



# Proposed Financial Policy Changes

Audit and Finance Committee



## Austin Resource Recovery

The Austin Resource Recovery Fund shall ~~establish and fund a reserve to~~ provide for the closure, ~~and monitoring~~ monitoring, and all post-closure care of the City's landfills in compliance with Federal and State regulations.

~~*Note: ARR uses CIP and operating budgets.*~~





## Employee Benefits Fund (EBF) Reserves

An individual-specific stop-loss policy shall be maintained for the City Health Plan. In addition, the Employee Benefits Fund will maintain ~~a stop-loss reserve in an amount recommended by the City's actuary. Further, the Employee Benefits Fund will maintain a~~ a reserve equal to 10% of the cost of employee and retiree medical benefits and a cash balance equal to anticipated end-of-year claims incurred but not paid and other current liabilities.

## Summary of Tax-Increment Financing (TIF) Policy Changes

- ✓ Increase the cap on the percentage of City taxable value that may be included within reinvestment zones from 5% to 10%
- ✓ Formalize current practice of requiring that all tax increment reinvestment zones (TIRZ) undergo a rigorous “but for” analysis
- ✓ Mandate that any housing development related to a TIRZ project plan provide at least 20% of the units at rates affordable to households earning at or below 60% of MFI for rental, 80% for ownership
- ✓ Creating a separate financial policy governing the use of Public Improvement Districts (*Anticipate policy change coming to Council by the end of the calendar year*)



THANK YOU

*More information available at:*

- [austintexas.gov/financeonline/](https://austintexas.gov/financeonline/)
- [austintexas.gov/budget/](https://austintexas.gov/budget/)
- [budget.austintexas.gov](https://budget.austintexas.gov)