



Parallel Shift: Agustina Rodriguez

Enterprise Department Overview

August 1, 2023



City of Austin
2023-24
BUDGET



Today's Agenda – FY24 Proposed Budget

- Homelessness Response
- Preserving Iconic Venues and Small Businesses
- All Funds Overview
- Capital Budget Highlights
- Next Steps



Homelessness Response

Homelessness Response Efforts

Restated Totals

- By implementing the standard methodology for calculating estimates and budget, the totals are as follows:

Department	FY 2022-23 Restated Budget*	FY 2022-23 Restated Estimate	FY 2023-24 Restated Budget*	Budget to Budget Variance
Operating	\$58.0	\$45.9	\$64.4	\$6.4
CIP	\$16.7	\$15.8	\$10.7	(\$6.0)
Grants	\$5.3	\$10.9	\$5.8	\$0.5
TOTAL	\$80.0	\$72.6	\$80.9	\$0.9

*Budget may include appropriation and prior year encumbrances



Preserving Iconic Venues and Small Businesses

Preserving Iconic Venues and Small Businesses

Budget Highlights – Economic Development Department

Iconic Venue Fund supports venues and other local tourist destinations lost or displaced due to Austin's changing economy

- \$5.1 million in FY24 to preserve, restore, or acquire historic and culturally iconic venues

Small Business Displacement Mitigation Grant Program offers small businesses, creative enterprises, and non-profit organizations a one-time grant award of up-to \$30,000 to reimburse costs associated with impacts of Project Connect and IH-35 construction projects

- \$603,740 in one-time funding in FY24



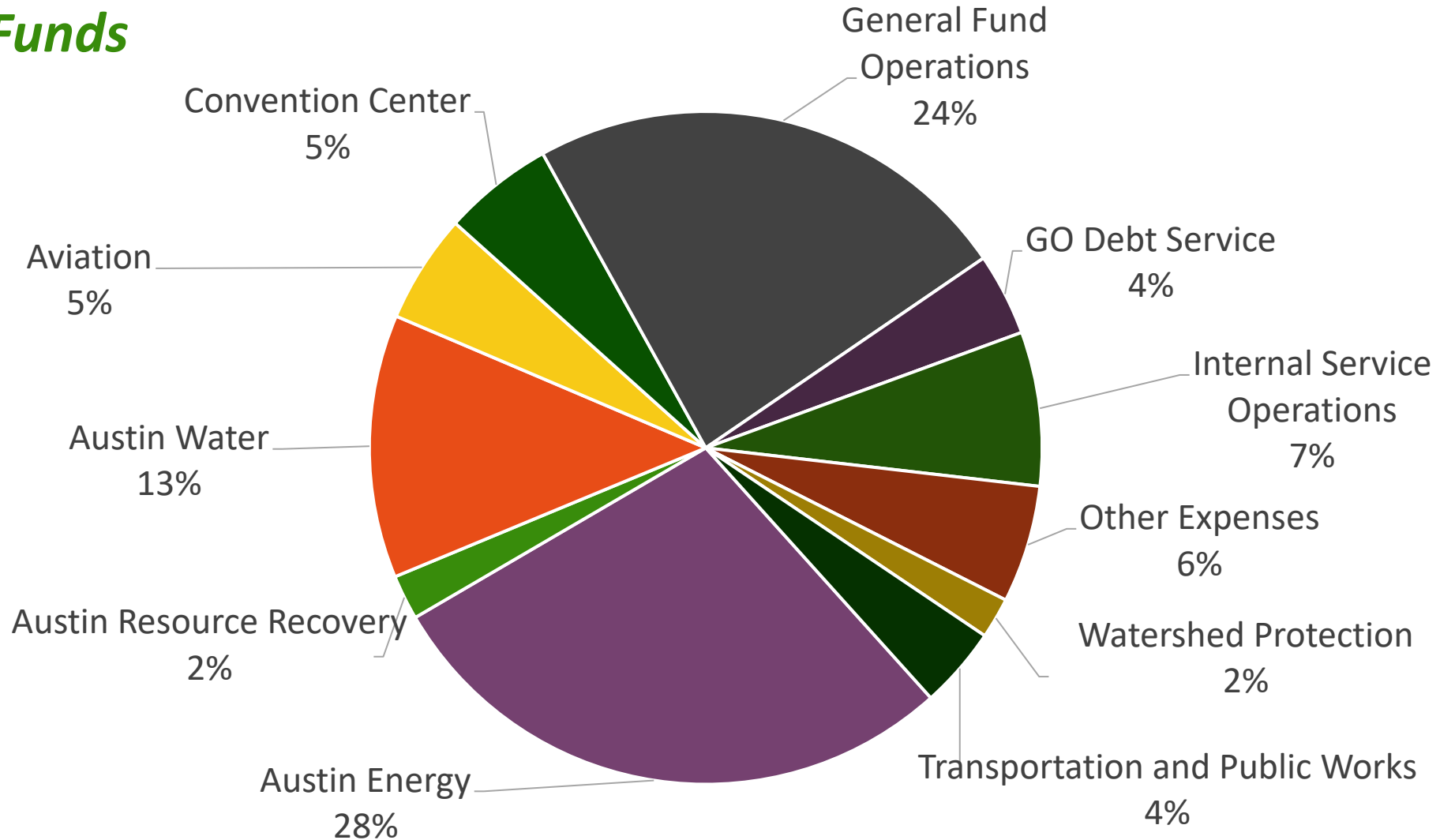


All Funds Overview



FY24 All City Funds - \$5.5 Billion

Uses of Funds





Enterprise Highlights

Austin Convention Center

Total Requirements \$141.7 million, 35.5%↑; 299 FTEs, 0.7%↓

Highlights

- \$8.8 million increase in operation expenditures to meet needs of the anticipated event schedule, including show security requirements, maintaining equipment and upgrading technology
- \$28.6 million increase in the budgeted transfer to the Convention Center Capital Fund, Tourism and Promotion Fund, Live Music Fund, and Historic Preservation Fund based on projected Hotel Occupancy Tax (HOT) and vehicle rental tax collections in FY24

Revenue and Rates

- Total revenue \$131.1 million, increase of 29.5%
- City receives 11 cents of each qualified \$1 of hotel room receipts
- Hotel Occupancy Tax projected to increase 40% over the FY23 budgeted amount

Hotel Occupancy Tax (HOT)	Allocation	FY24 Revenue
Austin Convention Center	4.50 cents	\$62.3 Million
Venue Project Fund	2.00 cents	\$27.7 Million
Convention Center Capital Fund	2.00 cents	\$27.7 Million
Cultural Arts*	1.05 cents	\$14.5 Million
Historic Preservation*	1.05 cents	\$14.5 Million
Tourism & Promotion Fund*	0.40 cents	\$5.5 Million

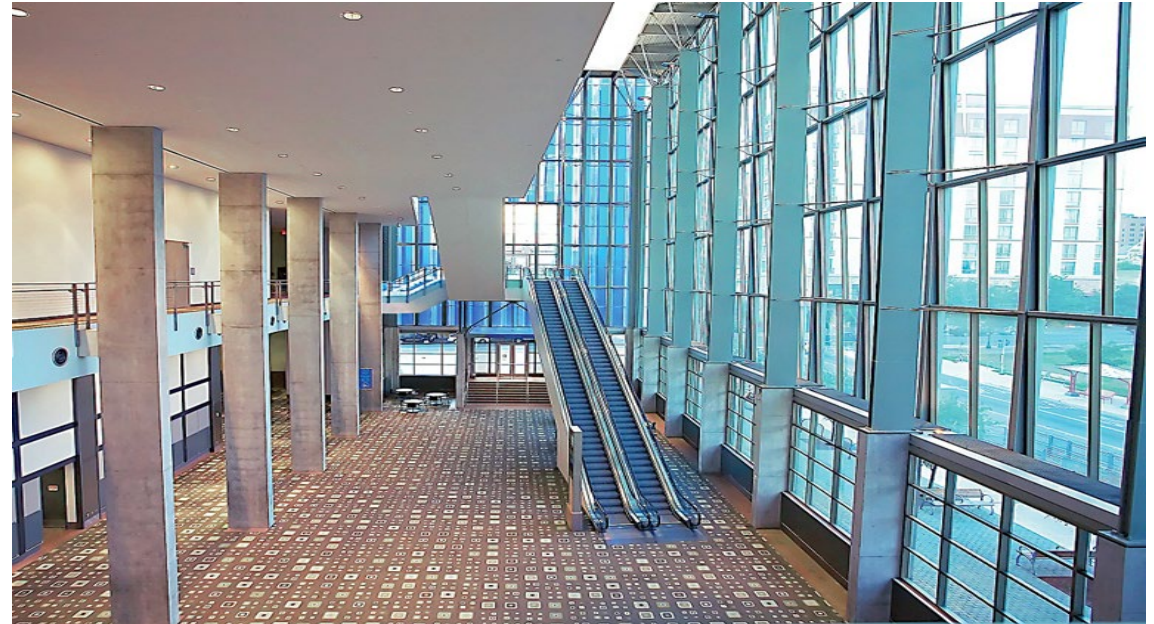
*Not inclusive of the additional funding for tourism and promotion contracts with the Convention Center and the 15% of 2¢ for live music and historic preservation

Austin Convention Center

\$41.7 million CIP Spending Plan

Project Highlights

- \$19.8 million for Convention Center expansion planning and design with a total cost of \$1.6 billion
- \$6.2 million for Palmer Events Center renovation of restrooms, dressing areas, and sanitary sewer line repair with total cost of \$9.9 million.



Austin Energy

Total Requirements \$1.65 billion, 2.7%↓; 1,924 FTEs, 1.4% ↑

Highlights

- \$20 million increase in transfers to Reserve Funds: rate increase is focused on improving financial metrics
- \$4.2 million increase in funding for Customer Energy Solutions conservation rebates and incentives, energy efficiency service programs, and electric vehicle programs
- 33 new temporary-to-permanent positions; cost offset by reduction in temporary employee budget

Revenue and Rates

- 2% increase in base rates
- Increase of 1% to the total monthly bill for the typical AE customer

Major Fee/Rate Description	FY23 Rate	FY24 Proposed Rate	Monthly Change
Typical Residential Customer	\$108.71	\$109.75	\$1.04



Austin Energy

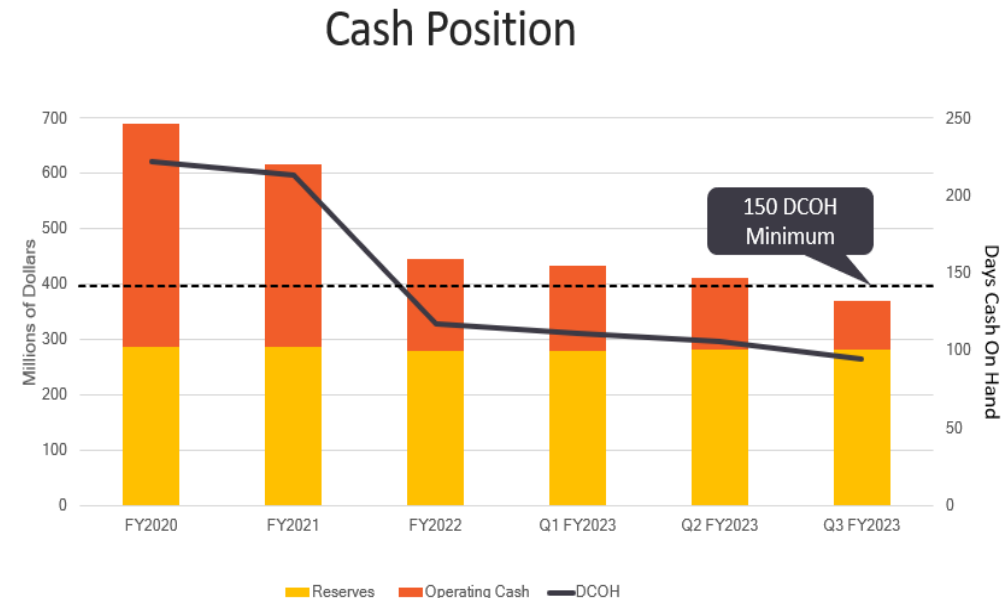
2% Base Rate Increase to Restore Financial Health Metrics

Entire increase goes to operating cash and reserves

- Cash and reserves are at critical levels, putting utility at risk
- \$20 million to reserves in FY2024, targeting fully funded reserves in FY2026
 - Targeting minimum Days-Cash-on-Hand in FY2028

Customer impact

- 2% base rate increase is roughly 1% of the overall electric bill or \$1.04/month for the typical residential customer
 - Austin Energy residential bills remain some of the lowest in the state



Austin Energy

\$262.7 million CIP Spending Plan

Project Highlights

- \$79.8 million to acquire and construct the new Austin Energy Field Service Center with construction anticipated to be completed in the second quarter of calendar year 2025
- \$6.0 million investment in FY 2023-24 to harden the distribution system against wildfire and extreme weather events and address overall system reliability
- \$31 million estimated total project cost to rebuild the Brackenridge substation. This rebuild will improve capability and reliability for downtown Austin. Project is estimated to be operational in Spring of 2027
- \$23.8 million estimated total project cost to construct the Southeast substation. This new substation is needed to provide capacity to serve the Austin-Bergstrom International Airport expansion, the 314-acre Velocity Crossing subdivision development, and the growing load in Southeast Austin. Project is estimated to be operational in Spring of 2025

Austin Resource Recovery

Total Requirements \$126 million, 11.5%↓; 521 FTEs, no change

Highlights

- \$20.5 million decrease in one-time expenditures associated with Winter Storm Mara response
- \$1.1 million increase to fund temporary employees and overtime to maintain service delivery

Revenue and Rates

- Total revenue \$124.7 million, 6.5% decrease
- 5.2% increase to the typical ARR customer total monthly bill

Major Fee/Rate Description	FY23 Rate	FY24 Proposed Rate	Monthly Change
ARR Residential Clean Community Fee	\$4.85	\$5.00	\$0.15
Typical Residential Curbside Collection*	\$29.70	\$31.35	\$1.65



Northeast Service Center

Johnny Morris Road

- Joint Austin Resource Recovery and Fleet Mobility Services service center
- Relieves severe overcrowding and deteriorated facility conditions
- Includes both office and warehouse space
- Facilitates future reuse of Hargrave site
- Current status/next steps
 - CBRE recently completed review of proposed design and associated cost estimates
 - Updating financing model
 - Audit & Finance briefing
 - RFP and construction phases via PFC
 - Budget amendment



Northeast Service Center



City of Austin
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Austin Resource Recovery

\$11.7 million CIP Spending Plan

Project Highlights

- \$10.8 million in FY 2023-24 to purchase new and replacement heavy-and light-duty vehicles and equipment



Aviation

Total Requirements \$305.9 million, 21.9%↑; 674 FTEs, 1.5%↓

Highlights

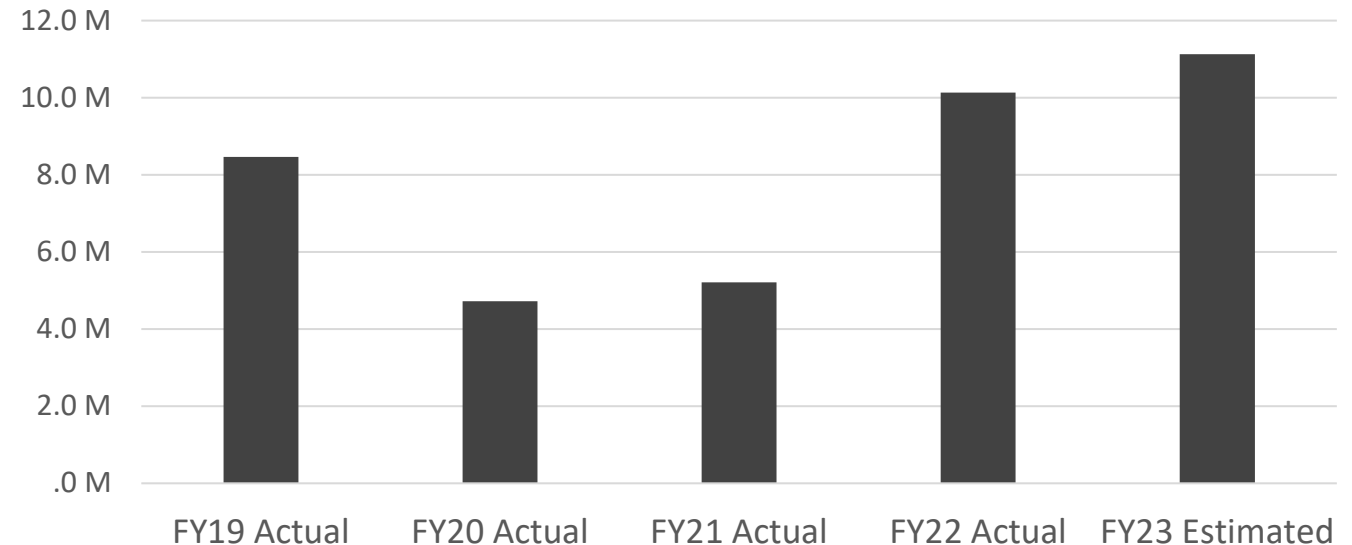
- \$30.0 million increase in operation expenditures, including parking and interfund transfers, previously reimbursed with COVID-era federal relief funding
- \$17.3 million for contractual and operational expenses from additional passenger traffic

Revenue and Rates

- Total revenue \$305.9 million, 21.9% increase



Number of Enplaned Passengers



Aviation

\$236.0 million FY24 CIP Spending Plan

Project Highlights

- \$69.5 million for construction services on upgrades and modernization of the existing baggage handling system, \$273 million estimated total
- \$58.4 million for construction service costs for optimizations to the Barbara Jordan Terminal (BJT), \$164.4 million total
- \$9.4 million for the design and construction of two concrete parallel midfield taxiways connecting the east and west sides of the airfield, \$204.1 million total



Austin Water

Total Requirements \$748.5 million, 9.3%↑; 1,381 FTEs, 1.5%↑

Highlights

- Continue to invest in key infrastructure, service reliability and water quality
- \$7.7 million increase in funding to continue employee recruiting and retention initiatives
- \$6.6 million increase in funding for chemical costs and projected usage of chemicals in the water and wastewater treatment processes
- 20 new positions to support customer relations, Water Forward, lift stations and remote facilities, and operations and facility safety

Revenue and Rates

- Total revenue \$698.2 million, 3.7% increase
- First rate increase since FY 2017 to address rising costs
- 3.3% increase to the typical AW customer total monthly bill
- No proposed increase for Customer Assistance Program (CAP) customers

Major Fee/Rate Description	FY23 Rate	FY24 Proposed Rate	Monthly Change
Typical Residential Customer	\$80.79	\$83.44	\$2.65



Austin Water

\$297.7 million CIP Spending Plan

Project Highlights

- \$26.6 million for advanced metering infrastructure to allow meters to be read electronically to improve timely data collection, \$95.1 million total
- \$20.0 million to construct an operations and emergency management facility, \$35.8 million total
- \$19.9 million to address the aging infrastructure and deteriorating assets at the South Austin Regional Wastewater Treatment Plant Trains A & B, \$151.9 million total
- \$17.3 million to increase the Walnut Creek Wastewater Treatment Plant from 75 million gallons per day (MGD) to 100 MGD, total over \$870.0 million



Development Services

Total Requirements \$109.0 million, 2.1%↑; 636 FTEs, 2.3%↓

Highlights

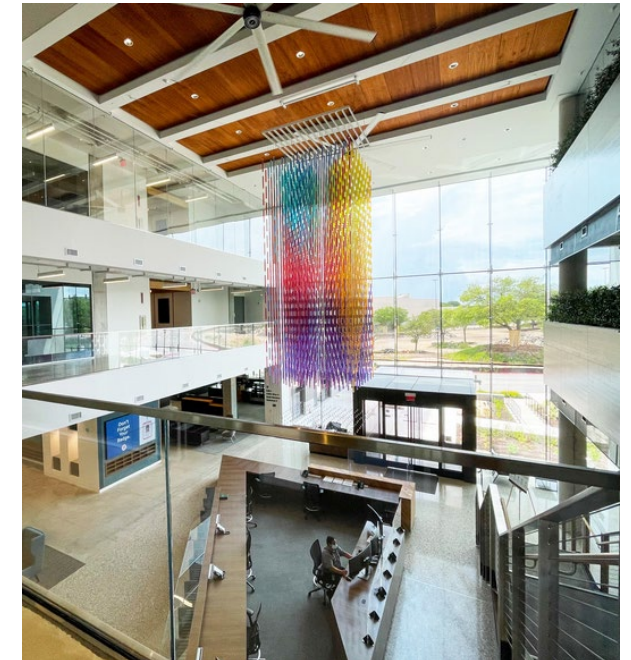
- Incorporating the former Austin Code Department
- \$2.5 million increase in funding for consulting services to implement permitting process improvements
- \$3.8 million decrease to back out the transfer to the Budget Stabilization Reserve Fund in FY22 and FY23

Revenue and Rates

- Total revenue \$106.8 million*, 8.7% increase
- 1% decrease in the typical DSD-Code customer total monthly bill

Major Fee/Rate Description	FY23 Rate	FY24 Proposed Rate	Monthly Change
DSD-Code Component of Residential Clean Community Fee	\$4.75	\$4.70	(\$0.05)

**not inclusive of General Fund alarm permit revenue*



Transportation and Public Works

Total Requirements \$227.9 million, 8.4%↑; 821.75 FTEs, 3.4%↓

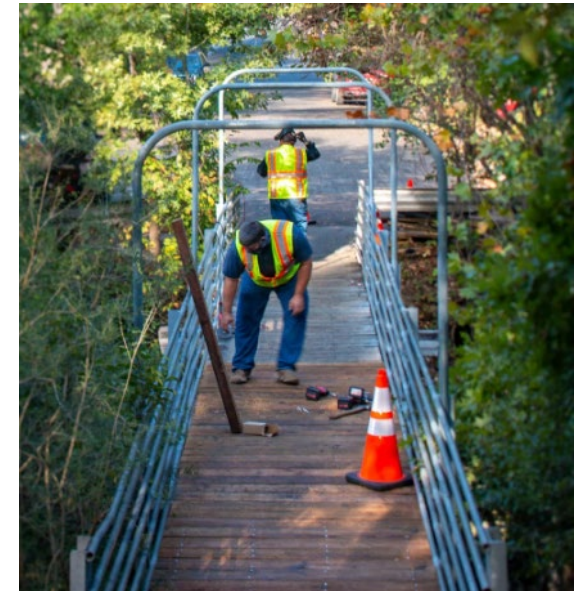
Highlights

- Merging the former Austin Transportation Department and Public Works Department
- \$4.1 million in additional contractual and material expenses to meet additional demand
- \$5.5 million decrease: transferring 47 positions and supporting budget to the new stand-alone Capital Delivery Services Department

Revenue and Rates

- Total revenue \$209.7 million, 4.5% increase
- No change in the typical TPW customer total monthly bill

Major Fee/Rate Description	FY23 Rate	FY24 Proposed Rate	Monthly Change
Residential Transportation User Fee	\$17.87	\$17.87	\$0.00



Transportation and Public Works

\$296.5 million CIP Spending Plan

Project Highlights

- \$243.9 million in planned spending for the 2016, 2018, and 2020 Bond Programs. These projects include street rehabilitation, urban trail expansion, safe routes to schools, sidewalk rehab and construction, improvements to bridges and culverts, and more.
- \$11.0 million for the design and construction of mobility and safety improvements to State Highway Loop 360 at Courtyard Drive, \$11 million total cost
- \$9.9 million in planned spending on drainage improvements, a detention pond expansion, and a new urban trail for the Burnet Road Corridor, with \$17.4 million total
- \$5.3 million on Longhorn Dam, \$25.3 million total



Watershed Protection

Total Requirements \$114.6 million, 1.8%↑; 442.5 FTEs, 2.7%↑

Highlights

- \$1 million increase for vegetation and creek cleanup contract costs
- 11 positions dedicated to creek cleanup, pond maintenance, storm drain modeling, and other critical initiatives
- \$5 million decrease in the transfer to the Capital Improvement Program

Revenue and Rates

- Total revenue \$110.7 million, 8.7% increase
- First rate increase since FY17
- 3.1% increase in the typical WPD customer total monthly bill

Major Fee/Rate Description	FY23 Rate	FY24 Proposed Rate	Monthly Change
Typical Residential Customer-Drainage Utility Charge	\$11.80	\$12.17	\$0.37



Watershed Protection

\$64.7 million CIP Spending Plan

Project Highlights

- \$14.0 million for The Confluence project at Waller Creek, with total cost over \$90 million
- \$12.3 million for Roy G. Guerrero Park Channel Stabilization, \$33.5 million total
- \$4.3 million for Little Walnut Creek (Metric to Rutland), \$36.1 million total
- \$2.0 million to upgrade drainage infrastructure and mitigate localized flooding in the Oak Knoll area, with \$11.9 million total





Typical Ratepayer

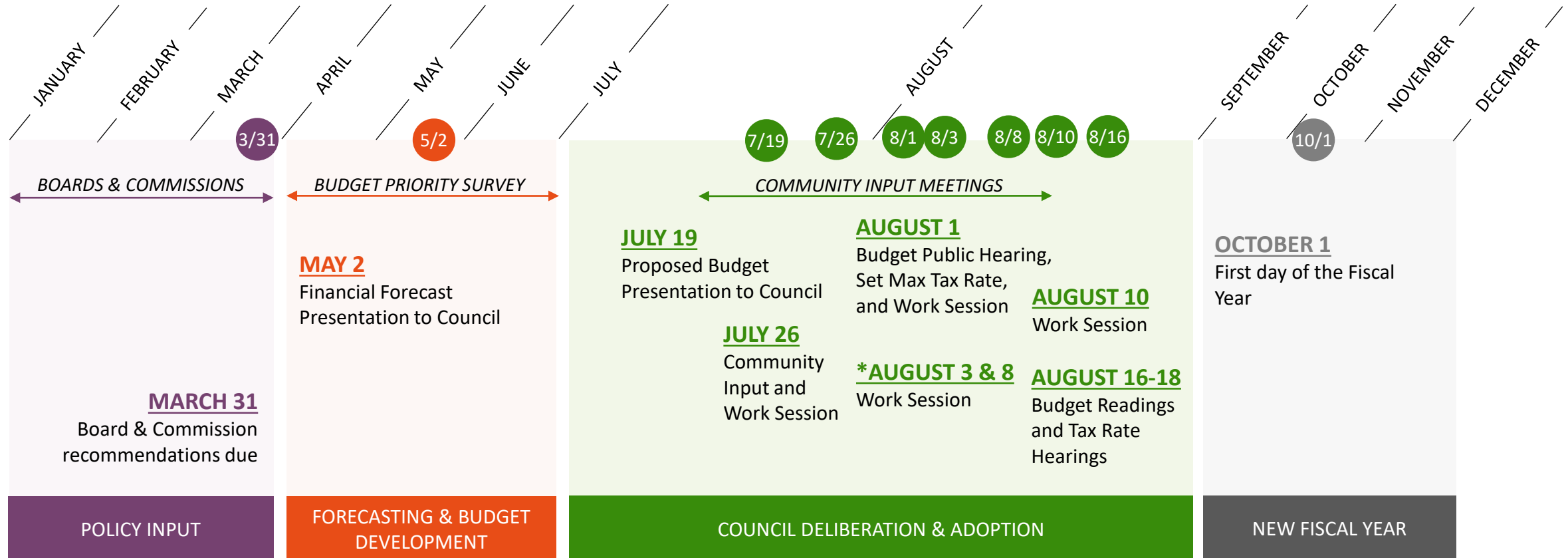
Service or Fee	Fiscal Year 2022-23 Monthly Rate	Fiscal Year 2023-24 Proposed Monthly Rate	Monthly Change	Typical Ratepayer Defined as:
Austin Energy	\$108.71	\$109.75	\$1.04	Residential customer usage of 860 Kwh.
Austin Water	\$80.79	\$83.44	\$2.65	Residential customer usage of 5,800 gallons of water and 4,000 gallons of wastewater
Austin Resource Recovery	\$29.70	\$31.35	\$1.65	Residential customer using a 64-gallon cart
Clean Community Fee	\$9.60	\$9.70	\$0.10	Per single-family home
Transportation User Fee	\$17.87	\$17.87	\$0.00	Per single-family home
Drainage Utility Charge	\$11.80	\$12.17	\$0.37	Residential customer with 3,100 sq. ft./37% of impervious cover
Property Tax Bill	\$139.96	\$142.12	\$2.16	FY24 median non-senior homestead assessed value of \$502,544, net of 20% general homestead exemption
Total Monthly Impact	\$398.43	\$406.40	\$7.97	Combined Monthly Increase of 2.0%



Next Steps



FY24 Budget Timeline



**subject to cancellation*



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