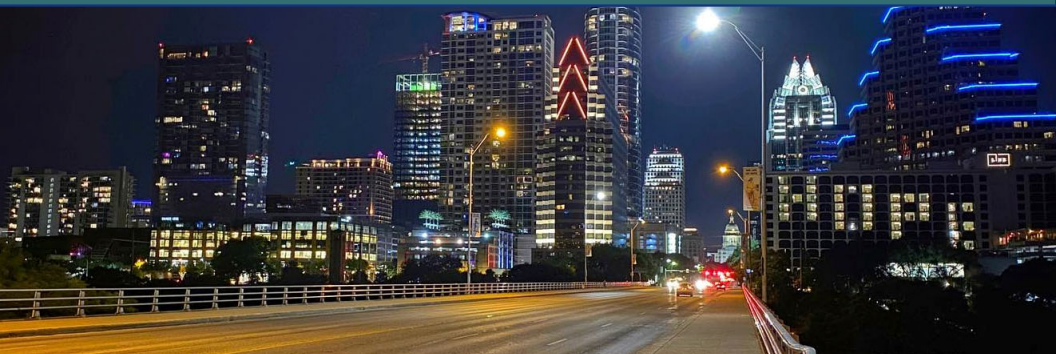




FINANCIAL SERVICES DEPARTMENT

Joint Sustainability Committee | Navigating Funding Opportunities



Council Resolution

Key Takeaways

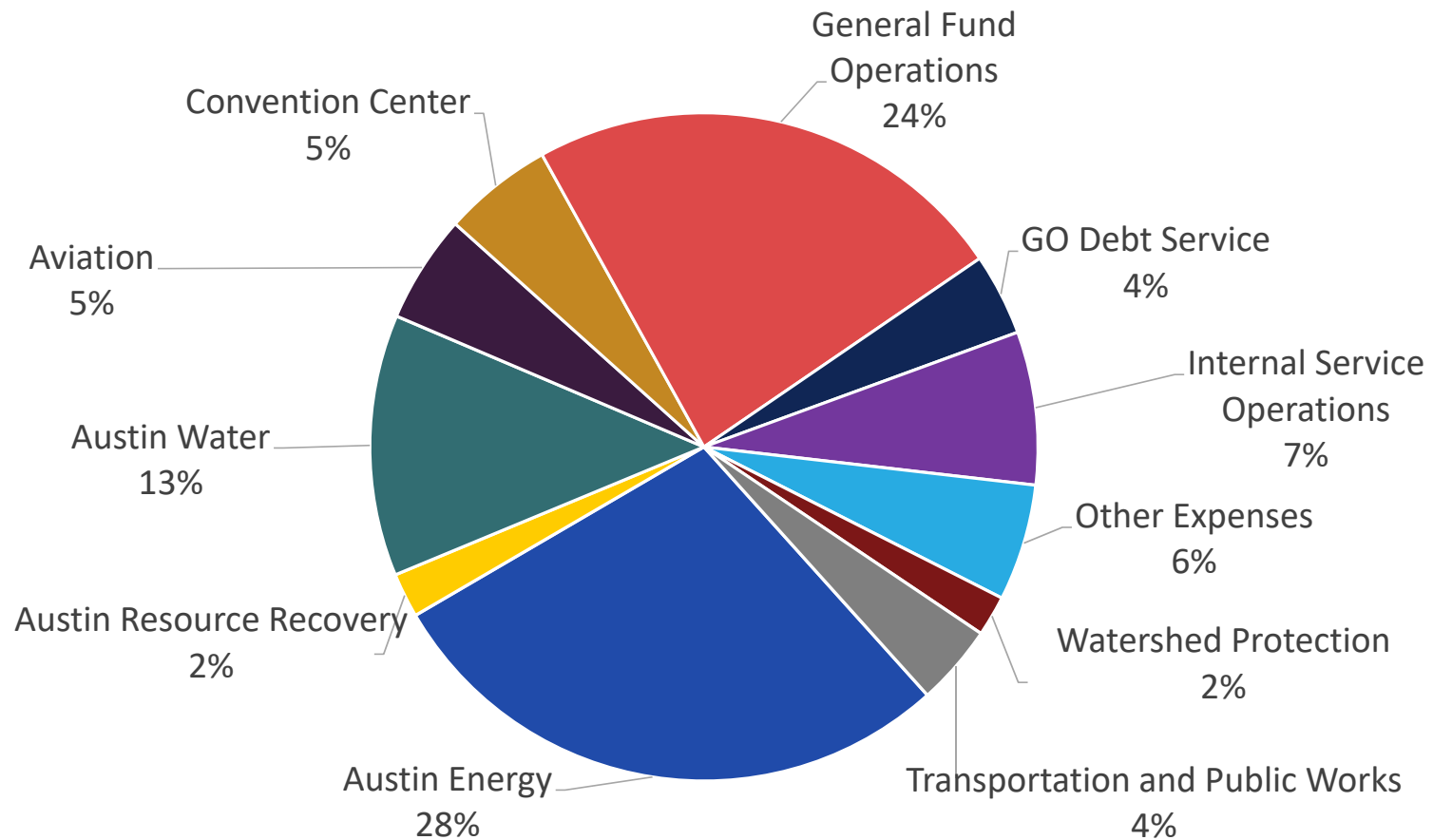
- Identify capital improvements and programs that would maximize potential Inflation Reduction Act tax credits, and develop a mechanism for reinvestments of reimbursement from such credits into similarly climate focused capital improvements and programs.
- Review and identify which investments from the Committee have the option of being funded through **utility rates and fees, general fund expenditures, grants, and/or bond instruments.**

Resolution:

<https://services.austintexas.gov/edims/document.cfm?id=424874>

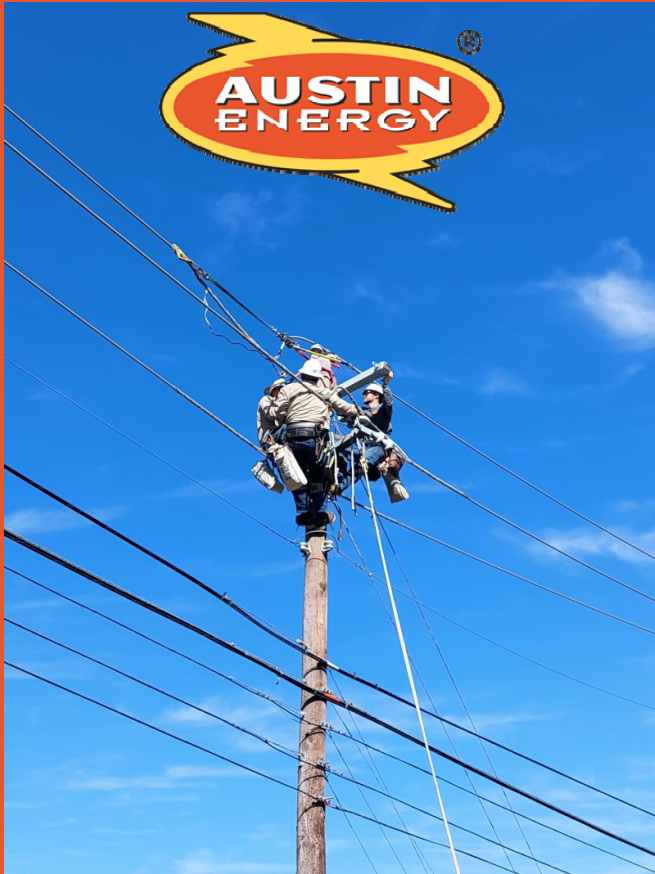
Funding Sources

FY 2024 All City Operating Funds – \$5.5 Billion



Funding Sources

Utility Rates and Fees



- \$1.7 billion projected revenue for FY 2024.
 - 90% from rates and 10% from fees.
- AE's major expenditures include power supply costs, wholesale transmission costs, operating and maintenance expenses, debt service, investment in capital improvements, and transfers to the City's General Fund.
- Energy Efficiency Programs funded by the Community Benefit Charge include:
 - Rebates and incentives for energy efficiency improvements
 - Rebates for installation of rooftop solar systems
 - Austin Energy Green Building Program

Funding Sources

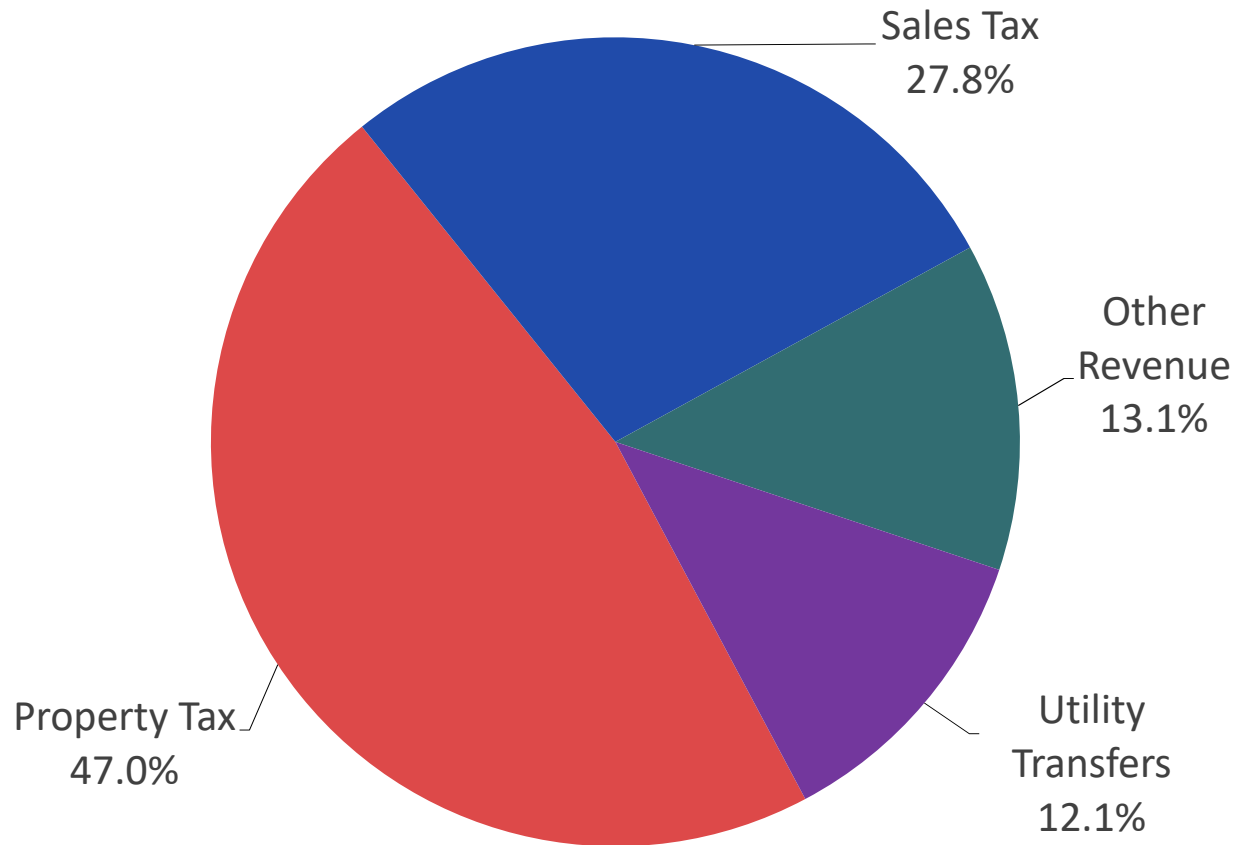
Utility Rates and Fees



- \$698.2 million projected revenue for FY 2023-24. AW utilizes water and wastewater rate revenue through their operating budget and capital improvement program.
- AW's major expenditures include operating and maintenance costs, debt service payments, and transfers to other City funds, including the General Fund, Utility Billing Support, and Administrative Support.
- **GoPurple Program** - Increases use of reclaimed water in and around Austin. By 2040, onsite water reuse will save an estimated 6 million gallons of potable water per day.
 - Funded through a combination of fees and rates.

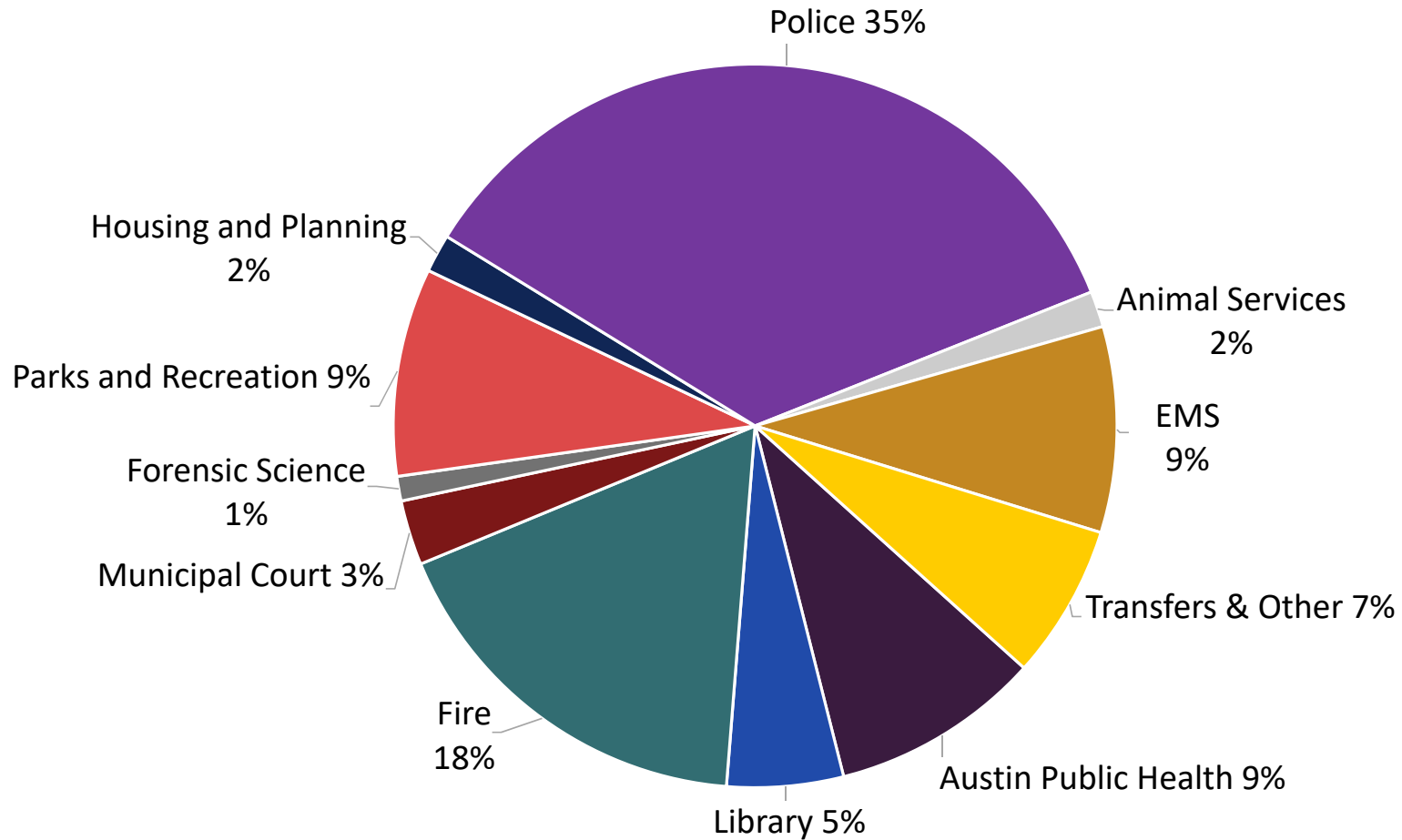
Funding Sources

FY 2024 General Fund Revenue – \$1.4 Billion



Funding Sources

FY 2024 Budgeted General Fund Expenditures – 1.4 Billion



Funding Sources

General Fund

- The General Fund mainly consists of revenue from property taxes, sales taxes, and utility transfers. \$1.4 billion projected revenue for FY 2023-24.
- The General Fund can be used for any lawful municipal purpose.
- Examples of sustainability initiatives funded by the General Fund:
 - \$2 million in the Fleet Mobility Services budget to increase the City's battery-electric vehicles fleet for a total of 388 vehicles.
 - \$1.0 million in the Urban Forestry Division within the Development Services Department to continue collecting and monitoring tree canopy cover data.
 - Partnership with CapMetro to offer free transit passes to City employees

Funding Sources

Grants

Examples of Climate-Related Grants:

- **Climate Pollution Reduction Grant** – \$1 million in grant funds from the U.S. Environmental Protection Agency to lead an effort to develop and implement a regional plan for reducing greenhouse gas emissions and other harmful air pollution.
- **Air Monitoring Grant** – \$169,941 in grant funds for Austin Public Health from the Texas Commission on Environmental Quality for the support of whole air monitoring efforts.

Funding Sources

General Obligation (GO) Bonds

- GO Debt - Public Improvement Bonds, Certificates of Obligation, and Contractual Obligations.
 - Backed by property (ad valorem) taxes and “full faith and credit” of the City.
 - Statutory provisions define allowable bond proceed uses.

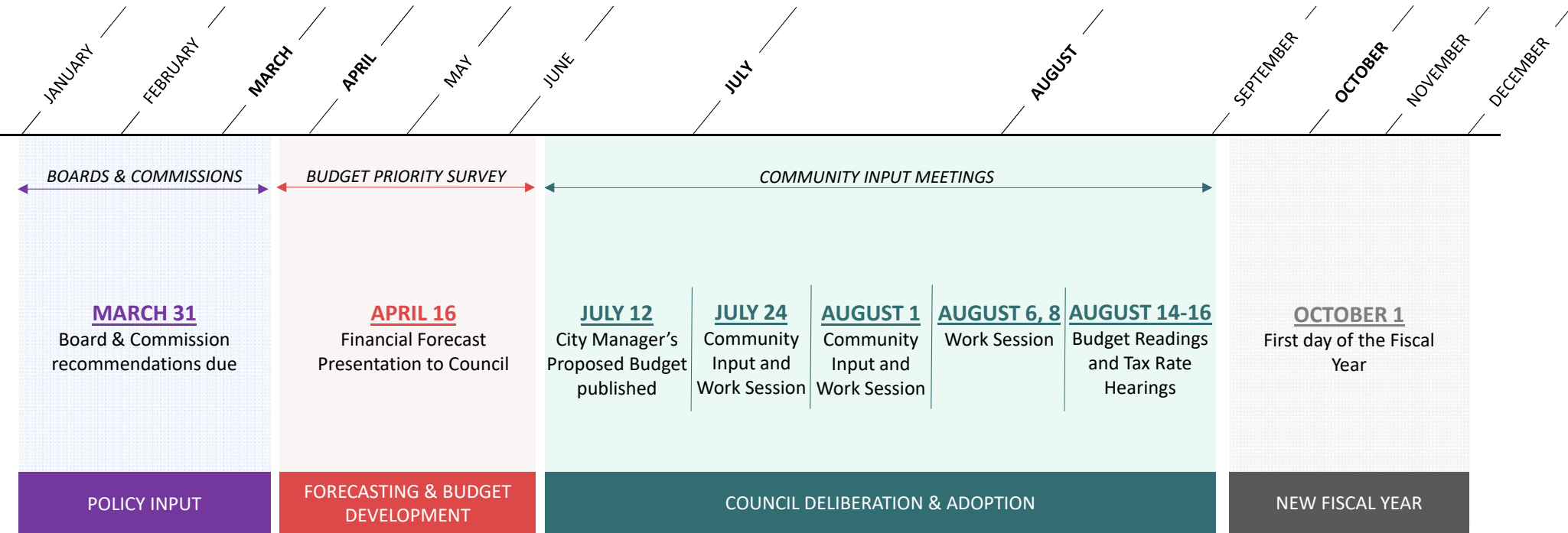
Types of GO Debt	Purpose	Voter Approval	City Term
Public Improvement Bonds (PIBs)	Capital Improvement projects and capital assets	Yes	20 years
Certificates of Obligation (COs)	Real property: land, buildings, construction of a “public work”	No	20 years
Contractual Obligations (PPFCOs)	Personal property: equipment, machinery, vehicles, information technology	No	7 years

Funding Sources

Revenue Bonds

- Revenue Bonds are backed by the revenue collected by the issuing enterprise.
- City of Austin Revenue Bonds include:
 - Austin Energy
 - Austin Water Utility
 - Convention Center (Hotel Occupancy Tax)
 - Aviation
- Debt service coverage requirements and reserves.
- Statutory provisions define allowable bond proceed uses.

FY25 Budget Timeline



Questions?

For more information:
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