

OPERATING BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
CONTACT DEPARTMENT(S):
FUND:

5/11/17
Fire
General

SUBJECT: Approve an ordinance amending the Fiscal Year 2016-2017 Budget Stabilization Reserve Fund Operating Budget (Ordinance No. 20160914-001) to transfer out \$3,500,000 to the General Fund; and amending the General Fund Operating Budget (Ordinance No. 20160914-001) to increase transfer in of \$3,500,000 from the Budget Stabilization Reserve Fund; and appropriate \$3,500,000 to increase expenditures in the Austin Fire Department Operating Budget to provide additional overtime funds due to high number of sworn fire vacancies and maintain four-person staffing requirements.

CURRENT YEAR IMPACT:

	2016-17 Approved	This Action	2016-17 Amended
Beginning Balance	<u>0</u>	<u>0</u>	<u>0</u>
Revenue			
Charges For Services	60,890,240	0	60,890,240
All Other Revenue	<u>758,658,934</u>	<u>0</u>	<u>758,658,934</u>
Total Revenue	<u>819,549,174</u>	<u>0</u>	<u>819,549,174</u>
Transfers			
Budget Stabilization Reserve	0	3,500,000	3,500,000
All Other Transfers	<u>151,007,529</u>	<u>0</u>	<u>151,007,529</u>
Total Transfers In	<u>151,007,529</u>	<u>3,500,000</u>	<u>154,507,529</u>
Total Appropriated Funds	<u>970,556,703</u>	<u>3,500,000</u>	<u>974,056,703</u>
Requirements			
Fire	185,513,831	3,500,000	189,013,831
All Other Departments	<u>754,685,342</u>	<u>0</u>	<u>754,685,342</u>
Total Department Requirements	<u>940,199,173</u>	<u>3,500,000</u>	<u>943,699,173</u>
Total Transfers Out	<u>23,744,893</u>	<u>0</u>	<u>23,744,893</u>
Total Other Requirements	<u>6,612,637</u>	<u>0</u>	<u>6,612,637</u>
Total Requirements	<u>970,556,703</u>	<u>3,500,000</u>	<u>974,056,703</u>
Excess (Deficiency) of Total Available Over Total Requirements	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

FIVE-YEAR IMPACT:

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Net Budget Impact	<u>3,500,000</u>	<u>3,500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>

OPERATING BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
CONTACT DEPARTMENT(S):
FUND:

5/11/17
Fire
General

ANALYSIS / ADDITIONAL INFORMATION: This budget amendment recognizes an increase to the beginning balance of the Budget Stabilization Reserve Fund in the amount of \$5,818,253 from the FY 2015-16 General Fund year-end balance capturing excess revenue and unspent appropriation. This budget amendment also provides \$3.5 million to the Austin Fire Department from the Budget Stabilization Reserve Fund (BSRF) to provide additional overtime funds due to high number of sworn fire vacancies and four-person staffing requirements.

The City's adopted Financial Policy No. 13, which limits the use of the Budget Stabilization Reserve Fund to providing financial stability during economic downturns and which authorizes the use of up to 1/3 of the Reserve for capital items or other one-time costs. While this action is not being taken at budget adoption, it is a use for a one-time cost.

The City's adopted General Fund Financial Policy No. 3, which states that to improve financial planning and control, budget amendments should be infrequent and limited to cases where:

- Funding is required to address extraordinary circumstances resulting from a natural disaster, a public health emergency, or other similar critical need that could not have been reasonably anticipated when the budget was adopted; or
- There is verifiable evidence of significant costs or risks associated with delaying funding until the next budget cycle; or
- Errors or omissions in the Council Approved Budget require correction.

The reduction of \$3.5 million from the BSRF will result in a lower reserve level in FY 2018 and impair the City's ability to fund capital items or other one-time items.