

OPERATING BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:

5/11/17

CONTACT DEPARTMENT(S):

Fire

FUND:

Budget Stabilization Reserve

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	65,037,778	5,818,253	70,856,031
Total Transfers In	4,945,793	0	4,945,793
Requirements	3,870,431	0	3,870,431
Transfers Out			
General Fund	0	3,500,000	3,500,000
All Other Transfers	7,867,559	0	7,867,559
Total Transfers Out	7,867,559	3,500,000	11,367,559
Total Requirements	11,737,990	3,500,000	15,237,990
Excess (Deficiency) of Total Available Over Total Requirements	(6,792,197)	(3,500,000)	(10,292,197)
Ending Balance	58,245,581	2,318,253	60,563,834

FIVE-YEAR IMPACT:

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Net Budget Impact	3,500,000	0	0	0	0

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 to provide additional overtime funds due to high number of sworn fire vacancies and maintain four-person staffing requirements.

This action is generally consistent with 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 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.

