



FY 2016-2020
City of Austin, Texas



Today's Briefing

- Introduction
- Charter Responsibilities
- Budget Process Overview – Timeline
 - *City Manager's Roadmap* (Preparing a Budget Recommendation)
 - *City Council's Roadmap* (Reviewing, revising, and adopting a Budget)

Today's Briefing

- *City Manager's Road Map*
 - **Forecast Preparation**
 - Business Planning
 - Citizen Survey
 - Performance Reporting
 - **Forecast**
 - **Budget Development**
 - Council Policy Objectives & Priorities
 - Citizen Engagement
 - Department Budget Preparation
 - City Manager Review & Budget Preparation

Today's Briefing

- *City Council's Roadmap*
 - **Council Budget Work Sessions**
 - Department Budget Presentations
 - Discuss Proposed Department Budgets and Policy Priorities
 - Clarify Department Programs
 - Public Hearings (Budget, tax rate, utility rates)
 - **Budget Adoption**
 - Three days set aside for further revisions
 - Three potential readings



Charter Responsibilities



City Manager's Responsibilities

- City Manager is Austin's “***budget officer***”
 - Local Government Code 102.001 definitions
 - Texas Attorney General Opinion JC-0544 (2002)
 - City Charter
- City Charter Art. V. Administrative Organization.
 - § 2. Powers and Duties of the City Manager
 - The City Manager shall be responsible to the council for the proper administration of all affairs of the city and to that end he or she shall have the power and shall be required to.....

(2) Prepare the budget annually, submit it to Council, and be responsible for its administration after adoption.

City Council's Responsibilities

- City Charter Art. I. Incorporation, Form of Government, Powers
 - § 2. Form of Government
 - Council-Manager government
 - All City's powers vested in and exercised by an elective council

Council...shall enact legislation, adopt budgets, determine policies, and appoint the city manager....

§ 3. General Powers

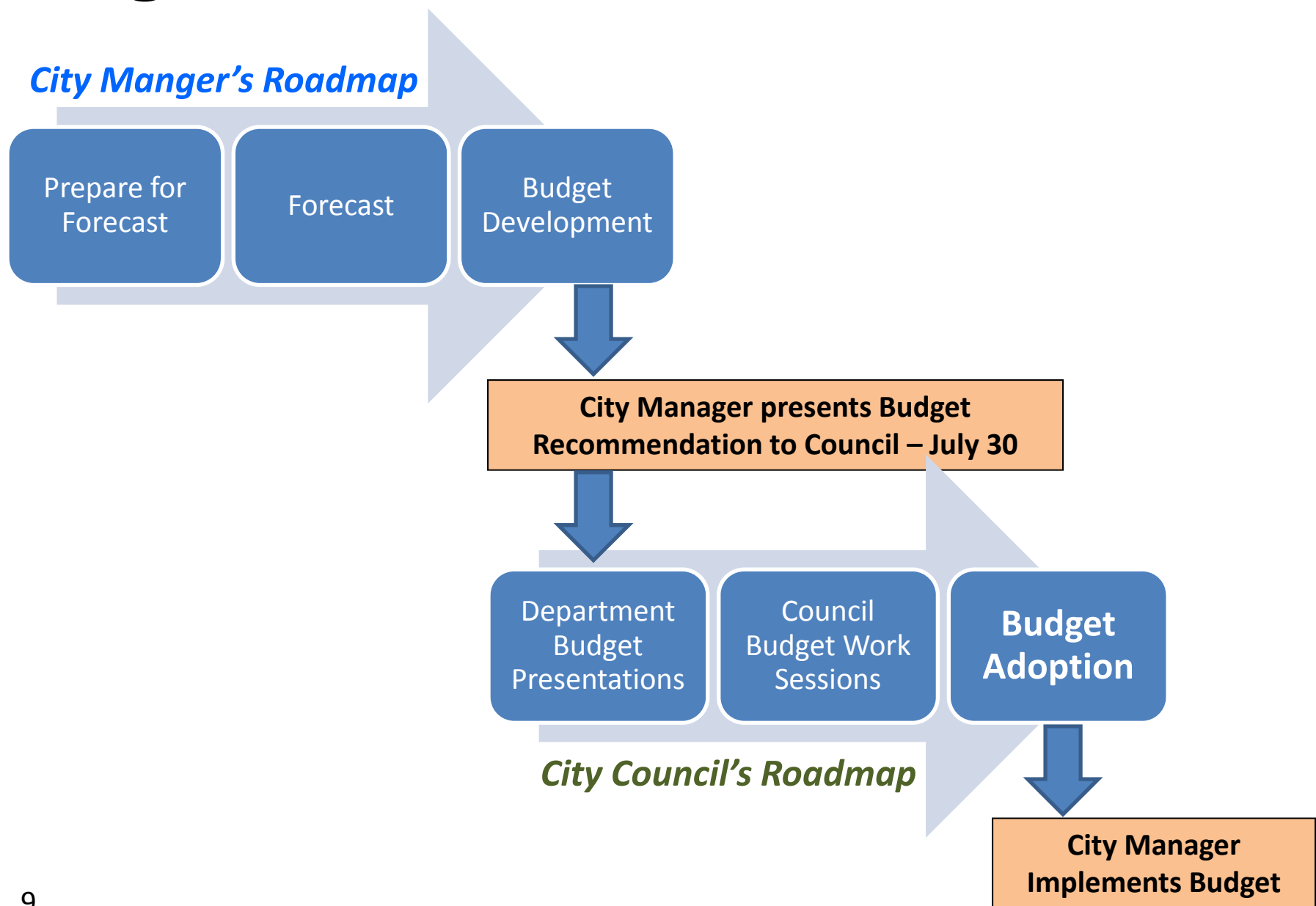
- City shall have all powers granted to cities by Constitution and laws of the State of Texas, together with all implied powers



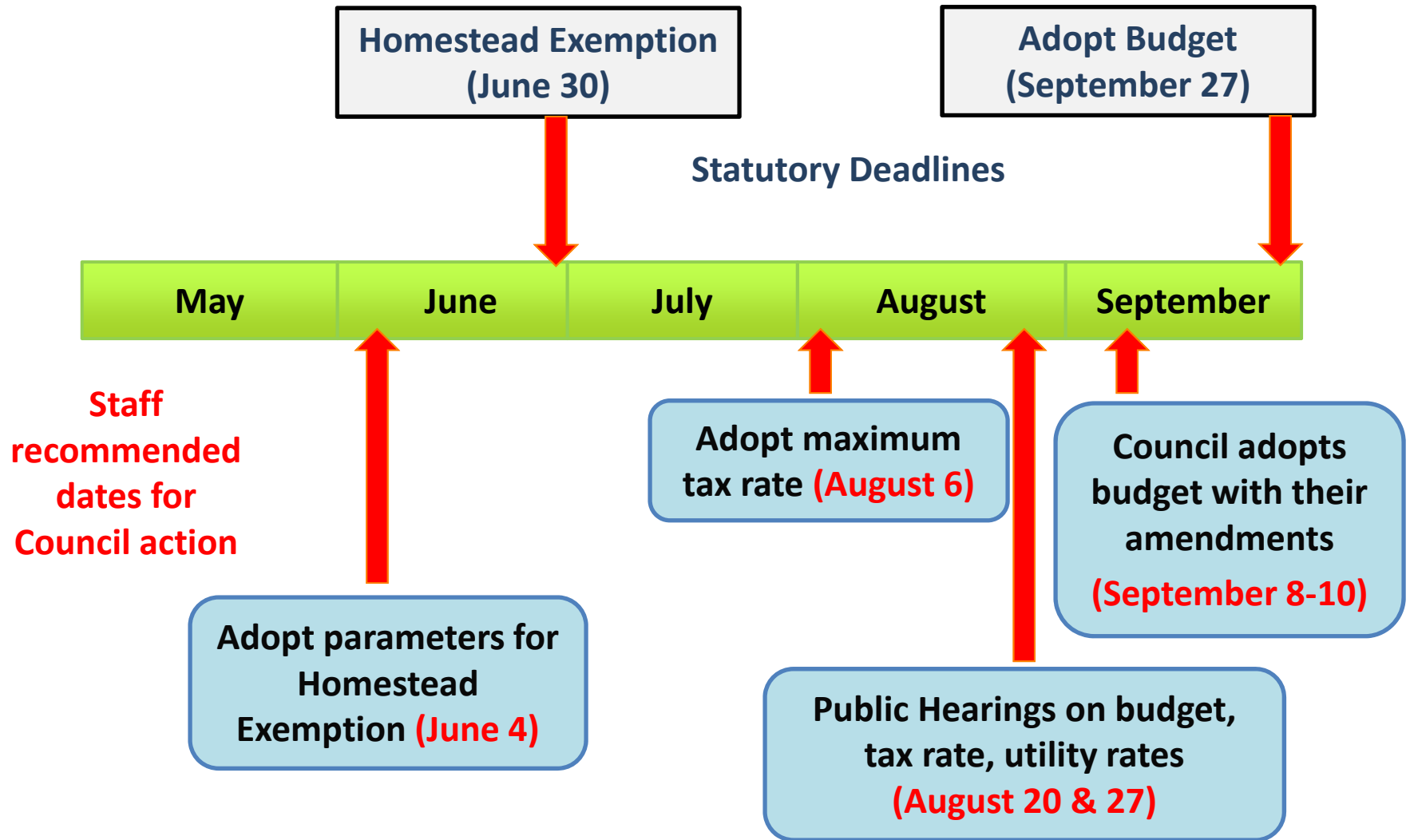
Budget Process Overview



Budget Process Overview



Budget Key Dates

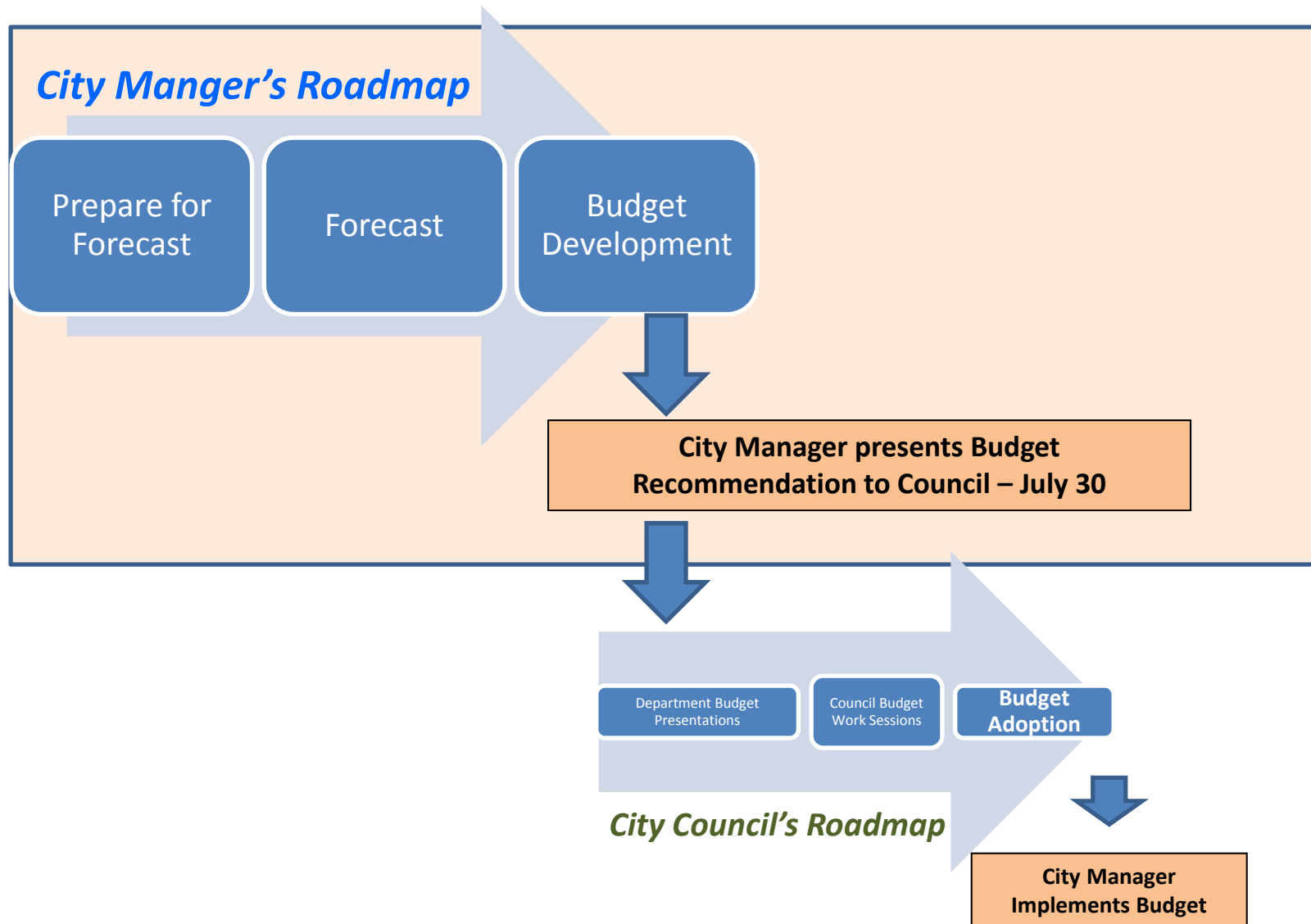




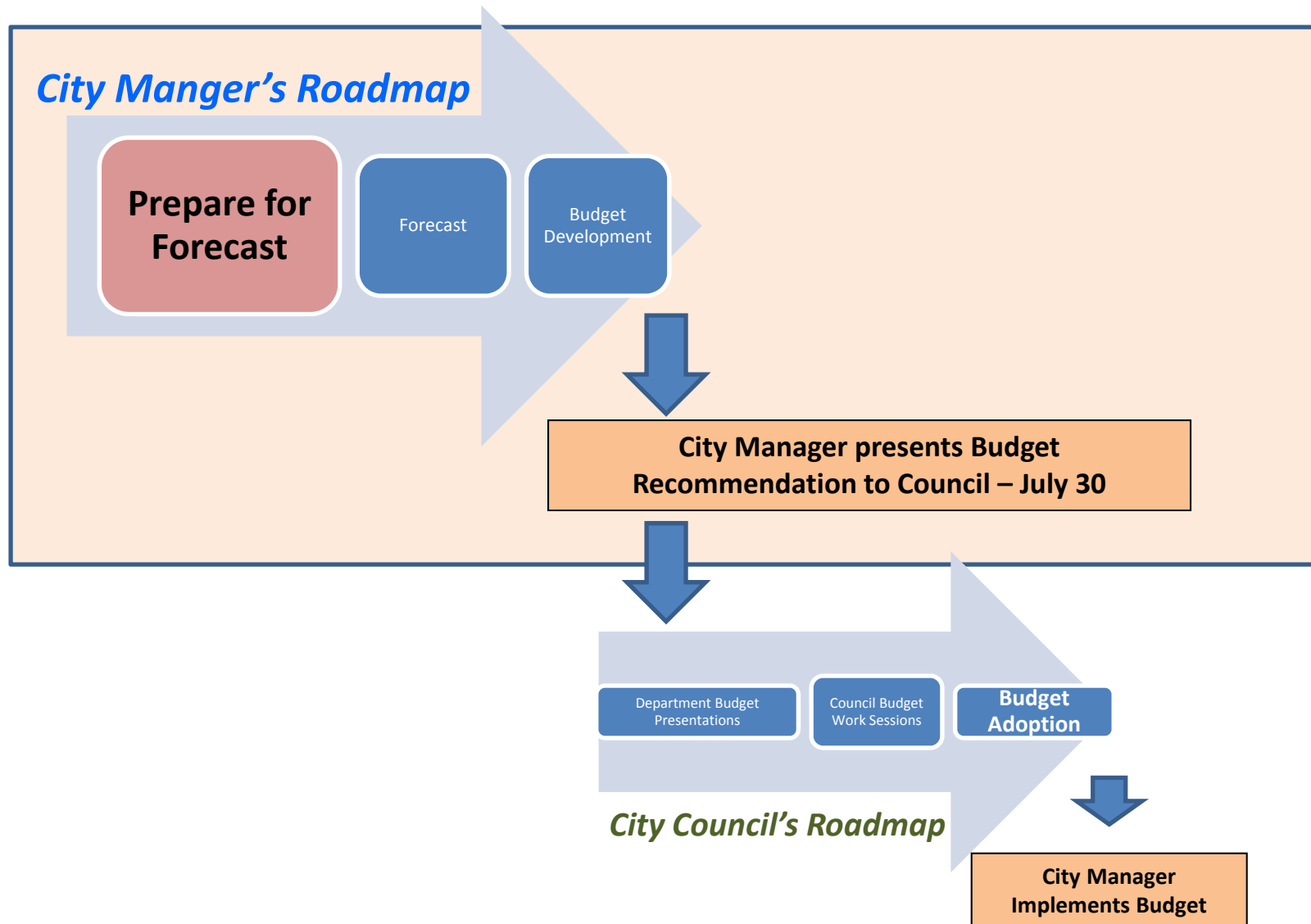
City Manager's Roadmap



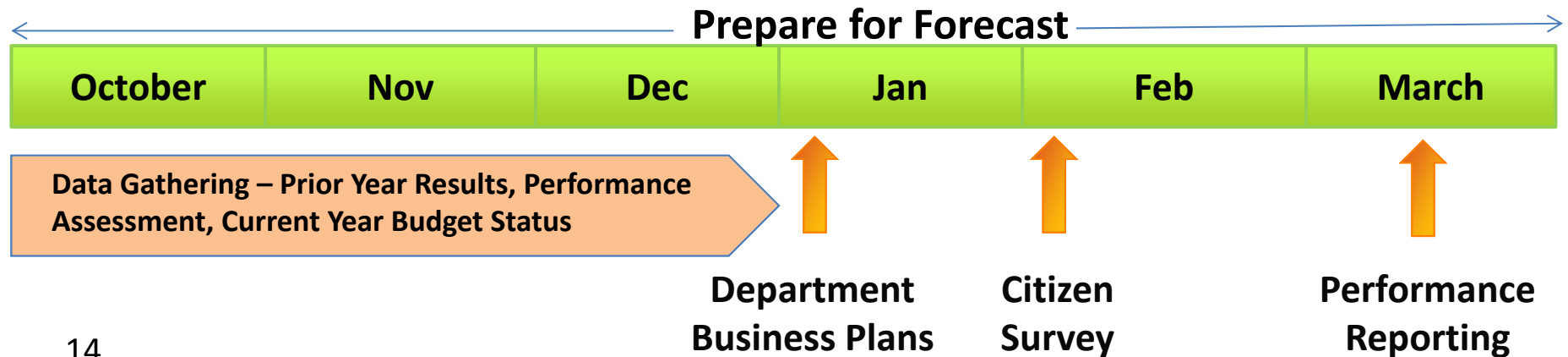
City Manager's Roadmap



Prepare for Forecast



Prepare for Forecast – 3 Main Elements



Business Planning

Departments prepare a “look forward”

- Mission and Goals
- Horizon Issues
- Programs
- Assessments
- Performance Gaps



Citizen Survey

Purpose

- Assess satisfaction with delivery of major city services
- Help inform community priorities for ongoing planning

Methodology

- Five-page survey mailed to stratified random sample of 3,000 City households - 1,225 surveys completed
- Results have 95% level of confidence with precision of at least $\pm 2.8\%$



Citizen Survey - Results

- Austin **rated at or above national average** for cities with population of over 250,000 in 31 of 46 areas assessed
- Austin rated at least 10% above national average
 - Overall quality of customer service (+28%)
 - I feel safe in my neighborhood at night (+25%)
 - I feel safe in city parks (+17%)
 - Condition of streets in neighborhoods (+16%)
 - Quality of residential curbside recycling services
 - Bulky item pick-up/removal services (+12%)
 - Number of walking/biking trails (+11%)
 - Cleanliness of City streets and other public areas (+10%)



Citizen Survey - Results

- Austin **rated below national average** for cities with population of over 250,000 in 15 of 46 areas assessed
- Austin rated at least 10% below national average in only two areas
 - Traffic flow on major city streets (-23%)
 - How well City is planning growth (-15%)



Performance Reporting

- Managing for Results....“**Plan, Do, Check, and Act**”
- Framework for continuous cycle of **planning, budgeting, reporting and decision-making**
- Track 120 measures - “key & most important” in determining success or improvement of direct services
- Performance information collected all year to monitor progress on achieving department goals and objectives
- Program budgets developed based on goals and results departments expect to achieve in upcoming year

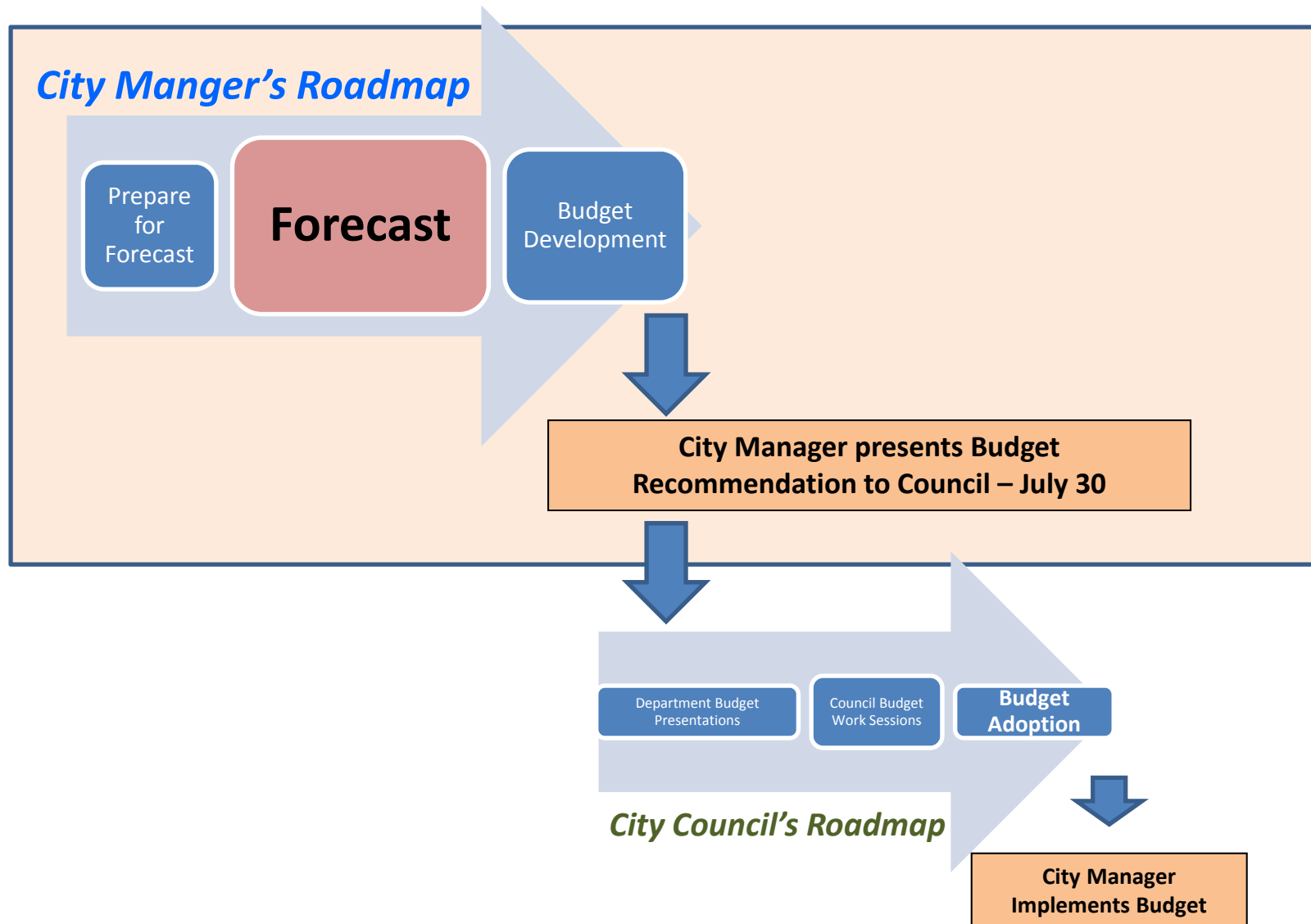


Performance Reporting - Results

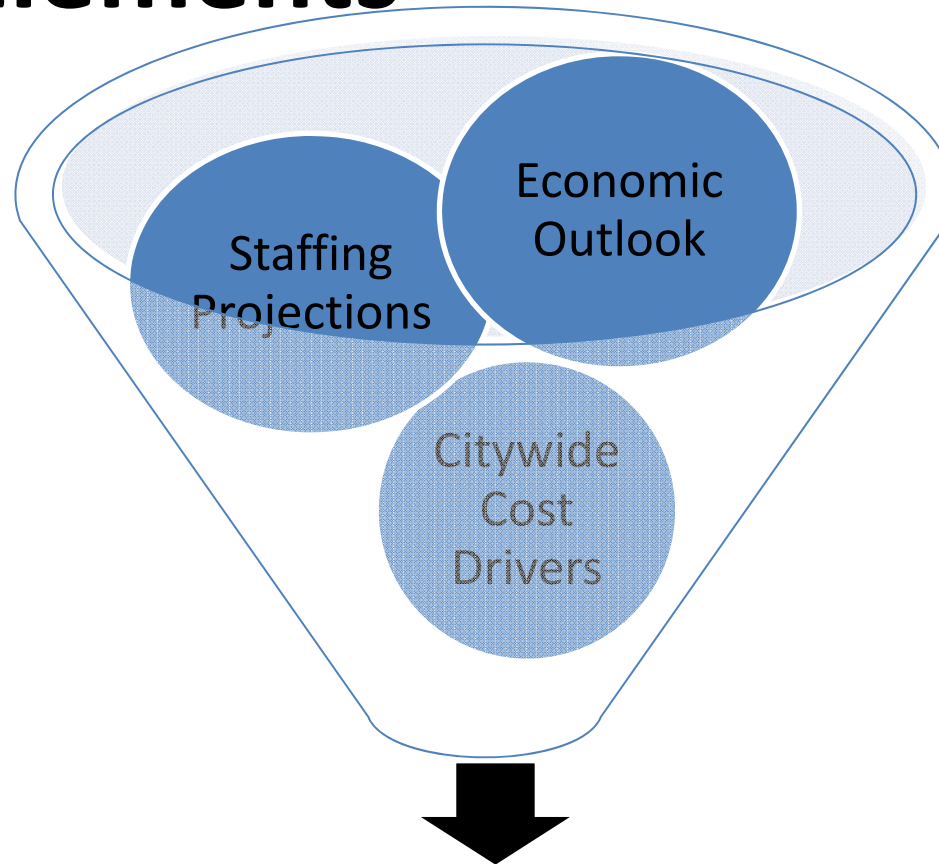
- Of 120 key measures tracked:
 - 66 measures, or 55%, exceeded or met goals
 - 84 measures, or 71%, exceeded, met or came within 3% of targets
 - 78 measures, or 66%, maintained or improved performance over last year (FY2012-13 to FY2013-14)
 - 77 measures, or 65%, either maintained performance or showed overall improvement over five-year timeframe or from date measure was first tracked



Forecast



Forecast Elements



Five Year Financial Forecast , Projected Rates

April	May	June	July	August	September
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Forecast Process

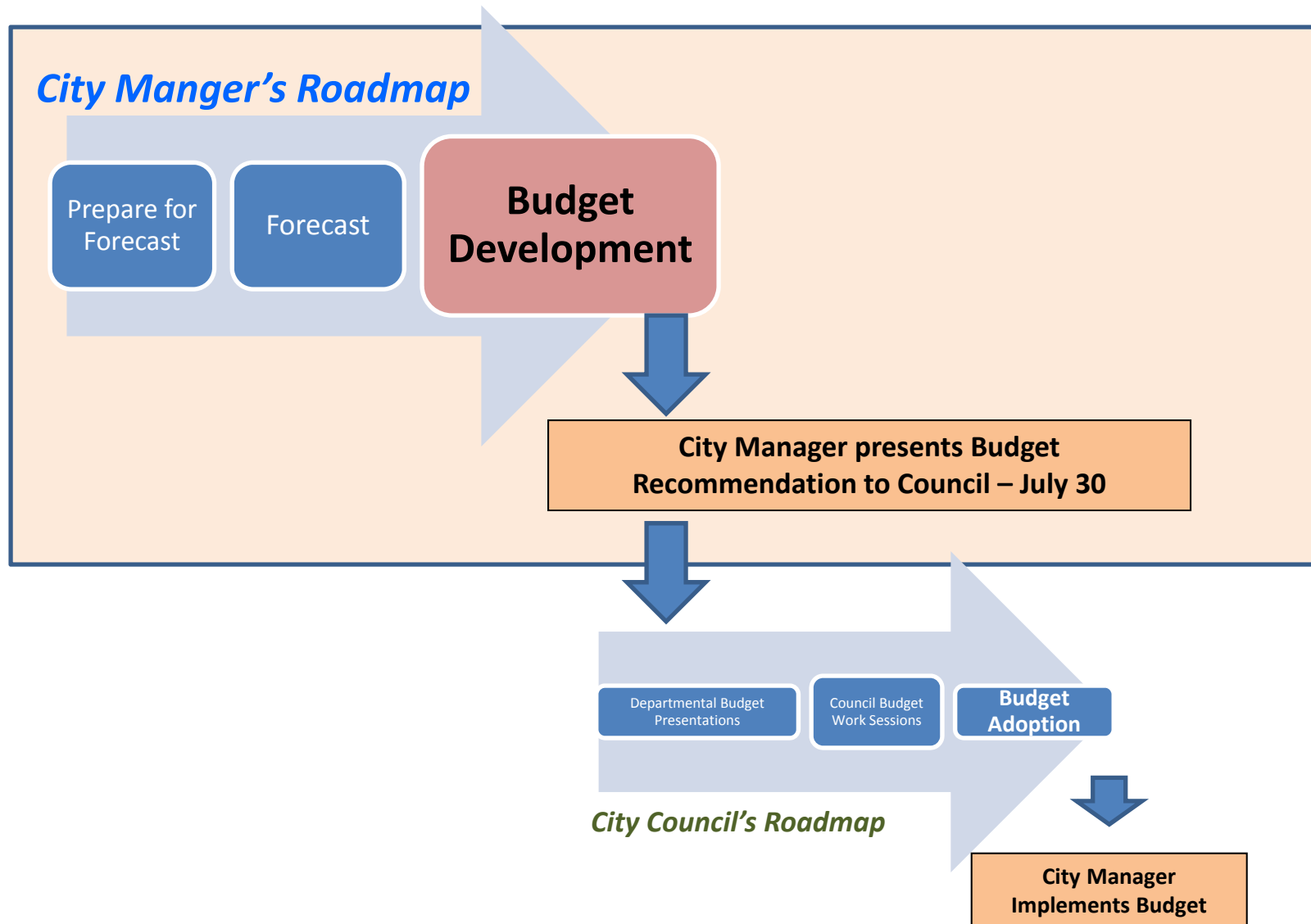
What is a Forecast?

- Collection of City revenue and expenditure projections for the next 5 fiscal years
- Starting point for annual budget and community engagement processes
- Highlights department initial funding requests
- **It's not a budget** - Only current best estimates

Why produce a Forecast?

- Present projected economic and financial outlook
- **Opportunity to initiate Council policy discussions**
- Solicit input / feedback for future budget development
 - **From Council**
 - From community
- Fine-tune cost assumptions before Proposed Budget

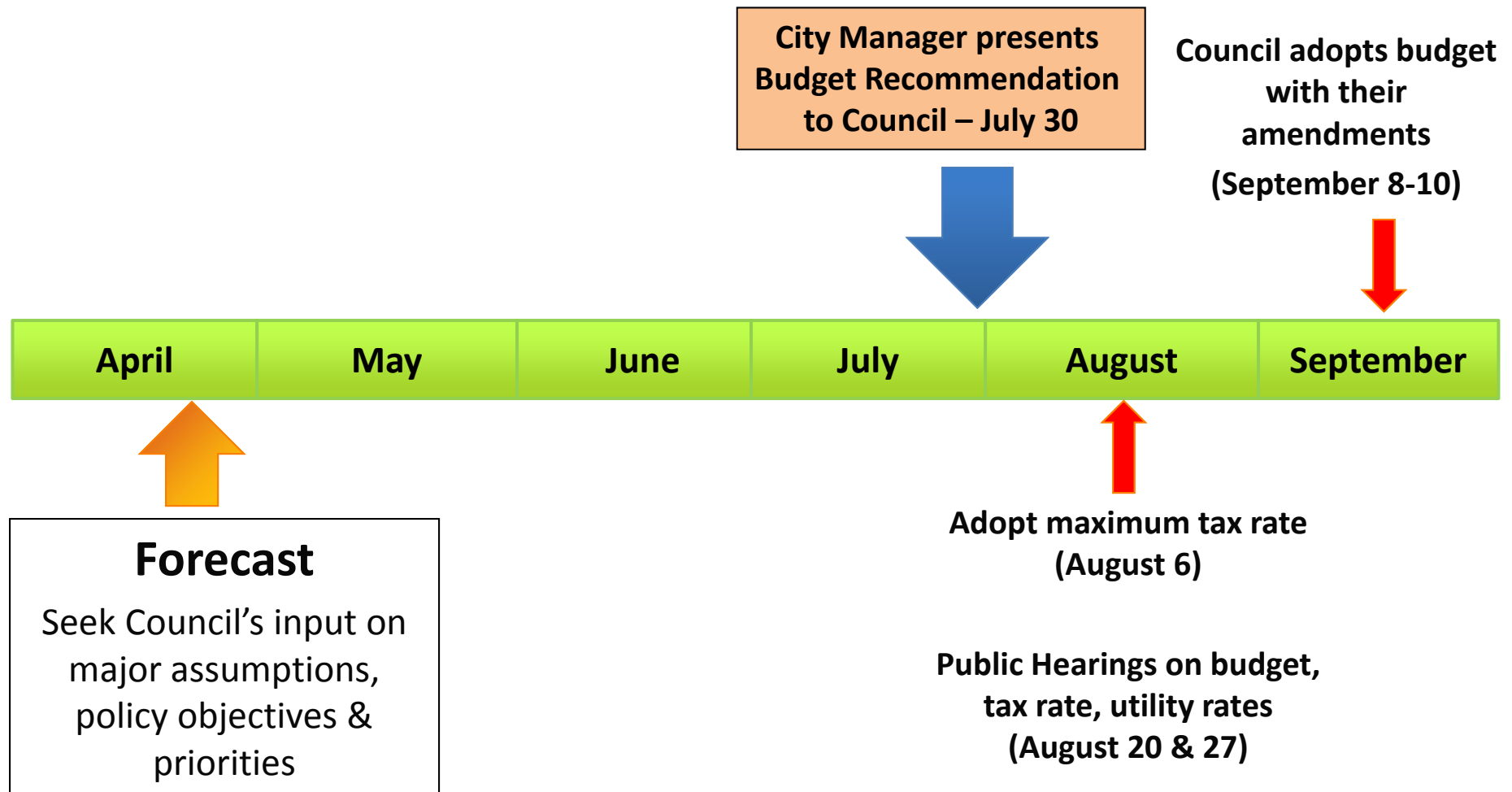
Budget Development



Budget Development Elements



Budget Timeline

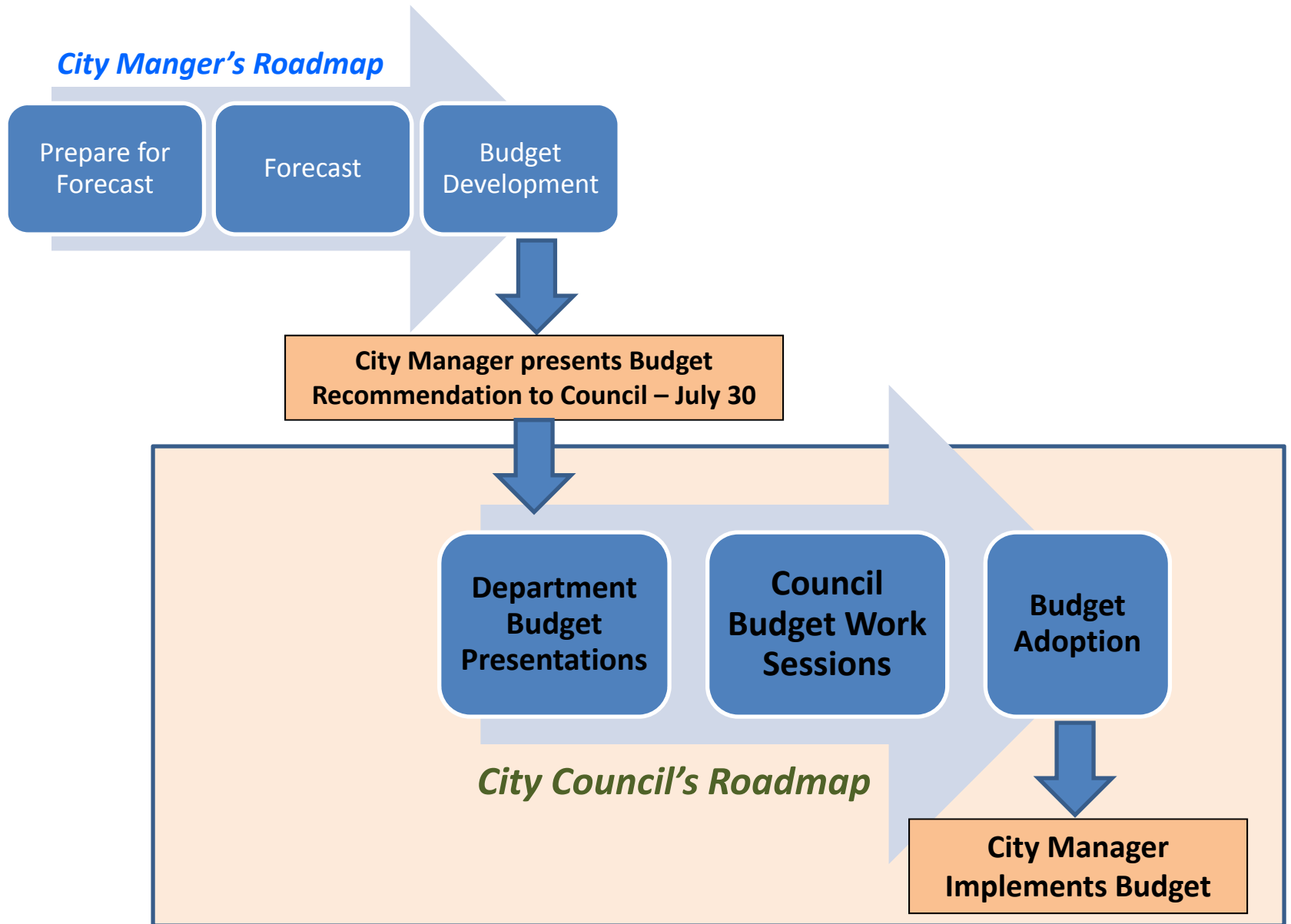




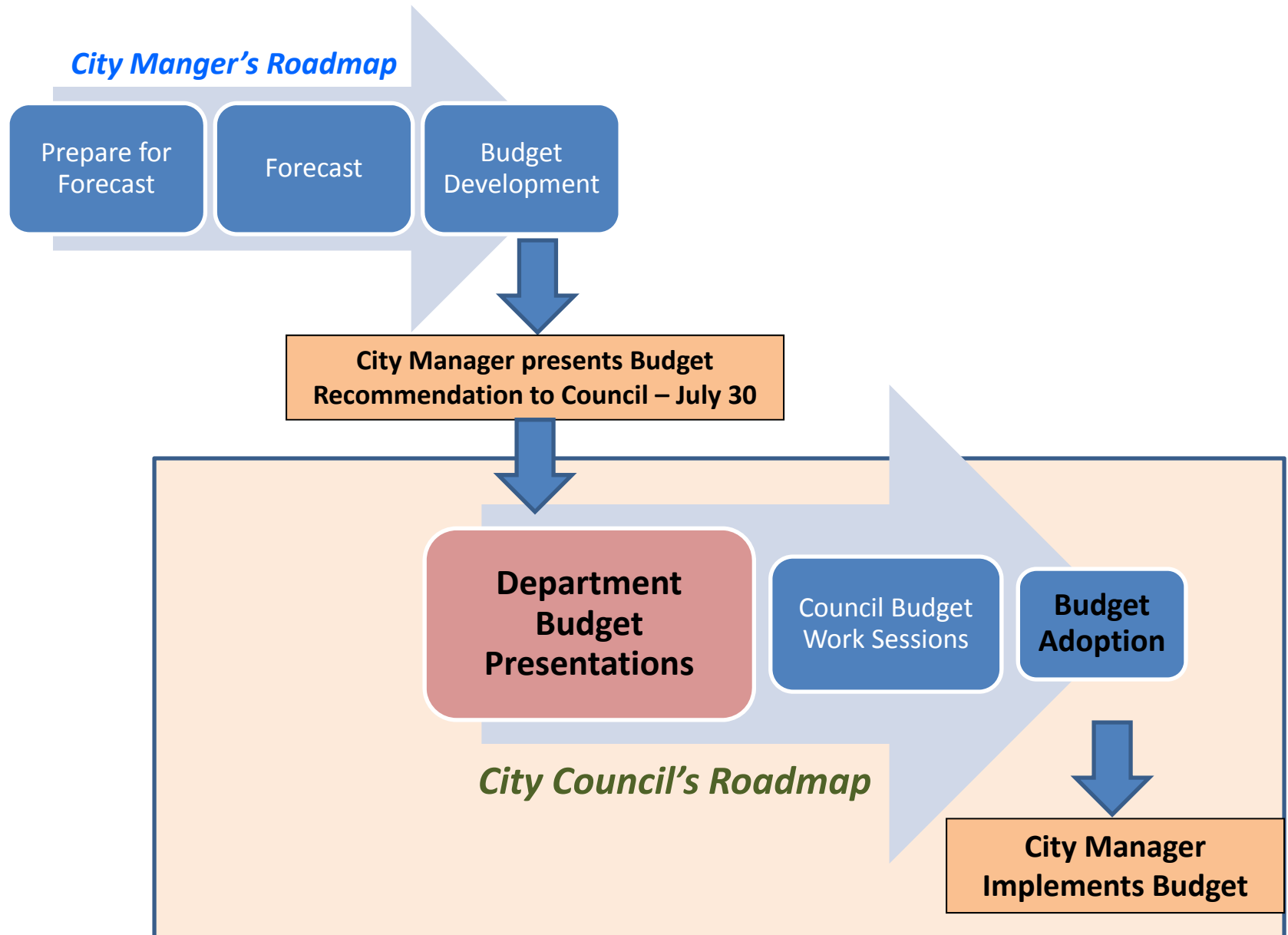
City Council's Roadmap



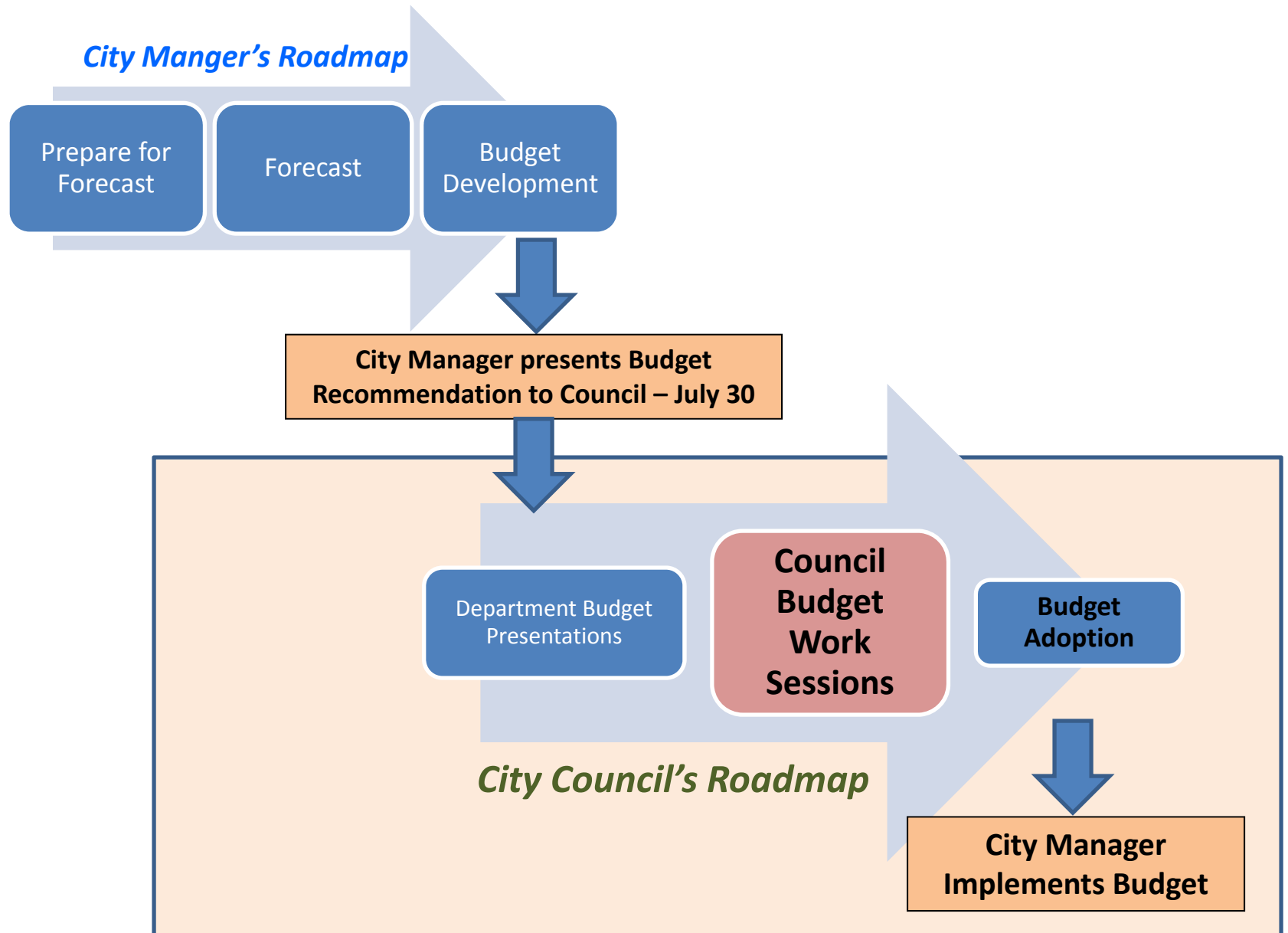
City Council's Roadmap



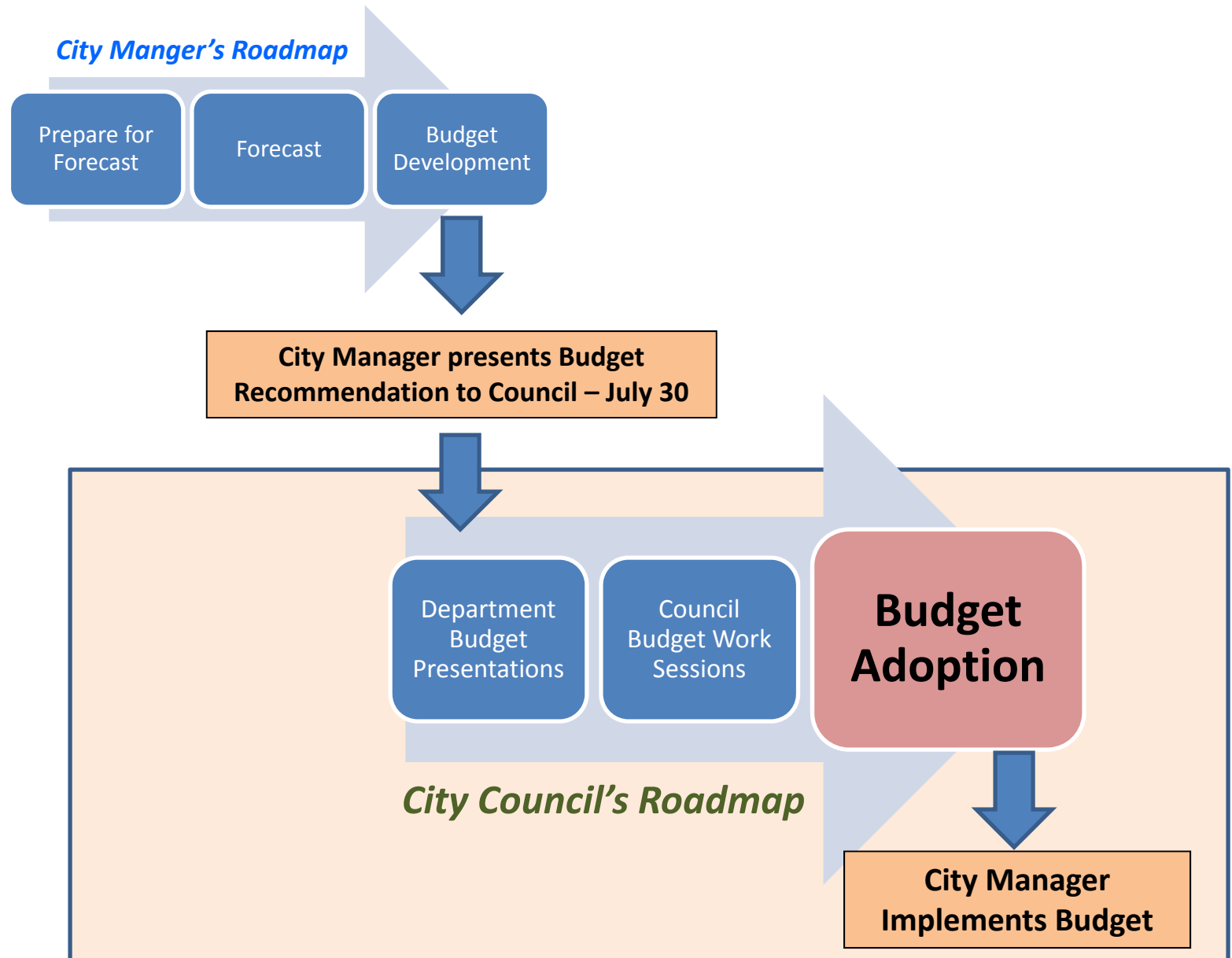
Departmental Budget Presentations



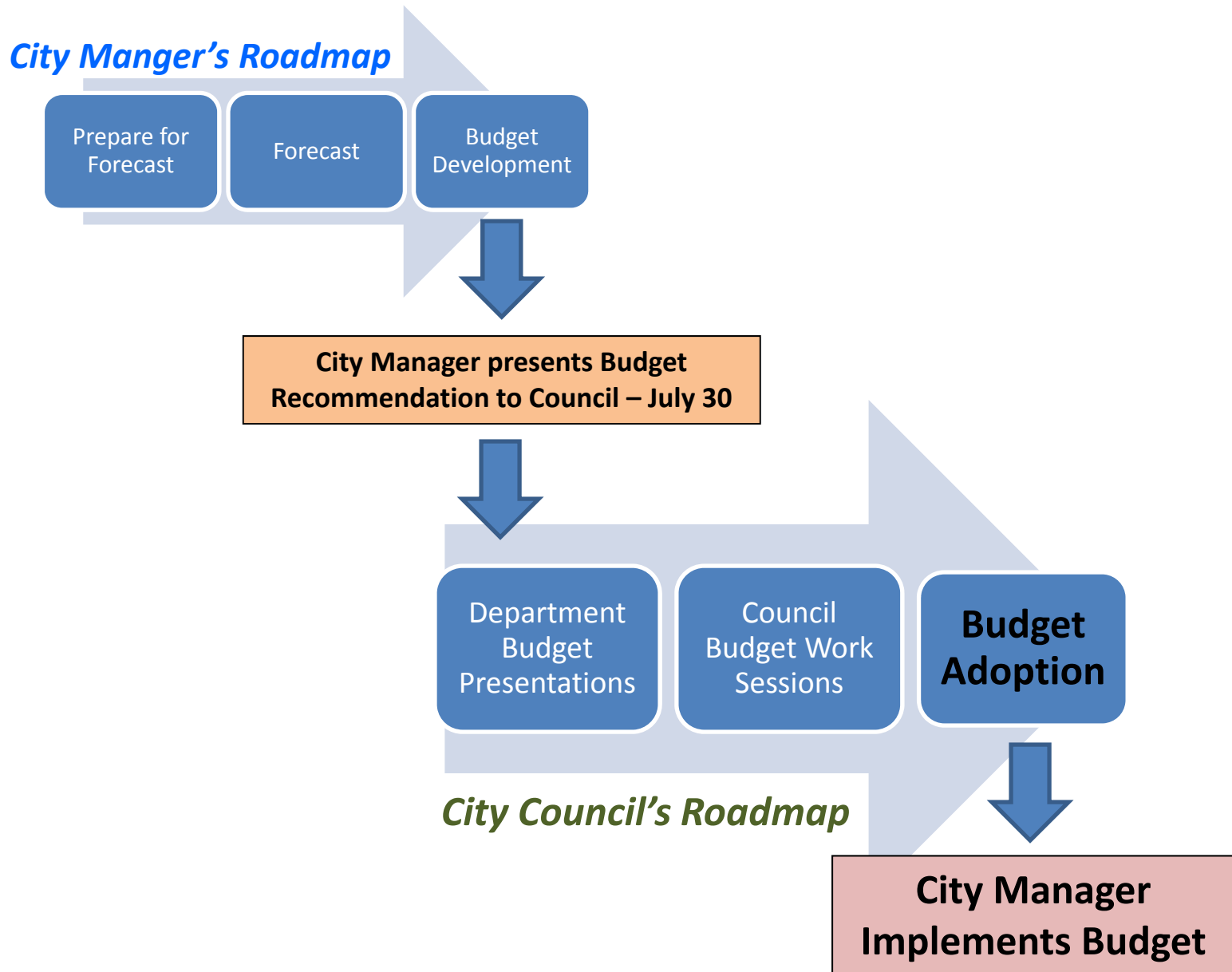
Council Budget Work Sessions



Budget Adoption



City Manager Implements Budget



Budget Road Map

Budget Road Map – Fiscal Year 2016

BUDGET TIMELINE:

October 1

October–January

April 22
(Forecast Work Session)

May 6, 13, 20
(Forecast Work Sessions)

May–June

June–July

July 30
(Budget Work Session)

August 6

August 10 & 12
(Budget Work Sessions)

August 20 & 27

September 1
(Budget Work Session)

September 8–10

September 30

Staff Function

Council Role

First Day of the Fiscal Year!

Update Business Plans and Annual Performance Report	
Present Five-Year Financial Forecast	→ Receive information from staff → Provide feedback on assumptions → Discuss policy priorities (e.g. tax and utility rates, service levels, etc.) → Identify additional data needs
→ Detail revenue and expenditure assumptions → Highlight rate and fee changes → Summarize initial funding requests from departments	
→ Department staff available for Council questions	→ Continuation of discussion and feedback related to financial forecast and policy priorities → Ask questions of department staff
Community Engagement	
→ Budget-in-a-Box → Conversation Corps → Presentations to Boards and Commissions	
Develop Proposed Budget	
Present City Manager's Proposed Budget	→ Receive information from staff → Provide feedback on assumptions → Discuss policy priorities (e.g. tax and utility rates, service levels, etc.) → Identify additional data needs
→ Overview of revenue assumptions including tax and utility rates → Highlight significant changes including program enhancements and new positions	
	Council Sets the Maximum Tax Rate
Department Budget Presentations	→ Continuation of discussion of proposed budget and policy priorities → Ask questions of department staff
	Public Hearings
	→ Receive testimony on Proposed Budget
Present any additional budget data or analysis requested by Council	→ Continuation of discussion of proposed budget and policy priorities → Ask questions of staff
Provide analysis and support to Council throughout the budget adoption process	Budget Readings
	→ Council adopts the budget after approving any amendments

Last Day of the Fiscal Year!

★ Charter or legal requirement

Budget Definitions & Terms Road Map

TERMS:

Business Planning

Annual process for departments to proactively set priorities for the coming year, assess strengths and weaknesses, identify horizon issues, evaluate operations and performance, and establish measurable goals.

Annual Performance Report

Highlights department actual performance concerning their key indicators of success over a five-year period.

Financial Forecast

This marks the formal starting point for City Council's engagement in the annual budget development process. Staff presents preliminary revenue and expenditure projections using the best data available at that time. A list of initial funding requests from non-enterprise departments is also provided at this time. This background information provides Council with a foundation from which to discuss policy priorities for the upcoming year and to question staff about the underlying forecast assumptions.

Public Engagement

The City provides multiple opportunities and methods for the public to engage in the budget development process. Budget-in-a-Box is designed to provide small citizen groups an opportunity to express their budget priorities for the upcoming year. Conversation Corps takes place in various locations throughout the City to discuss an "issue of the month." Boards and Commissions meetings provide a great opportunity for the public to learn more about a specific department's budget.

Proposed Budget

The City Charter assigns the responsibility for crafting an annual Proposed Budget to the City Manager. The Charter further requires the City Manager to provide the Proposed Budget to City Council no later than September 1st annually. Once the Proposed Budget is submitted to Council, it becomes their document to amend as they see fit prior to adoption.

Adopt a Maximum Tax Rate

As part of the Truth-in-Taxation process, state law requires Council to adopt a maximum tax rate for the upcoming fiscal year. This action does not set the tax rate but instead establishes a ceiling for the tax rate that Council will consider. Once adopted, Council cannot exceed that rate. Typically, staff recommends Council set the maximum tax rate at the state-defined rollback rate. This provides Council with more flexibility in regards to the tax rate that they ultimately adopt.

Public Hearings

State law requires two public hearings be held on the proposed tax rate. Additional public hearings are held for any rate increases by Austin Energy, Austin Water, Austin Resource Recovery, or the increases in the Drainage Utility Fee. A final public hearing is required on the City's Proposed Budget.

Budget Readings

The City Council adopts the Proposed Budget through a series of Ordinances. The Ordinances must be passed on three readings unless approved by seven or more members of the Council. As part of the budget adoption process Council has the opportunity to amend the Proposed Budget in any manner they see fit prior to adoption. The City Charter requires that the budget is adopted by September 27th.



Questions/Comments/Discussion



For more information, please visit

<https://www.austintexas.gov/financeonline/finance/index.cfm>

Austin Finance Online

City of Austin - Financial Services