



# Proposed Budget Overview

*Fiscal Year 2016-17*



July 27, 2016 | City of Austin, Texas



# Today's Agenda

*July 27 (9:00 AM – 12:00 PM)*

## FY 2017 Overview

Council  
Priorities

Budget  
Highlights

Public  
Engagement

## All Funds Overview

General Fund  
Highlights

Internal  
Service Funds  
Highlights

Enterprise and  
Other Funds  
Highlights

## Capital Budget Overview

Capital Budget  
Highlights

## Next Steps

Budget  
Timeline

# Council Priorities

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*Elaine Hart, Chief Financial Officer*



# Council Policy Work Sessions

- Five policy work sessions conducted to capture Council's policy priorities and comments
- Allowed staff to engage with Council on the considerable policy areas facing the City
  - Tax Rates, Utility Rates, and Impact on Affordability
  - Civilian Wages and Employee Benefits
  - Funding for Deferred Facility Maintenance
  - Growing Information Technology Needs
  - Zero Waste Initiatives
  - Health and Human Services Funding
  - Equity and Affordability
  - General Fund Transfer Policy
  - Mobility and Traffic
  - Public Safety Staffing Levels
- Feedback from Council employed as a building block for the Proposed Budget

# Council Policy Priorities Retreat

- Forum for Council to discuss annual goals and priorities and seek consensus on City matters
- Overall highest rated Council priorities
  - Comprehensive solutions to combat homelessness
  - Investments and funding for mobility improvements (road/corridor)
  - Increase housing supply, options, and remove barriers
  - Develop and implement additional housing cost tools
  - Higher density in transit corridors and workforce housing
  - Economic development east of Highway 183

# Continuation of FY 2016 Council Initiatives

## *Annualized General Fund Cost for FY 2017*

EMS 42-hour work week implementation (52 FTEs for Phase 2)	\$3.4M
Austin Police Department overtime increase for Spring Festival Season	\$1.5M
Annualized Shady Hollow fire station costs	\$1.3M
“True-up” for living wage temp position funding (PARD and Child Safety Fund)	\$0.7M
Living wage for lifeguards at City pools	\$0.4M
Funding for childcare services for families in the Passages program	\$0.2M
<b>Total</b>	<b>\$7.5M</b>



# Budget Highlights

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*Elaine Hart, Chief Financial Officer*



# Affordability

## ➤ Tax Exemptions

- Increase general homestead exemption by 2% (from 6% to 8%)
- Increase senior/disabled exemption by \$5,000 (from \$80,000 to \$85,000)
- 4.0% increase in combined tax and utility bill for a “typical” customer

## ➤ Plan Changes Reduce Growth in City Health Insurance Costs

- 8% increase in City contributions to Employee Benefits Fund
  - ❖ Compared to 12% projected at the Financial Forecast – reduction due to plan design changes
- Increase in family premium offset by 29-cent per hour cost of living increase

## ➤ City Manager directed departments to identify “belt-tightening” reductions of \$3.0 million to fund Council initiatives



# Transportation and Mobility

## ➤ Austin Transportation Department Mobility Improvements

- 13 new positions to enhance and support mobility programs, signal timing and maintenance, planning, and right-of-way programs: \$1.3 million
- Increase in contracts to improve mobility and signalization and initiate the Safety and Enforcement Program: \$1.1 million
- \$8.3 million CIP spending plan for corridor improvements, pay station replacement, signals, and local area traffic management

## ➤ Public Works

- \$2.1 million for additional street overlay contractual work
- 16 new positions to enhance overlay, roadway, and infrastructure activities: \$1.2 million
- \$40.0 million CIP spending plan for street, bridge, urban trails, and bike and pedestrian improvements

# Health and Housing Needs

- Increase transfer to the Housing Trust Fund by \$1.1 million
- “Housing First” permanent supportive housing funds increase of \$600,000 to help reduce homelessness
- Additional social service contract funding of \$500,000
- Contractual funding of \$380,000 to establish the new Sobriety Center
- \$217,000 for implementation of Colony Park Sustainable Communities Master Plan



# Public Safety Enhancements

## ➤ Staffing and Personnel

- 52 positions and \$3.4 million for EMS personnel and equipment costs to complete implementation of 42-hour work week
- 33 new positions in Austin Police Department (APD) to increase proactive community policing
  - ❖ 12 sworn positions
  - ❖ 21 civilian positions to reallocate 21 sworn employees currently performing civilian work back to patrol activities
- 3 firefighters for \$277,000 to service the airport fire station

## ➤ Other Initiatives

- \$762,000 increase for smart and wireless phone service to support APD body cameras
- \$3.0 million in overtime for sworn Fire personnel to address high number of vacancies and maintain four-person staffing, a Council policy

# Wages and Employee Benefits

- 2% performance-based salary increase for civilian employees
- 29-cent per hour cost of living increase for civilian personnel to offset rising health costs for families
- 2% increase for APD, Fire, and EMS Sworn per contract
- Living wage increased from \$13.03 to \$13.50 per hour
- Annualization of civilian market adjustments approved by Council in FY 2016





# Community Growth Persists

## ➤ Aviation

- 41 new positions and costs associated with new facilities are needed to address continued terminal expansion, customer growth, and customer service: \$3.3 million



## ➤ Development Services Department (DSD)

- 39 new positions added for expedited permit review, expanding review and inspection capabilities, and to support drainage inspections and forestry programs (7 months funding): \$2.1 million



# Other Major Initiatives

- **Deferred Facility Maintenance**
  - Total of \$3.0 million from General Fund allocated to address backlog
- **Funding for IT Governance: \$7.7 million**
  - Highlights include AMANDA upgrade (permitting system), public safety storage expansion and data center relocation
- **Organics Collection Program (operating and capital costs)**
  - Five-year implementation plan: \$23.2 million and 55 positions
  - \$4.2 million and 12 positions in FY 2017 for first year implementation
- **\$3.4 million for the opening of the New Central Library**
- **\$75,000 to develop an equity assessment tool**

# Maintains Outstanding Financial Stability

- Outstanding credit ratings keep interest costs low

City of Austin's Credit Ratings			
	Moody's	Standard & Poor's	Fitch Investors
GO Bonds	Aaa	AAA	AAA
Austin Energy	A1	AA-	AA-
Austin Water	Aa2	AA	AA-
Aviation	A1	A	N/A

- Budget maintains total General Fund reserves at 12.0%
- Austin Energy transferring \$19 million to reserve funds; Strategic Reserve Fund on target to be fully funded by FY 2018
- Austin Water budget stabilized through rate increases and cost containment measures



# Major Rate and Fee Changes

Monthly estimated impact of proposed rate and fee changes on “typical” residential rate payer:

	FY 2015-16 Monthly Rate	FY 2016-17 Proposed Rate	Monthly Dollar Change	<i>Typical Rate Payer Defined as:</i>
Austin Energy	\$89.31	\$91.05	\$1.74	<i>Residential customer usage of 895 Kwh.</i>
Austin Water	\$80.24	\$83.19	\$2.95	<i>Residential customer usage of 5,800 gallons of water and 4,000 gallons of wastewater</i>
Austin Resource Recovery	\$23.30	\$24.30	\$1.00	<i>Residential customer using a 64-gallon cart</i>
Clean Community Fee	\$7.65	\$8.05	\$0.40	<i>Per single-family home</i>
Transportation User Fee	\$9.77	\$11.52	\$1.75	<i>Per single-family home</i>
Drainage User Fee	\$10.82	\$11.80	\$0.98	<i>Residential customer with 3,100 sq. ft./37% of impervious cover</i>
Property Tax Bill	\$90.60	\$94.26	\$3.66	<i>FY 2016-17 median non-senior homestead assessed value of \$278,741 (reflects 10.6% growth over FY 2015-16)</i>
<b>TOTAL MONTHLY IMPACT</b>	<b>\$311.69</b>	<b>\$324.17</b>	<b>\$12.48</b>	<b><i>Combined projected increase of 4.0%</i></b>

# Public Engagement

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*Ed Van Eenoo, Deputy Chief Financial Officer*



# Public Input and Community Outreach

## *Summary of Engagement Efforts*

Description	Count
Number of City Council Town Hall meetings facilitated by Budget staff	5
Number of public meetings with the City's Boards and Commissions	19
Number of community events attended to promote and facilitate Austin Budget Simulator	28
Total Austin Budget Simulator Submissions	1,626

# Austin Budget Simulator

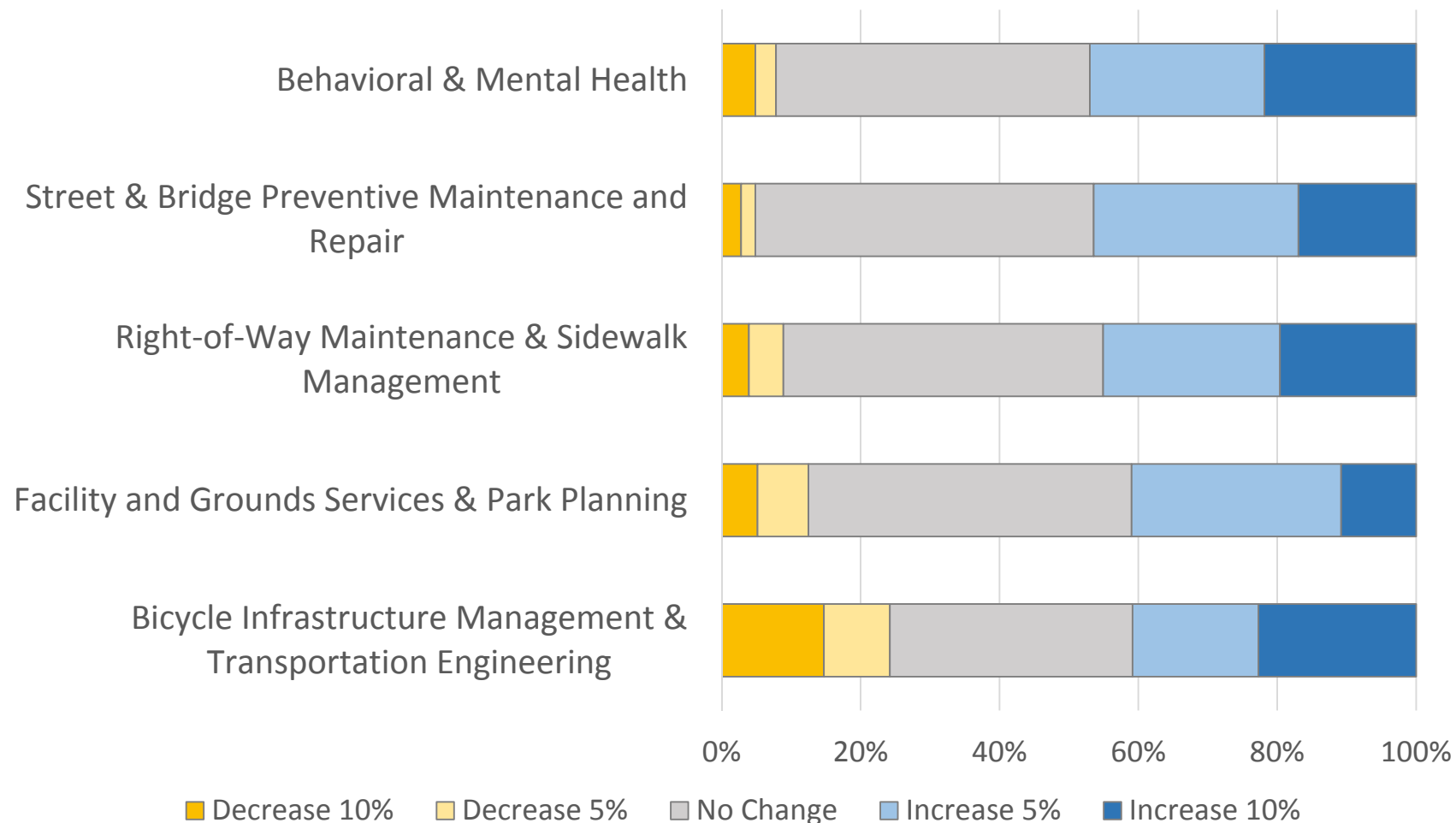
- Online, interactive tool to collect public input on 49 City service areas
- Allows participants to increase, maintain, or decrease service levels
- Provides real-time updates to estimated property tax and utility bill impact based on participants' choices
- Accessible design optimized for use on mobile devices, screen reader, and available in English and Spanish



# Public Input and Community Outreach

*Top 5 City service areas where participants chose to increase funding*

## CITYWIDE RESULTS



# Public Input and Community Outreach

## *Austin Budget Simulator Results by City Council District*

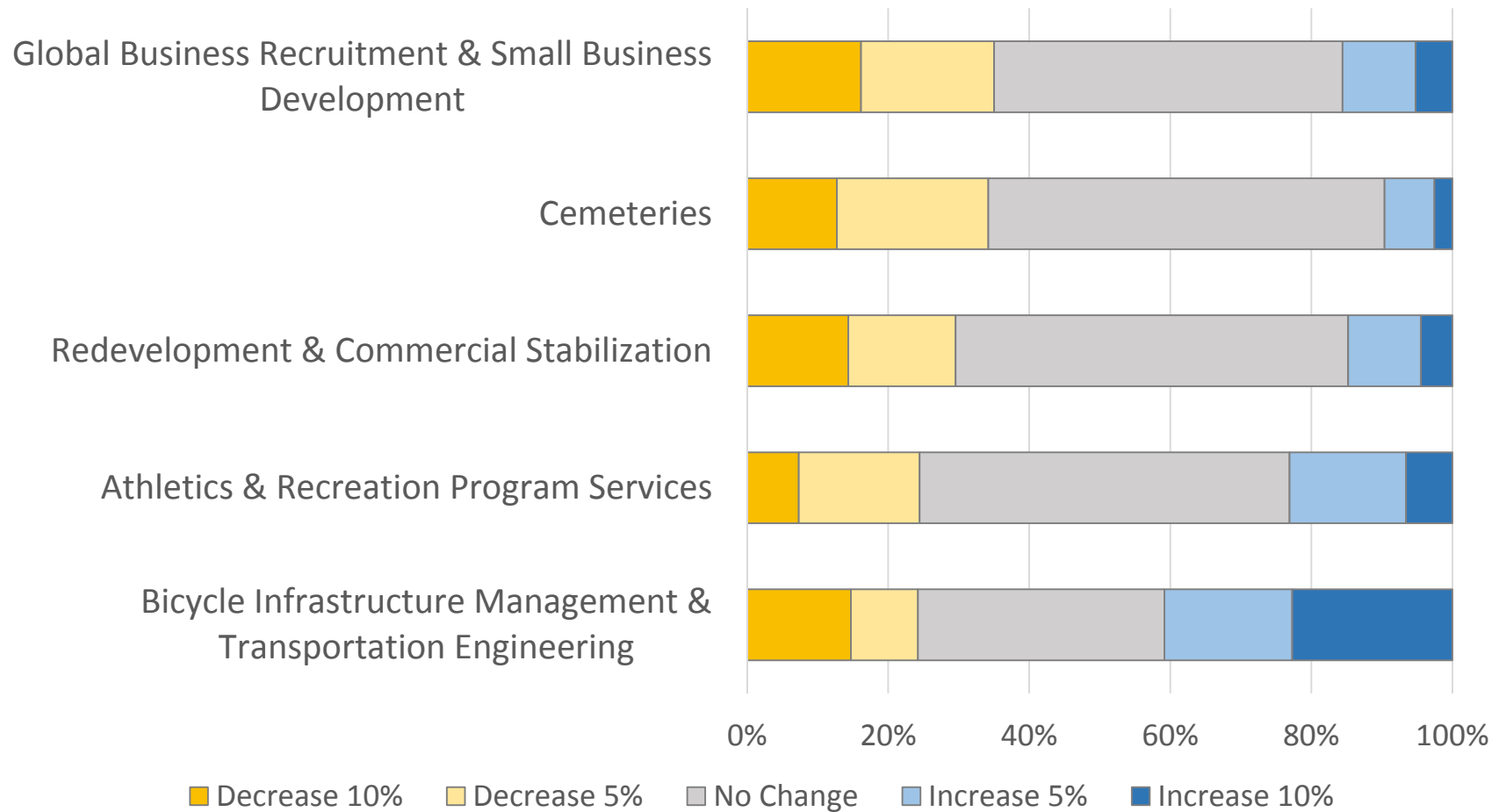
	D1	D2	D3	D4	D5	D6	D7	D8	D9	D10
Behavioral & Mental Health	Ranked #3	Ranked #3	Ranked #3	Ranked #1	Ranked #1	Ranked #4	Ranked #4	Ranked #3	Ranked #3	Ranked #4
Street & Bridge Maintenance and Repair	Ranked #4	Ranked #1	Ranked #4		Ranked #3	Ranked #1	Ranked #3	Ranked #1	Ranked #4	Ranked #1
Right-of-Way and Sidewalk Management	Ranked #1	Ranked #4	Ranked #1	Ranked #4	Ranked #2	Ranked #2	Ranked #1	Ranked #4	Ranked #2	Ranked #3
Facility/Grounds Services & Park Planning		Ranked #4		Ranked #2				Ranked #4	Ranked #4	
Bicycle Infrastructure Mgmt. & Transp. Engineering	Ranked #2		Ranked #2	Ranked #3			Ranked #2		Ranked #1	
Transportation Arterial Mgmt. & Traffic Signs/Markings					Ranked #4	Ranked #2		Ranked #2		Ranked #2
Forestry, Park Rangers, Nature & Cultural Programs		Ranked #2								
Basic Needs & Transitional/Supportive Housing	Ranked #4		Ranked #4		Ranked #4					
Library Programming & Services				Ranked #3						
Neighborhood-Based Policing/Patrol						Ranked #4				Ranked #4
Development Services One Stop Shop							Ranked #4			

Ranked #1
Ranked #2
Ranked #3
Ranked #4
Ranked #5

# Public Input and Community Outreach

*Top 5 City service areas where participants chose to reduce funding*

## CITYWIDE RESULTS





# Public Input and Community Outreach

## *Austin Budget Simulator Results by City Council District*

	D1	D2	D3	D4	D5	D6	D7	D8	D9	D10
Global Business Recruitment & Small Business Dev.	Ranked #2	Ranked #3	Ranked #1	Ranked #1	Ranked #1	Ranked #3	Ranked #1	Ranked #1	Ranked #1	Ranked #1
Cemeteries	Ranked #1	Ranked #1	Ranked #4	Ranked #3	Ranked #3	Ranked #5	Ranked #3	Ranked #3	Ranked #3	Ranked #3
Redevelopment & Commercial Stabilization	Ranked #4	Ranked #4	Ranked #3	Ranked #3	Ranked #3	Ranked #4	Ranked #3	Ranked #5	Ranked #3	Ranked #3
Athletics & Recreation Program Services	Ranked #5									
Bicycle Infrastructure Mgmt & Transp Engineering		Ranked #3				Ranked #3	Ranked #4	Ranked #4		Ranked #4
Rental/Owner/Buyer/Assistance & Community Dev.									Ranked #5	Ranked #5
Cultural Arts & Music Entertainment				Ranked #4	Ranked #5	Ranked #1		Ranked #3		
Annexation & Zoning Case Management	Ranked #3									
Quality of Life Initiatives					Ranked #4		Ranked #5			
Austin Code Case Investigations			Ranked #3	Ranked #5						
Austin Code Licensing & Registration Compliance			Ranked #5							
Animal Shelter & Pet Adoption Services		Ranked #5							Ranked #4	

Ranked #1
Ranked #2
Ranked #3
Ranked #4
Ranked #5

# Public Input and Community Outreach

## *Citizen Survey*

- Of 46 services assessed, the City of Austin was at or above other large cities in 31 areas (populations of 250,000 or greater)
- 82% of residents were satisfied with the city of Austin as a place to live
- 66% satisfied or very satisfied with quality of customer service
  - *“Austin is setting the standard for customer service among large U.S. cities”*
- 60% of residents “satisfied” or “very satisfied” with overall quality of Austin’s services
  - 11% higher than national average of cities of populations of 250,000 or higher
- 41% of residents were satisfied with the overall value for city tax dollars and fees (6% higher than the national average)
  - 29% of respondents expressed dissatisfaction

# Public Input and Community Outreach

## *Citizen Survey*

Services Rated Above or Below National Average	10%+ Above National Avg.	10%+ Below National Avg.
Overall quality of customer service	+25%	-
I feel safe in my neighborhood at night	+25%	-
I feel safe in city parks	+18%	-
Condition of streets in neighborhoods	+13%	-
Number of walking/biking trails	+12%	-
Overall quality of services provided	+11%	-
Quality of residential curbside recycling services	+11%	-
Bulky item pick-up/removal services	+10%	-
Quality of youth athletic programs offered by the City	-	-10%
How well the City is planning growth	-	-16%
Traffic flow on major city streets	-	-23%

# Public Input and Community Outreach

## *Summary of Results*

### ➤ Top Austin Budget Simulator Priorities

Rank	Priority	% of Participants choosing a funding increase
1	Behavioral and mental health	47%
2	Street & Bridge Preventive Maintenance and Repair	46%
3	Right-of-way maintenance & sidewalk management	45%

### ➤ Top Citizen Survey areas identified for further investment

Rank	Major Areas Identified for Further Investment
1	Maintenance for major city streets and sidewalks
2	Planning, development review, permitting, and inspection services
3	Public safety
4	Traffic flow on major city streets

# All Funds Overview

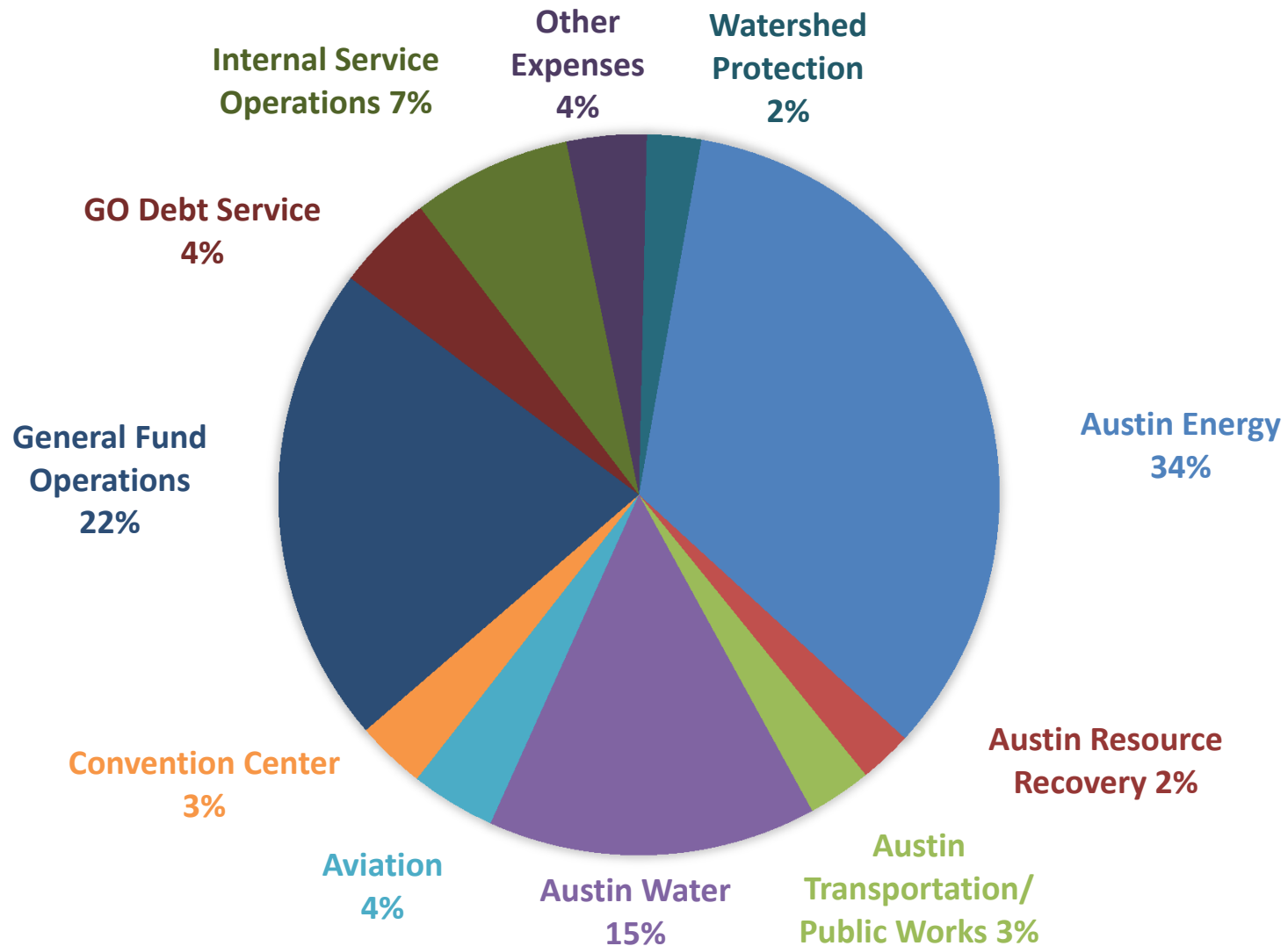
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*Elaine Hart, Chief Financial Officer*



# All Funds

## ALL CITY FUNDS USES OF FUNDS FY 2016-17 \$3.7 BILLION



# Civilian Pay

- 2% performance-based pay
  - All Funds = \$9.8 million
  - General Fund = \$2.4 million
- \$0.29 per hour across-the-board
  - All Funds = \$4.6 million
  - General Fund = \$1.3 million
- Annualized market adjustments
  - All Funds = \$8.2 million
  - General Fund = \$3.8 million

## Other Texas Entities Wage Increases

Entity	2017 *
Dallas	3.0%
Fort Worth	3.0 - 3.5%
Houston	4.1%
San Antonio	1.0%
Travis County	3.0%
AISD	4.0%
Austin	2.0% + \$600

\* Percentage based on major Texas city projections

## Salary Budget Increases by State - Texas

Calendar Year	Results	Average
2013	Actual	3.0%
2014	Actual	3.1%
2015	Actual	3.0%
2016	Projected	3.1%

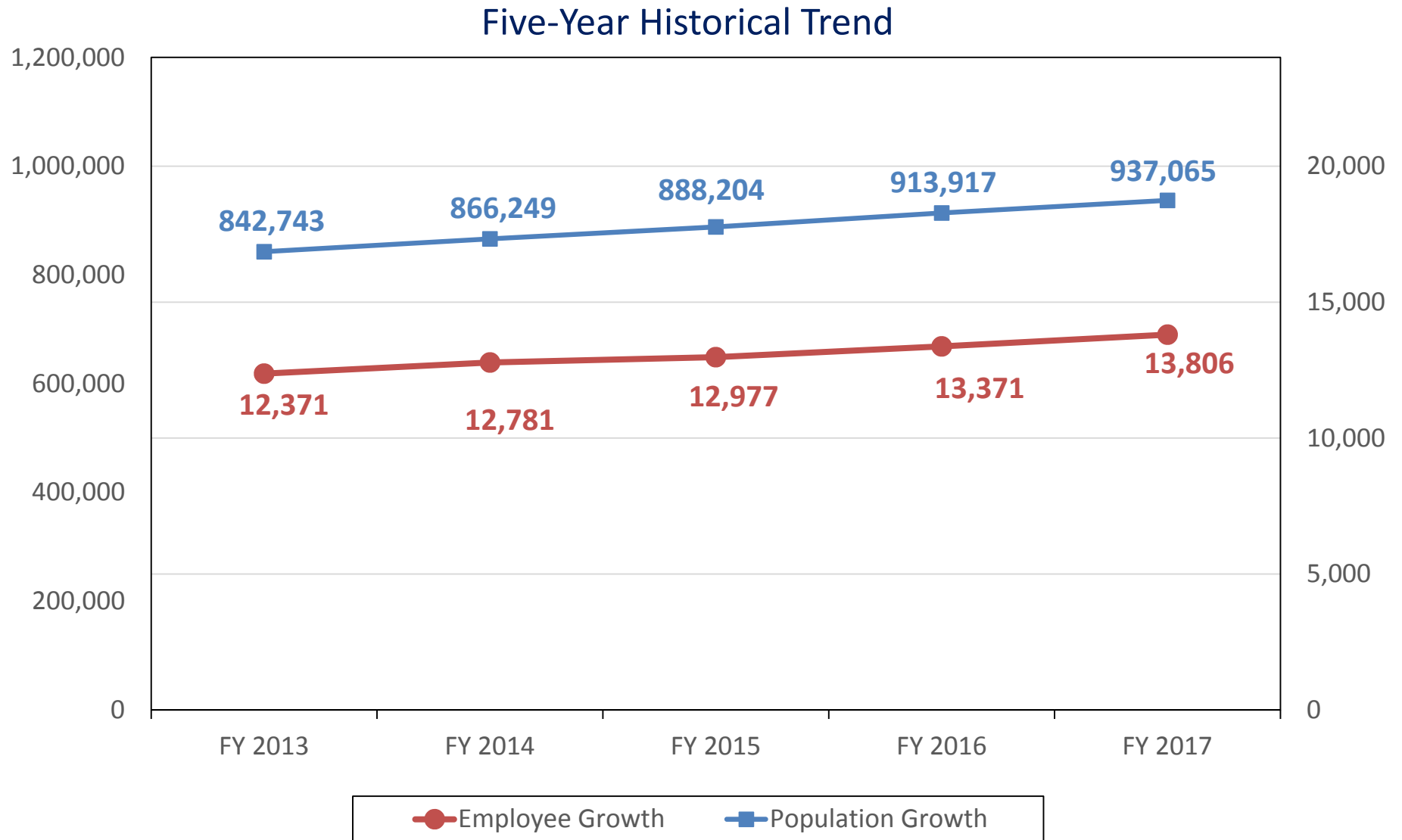
- WorldatWork Salary and Budget Survey
- Includes public and private employers in Texas



# Sworn Pay

- 2% across-the-board pay increase: \$6.8 million
  - Emergency Medical Services: \$0.7 million
  - Fire: \$2.2 million
  - Police: \$3.9 million
- Other Public Safety Contractual Pays
  - Step and Longevity Pays: \$1.9 million
- Final year of four year contract

# City Population and Employee Growth



# General Fund Highlights

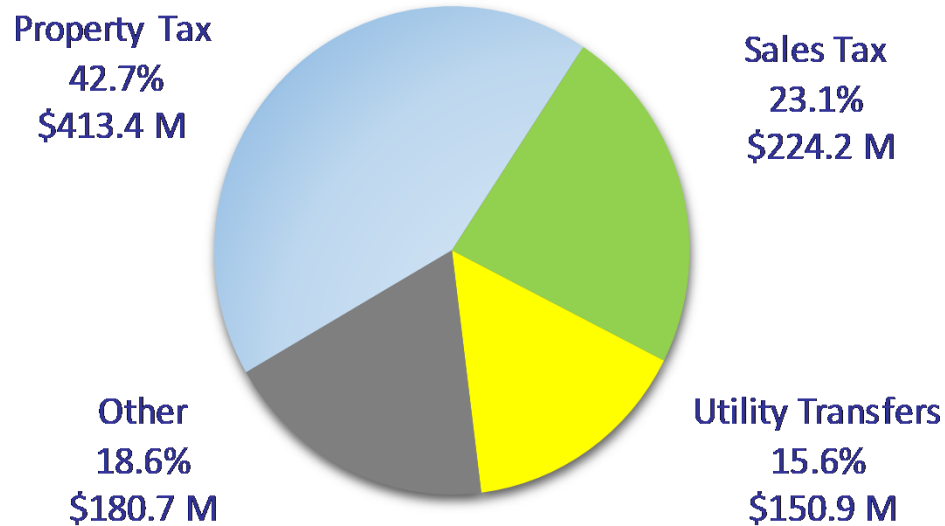
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*Ed Van Eenoo, Deputy Chief Financial Officer*



# General Fund Revenue

## FY 2017 Projected General Fund Revenue \$969.2 Million



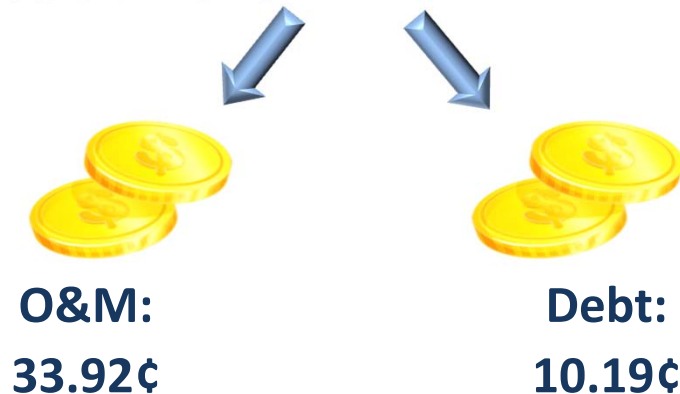
## General Fund Revenue FY 2016 Estimated to FY 2017 Proposed (millions)

Source	FY 2016 Est.	FY 2017 Budget	Change
<i>Property Tax</i>	\$384.3	\$413.4	\$29.1
<i>Sales Tax</i>	\$213.4	\$224.2	\$10.8
<i>Utility Transfers</i>	\$145.8	\$150.9	\$5.1
<i>Other Transfers and Revenue</i>	\$174.2	\$180.7	\$6.5
<b>TOTAL</b>	<b>\$917.7</b>	<b>\$969.2</b>	<b>\$51.5</b>

# Property Tax

	Growth Rate	Total AV	New Property	Tax Rate
FY 2015	11.1%	\$98.7 Billion	\$1.7 Billion	0.4809
FY 2016	12.3%	\$110.7 Billion	\$2.9 Billion	0.4589
FY 2017	13.7%	\$125.9 Billion	\$3.1 Billion	0.4411

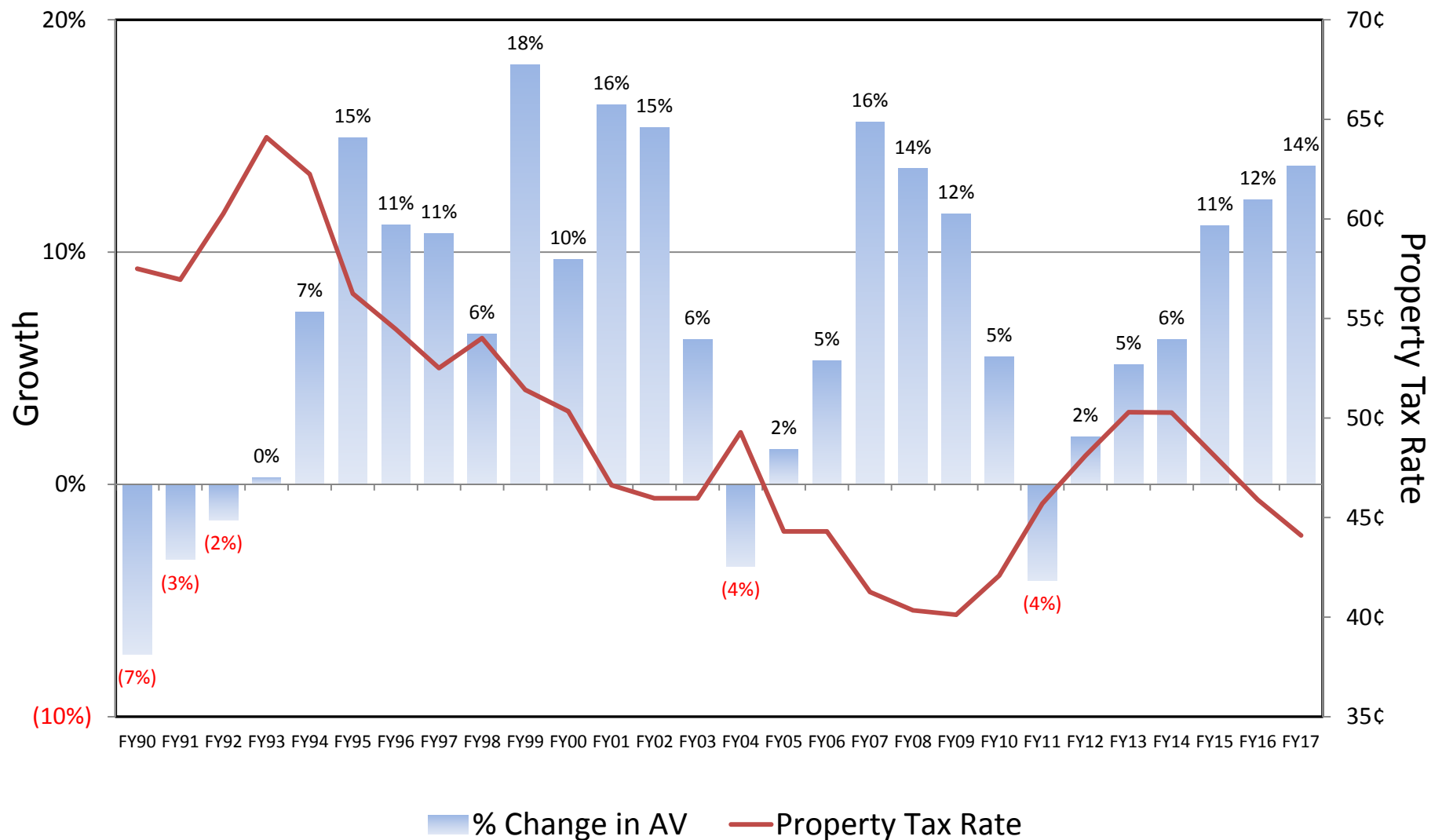
**Proposed FY 2016-17 Tax Rate = 44.11¢**



- 1.78 cent decrease in tax rate
- 8% general homestead exemption and \$85,000 exemption for Over 65 & Disabled Homeowners
- Estimated \$3.66 per month increase for owner of a non-senior homestead with median assessed value of \$278,741

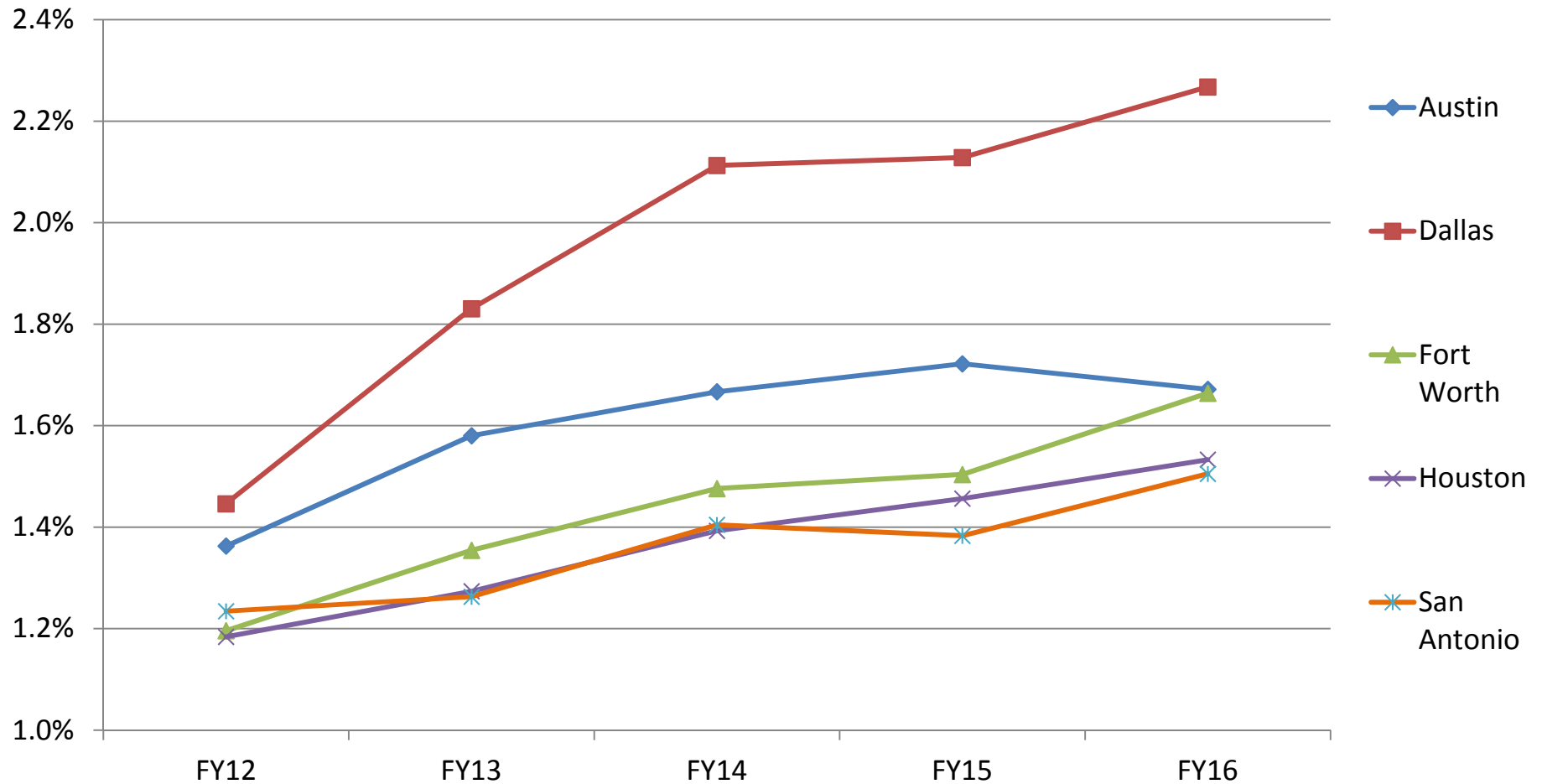
# Property Tax

## Assessed Valuation



# City of Austin Median Tax Bill History

City Property Tax Bill as a Share of Median Family Income:  
FY12 - FY16

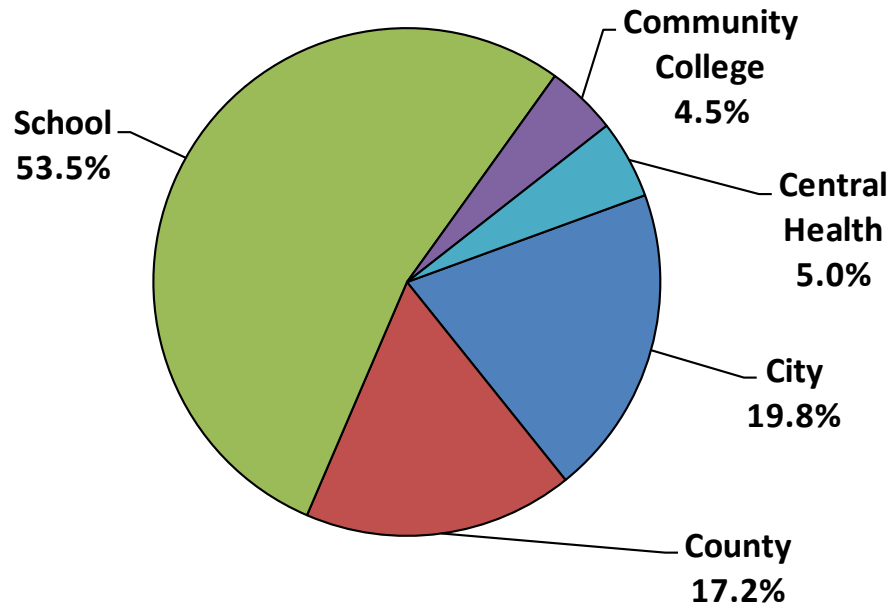


Net of homestead exemptions. Median home sales data from the Texas A&M Real Estate Center. Median family income from U.S. Department of Housing and Urban Development.



# Overlapping Property Tax

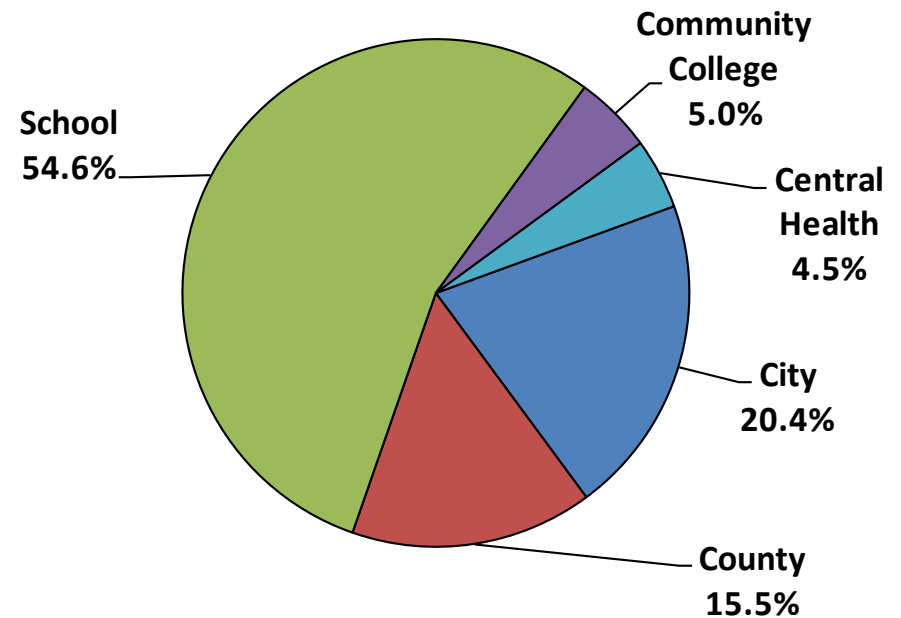
Tax Rate



Jurisdiction	FY16	FY17*	Change
City	0.4589	0.4411	(0.0178)
County	0.4169	0.3838	(0.0331)
AI SD	1.2220	1.1920	(0.0100)
Community College	0.1005	0.1005	--
Central Health	0.1178	0.1115	(0.0063)
<b>Total Tax Rate</b>	<b>2.3798</b>	<b>2.2289</b>	<b>(0.0672)</b>

\*Most recently available tax rate projections from local jurisdictions.

Tax Bill for Median-Value Homestead

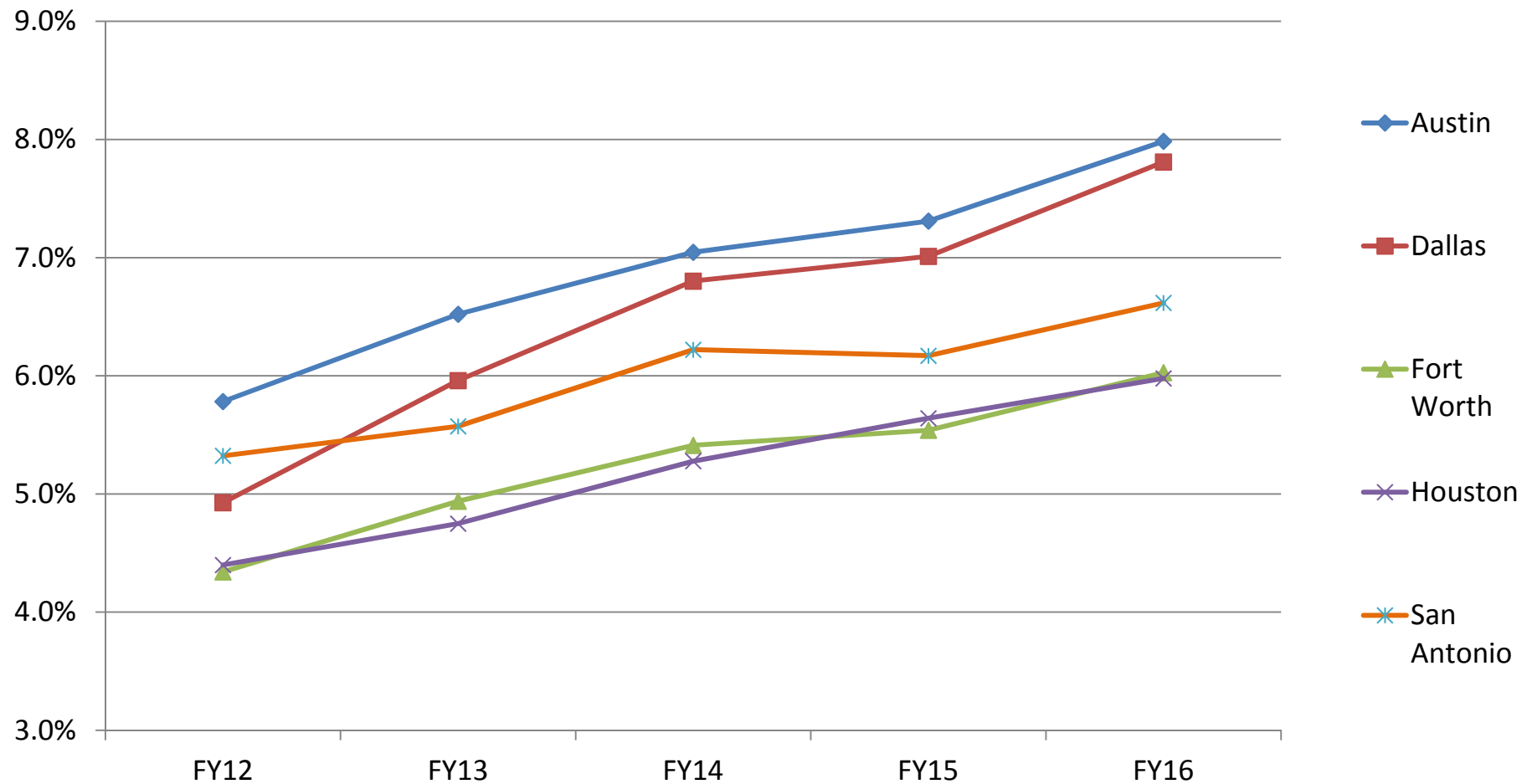


Jurisdiction	FY16	FY17*	Change
City	\$1,087	\$1,131	\$43.99
County	\$841	\$856	\$15.27
AI SD	\$2,729	\$3,025	\$295.68
Community College	\$248	\$275	\$26.84
Central Health	\$237	\$249	\$11.20
<b>Total Tax Bill</b>	<b>\$5,142</b>	<b>\$5,535</b>	<b>\$392.98</b>

\*Tax bills derived by applying homestead exemptions to median non-senior homestead assessed value of \$278,741.

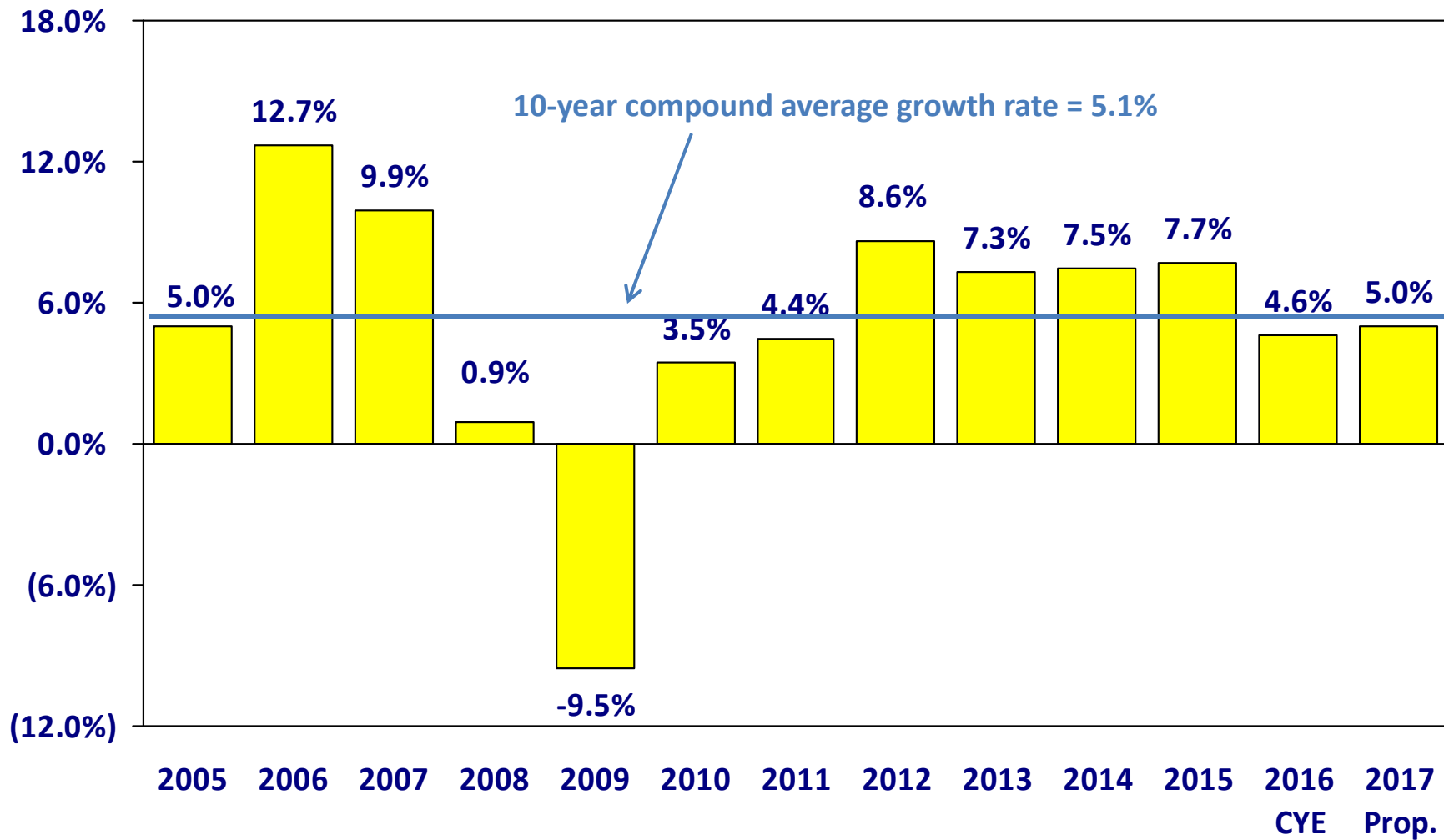
# Overlapping Median Tax Bill History

Major Texas Cities Overlapping Median Property Tax Bill as a Share of Median Family Income: FY12 - FY16



Net of homestead exemptions. Median home sales data from the Texas A&M Real Estate Center. Median family income from U.S. Department of Housing and Urban Development.

# Sales Tax – Annual Growth Rate



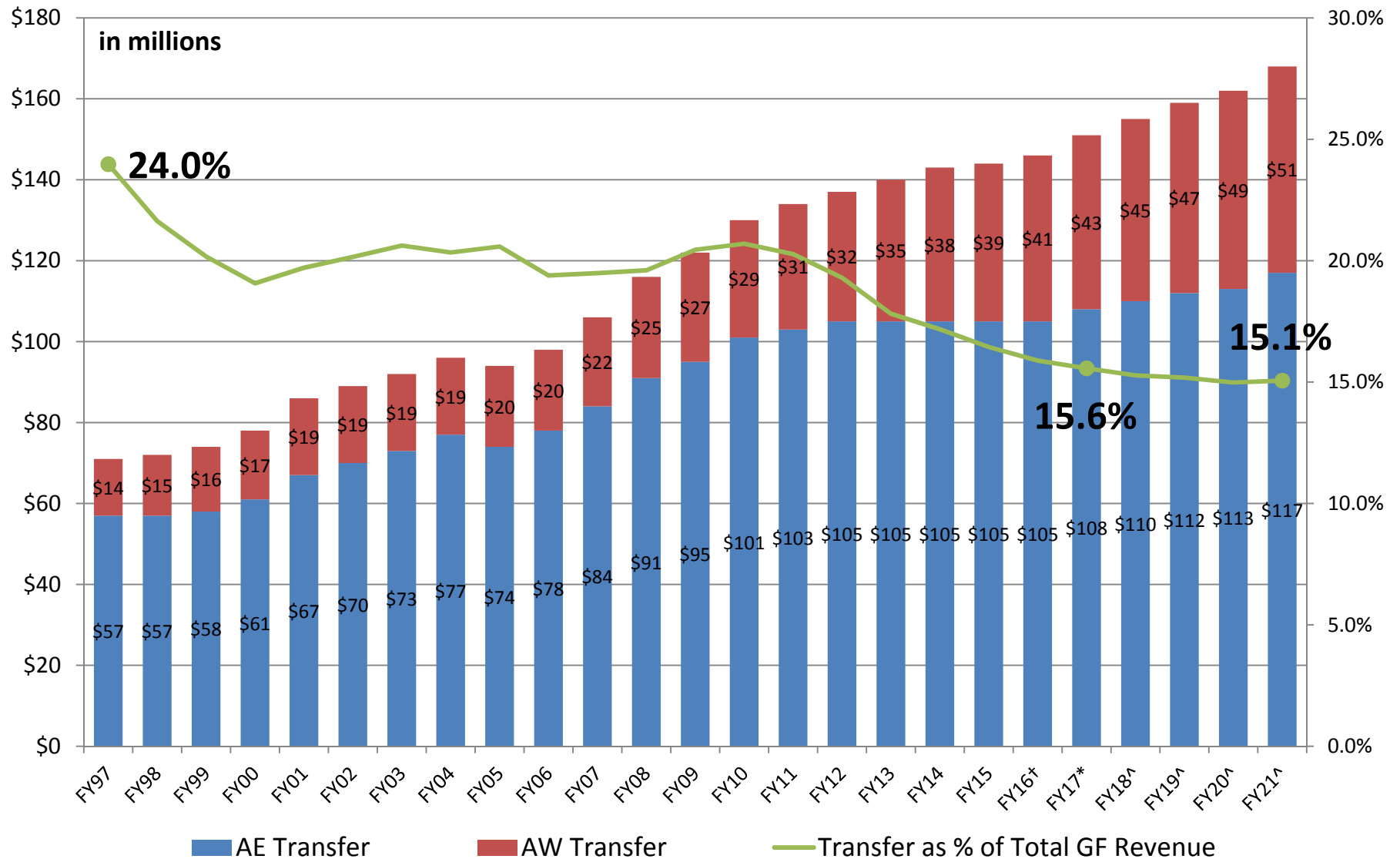
FY 17 sales tax growth projected at 5%.

# Utility Transfers

Fiscal Year	AE Transfer	AW Transfer	Total Increase
FY 2016	\$ 105.0 m	\$ 40.8 m	\$ 2.0 m
FY 2017	\$ 108.0 m	\$ 42.9 m	\$ 5.1 m
FY 2018	\$ 110.0 m	\$ 45.2 m	\$ 4.3 m
FY 2019	\$ 112.0 m	\$ 47.4 m	\$ 4.2 m
FY 2020	\$ 113.0 m	\$ 49.0 m	\$ 2.6 m
FY 2021	\$ 117.0 m	\$ 50.7 m	\$ 5.7 m

- Budget maintains Council approved transfer policies
  - Austin Energy transfer set at 12% of the three-year average of non-power supply revenue, with a floor of \$105 million
  - Austin Water transfer set at 8.2% of the three-year average of gross revenue

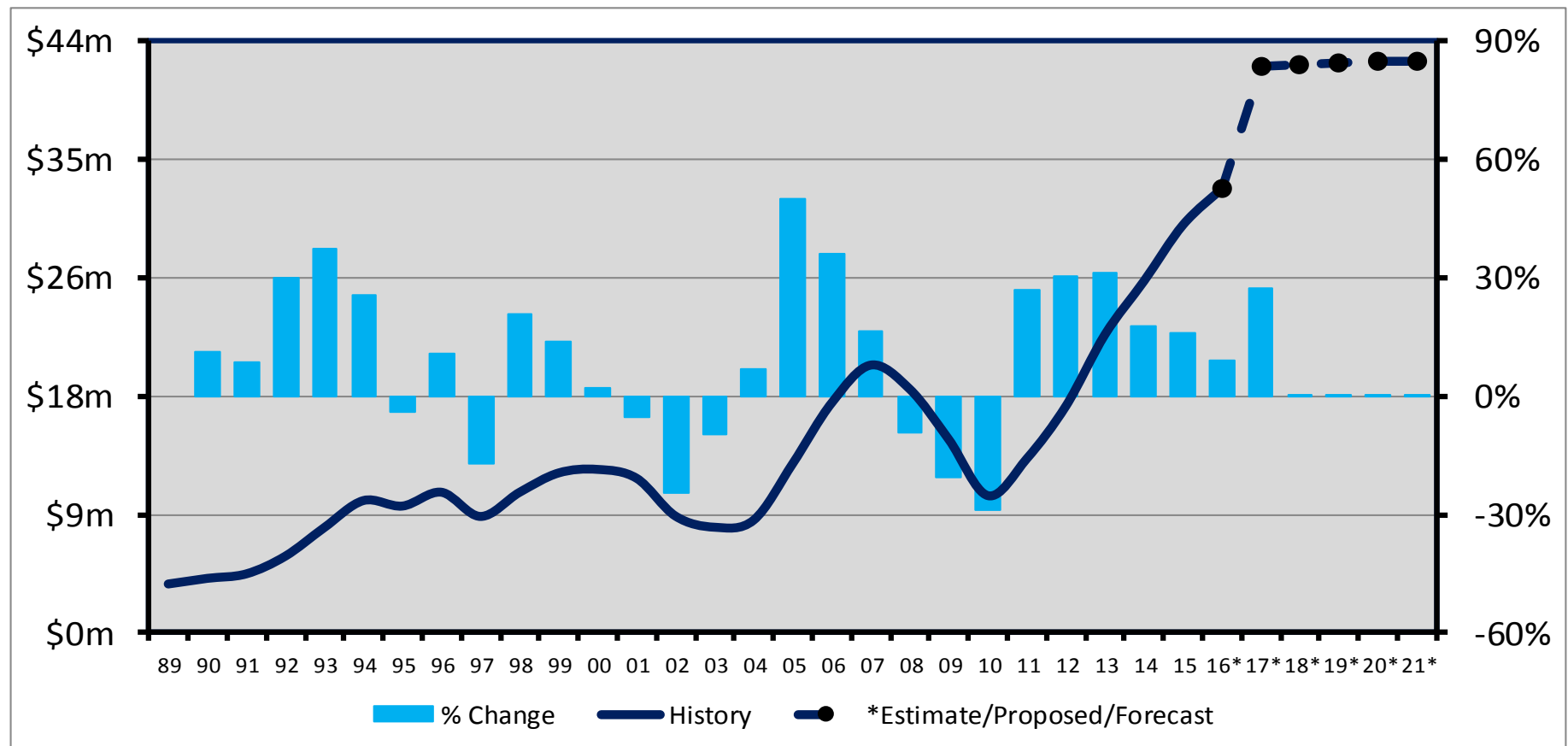
# Utility Transfer History



†Estimate \*Proposed ^Forecast

# Development Revenue

## Historical Activity



FY 2016 estimate = \$33.0 M; FY 2017 Proposed = \$42.1 M

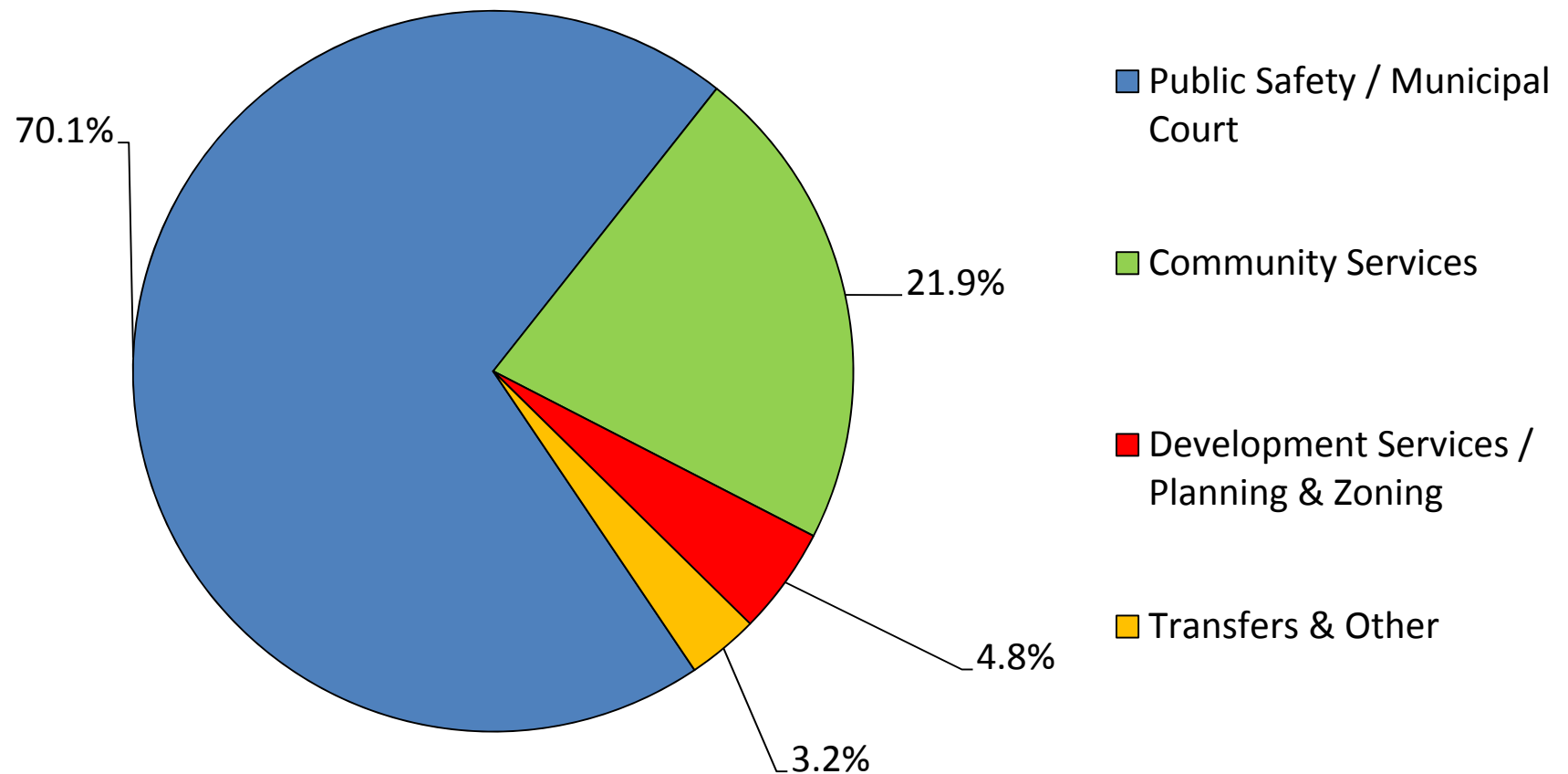
\* \$6.3 million due to change in accounting of Austin Water transfer for development review

\* \$2.8 million due to expanded capacity and workload projection

# General Fund

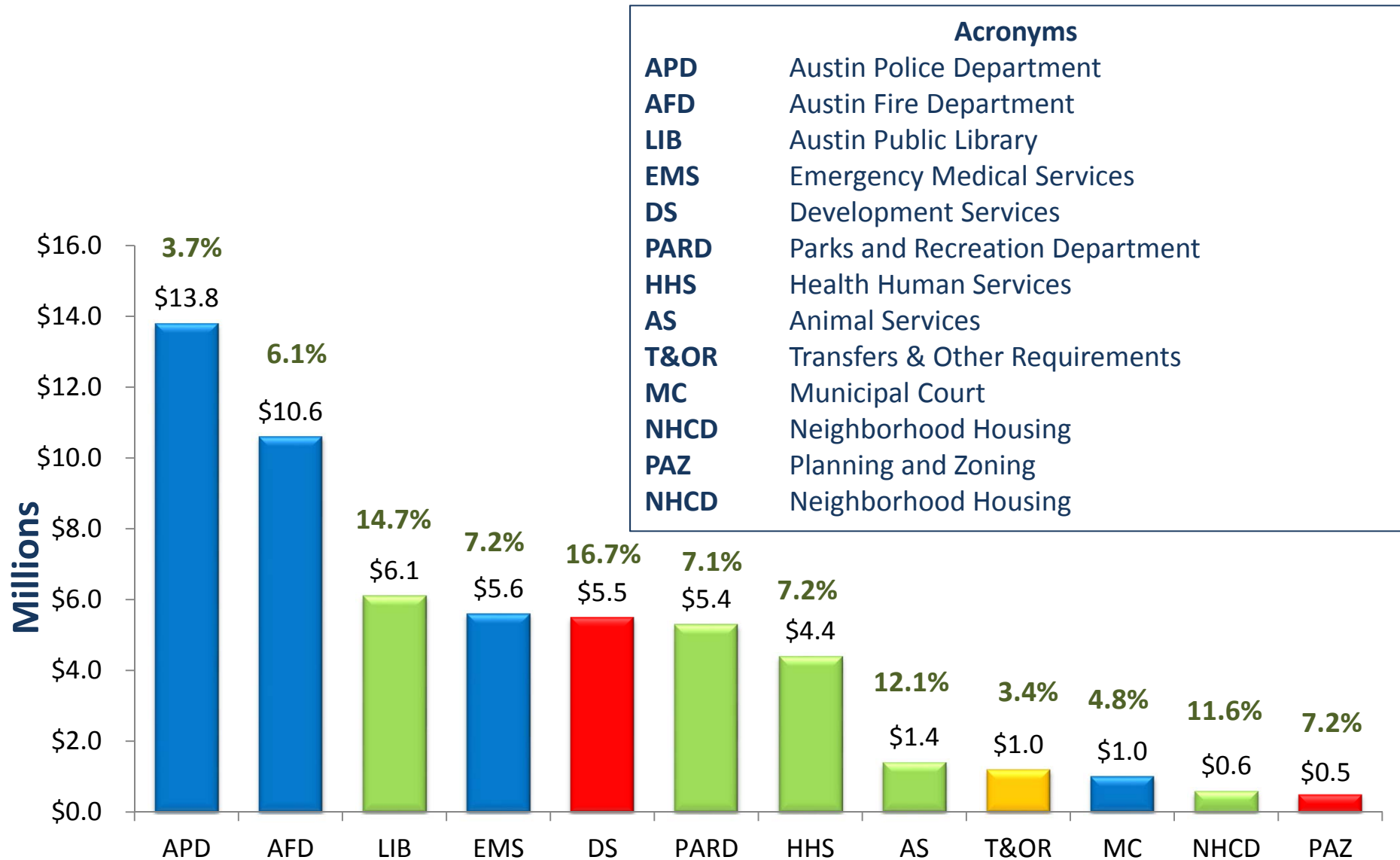
## *Uses of Funds*

### Fiscal Year 2017 Proposed Budget – \$969.2 Million



# Budget Changes – \$56.0 Million

## General Fund Increases





# Department Highlights

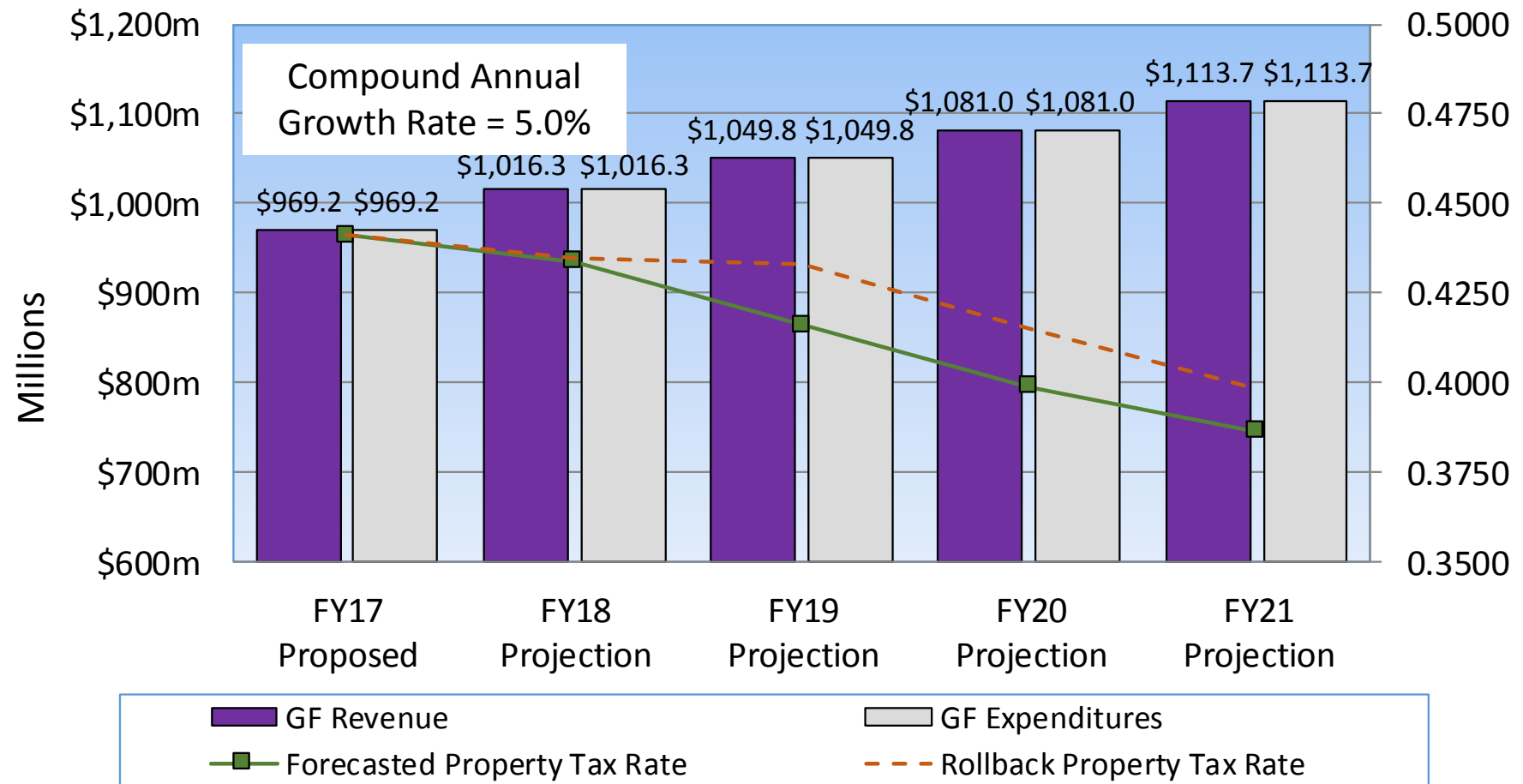
- 12 new officers to increase proactive community engagement time (6 months funding): \$0.9 million
- 21 civilian positions to reallocate 21 sworn employees currently performing civilian work back to patrol activities (9 months funding): \$1.2 million
- 52 paramedic positions for implementation of 42-hour work week: \$3.4 million
- 11 new positions (9 months funding), O&M, and annualized personnel costs from FY 16 for the New Central Library opening Spring of 2017: \$3.4 million net cost
- 3 Animal Control Officers to bolster prevention and education efforts for \$164,000 (9 months funding)

# Department Highlights

- 39 new positions added to Development Services
  - 18 positions and \$1.6 million for expedited permit review program
  - 13 positions and \$900,000 for expanding review and inspection capabilities
  - 8 positions supporting drainage inspections and Community Forestry Division
- “Housing First” permanent supportive housing to reduce homelessness: \$600,000
- Sobriety Center start up funding: \$380,000
- Increase of \$250,000 for Downtown Austin Community Court's Rehabilitation Services
- Two positions for \$154,000 added to Planning and Zoning to support CodeNEXT and long range planning initiatives (9 months funding)

# Five-Year Outlook

## Projected Baseline Expenditures vs. Revenue



\* Projections based on cost drivers associated with existing programs, anticipated annexations, and new facility opening dates. Projections do not include funding for new initiatives.

# Internal Service Funds Highlights

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*Ed Van Eenoo, Deputy Chief Financial Officer*



# Internal Service Allocations

- Internal Service Funds provide goods and services to other City departments on a cost-reimbursement basis

	Support Services	Comm. & Tech. Management	Fleet Services
Budget Increase	\$7.2M	\$8.4M	\$0.3M
Total 2017 Budget	\$123.8M	\$96.9M	\$55.7M
Percent Change	5.8%	8.7%	0.5%
New Positions	13.00	9.00	6.00

- Support Services and Communications and Technology Management
  - Costs are allocated to service-receiving departments using metrics that most closely reflect service usage by those departments
- Fleet Services costs
  - Fuel costs are charged to departments based on actual usage
  - Preventative maintenance costs determined by factoring labor and supply costs for prior year planned maintenance

# Support Service Highlights

Dept./Office	Description	Amount
City Clerk	Net cost for November 2016 Council elections	\$750,000
	3 positions and software to enforce campaign finance and disclosure requirements	\$348,000
Labor Relations	Funding for public safety contract negotiations contract and compensation study	\$425,000
Human Resources	3 positions to enforce Fair Chance Hiring ordinance	\$327,000
	1 position in to conduct criminal background checks	\$84,000
Management Services	Annualized cost of new Equity Office	\$232,000
Real Estate Services	2 positions for accounting and records to support Real Estate growing workload	\$153,000
Purchasing	2 contract compliance positions to conduct living wage reviews	\$140,000
Capital Planning	1 position for bond oversight and development	\$90,000
Building Services	1 Security Coordinator position (transfer from CTM)	\$89,000

# CTM Highlights

## *Operating Budget*

- \$7.7 million for 9 positions and funding for prioritized IT governance projects
  - Examples include relocating the City's data center, AMANDA upgrade (permitting system), CTECC & Public Safety Storage Expansion, Regional Mutual Aid (closest public safety responder), and electronic health records
- \$3.1 million for hardware and software maintenance contracts to support existing systems
- \$5.5 million transfer to CIP for critical replacements to servers, storage, VOIP, network and building security, etc.
- Decrease of \$13.4 million in transfers to CIP for prior-year IT governance and replacement items

# Fleet Highlights

- Fuel cost reduction for vehicle fleet: \$2.5 million
- 6 new positions to support customer departments in public health and safety
- Funding of \$1.3 million for compressed natural gas equipment and site improvements
- \$16.5 million for the purchase of 255 new and replacement vehicles in General and Internal Services Funds
  - Due to limited Budget Stabilization Reserve funding, all General and Internal Services Fund vehicular purchases proposed to be debt financed in FY 2017



# Enterprise and Other Funds Highlights

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*Elaine Hart, Chief Financial Officer*



# Austin Energy Highlights

*Total Requirements \$1,308.6 million; 1,718.00 FTEs*

- Converting 45 temporary and contractor staff into full time employees for a net \$1.8 million
- Power supply cost reduction of \$72.9 million
- State-wide transmission rate and grid costs increase \$17.7 million
- \$4.2 million for IT consulting and staffing services
- \$10 million begins funding non-nuclear decommissioning reserve
- \$11.6 million decrease in debt service due to FY 2014-15 bond refunding
- \$26.0 million net decrease in transfer for Contingency, Emergency, and Repair and Replacement reserves
- General Fund Transfer at \$108 million, an increase of \$3 million; first increase since FY 2012

# Austin Energy Highlights

## Revenue and Rates

- Decrease in base revenue based on proposed system average rate reduction: (\$24.6 million)
- Decrease Power Supply Adjustment: (\$72.9 million)
- Increase in pass-through Regulatory Charge: \$6.7 million
- Infrastructure attachments revenue up by \$3.3 million

Typical Monthly Bill	Energy kWh	FY 2016 Rate	FY 2017 Proposed	\$ Change	% Change
Customer Charge	Flat Fee	\$ 10.00	\$ 10.00	None	None
Base Electricity Charge	895	\$ 36.78	\$ 38.62	\$1.84	5.0%
Power Supply Adjustment (PSA)	895	\$ 24.91	\$ 24.84	(\$ 0.07)	(0.3%)
Community Benefit Charge (CBC)	895	\$ 4.96	\$ 5.03	\$ 0.07	1.4%
Regulatory Charge	895	\$ 12.66	\$ 12.56	(\$ 0.10)	(0.8%)
<b>Total Monthly Bill</b>	<b>895</b>	<b>\$89.31</b>	<b>\$91.05</b>	<b>\$ 1.74</b>	<b>1.9%</b>

# Austin Water Highlights

*Total Requirements \$571.6 million; 1,170.00 FTEs*

- 11.5 positions at \$1.2 million to strengthen internal controls, engineering services and customer service
- 9.0 positions to focus on pipeline operations and newly annexed areas for \$755,000
- Electric cost savings of \$3.3 million from moving to Commercial Energizer rate
- Debt service increase of \$5.2 million
- \$10.7 million increase in cash funding of capital projects
- Refund payments of \$2.1 million for wholesale rate case

# Austin Water Highlights

## *Revenue and Rates*

- System-wide rate increase of 3.0%; additional \$12.8 million revenue
- \$2.95 monthly increase to typical residential customer
- Revenue stability charge remains at \$0.19/1,000 gallons

<b>Typical Residential Customer Bills 5,800 Gals. Water and 4,000 Gals. Wastewater</b>	<b>FY 2016 Rate</b>	<b>FY 2017 Proposed Rate</b>	<b>Monthly Change</b>
Water	\$40.26	\$41.59	\$1.33
Wastewater	\$39.98	\$41.60	\$1.62
<b>Totals</b>	<b>\$80.24</b>	<b>\$83.19</b>	<b>\$2.95</b>

# Aviation Highlights

*Total Requirements \$146.3 million; 456.00 FTEs*

- 41 new positions to keep pace with growing service demand and facility expansion: \$3.3 million
- \$2.7 million increase related to newly expanded facilities and maintenance activities
- Technology upgrades and implementation of Information Technology Master Plan: \$1.3 million

## Revenue and Rates:

- Airline (terminal rent, landing fees) and non-airline (parking, concessions, etc.) revenue up \$10.9 million
- Revenue: 45.4% from airlines; 54.6% non-airline

# Convention Center Highlights

*Total Requirements \$102.2 million; 276.75 FTEs*

- 11.75 new positions for \$1.0 million to service understaffed areas due to event growth and customer demand
- \$9.3 million transfer to CIP from Convention Center, Town Lake Venue, and Palmer Events Center for building improvements and future facility development

## Revenue and Rates:

- Hotel Occupancy Tax revenue 3.0% over FY 2016 estimate
- City receives 9 cents of each qualified \$1 of hotel occupancy rent

Hotel Occupancy Tax (HOT)	Allocation	FY 2017 Revenue	Description
Convention Center Tax Fund	4.50 cents	\$45.2M	ACC operating & debt service requirements
Venue Project Fund	2.00 cents	\$20.1 M	Debt service on bonds for 2002 ACC expansion and Waller Creek Tunnel
Tourism and Promotion Fund	1.45 cents	\$14.6 M	Contract payments to ACVB

*Remaining 1.05 cents for Cultural Arts Fund to fund grant contracts to artists and cultural agencies: \$10.6M FY 2017*

# Austin Resource Recovery Highlights

*Total Requirements \$91.1 million; 454.00 FTEs*

- 12 new positions and operational expenses for first year of five year implementation of organics program: \$1.1 million
- 7 positions for increased customer demand: \$469,000
- \$1.0 million increase for North East Service Center land payment
- Additional funding for equipment and vehicles: \$700,000
- Reduction in G.O. Debt Service of \$2.1 million
- Reserve policy non-compliant until FY 2018; \$1.5 million short

## Revenue and Rates:

Major Fee/Rate Description	FY 2016 Rate	FY 2017 Proposed Rate	Monthly Change
ARR Clean Community fee – Residential	\$4.30	\$4.70	\$0.40
ARR Clean Community fee – Commercial	\$14.75	\$16.50	\$1.75
Residential customer with a 64-gallon cart	\$23.30	\$24.30	\$1.00



# Austin Code Highlights

*Total Requirements \$19.8 million; 117.00 FTEs*

- \$436,000 reduction for removal of one-time equipment and vehicle purchases in prior year
- No new positions for FY 2017; will consider mid-year budget amendment subsequent to departmental review

## Revenue and Rates:

- Austin Code's portion of Clean Community Fee – no increase for FY 2017

Major Fee/Rate Description	FY 2016 Rate	FY 2017 Proposed Rate	Monthly Change
Code Clean Community fee – Residential	\$3.35	\$3.35	\$0.00
Code Clean Community fee – Commercial	\$6.70	\$3.35	(\$3.35)

# Public Works Highlights

*Total Requirements \$90.3 million; 506.25 FTEs*

- Net increase of 15 positions for \$1.1 million to support overlay, alley, and roadway maintenance and repair activities
- Additional \$2.1 million for asphalt overlay contract
- \$670,000 increase for street and bridge contract and survey support

## Revenue and Rates:

- \$7.0 million revenue increase for Public Works' portion of Transportation User Fee

Major Fee/Rate Description	FY 2016 Rate	FY 2017 Proposed Rate	Monthly Change
PW Transportation User Fee - Residential	\$6.60	\$7.85	\$1.25
PW Transportation User Fee - Commercial	\$33.01	\$39.27	\$6.26

# Austin Transportation (ATD) Highlights

*Total Requirements \$42.1 million; 232.50 FTEs*

- Net increase of 12 positions and \$1.2 million to work on traffic signal maintenance and timing and enhance mobility and right-of-way programs
- \$583,000 for transportation network companies (TNC) and chauffeur fingerprinting
- Safety, mobility and signal improvement contracts of \$1.1 million

## Revenue and Rates:

- \$3.0 million additional revenue from ATD's portion of Transportation User Fee
- \$924,000 in new revenue from parking meters, TNC fees, permits and licenses

Major Fee/Rate Description	FY 2016 Rate	FY 2017 Proposed Rate	Monthly Change
ATD Transportation User Fee – Residential	\$3.17	\$3.67	\$0.50
ATD Transportation User Fee – Commercial	\$15.87	\$18.37	\$2.50
Downtown hourly parking rate (pay stations)	\$1.20	\$1.20	\$0.00

# Watershed Protection Highlights

*Total Requirements \$93.3 million; 311.00 FTEs*

- 26 new positions to support open waterways, streambank stabilization, storm water and drain programs: \$1.8 million
- 4 new positions and \$394,000 to improve customer service related to fee structure
- \$300,000 to reduce storm drain construction work backlog

## Revenue and Rates:

- Revised fee structure approved June 2015 by Council
- Increase in drainage fee and revenue due to expiring single-family discount; customer growth and development: \$3.6 million

Major Fee/Rate Description	FY 2016 Rate	FY 2017 Proposed Rate*	Monthly Change
Drainage Utility Fee	\$10.82	\$11.80	\$0.98

*\* Residential customer with 3,100 sq. ft. of impervious cover and 37% impervious cover*

# Capital Budget Highlights

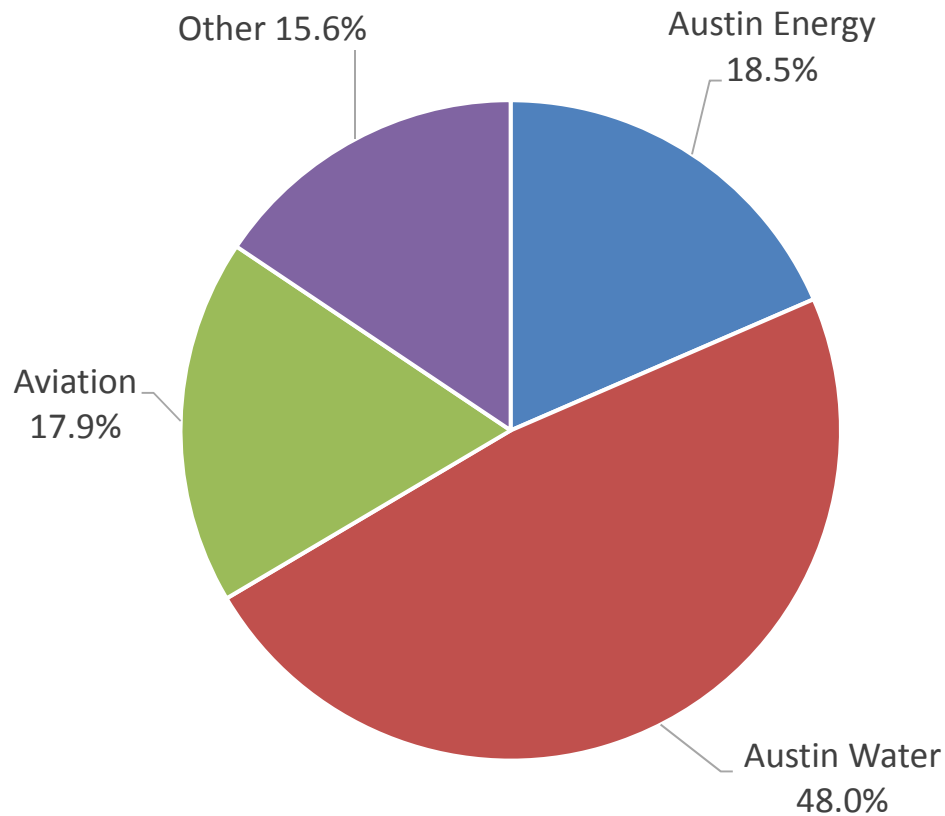
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*Ed Van Eenoo, Deputy Chief Financial Officer*



# FY 17 Appropriations by Department

**FY 2017 Appropriation Categories:  
\$1,136.0 Million**



**Appropriation Changes by  
Department  
FY 2016 Amended to  
FY 2017 Proposed (millions)**

Department	FY 2016 Amended	FY 2017 Budget	Change
Austin Energy	\$262.4	\$210.2	(\$52.2)
Austin Water	\$40.9	\$545.2	\$504.3
Aviation	\$134.9	\$203.3	\$68.4
Other	\$203.4	\$177.3	(\$25.8)
<b>TOTAL</b>	<b>\$641.6</b>	<b>\$1,136.0</b>	<b>\$494.4</b>

# Austin Energy Capital Budget Highlights

- Sand Hill Energy Center water clarification system, Environmental Lab Relocation
- On-site generation upgrades at Domain plant
- Transmission circuit upgrades, distribution growth and reliability projects, substation upgrades
- 1.6 megawatt commercial battery storage at Mueller development part of SHINES project
- Complete upgrade to Avaya telephony system
- Enterprise Work Management system



Power Production	\$28.6M
Transmission	\$38.8M
Distribution	\$129.0M
Support Services	\$13.8M
<b>TOTAL</b>	<b>\$210.2M</b>



# Austin Water Capital Budget Highlights

- Focus on replacement and rehabilitation
- Pipes, valves, treatment plants, pump stations, reservoirs, lift stations
- Reclaimed water



Infrastructure Improvements	\$479.0M
Reclaimed Water	\$62.1M
Capital Equipment/ Vehicles	\$4.1M
<b>TOTAL</b>	<b>\$545.2M</b>



# Aviation Capital Budget Highlights



## ➤ Terminal and Apron Expansions

- Apron under construction and will complete summer 2019
- Terminal expansion will begin fall 2016

## ➤ New West Lot A Parking Garage

- Design continuing

ABIA Improvements	\$200.9M
Capital Equipment/ Vehicles	\$2.4M
<b>TOTAL</b>	<b>\$203.3M</b>

## Other Capital Appropriations – \$177.3 Million

Austin Convention Center	\$50.1 million
Watershed Protection	\$31.6 million
Fleet	\$17.9 million
Communications and Technology Management	\$16.6 million
Neighborhood Housing and Community Development	\$14.1 million
Parks and Recreation	\$13.0 million
Austin Resource Recovery	\$8.1 million
Building Services	\$5.2 million
Other Departments	\$20.7 million

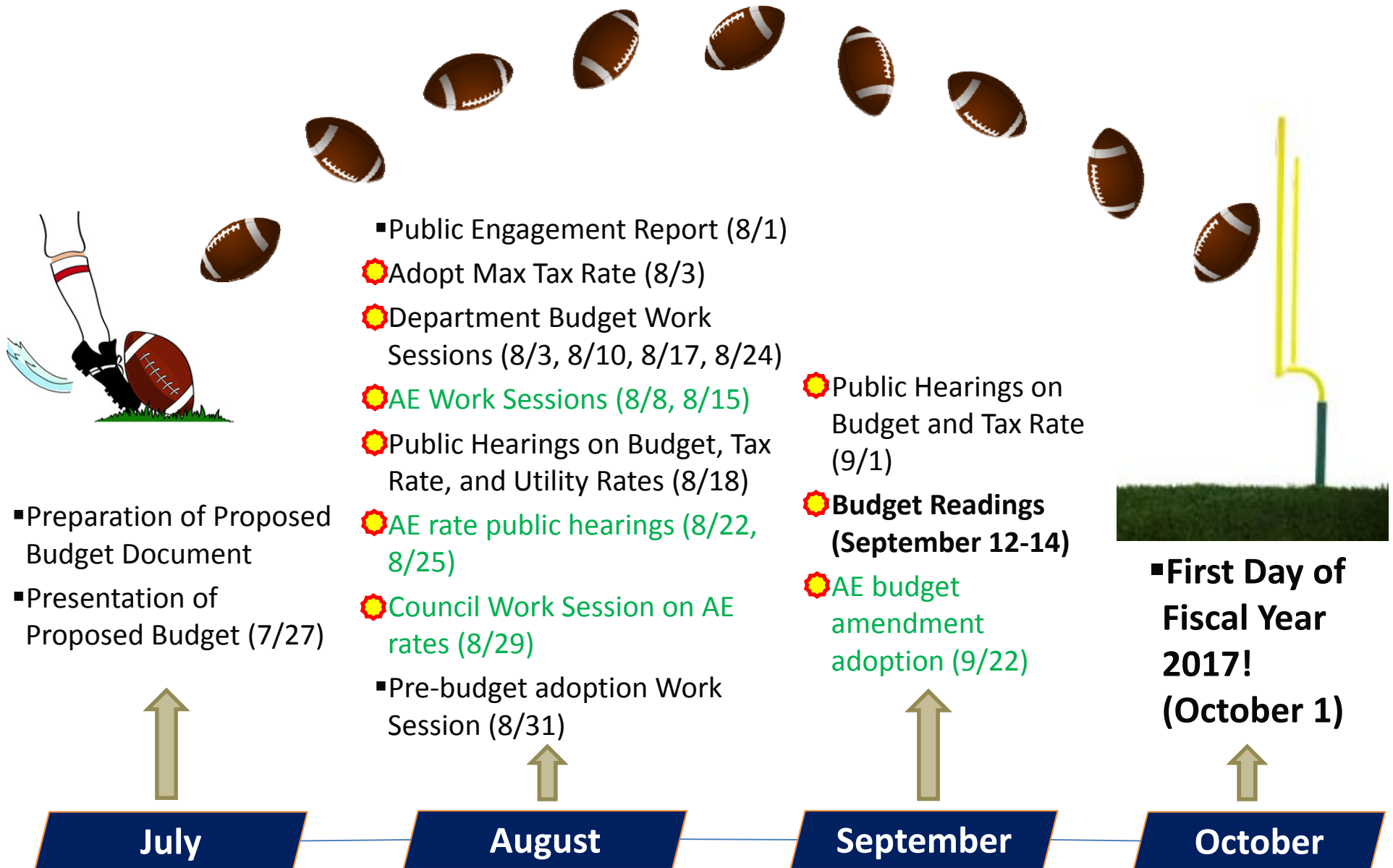
# Next Steps

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*Ed Van Eenoo, Deputy Chief Financial Officer*



# Budget Timeline



# Budget Work Session Agenda

**AUGUST 3**

**(9:00 AM – 4:30 PM)**

**Community  
Services**

- Animal Services
- Austin Code
- Austin Public Library
- Health and Human Services
- Neighborhood Housing & Community Development
- Parks and Recreation

**AUGUST 10**

**(9:00 AM – 4:30 PM)**

**Development**

- Economic Development
- Development Services
- Planning and Zoning

**Infrastructure /  
Transportation**

- Austin Transportation
- Public Works
- Watershed Protection

**Public Safety**

- Fire

**AUGUST 17**

**(9:00 AM – 4:30 PM)**

**Public Safety**

- Municipal Court
- Emergency Medical Services
- Police

**Internal  
Services**

- Communications and Technology Management
- Fleet Services
- Building Services

**AUGUST 24**

**(9:00 AM – 4:30 PM)**

**Utilities/  
Other Major  
Enterprises**

- Austin Convention Center
- Austin Energy
- Austin Resource Recovery
- Austin Water
- Aviation



# Questions/Comments/Discussion

*For more information, please visit:*

**Austin Finance Online**

City of Austin - Financial Services

