Combined Rate Increases	4.9%	4.9%	9.0%	3.0%	3.0%	3.0%	2.8%
Debt Coverage Rating	1.53	1.31	1.53	1.56	1.56	1.53	1.60

Aviation Operating Fund Five Year Forecast

(millions)

	Amended 2013-14	Estimated 2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
BEGINNING BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE							
Parking Fees	30.4	32.5	34.0	35.2	39.0	40.4	44.1
Terminal Rental & Other Fees	23.3	23.3	25.2	26.9	29.0	30.4	38.9
Landing Fees	22.2	22.2	23.9	24.9	26.7	27.7	28.9
Concessions	20.3	20.3	22.9	23.8	24.7	25.7	26.7
Other Rentals and Fees	3.8	3.8	4.0	4.1	4.2	4.2	4.3
Building Rental/Lease	2.7	2.7	2.9	3.7	3.7	3.7	3.7
Other Revenue & Licenses/Permits	0.3	0.3	1.3	1.7	1.2	1.2	1.2
Interest & General Government	0.2	0.2	0.2	0.2	0.2	0.2	0.2
TOTAL REVENUE	103.2	105.4	114.4	120.4	128.6	133.5	148.0
TOTAL TRANSFERS IN	7.8	7.8	8.2	9.5	10.0	10.4	10.5
TOTAL AVAILABLE FUNDS	111.0	113.1	122.7	129.9	138.7	144.0	158.5
OPERATING REQUIREMENTS							
Planning and Development	2.2	2.3	2.7	2.8	3.0	3.1	3.3
Business Services	10.5	10.5	11.0	11.4	12.3	12.7	13.2
Facilities Mgmt, Ops and Security	41.4	41.4	43.8	45.6	48.7	50.8	52.8
Support Services	12.3	13.2	14.8	15.4	16.5	17.1	17.8
TOTAL OPERATING REQUIREMENTS	66.5	67.5	72.3	75.3	80.6	83.8	87.1
TOTAL OTHER REQUIREMENTS	0.1	0.1	0.1	0.2	0.2	0.2	0.2
TRANSFERS OUT							
Airport Capital Fund	21.0	18.8	25.6	27.9	27.4	27.3	17.5
Debt Service Serial A Notes	16.6	16.6	15.7	8.2	7.8	16.3	17.1
Debt Service Fund	1.1	4.4	2.7	11.7	14.2	7.2	5.5
New Debt	0.0	0.0	0.0	0.0	1.3	1.3	22.3
Administrative Support	2.6	2.6	2.9	3.2	3.5	3.8	4.2
CTM Support	1.5	1.5	1.6	1.8	2.0	2.2	2.5
Other Transfers	1.5	1.5	1.6	1.7	1.8	1.9	2.1
TOTAL TRANSFERS OUT	44.4	45.5	50.2	54.4	58.0	60.0	71.1
TOTAL REQUIREMENTS	111.0	113.1	122.7	129.9	138.7	144.0	158.5
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ENDING BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FTEs	362.00	362.00	379.00	379.00	379.00	379.00	379.00

Capital Projects Management Fund Five Year Forecast
(millions)

	Amended <u>2013-14</u>	Estimated <u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
BEGINNING BALANCE	1.4	1.1	1.3	0.8	0.3	0.3	0.3
REVENUE							
CIP/Enterprise Project Charges	26.5	26.5	27.5	28.1	29.5	30.7	31.5
TOTAL REVENUE	26.5	26.5	27.5	28.1	29.5	30.7	31.5
TOTAL AVAILABLE FUNDS	26.5	26.5	27.5	28.1	29.5	30.7	31.5
PROGRAM REQUIREMENTS							
Capital Projects Delivery	16.9	16.9	17.4	17.9	18.7	19.6	19.9
Quality & Standards Mgt.	3.1	3.1	3.3	3.3	3.4	3.6	3.7
Support Services	3.5	3.5	3.6	3.7	3.8	3.9	4.0
TOTAL PROGRAM REQUIREMENTS	23.5	23.5	24.3	24.9	25.9	27.1	27.6
TOTAL TRANSFERS OUT	0.2	0.2	0.8	0.7	0.4	0.2	0.4
TOTAL OTHER REQUIREMENTS	2.6	2.6	2.9	3.0	3.2	3.4	3.5
TOTAL REQUIREMENTS	26.3	26.3	28.0	28.6	29.5	30.7	31.5
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	0.2	0.2	(0.5)	(0.5)	0.0	0.0	0.0
ENDING BALANCE	1.6	1.3	0.8	0.3	0.3	0.3	0.3
FTEs	201.00	201.00	197.00	197.00	197.00	197.00	197.00

Code Compliance Fund Five Year Forecast

(millions)

	Amended <u>2013-14</u>	Estimated <u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
BEGINNING BALANCE	1.2	1.5	1.2	0.0	0.3	0.1	0.3
REVENUE							
Clean Community	14.6	14.6	15.1	17.1	17.5	18.7	19.2
Waste Hauler	0.8	0.5	0.5	0.5	0.5	0.5	0.5
Short Term Rental	0.2	0.2	0.3	0.3	0.3	0.4	0.4
Other Revenue	0.6	0.6	0.7	0.7	0.7	0.7	0.7
TOTAL AVAILABLE FUNDS	16.2	15.9	16.6	18.6	19.0	20.3	20.8
DEPARTMENT REQUIREMENTS							
Case Investigations	6.7	7.3	6.9	7.4	8.0	8.5	9.1
Licensing & Registr. Compliance	2.0	1.8	2.1	2.2	2.3	2.4	2.5
Operational Support	0.0	0.0	2.6	2.6	2.7	2.8	2.8
Support Services	5.9	4.4	3.4	3.1	3.1	3.2	3.2
TOTAL DEPARTMENT REQUIREMENTS	14.6	13.5	15.0	15.3	16.1	16.9	17.6
TOTAL OTHER REQUIREMENTS	1.2	1.2	1.2	1.2	1.2	1.2	1.2
TOTAL TRANSFERS OUT	1.5	1.5	1.6	1.8	1.9	2.0	2.3
TOTAL REQUIREMENTS	17.3	16.2	17.8	18.3	19.2	20.1	21.1
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	(1.1)	(0.3)	(1.2)	0.3	(0.2)	0.2	(0.3)
ENDING BALANCE	0.1	1.2	0.0	0.3	0.1	0.3	0.0
FTEs	108.00	108.00	108.00	112.00	116.00	120.00	124.00

Drainage Utility Fund Five Year Forecast

(millions)

	Amended <u>2013-14</u>	Estimated <u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
BEGINNING BALANCE	6.2	7.5	7.0	4.3	4.2	4.4	4.7
AVAILABLE FUNDS							
Drainage Fee							
Residential	39.1	39.1	42.5	46.7	49.3	52.0	54.3
Commercial/City	32.2	32.2	34.6	37.5	39.3	41.0	42.4
Development Fees	0.7	1.3	0.8	0.8	0.9	0.9	1.0
Interest Income	0.2	0.1	0.2	0.2	0.2	0.3	0.3
Miscellaneous Permits/Sales	0.2	0.2	0.2	0.2	0.2	0.3	0.2
TOTAL AVAILABLE FUNDS	72.4	72.9	78.3	85.4	89.9	94.5	98.2
PROGRAM REQUIREMENTS							
Stream Restoration	0.8	0.8	0.9	0.9	0.9	0.9	1.0
Flood Hazard Mitigation	4.0	3.8	4.7	5.0	5.1	5.1	5.2
Infrastructure & Waterway Maint.	16.3	15.5	16.8	17.3	17.8	18.3	18.9
Watershed Policy & Planning	3.4	3.7	4.0	4.0	4.1	4.4	4.5
Support Services	3.5	3.2	4.0	3.8	3.9	4.0	4.1
Water Quality Protection	8.3	8.0	8.4	8.6	9.1	9.6	9.9
Waller Creek Tunnel O&M	0.0	0.0	0.4	0.2	0.2	0.2	0.2
TOTAL PROGRAM REQUIREMENTS	36.3	35.1	39.2	39.8	41.1	42.5	43.7
TOTAL OTHER OPERATING	7.4	8.2	8.9	9.4	9.6	9.9	10.1
TRANSFERS OUT							
General Obligation Debt Service	1.3	1.3	1.4	3.8	4.3	4.9	5.4
Transfer to CIP	22.4	22.4	24.4	24.7	26.2	28.0	28.7
NW Austin MUD Settlement	0.4	0.4	0.4	0.4	0.4	0.4	0.4
All Other Transfers	6.3	6.0	6.8	7.4	8.1	8.4	9.6
TOTAL TRANSFERS OUT	30.4	30.1	33.0	36.3	39.0	41.7	44.1
TOTAL REQUIREMENTS	74.1	73.4	81.1	85.5	89.7	94.1	97.9
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	(1.7)	(0.5)	(2.8)	0.0	0.1	0.4	0.3
ENDING BALANCE	4.5	7.0	4.3	4.2	4.4	4.7	5.1
RESERVE REQUIREMENT	3.0	3.0	4.0	4.1	4.2	4.4	4.5
FTEs	272.75	272.75	272.75	277.75	279.75	282.75	283.75
Fee Increase	\$ 0.85	\$ 0.85	\$ 0.60	\$ 0.75	\$ 0.40	\$ 0.40	\$ 0.30

Economic Development Fund Five Year Forecast

(millions)

	Amended <u>2013-14</u>	Estimated <u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
BEGINNING BALANCE	0.0	0.0	0.7	0.1	0.1	0.1	0.1
REVENUE							
Fees	0.1	0.1	0.1	0.1	0.1	0.1	0.1
TOTAL REVENUE	0.1	0.1	0.1	0.1	0.1	0.1	0.1
TRANSFERS IN							
General Fund	1.3	1.3	1.7	2.8	3.9	4.0	4.1
Austin Energy	11.4	11.4	9.1	8.2	6.7	6.8	7.1
Austin Water Utility	0.6	0.6	1.2	1.9	2.6	2.7	2.7
Austin Resource Recovery	0.1	0.1	0.2	0.3	0.3	0.4	0.4
TOTAL TRANSFERS IN	13.4	13.4	12.2	13.2	13.5	13.9	14.3
TOTAL AVAILABLE FUNDS	13.5	13.5	12.3	13.3	13.6	14.0	14.4
PROGRAM REQUIREMENTS							
Cultural Arts	1.1	1.1	1.2	1.2	1.2	1.3	1.3
Global Bus. Recruit. & Expansion	0.9	0.9	0.9	1.0	1.0	1.0	1.1
Music & Entertainment Division	0.4	0.4	0.5	0.5	0.6	0.6	0.6
Redevelopment	1.8	1.8	1.8	1.8	1.9	1.9	2.0
Small Business Development	2.1	2.1	2.1	2.3	2.3	2.4	2.4
Support Services	1.6	1.2	1.2	1.1	1.1	1.1	1.1
TOTAL PROGRAM REQUIREMENTS	7.9	7.5	7.7	7.9	8.1	8.3	8.5
OTHER REQUIREMENTS	3.7	3.7	3.5	3.5	3.5	3.5	3.5
TOTAL TRANSFERS OUT	1.6	1.6	1.7	1.9	2.0	2.2	2.4
TOTAL REQUIREMENTS	13.2	12.8	12.9	13.3	13.6	14.0	14.4
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	0.3	0.7	(0.6)	0.0	0.0	0.0	0.0
ENDING BALANCE	0.3	0.7	0.1	0.1	0.1	0.1	0.1
FTES	53.0	53.0	53.0	53.0	53.0	53.0	53.0

General Fund Five Year Forecast

(millions)

	Amended 2013-14	Estimated 2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
BEGINNING BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE							
Property Tax	334.2	334.2	357.2	383.9	413.4	441.4	476.7
Sales Tax	183.2	185.3	194.5	202.3	208.4	214.7	221.1
Franchise Fees	33.3	35.7	35.5	35.9	36.2	36.6	36.9
Development Fees	19.2	23.2	21.2	19.0	17.0	15.0	15.0
Other Revenue	84.4	86.9	87.0	87.8	88.9	90.1	91.2
TOTAL REVENUE	654.3	665.2	695.5	728.9	764.0	797.7	840.9
Transfers In	145.7	145.7	145.2	149.0	155.9	165.0	171.3
TOTAL AVAILABLE FUNDS	800.0	811.0	840.6	877.8	919.9	962.8	1012.2
REQUIREMENTS							
Municipal Court	18.6	18.6	19.8	20.8	22.0	23.3	24.6
Planning & Development Review	33.1	33.1	35.5	37.3	39.3	41.0	42.9
Public Safety	564.7	564.7	589.4	614.0	642.0	674.6	708.6
Heath & Human Services	59.3	59.3	60.9	62.9	65.1	68.9	72.9
Public Recreation & Culture	103.2	103.2	106.5	112.8	120.7	126.5	132.7
TOTAL DEPARTMENT EXPENDITURES	778.8	778.8	812.1	847.8	889.1	934.4	981.7
TOTAL TRANSFERS OUT	19.8	19.8	25.9	27.2	29.3	26.9	29.0
TOTAL OTHER REQUIREMENTS	1.5	1.5	2.6	2.9	1.5	1.5	1.5
TOTAL REQUIREMENTS	800.1	800.1	840.6	877.8	919.9	962.8	1012.2
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	(0.1)	10.9	0.0	0.0	0.0	0.0	0.0
ENDING BALANCE	(0.1)	10.9	0.0	0.0	0.0	0.0	0.0
FTEs	5,963.55	5,963.55	6,061.55	6,153.80	6,197.80	6,246.80	6,276.80

Neighborhood Housing & Community Development Fund Five Year Forecast

(millions)

	Amended <u>2013-14</u>	Estimated <u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
BEGINNING BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TRANSFERS IN							
Sustainability Fund	3.8	3.8	4.0	4.2	4.4	4.6	4.8
TOTAL TRANSFERS IN	3.8	3.8	4.0	4.2	4.4	4.6	4.8
TOTAL AVAILABLE FUNDS	3.8	3.8	4.0	4.2	4.4	4.6	4.8
PROGRAM REQUIREMENTS							
Housing	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Community Development	0.8	0.8	0.8	0.9	0.9	1.0	1.0
Support Services	2.7	2.7	2.9	3.0	3.2	3.3	3.5
TOTAL PROGRAM REQUIREMENTS	3.7	3.7	3.9	4.1	4.3	4.5	4.7
TOTAL TRANSFERS OUT	0.1	0.1	0.1	0.1	0.1	0.1	0.1
TOTAL REQUIREMENTS	3.8	3.8	4.0	4.2	4.4	4.6	4.8
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	(0.0)	(0.0)	(0.0)	0.0	0.0	0.0	0.0
ENDING BALANCE	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FTEs	24.00	24.00	24.00	24.00	24.00	24.00	24.00
FTEs (Grant)	28.00	28.00	28.00	28.00	28.00	28.00	28.00

Parking Management Fund Five Year Forecast
(millions)

	Amended <u>2013-14</u>	Estimated <u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
BEGINNING BALANCE	2.3	2.8	1.6	0.5	0.7	0.6	1.2
REVENUE							
Parking Fees	7.8	7.8	8.3	9.5	9.3	9.6	9.8
Other Revenue	0.8	0.8	0.3	0.3	0.4	0.3	0.3
Transportation Permits	0.2	0.2	0.7	0.8	0.8	0.8	0.8
Land and Infrastructure Lease	0.5	0.5	0.4	0.4	0.4	0.4	0.4
TOTAL REVENUE	9.3	9.3	9.7	11.0	10.9	11.1	11.3
TOTAL AVAILABLE FUNDS	9.3	9.3	9.7	11.0	10.9	11.1	11.3
PROGRAM REQUIREMENTS							
Parking Enterprise	5.4	5.4	5.8	5.8	6.0	6.1	6.2
Transport. Project Development	0.4	0.4	0.4	0.4	0.3	0.3	0.4
TOTAL PROGRAM REQUIREMENTS	5.8	5.8	6.2	6.2	6.3	6.4	6.6
TOTAL TRANSFERS OUT	4.5	4.5	4.4	4.4	4.4	3.8	3.8
TOTAL OTHER REQUIREMENTS	0.2	0.2	0.2	0.2	0.3	0.3	0.3
TOTAL REQUIREMENTS	10.5	10.5	10.8	10.8	11.0	10.6	10.7
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	(1.2)	(1.2)	(1.1)	0.2	(0.1)	0.5	0.6
ENDING BALANCE	1.1	1.6	0.5	0.7	0.6	1.2	1.8
FTEs	51.50	51.50	55.50	55.50	55.50	55.50	55.50

Public Works - Transportation Fund Five Year Forecast

(millions)

	Amended <u>2013-14</u>	Estimated <u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
BEGINNING BALANCE	9.0	9.0	6.2	2.7	2.7	2.7	2.7
REVENUE							
Public Works							
Transportation User Fee	36.4	37.7	38.0	39.6	41.2	42.3	43.7
Utility Cut Cost Recovery	8.8	9.1	8.8	9.0	9.0	9.0	9.2
Property Sales	0.1	0.2	0.1	0.1	0.1	0.1	0.1
Other Revenue	0.1	0.4	0.3	0.9	1.1	1.2	1.3
TOTAL REVENUE	45.4	47.4	47.2	49.6	51.4	52.6	54.3
TOTAL TRANSFERS IN	0.9	0.9	0.5	0.5	0.5	0.5	0.5
TOTAL AVAILABLE FUNDS	46.3	48.3	47.7	50.1	51.9	53.1	54.8
PROGRAM REQUIREMENTS							
Public Works							
Street Preventive Maintenance	19.0	18.4	19.5	19.5	19.7	20.0	20.4
Street Repair	6.1	6.0	6.7	6.7	6.8	6.9	7.1
Bridge Maintenance	0.7	0.7	0.8	0.7	0.7	0.8	0.8
Minor Construction and Repair	5.1	5.7	5.3	5.4	5.9	6.2	6.3
Right-of-Way Maintenance	3.2	3.2	3.4	3.4	3.5	3.6	3.7
Bike & Pedestrian Infrastructure	0.6	0.6	0.0	0.0	0.0	0.0	0.0
Support Services	2.4	2.4	2.7	2.8	2.9	3.0	3.2
TOTAL PROGRAM REQUIREMENTS	37.1	37.0	38.4	38.5	39.5	40.5	41.5
TOTAL TRANSFERS OUT	11.9	12.5	11.1	9.9	10.7	10.9	11.6
TOTAL OTHER REQUIREMENTS	1.6	1.6	1.7	1.7	1.7	1.7	1.7
TOTAL REQUIREMENTS	50.6	51.1	51.2	50.1	51.9	53.1	54.8
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	(4.3)	(2.8)	(3.5)	0.0	0.0	0.0	0.0
ENDING BALANCE	4.7	6.2	2.7	2.7	2.7	2.7	2.7
FTEs	313.00	313.00	295.00	295.00	295.00	295.00	295.00
Monthly Residential Fee							
Single Family	\$7.80	\$7.80	\$8.25	\$8.60	\$8.96	\$9.35	\$9.77