

Austin Police Department Proposed Budget FY 2013 Volume 1 Page 107 Art Acevedo, Chief of Police

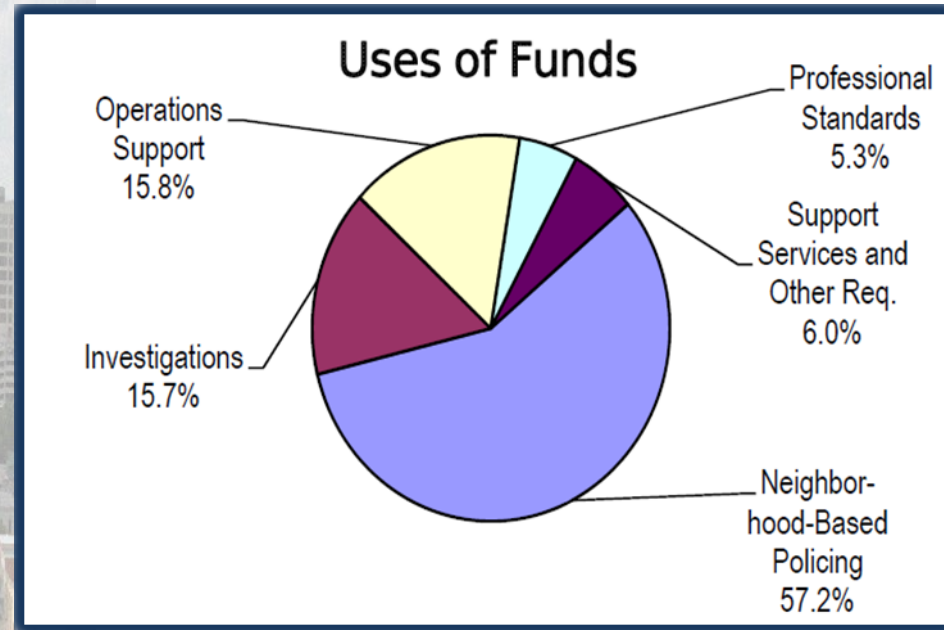


Keeping you, your family and our community safe



FY 2013 APD Budget Data - \$301.2 M

94.3% General Fund, 2.1% Grants, 3.6% Expense Refunds



General Fund	\$ 284.1 M
Grants	\$ 6.2 M
Expense Refunds	\$ 10.9 M

Sworn	1,740.00
Civilian	641.25



FY 2013 APD Significant Changes

Increase of \$14.5 million from FY12 to FY13 Proposed

Citywide Changes

- **\$8.4 M Sworn Salary, Step Increases & Retirement**
- **\$1.0 M Civilian Salary & Market Increases ***
- **\$0.8 M Fuel and Maintenance Increases**
- **\$0.7 M Health Insurance Increases**

Departmental Changes

- **\$2.9 M Maintain 2.0 officers per 1,000 (FY 12 & FY 13)**
- **\$0.7 M Grant conversions, transfer of a civilian employee from materials management, detective upgrade expense, rent adjustments less reductions**

***Amount does not include a transfer from the General Fund level for civilian retirement contributions of \$2.3 M**



FY 2013 APD Budget Highlights

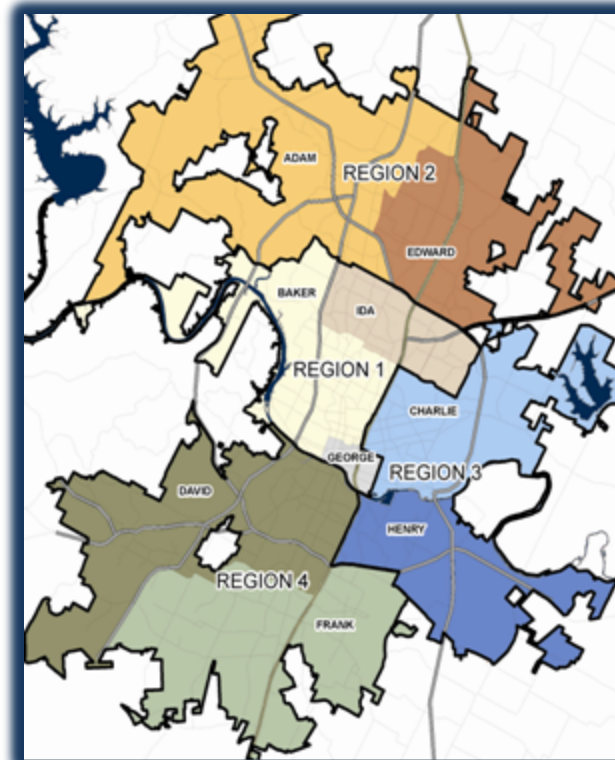
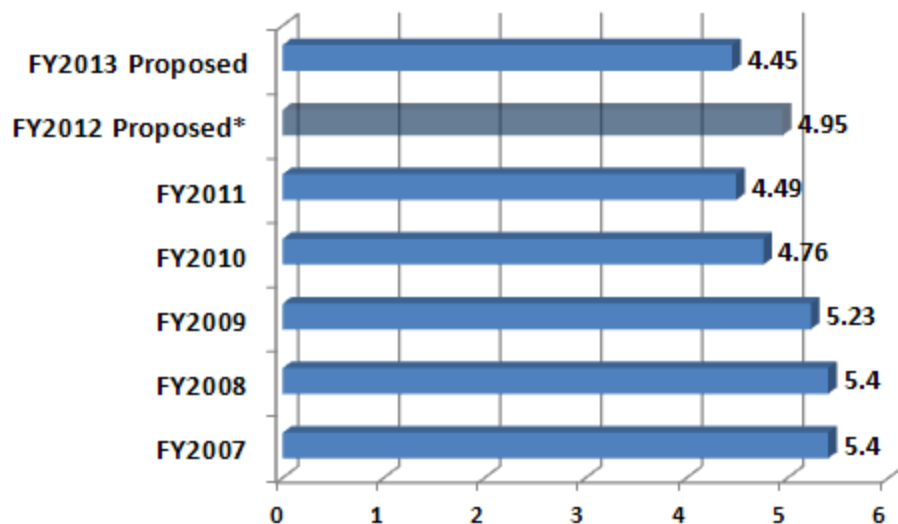
- **22 officers have been added and are funded as of April 2013 in order to maintain the 2.0 officers per 1,000 population ratio**
- **12 grant funded Communication positions were transferred to General Fund**
- **2 grant funded Victim Services positions were transferred to General Fund**
- **Grant funds used for operation of the Austin Regional Intelligence Center were transferred to the General Fund**
- **Funding is included to upgrade 10 officer positions to detective rank in April 2013**



FY 2013 APD Performance Measure Highlights

Neighborhood Based Policing, Patrol

Violent Crime Rate per 1,000
Population



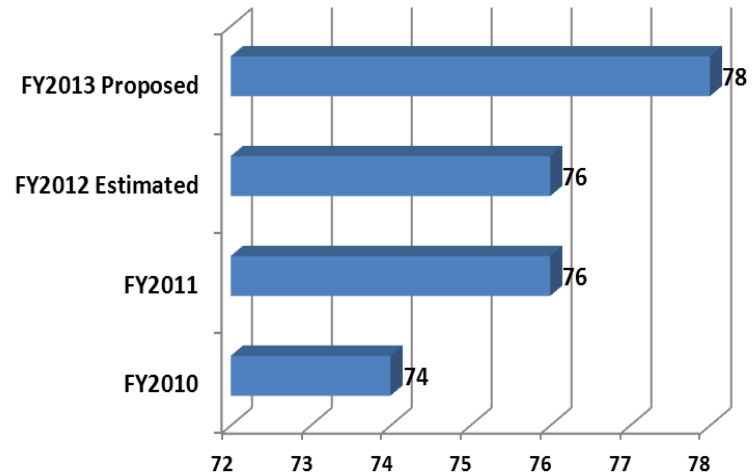
*2007-2010 are UCR FBI Calendar Year Actuals. 2011 is estimated UCR calendar year. Midyear estimate (4.36, not shown) is based on first six months of current fiscal year. Proposed is 1% reduction over the FY 2011.



FY 2013 APD Performance Measure Highlights

Neighborhood Based Policing, Community Partnerships

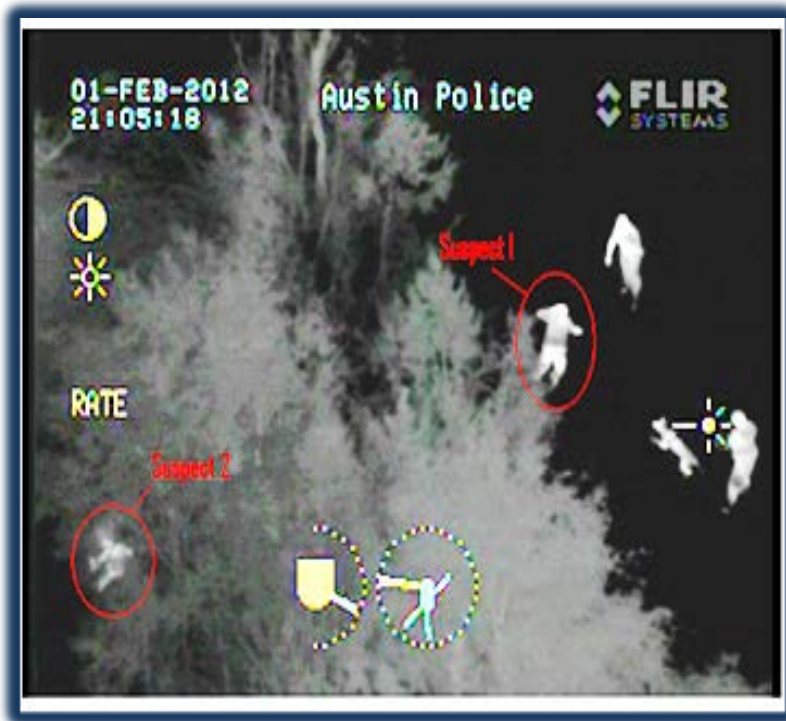
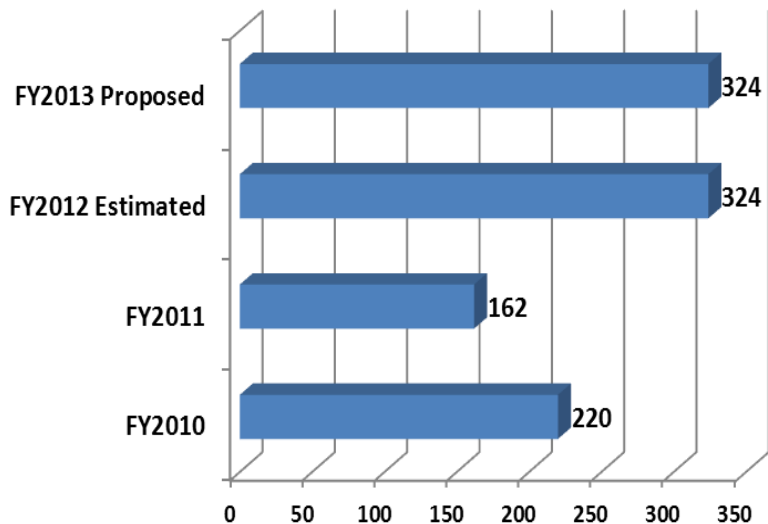
Percent of Residents who are
satisfied with overall quality of
Police services





FY 2013 APD Performance Measure Highlights

**Operations Support,
Air Operations**
Number of assisted arrests





FY 2013 APD Major Projects in Progress

- Digital Vehicular Video (DVV)
- Electronic Ticketing (E-Citation)
- High Activity Location Observation (HALO)
- Helicopter Purchase



Questions?



Austin Fire Department

FY 2012-13 Proposed Budget

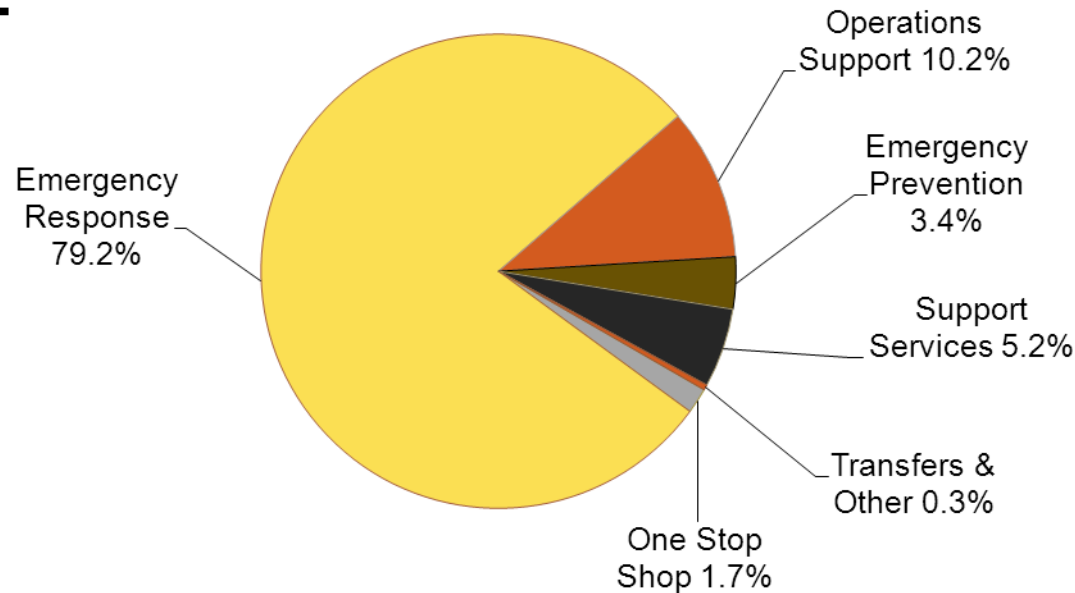
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FY 2013 Fire Budget -- \$143.8 M

Sources: 96% General Fund, 4% Aviation/Expense Refunds

Use of Funds:



Full-Time Equivalents	FY 12 Amended	FY 13 Proposed
Sworn	1,083	1,083
Civilian	70	75



Cost Drivers – \$6.1 M*

Citywide

3% Sworn wage adjustments, plus Step	\$3.2 Million
1% Sworn pension, additional 1% September '13	\$0.9 Million
3% Civilian wage adjustments, with market study	\$192K
Health insurance	\$322K
Fuel, Maintenance, and Utilities	\$102K

Departmental: Meeting Mandates

Additional cadet training – 2 weeks	\$150K
PPE maintenance and inspection (includes 2 FTEs)	\$327K
TCFP and other certification increases	\$104K

* Does not include a transfer from the General Fund level for civilian retirement contributions of \$0.4 Million.



Cost Drivers – \$6.1 M* (Continued)

Departmental: Growth

Annualized Costs for 3 FTEs in the One Stop Shop	\$225K
Additional overtime due to vacancies	\$522K
Warehouse and OTC expansion	\$480K
3 Civilian FTEs: Payroll, Warehousing and Community Outreach	\$169K

Departmental: Replacing Aging Equipment

Air Bottles, AEDs, Stress Test Treadmill, Gas Monitor	\$309K
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* Does not include a transfer from the General Fund level for civilian retirement contributions of \$0.4 Million.



Budget Highlights

SAFER federal grant, \$5.1 M over two years

- Completes 4-person staffing of all **aerials, engines**
3 seats/12 Firefighters.
- Adds 4-person staffing to **rescue vehicles**
6 seats/ 24 Firefighters.
- Annual General Fund cost an estimated \$2.7M beginning FY 2015.



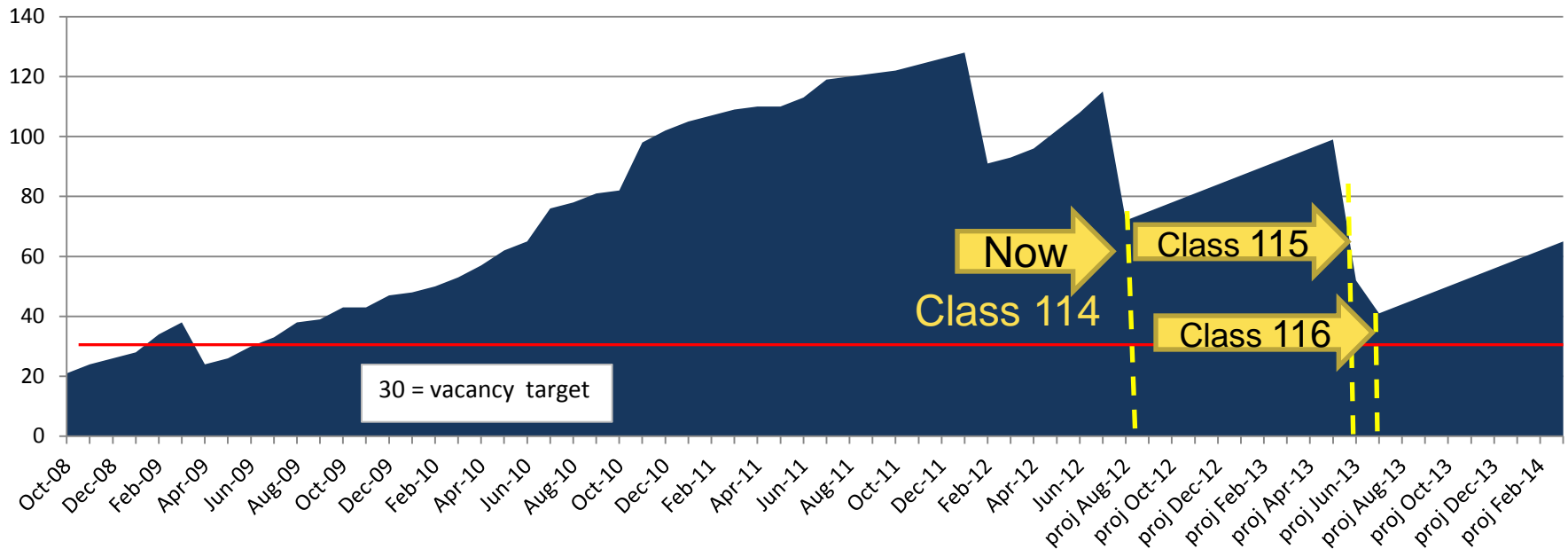
Additional support staff

- 3 FTEs: Community Outreach, warehousing and payroll processing for a growing department.
- 2 FTEs and program resources for maintenance and testing of PPE to comply with State and Federal mandates.



AFD Critical Issue: Civil Service Vacancies

Current Vacancy Trajectory



Assumes:

- 3 separations per month – natural attrition
- Cadet graduation (50) in June 2013
- Cadet graduation (50) and 36 positions added in July 2013



Wildfire Mitigation Accomplishments

Regional

- City/County Wildfire Task Force
- Notification (reverse 9-1-1)
- HSEM/OEM Public Service Announcements



-Citywide

- Mayor's Task Force on wildfire
- Public Safety helicopter
- Evacuation planning (along w/APD)
- PARD and AWU continue with fuel mitigation in parks and preserves.



Wildfire Mitigation Accomplishments

Departmental

- Operations personnel certified
- Personal Protection Equipment purchased
- 14 Brush Trucks
- Outreach efforts include
 - door hangers
 - neighborhood meetings on Firewise practices
 - Ready, Set, Go!
 - Prepared.ly
- Discussed Wildfire Mitigation Division with Public Safety Commission in June
- Working on Wildfire Mitigation Division plan



Wildfire Mitigation Division Next Steps

Identify resources for multi-phase implementation

Phase I (\$350K):

- Hire civilian staff to form Wildfire Mitigation Division within AFD
- Establish service contract and finish CWPP
- Implement Wildland/Urban Interface code
- Start small fuel mitigation projects

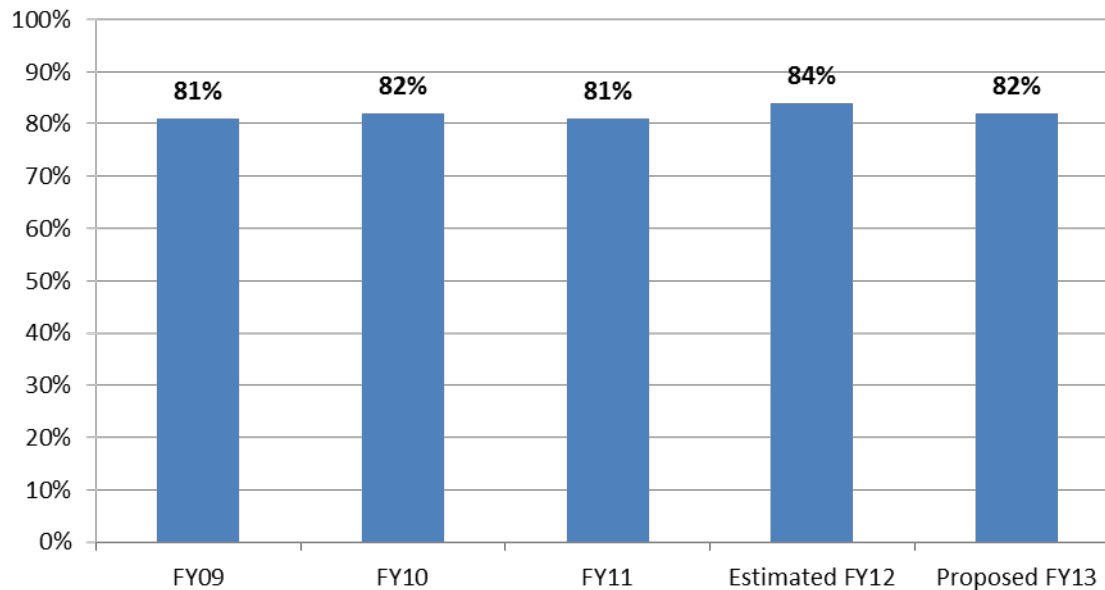
Phase II (approx. \$1.5M):

- Hire sworn staff for outreach and project coordination
- Expand fuel mitigation efforts with seasonal hand crews
- Coordinate prescribed burns



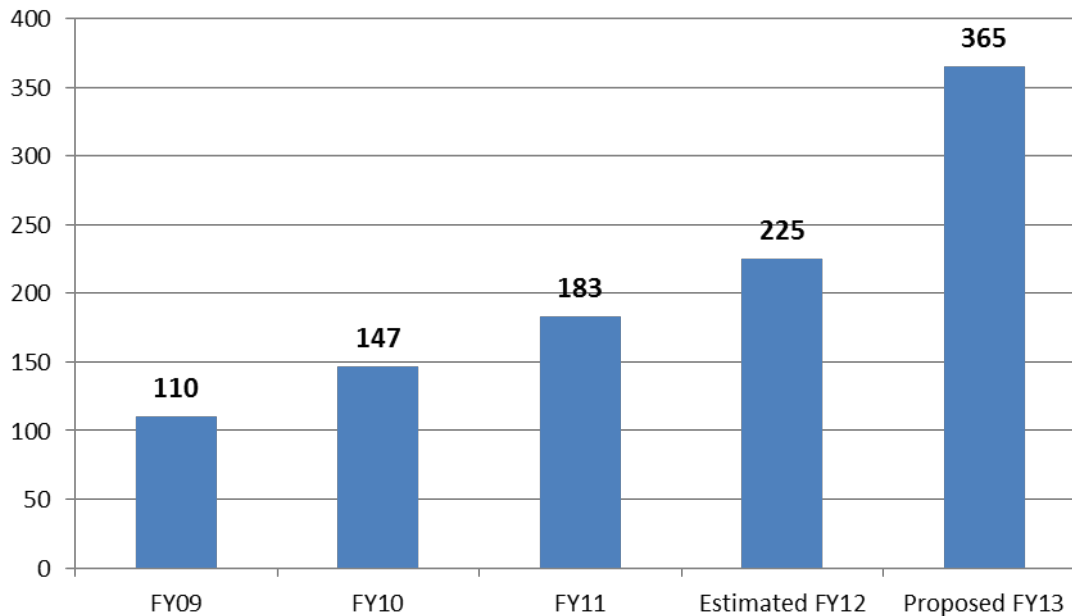
Performance Measure Highlights

**Percent of Structure Fires
Confined to Room of Origin**

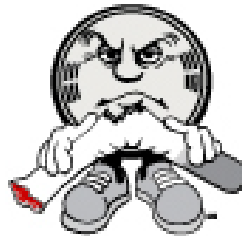


Performance Measure Highlights

**Number of Home Smoke Alarms Installed
by Fire Dept.**



AFD: FY 2012-13 Proposed Budget



Questions/Comments



Austin-Travis County EMS

Proposed Budget Presentation

Volume I, Page 25

*City of Austin Vision:
We want Austin to be the most livable city in the country.*



Austin-Travis County EMS

Preserve Life – Improve Health – Promote Safety

KEY FOCUS

People Driven
Patient Focused

PILLARS OF SUCCESS

People
Service
Quality
Finance

CORE RESULTS AREAS

Patients
Practice
Outcomes

CITY OF AUSTIN VALUES

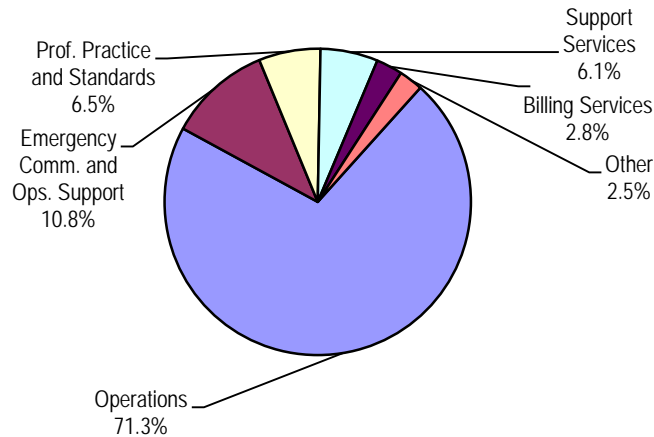
Public Service & Engagement
Responsibility & Accountability
Innovation & Sustainability
Diversity & Inclusion
Ethics & Integrity



2013 Total Budget - \$56.1M

Sources: General Fund 99%, Expense Refunds & Grants 1%

Uses of Funds



Significant Changes - \$3.4M*

Citywide

- Uniformed Salary & Stipend (per Meet and Confer) \$1,052K
- Civilian Salary & Market \$220K
- Health benefit \$98K
- Fleet maintenance & fuel \$311K

Departmental

- New demand unit at Medic 5 \$582K
- Annualized costs for Mueller \$640K
- Medical supply cost increase \$166K

*Does not include a transfer from the General Fund level for retirement contributions of \$3,066,000.



Austin-Travis County EMS

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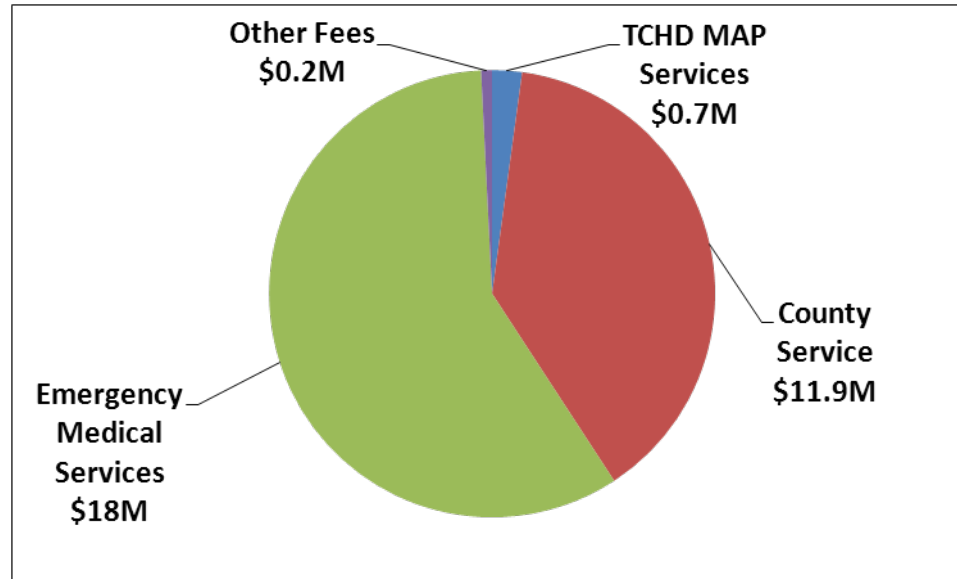
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EMS Revenue from Fees Charged for Services



Department-generated revenue from fees charged for services only. Does not include other funding from the General Fund, expense refunds, or grants.



Austin-Travis County EMS

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FY 2013 Budget Highlights

- **General Fund Revenue**
 - Overall revenue increase of \$1.5M
 - Patient billing
 - Travis County Healthcare District reimbursements
- **Funding for new Demand Unit at EMS Medic 5 Station**
 - 6 Paramedics and equipment to address high workload
- **New Mueller Station**
 - Full-year costs of 12 Paramedics added mid-year 2012
- **Community Health Paramedic Program Update**
 - First group analysis: 79% reduction in the use of EMS services
 - Second group analysis: 41% reduction in the use of EMS services
- **One-time Capital Budget**
 - Replacement of 55 cardiac monitors - \$1.8M



Austin-Travis County EMS

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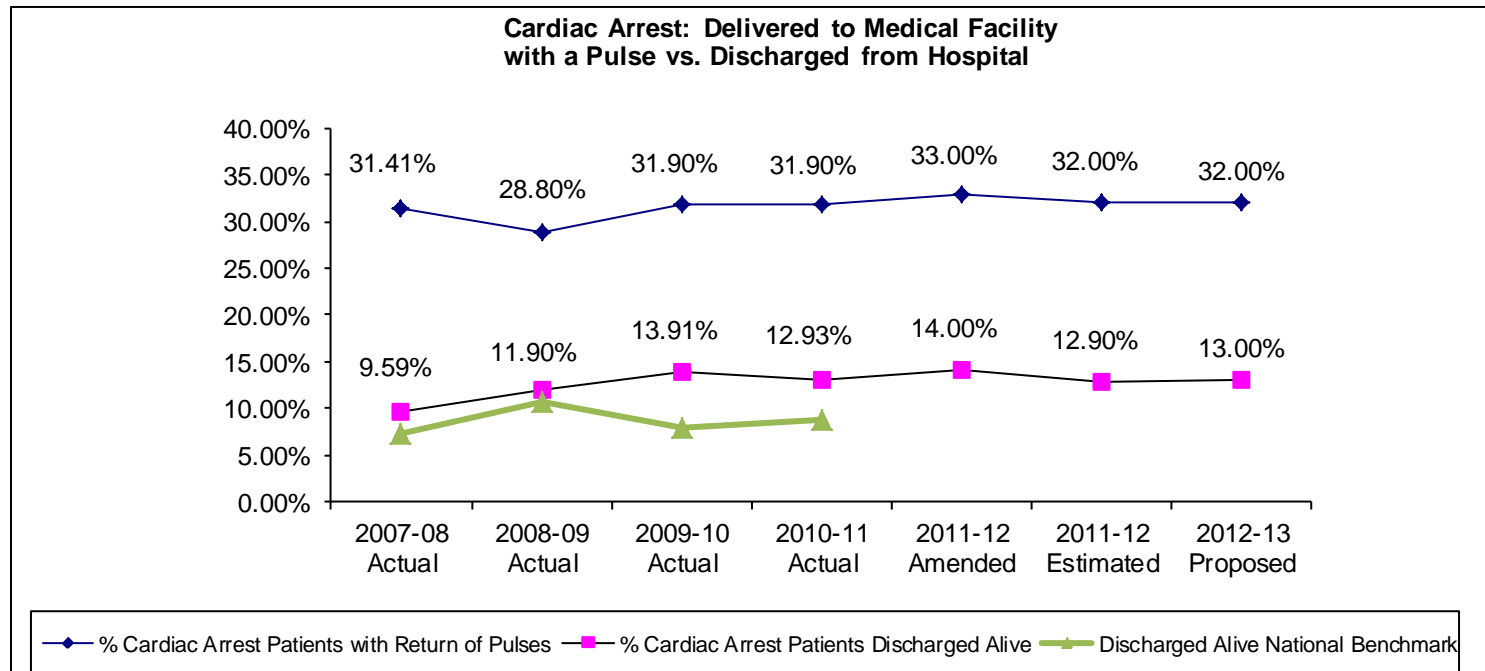
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Performance Measure Highlights





Austin-Travis County EMS

Preserve Life – Improve Health – Promote Safety

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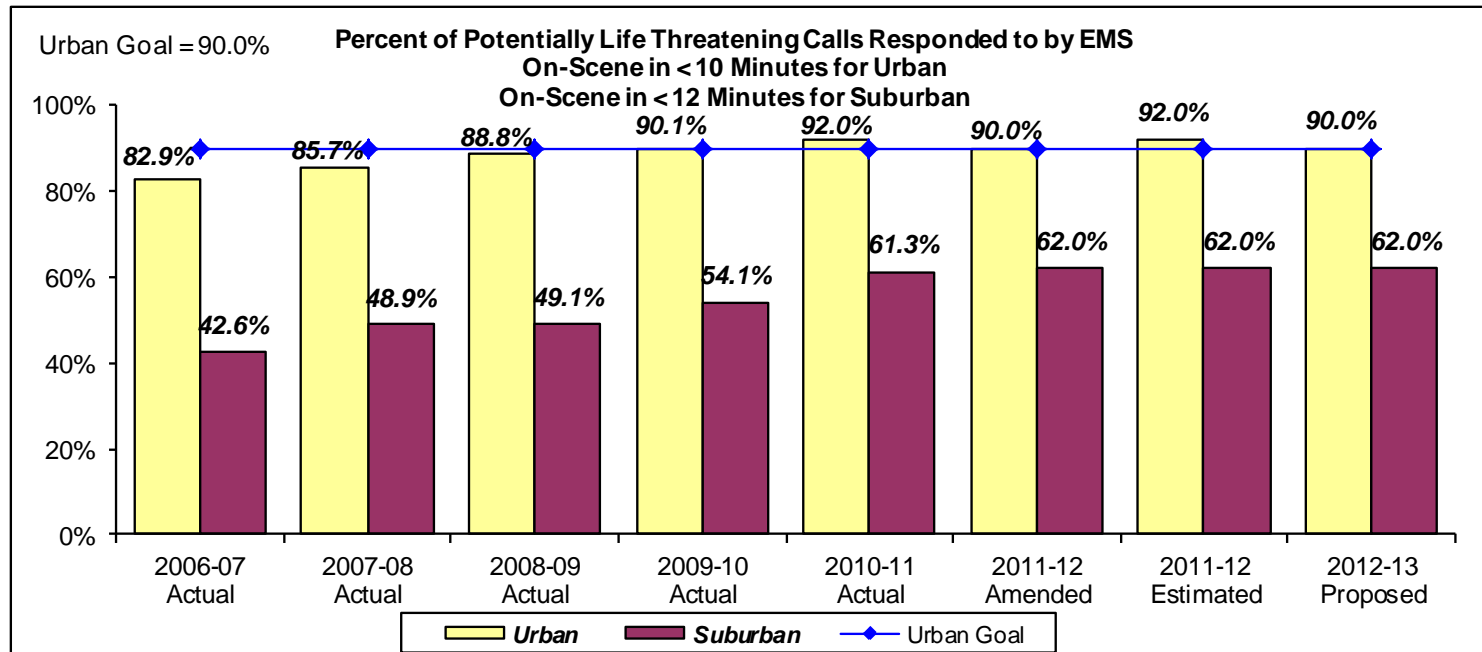
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Performance Measure Highlights







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Austin Resource Recovery
August 22, 2012



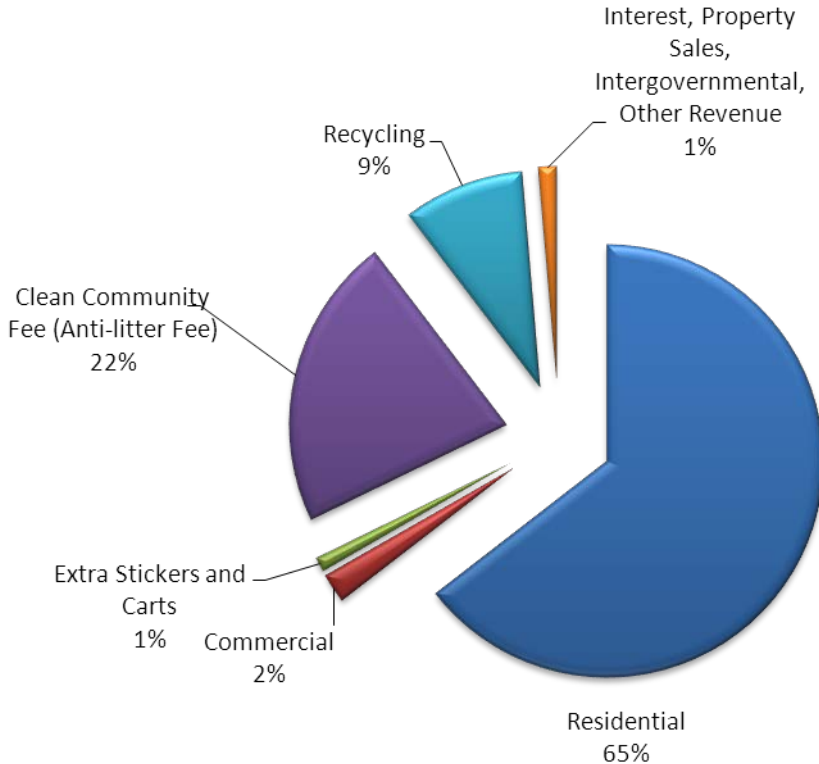
Budget Highlights

- *Rate Structure Changes*
- *Master Plan Year Two*
 - Pilot contracts
 - Single Use Bag Ordinance
 - 10 new FTEs to support Master Plan initiatives
 - Zero Waste Education Campaigns
- *Universal Recycling Ordinance*
 - Outreach
 - Education
 - Implementation
- *New Divisions*
 - Quality Assurance
 - Safety

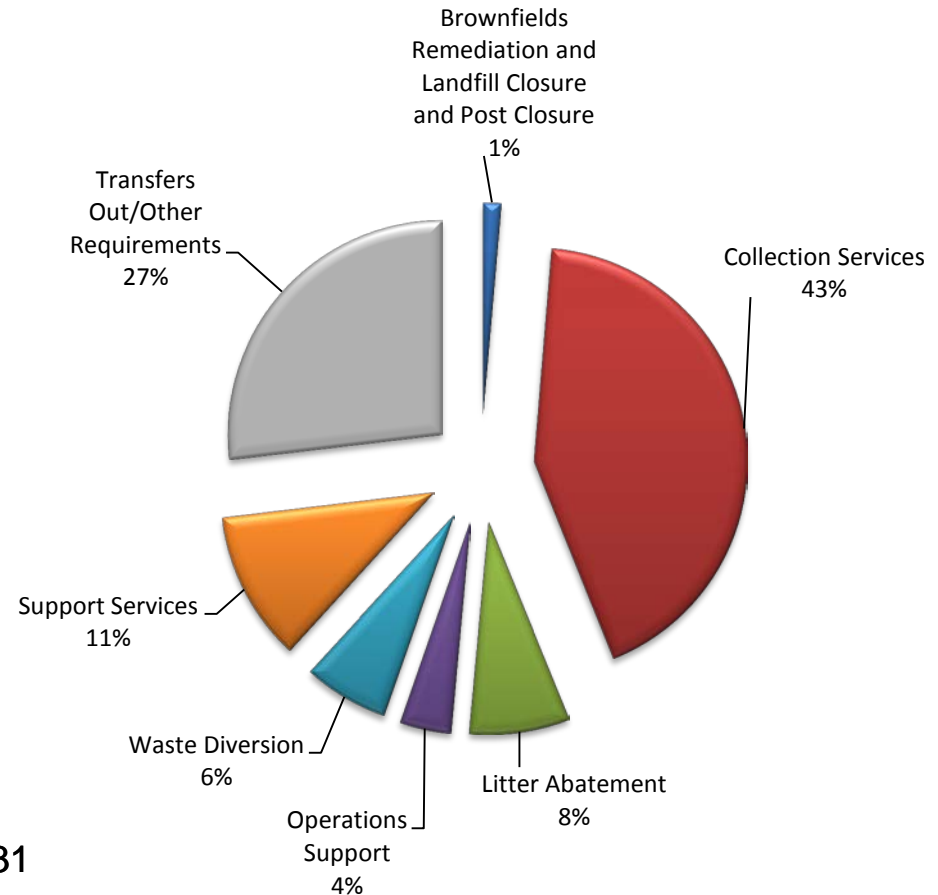



FY 2012 – 13 Budget

Sources of Funds \$72.7 million



Uses of Funds \$81.7 million






FY 2012-13 Budget

Austin Resource Recovery	FY 2011-12 Estimated*	FY 2012-13 Budget
Beginning Balance	\$24.3	\$14.1
Revenue	\$66.3	\$72.7
Revenue	\$66.3	\$72.7
Program Requirements	\$49.8	\$59.7
Transfers Out	\$24.7	\$21.3
Other Requirements	\$1.9	\$0.6
Expenses	\$76.4	\$81.7
Excess (Deficiency)	(\$10.1)	(\$8.9)
Ending Balance	\$14.1	\$5.2
FTEs	398	408

*Code Compliance Transfer Out and a portion of Anti-litter Revenue was removed from FY 2011-12 Estimated for comparison purposes



FY 2012-13 Rates

FY 2012-13 Customer Allocation Percentage	Trash Cart Size	FY 2011-12 Approved Rates	Fixed Rate/Gal Trash		Bundled Collection Services [§]	FY 2012-13 Proposed Rate	Change from FY 2011-12 Approved to FY 2012-13 Proposed
3%	24 gallon	\$12.75*	24 x \$0.16 =	\$3.85	\$9.50	\$13.35	\$0.60
20%	32 gallon	\$13.50	32 x \$0.16 =	\$5.10	\$9.50	\$14.60	\$1.10
61%	64 gallon	\$18.75	64 x \$0.16 =	\$10.25	\$9.50	\$19.75	\$1.00
16%	96 gallon	\$30.95	96 x \$0.25 =	\$24.00	\$9.50	\$33.50	\$2.55

[§]Base Customer Charge

*FY 12 rate displayed is for the 21 gallon cart

Clean Community Fee*	FY 2011-12 Approved	FY 2012-13 Proposed		Change
Residential	\$5.00	\$6.00	\$3.40 ARR	\$0.40 ARR
			\$2.60 CCD	\$0.60 CCD
Commercial	\$7.50	\$12.00	\$6.80 ARR	\$2.30 ARR
			\$5.20 CCD	\$2.20 CCD


*Formerly known as the Anti-litter Fee



Significant Changes

(in millions)

Category	FY 2011-12 Amended	FY 2012-13 Proposed	Estimated Change	Activity
Citywide	\$44.0	\$47.7	\$3.7	Health Insurance
				Civilian Wage Adjustments
				Supplemental Pension Funding
				3-1-1 System Support
				Fleet Fuel & Maintenance
				Support Services
				Communication & Technology
Departmental	\$30.6	\$34.0	\$3.4	General Obligation Debt Service
				Contractual Obligations
				10 new FTEs – Master Plan
Total	\$74.6	\$81.7	\$7.1	



FY 2012-13 Capital Improvement Projects

FY 13 New Appropriation: \$14.5M

FY 13 Spending Plan: \$21.8M

- *Highlights:*

- Vehicles to support Master Plan initiatives
- Replacement Vehicles
- Closed landfill remediation- Harold Court and Loop 360

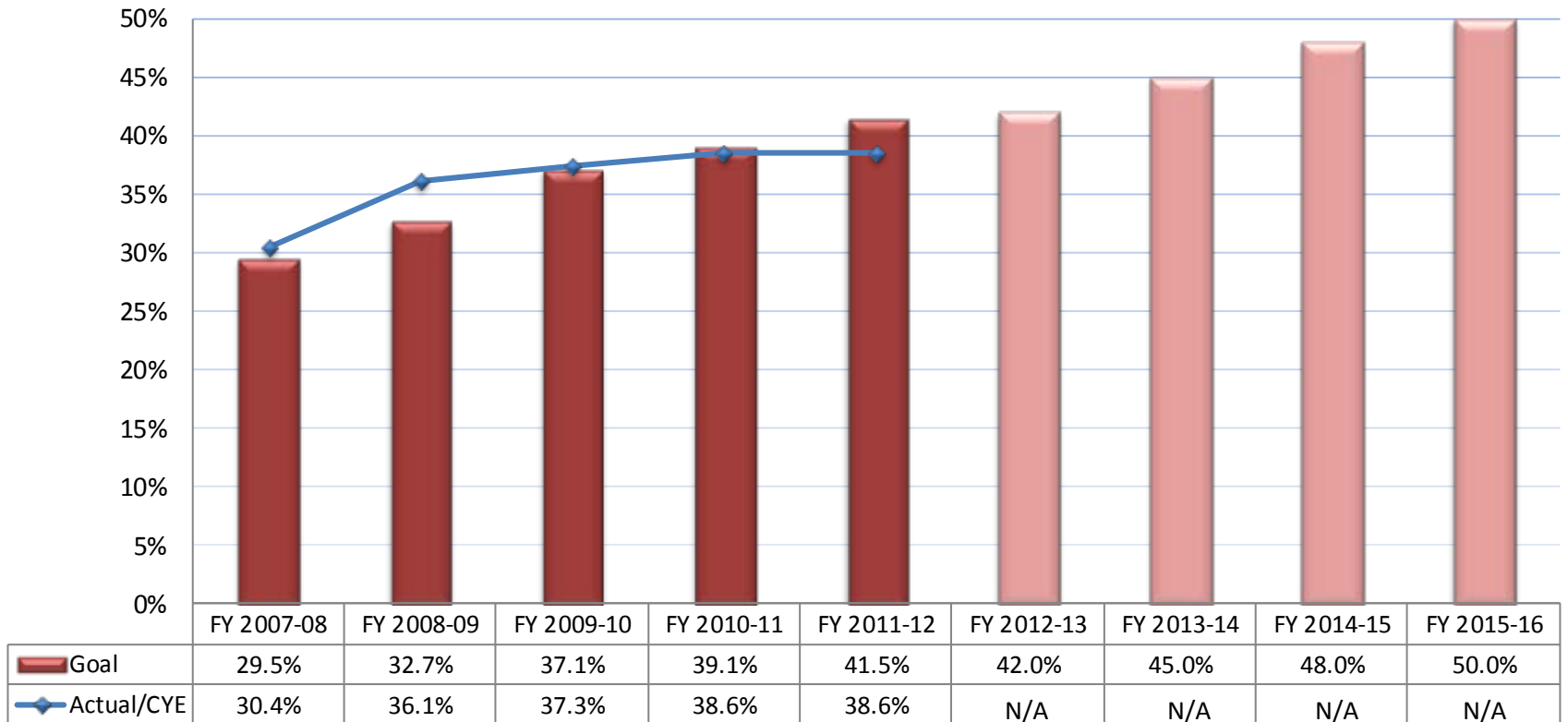
FY 2013-2017 Spending Plan: \$71.9M

FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
\$21.8M	\$22.4M	\$13.6M	\$7.6M	\$6.5M



Performance Measures

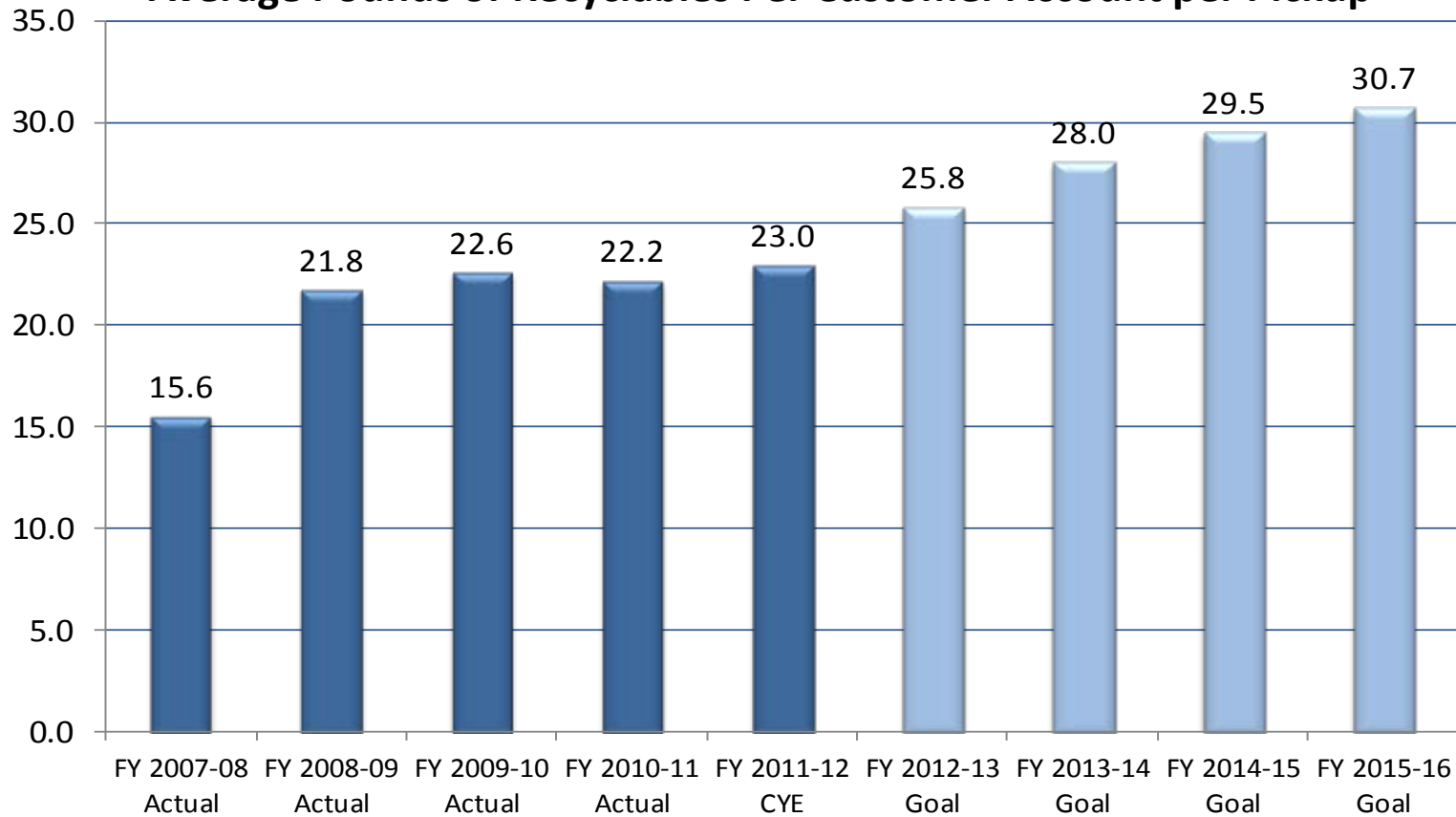
Percent of Waste Stream Diverted by ARR Curbside and HHW Operations





Performance Measures

Average Pounds of Recyclables Per Customer Account per Pickup





FY 2012-13

Master Plan Initiatives

- *New Programs*
 - Universal Recycling Implementation
 - Reuse Drop-off Centers
 - Expansion Planning of Organics Processing
 - Storm Response Debris Management Plan
 - Public Area Recycling Program
- *North Facilities Planning*
 - Household Hazardous Waste
 - Fueling
 - Service Center
- *Pilots*
 - Curbside Organics Collection
 - Mattress Collection
 - Bulk Collection Recycling
- *FM812 Landfill Closure*
 - Gas To Energy Project
 - Solar Field Planning
 - Eco-Industrial Park
- *Education & Outreach*
 - Recycle Right Campaign
 - Zero Waste Initiatives
 - Reusable Bags Education and Outreach



Cost Efficiencies

- *FY 2011-12*
 - Sell Unused Recycling MRF Equipment
 - Expanded CNG Fuel Conversions (On-going each year)
- *FY 2012-13*
 - FM812 Landfill Post-Closure Enhanced Gas Capture System
 - Planning for establishment of North Service Center (North Household Hazardous Waste Collection, Fuel Site, North Deployment)
- *FY 2013-14*
 - FM812 Landfill Solar Field

Questions?



FY 2012-13 Budget Presentation

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Code Compliance Department

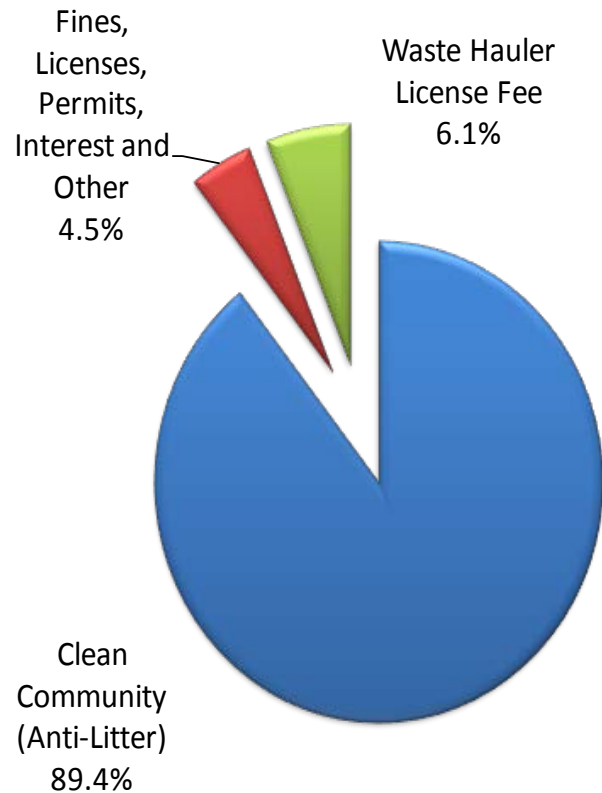
August 22, 2012

Carl Smart, Director

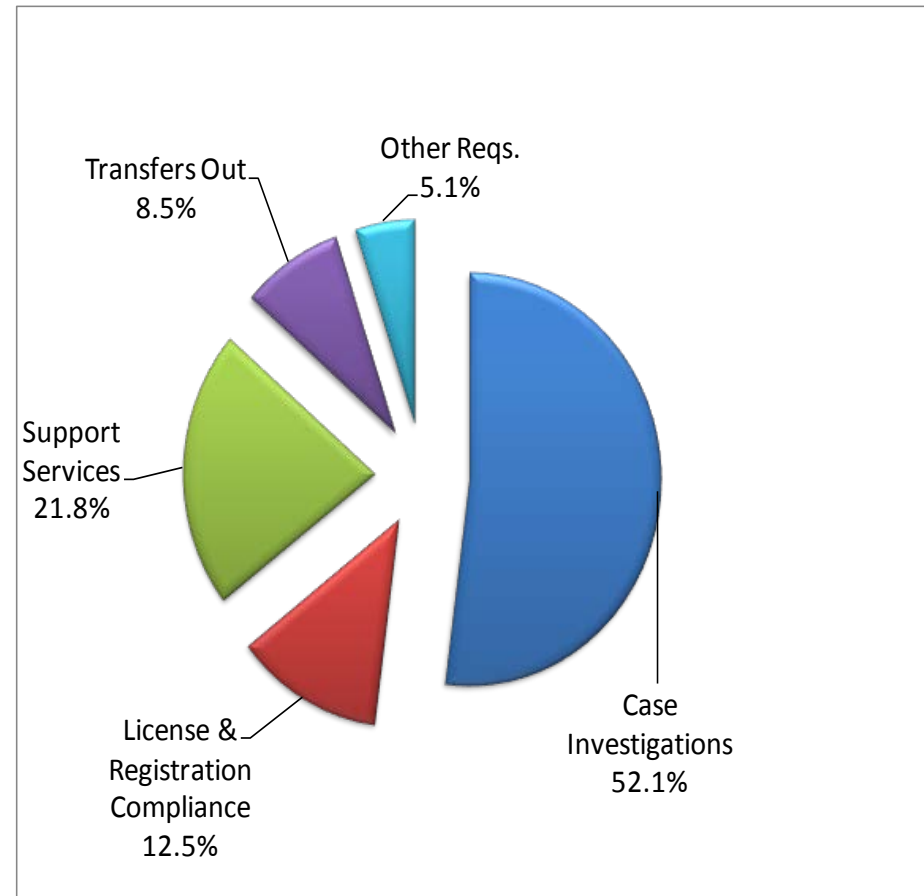


FY 2012-13 Budget

Sources of Funds \$13.4 million



Uses of Funds \$13.4 million





FY 2012-13 Budget

(in millions)

		FY 2012 Amended	FY 2012 Estimated	FY 2013 Proposed
Beginning Balance	\$	0.0	0.0	0.0
Revenue	\$	0.8	0.7	13.4
Transfers In	\$	10.5	10.0	0.0
Available Funds	\$	11.3	10.7	13.4
Program Requirements	\$	9.3	8.7	11.6
Transfers Out	\$	1.0	1.0	1.2
Other Requirements	\$	1.0	1.0	0.7
Total Requirements	\$	11.3	10.7	13.4
Excess (Deficiency)	\$	0.0	0.0	0.0
Ending Balance	\$	0.0	0.0	0.0
FTEs		69	69	88



Significant Changes - \$2.1M

Category	FY 2011-12 Amended	FY 2012-13 Proposed	Estimated Change	Activity
Citywide	\$6.0	\$6.2	\$0.2	Health Insurance
				Wage Adjustment
				Administrative Support – City
Departmental	\$3.6	\$5.3	\$1.9	19 New FTEs
				Computer Hardware
				Contractuals and Commodities
Total	\$11.3	\$13.4	\$2.1	



Budget Highlights

- **Case Investigations**
 - Generalized inspector methodology to a specialized inspector focus
 - 4 new inspector positions
 - Reduce average number of cases per inspector
 - Help meet the community's expectations of services
- **Waste Hauler Licensing Program**
 - Program transferred from Austin Resource Recovery
 - Ensure compliance with City code and reduce the increased amount of illegal dumping activities
 - 9 new FTEs to enforce and administer this program
 - Expand the Illegal Dumping Camera Program
 - Administer and monitor compliance with Licensing Program
 - Worksite Field Inspections





Budget Highlights

- **Administrative Hearing Process**

- Resolution of compliance cases
 - Through mediation at the department level
 - New process to expedite cases
 - Alternative to Building Standards Commission and the court system
- 2 new FTEs to help administer the program

- **Multi-Family Inspection Program**

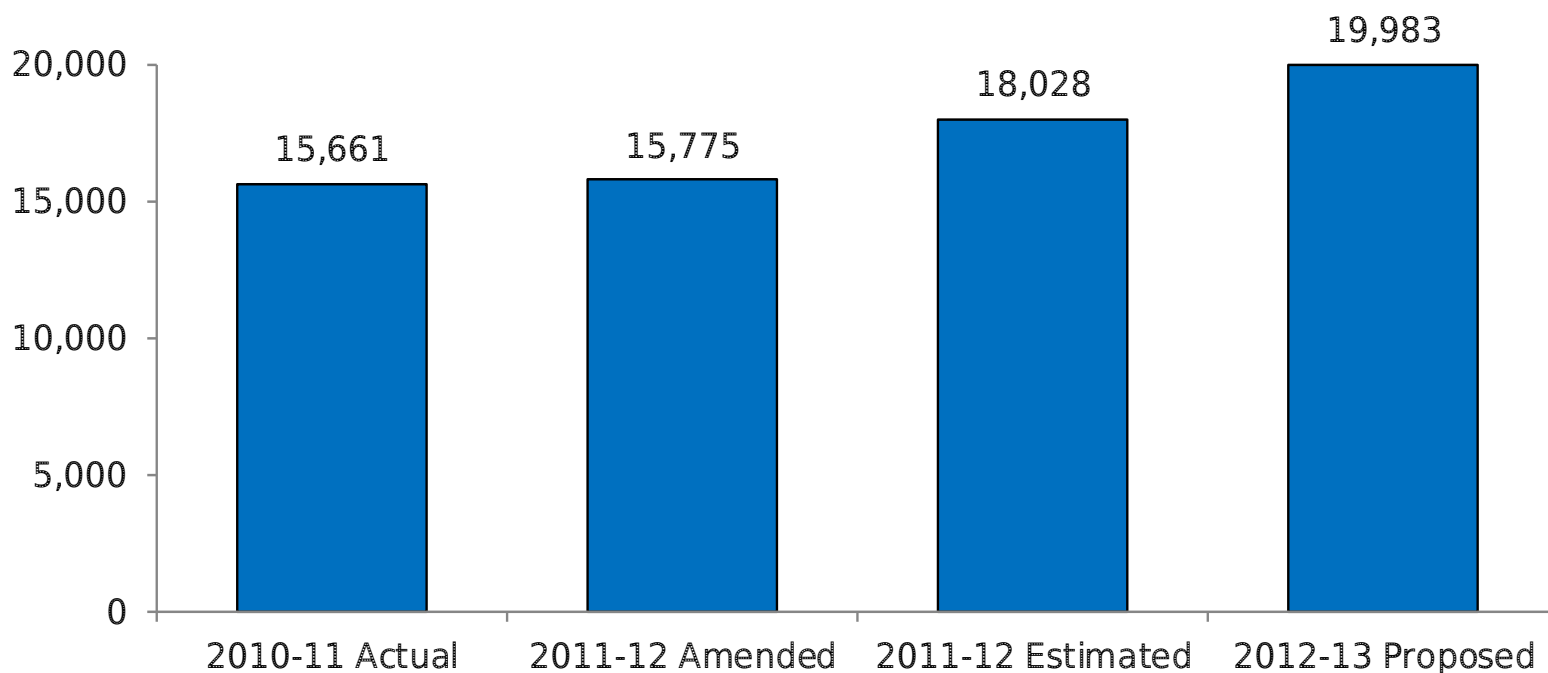
- Proactive identification and inspection of substandard properties
- More than 50% of Austin residents live in rental housing
- 4 new inspector positions
 - Address the increasing number of complaints associated with multi-family housing
 - More complex technical and zoning investigations





Performance Measure Highlights

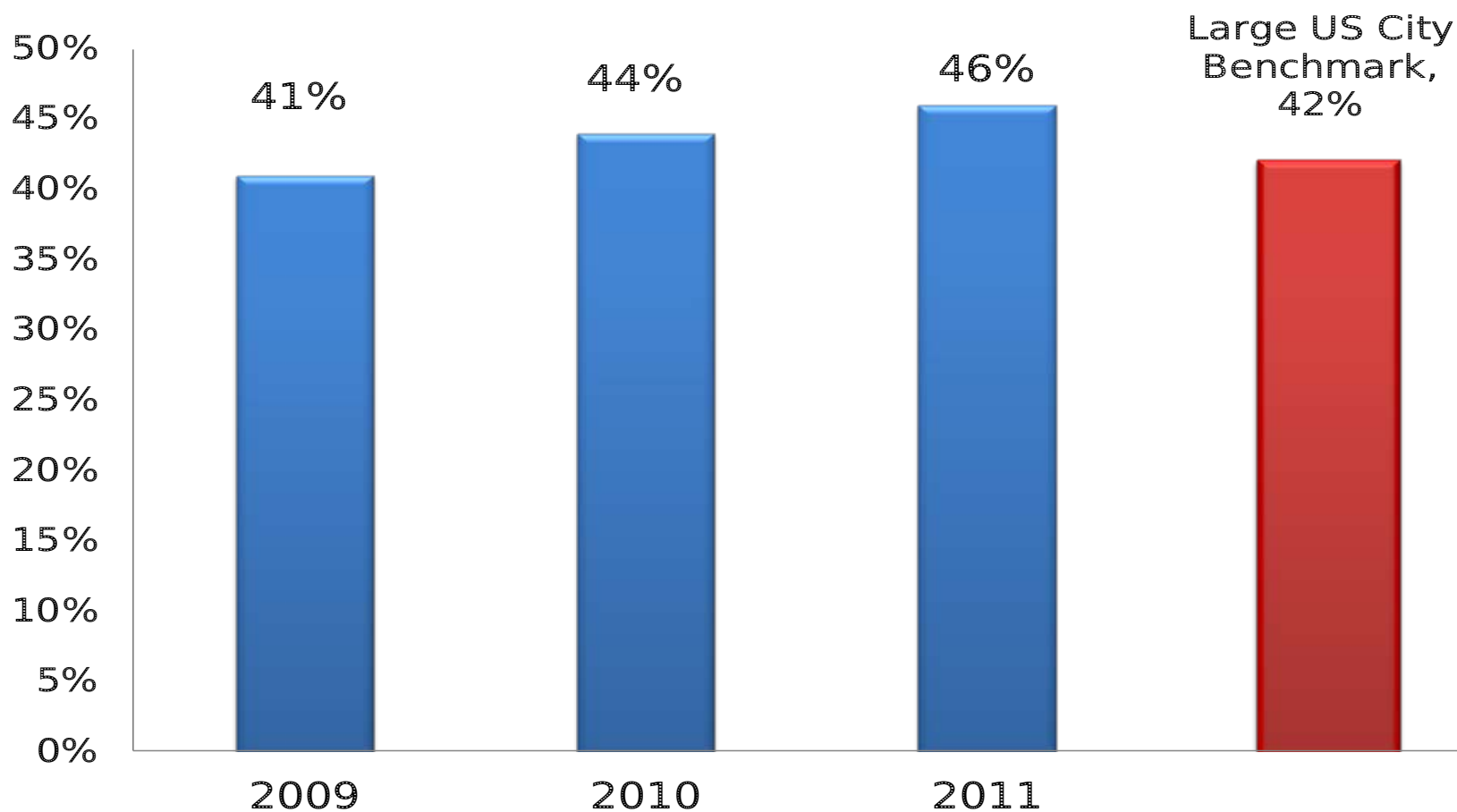
Total Number of Code Compliance Cases Investigated





2011 City of Austin Citizen Survey

Satisfaction with Enforcement of Local Codes and Ordinances



Questions?



Code Compliance Department
Carl Smart, Director



Austin Water Utility 2013 Proposed Budget

Volume I, Page 471

**Council Work Session
August 22, 2012**

Presentation Outline

- Accomplishments
- Fund Summary
- Revenue & Rates
- Requirements
- Capital Program
- Financial Policies
- Performance Measures
- Budget Highlights

Accomplishments - 2012

- Joint Committee on AWU's Financial Plan
- Bond ratings reaffirmed
- Ongoing gains in water conservation
- LCRA Water Management Plan (WMP)
- Progress on major capital projects
- Treatment plant awards

Fund Summary – 2013 Proposed

(In Millions)	Amended 2012	Estimate 2012	Proposed 2013
Beginning Balance	\$ 46.7	\$ 71.7	\$ 72.6
Revenue	458.8	459.8	507.8
Transfers In	4.6	4.6	7.0
Available Funds	\$ 463.4	\$ 464.4	\$ 514.8
Operating Requirements	189.2	188.1	207.1
Debt Service	189.1	187.8	204.3
Transfers Out	87.6	87.6	106.1
Total Requirements	\$ 465.9	\$ 463.5	\$ 517.5
Excess (Deficiency)	(2.5)	0.9	(2.7)
Ending Balance	\$ 44.2	\$ 72.6	\$ 69.9

Debt Coverage

1.51

1.53

1.56

Revenue & Rates

Service Rate Increases

2013 Proposed

- Proposed Service Rate Revenue Increases
(excluding Revenue Stability Reserve Fund Surcharge)

	Proposed 2013
Water:	5.0%
Wastewater:	6.0%
Reclaimed:	10.8%
Combined:	5.5%

- Additional Revenue Stability Reserve Fund Surcharge at \$0.12 / 1,000 Gallons

Joint Committee Recommendations Summary

- Final recommendations
 - Eliminate the current Revenue Stability Fee
 - Implement a residential tiered minimum charge
 - Fixed revenue goal at 20%
 - New volumetric rate block intervals and rates
 - Create revenue stability reserve fund
 - Implement reserve fund surcharge
 - Enhance operating reserves

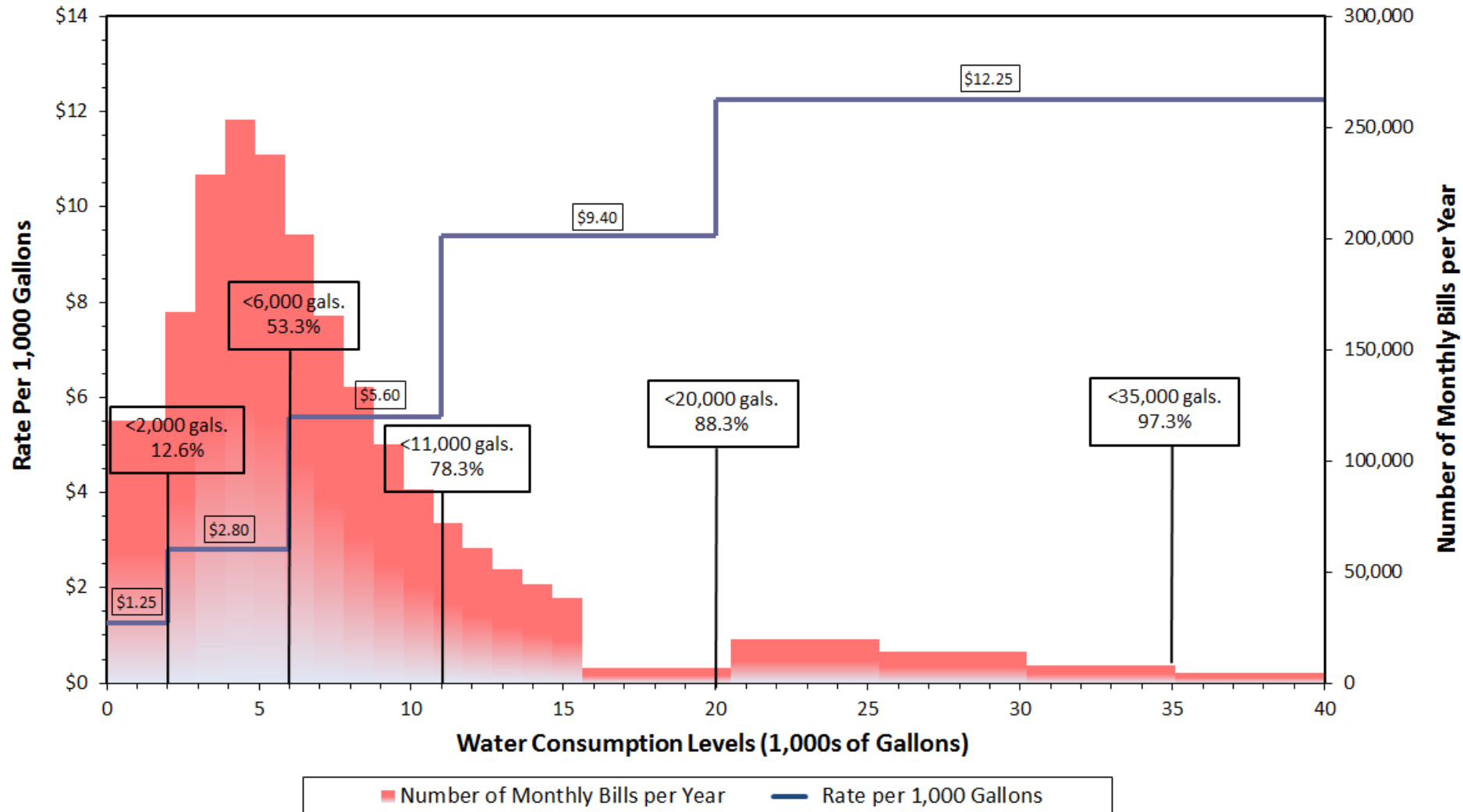
Service Rate Implementation

- November 2012:
 - Wastewater and reclaimed rate increases
- February 2013: Water rate increase
 - Billing system modifications required before implementation of new water rates
 - Implementation of Joint Committee recommendations
 - Tiered fixed fee implemented and rate block intervals changed
 - Reserve Fund and Surcharge implemented

Residential Water Rates

	Existing Rates	Proposed Rates
	2012	Feb 2013
Monthly Minimum Charge (5/8"):	\$7.10	\$7.10
Monthly Revenue Stability Fee (5/8"):	\$4.40	-
Monthly Tiered Minimum Charge: (Bills within Blocks)		
Block 1: 0 - 2,000	-	\$2.00
Block 2: 2,001 - 6,000	-	4.50
Block 3: 6,001 - 11,000	-	7.45
Block 4: 11,001 - 20,000	-	12.55
Block 5: 20,001 and over	-	12.55
Volume Rates: (\$ / 1,000 gals.)		
	<u>Existing</u>	<u>Proposed</u>
Block 1: 0 - 2,000	0 - 2,000	\$1.17
Block 2: 2,001 - 9,000	2,001 - 6,000	3.08
Block 3: 9,001 - 15,000	6,001 - 11,000	7.92
Block 4: 15,001 - 25,000	11,001 - 20,000	10.95
Block 5: 25,001 and over	20,001 and over	12.19

Residential Water Rates and Customer Distribution



Residential Water Bill Impacts

(includes Reserve Fund Surcharge)



Monthly Usage Gallons 5/8" Meter	Existing Rates 2012	Proposed Rates Feb 2013	\$ Variance	% Variance	
0	\$ 11.50	\$ 9.10	\$ (2.40)	-20.9%	} 53% of customers
1,000	12.67	10.47	(2.20)	-17.4%	
2,000	13.84	11.84	(2.00)	-14.5%	
5,000	23.08	23.10	0.02	0.1%	
6,000	26.16	26.02	(0.14)	-0.5%	
9,000	35.40	46.13	10.73	30.3%	} 47% of customers
15,000	82.92	100.75	17.83	21.5%	
25,000	192.42	210.20	17.78	9.2%	
30,000	253.37	272.05	18.68	7.4%	
60,000	619.07	643.15	24.08	3.9%	

- 24,000 or 13% of customers that use below 2,000 gallons will see a reduction to their bill due to tiered minimum charge implementation
- 100,000 or 53% of customers below 6,000 gallons “essential water” will see a bill decrease or very slight increase

Water Revenue Stability Reserve Fund

- Revenue Stability Reserve Fund
 - Proposed for creation in 2013
 - Goal of 120 days of operating costs within 5 years
 - Requires Council action on use of reserve fund
 - Requires 10% budget shortfall before use of fund
 - Only 50% of fund can be used in any one year
- Reserve Fund Surcharge
 - \$0.12 per 1,000 gallons proposed for 2013
 - Lower than the \$0.18 discussed with Joint Committee
 - Use of portion of projected ending balance to reduce initial surcharge

Residential Wastewater Rates

	Existing Rates 2012	Proposed Rates 2013
Monthly Minimum Charge:	\$9.25	\$10.00
Volume Rates: (\$ / 1,000 gals.)		
Block 1: 0 - 2,000	\$3.79	\$4.31
Block 2: 2,001 and over	8.38	8.92

Wastewater rates effective November 1, 2012

Average Customer Bill Impacts 2012 Current vs. 2013 Proposed

Residential (7,727 gals. Water 4,699 gals. Wastewater)	Current 2012	Proposed 2013	Variance Proposed vs. Current
Water	\$ 28.82	\$ 30.14	\$ 1.32
Revenue Stability Fee	4.40	-	(4.40)
Water Tiered Fee	-	5.95	5.95
Water Reserve Fund	-	0.65	0.65
Wastewater	39.45	42.70	3.25
Total	\$ 72.67	\$ 79.44	\$ 6.77
% Variance			9.3%

125,000 or 66% of total customers use below average water and wastewater use and will see lower bill impacts than the average customer

Customer Assistance Program (CAP)

- In effect since 2009; serves an average of 4,900 AWU customers
- Waives minimum charges, current Revenue Stability Fee, and will waive new tiered minimum charge
- 51% of CAP customers use below 6,000 gallons water
- Working with Austin Energy to expand program to those CAP customers without an individual water meter
 - Would approximately double the number of CAP customers
- Only a 3.3% increase in average residential CAP water and wastewater bills from FY08 to proposed FY13

CAP Water Bill Impacts - Proposed

(includes Reserve Fund Surcharge)



Monthly Usage Gallons 5/8" Meter	Existing Rates 2012	Proposed Rates Feb 2013	\$ Variance	% Variance	
0	\$ -	\$ -	\$ -	0.0%	51% of customers
1,000	1.17	1.37	0.20	17.1%	
2,000	2.34	2.74	0.40	17.1%	
5,000	11.58	11.50	(0.08)	-0.7%	
6,000	14.66	14.42	(0.24)	-1.6%	
9,000	23.90	31.58	7.68	32.1%	49% of customers
15,000	71.42	81.10	9.68	13.6%	
25,000	180.92	190.55	9.63	5.3%	
30,000	241.87	252.40	10.53	4.4%	
60,000	607.57	623.50	15.93	2.6%	

- Customers using 9,000 – 15,000 gallons proposed to have a one-time high percentage bill impact due to block interval changes in 2013

CAP Water Rates

Recommended Revisions

- AWU recommends a CAP volume rate discount to smooth the bill impacts for 2013 and provide additional CAP discounts for the future
- Water & Wastewater Commission Review
 - Reviewed volumetric water rate discount
 - Commission recommended including discount to water volumetric rates for CAP customers
 - 20% to 30% for blocks 1-4 with no discount for block 5
 - Proposed CAP customer discounted volume rates would go into effect in February 2013

CAP Water Bill Impacts Recommended Revisions

(includes Reserve Fund Surcharge)

Monthly Usage Gallons 5/8" Meter	Existing Rates 2012	Proposed Rates Feb 2013	\$ Variance	% Variance	
0	\$ -	\$ -	\$ -	0.0%	51% of customers
1,000	1.17	1.12	(0.05)	-4.3%	
2,000	2.34	2.24	(0.10)	-4.3%	
5,000	11.58	9.35	(2.23)	-19.3%	
6,000	14.66	11.72	(2.94)	-20.1%	
9,000	23.90	23.78	(0.12)	-0.5%	49% of customers
15,000	71.42	62.30	(9.12)	-12.8%	
25,000	180.92	162.25	(18.67)	-10.3%	
30,000	241.87	224.10	(17.77)	-7.3%	
60,000	607.57	595.20	(12.37)	-2.0%	

- All CAP customers will see bill decreases in 2013 from their current rates

Requirements

Total Requirements – 2013 Proposed

(In Millions)	Amended 2012	CYE 2012	Proposed 2013
Treatment	\$67.5	\$68.7	\$73.4
Pipeline Operations	33.8	34.5	38.3
Engineering Services	12.0	11.4	13.3
Water Resources Management	4.0	4.1	4.8
Environmental Affairs & Conservation	12.2	9.8	13.1
Support Services - Utility	16.7	17.5	19.3
Reclaimed Water Services	0.3	0.3	0.3
One Stop Shop	0.5	0.5	0.6
Other Operating Expenses	6.5	6.2	6.8
Other Requirements	35.7	35.1	37.2
Total Operating Requirements	\$189.2	\$188.1	\$207.1
Debt Service	189.1	187.8	204.3
Transfers Out	87.6	87.6	106.1
Total Requirements	\$465.9	\$463.5	\$517.5

Full Time Equivalents

1,069

1,069

1,094

2013 Significant Changes - \$16.3 M

Citywide

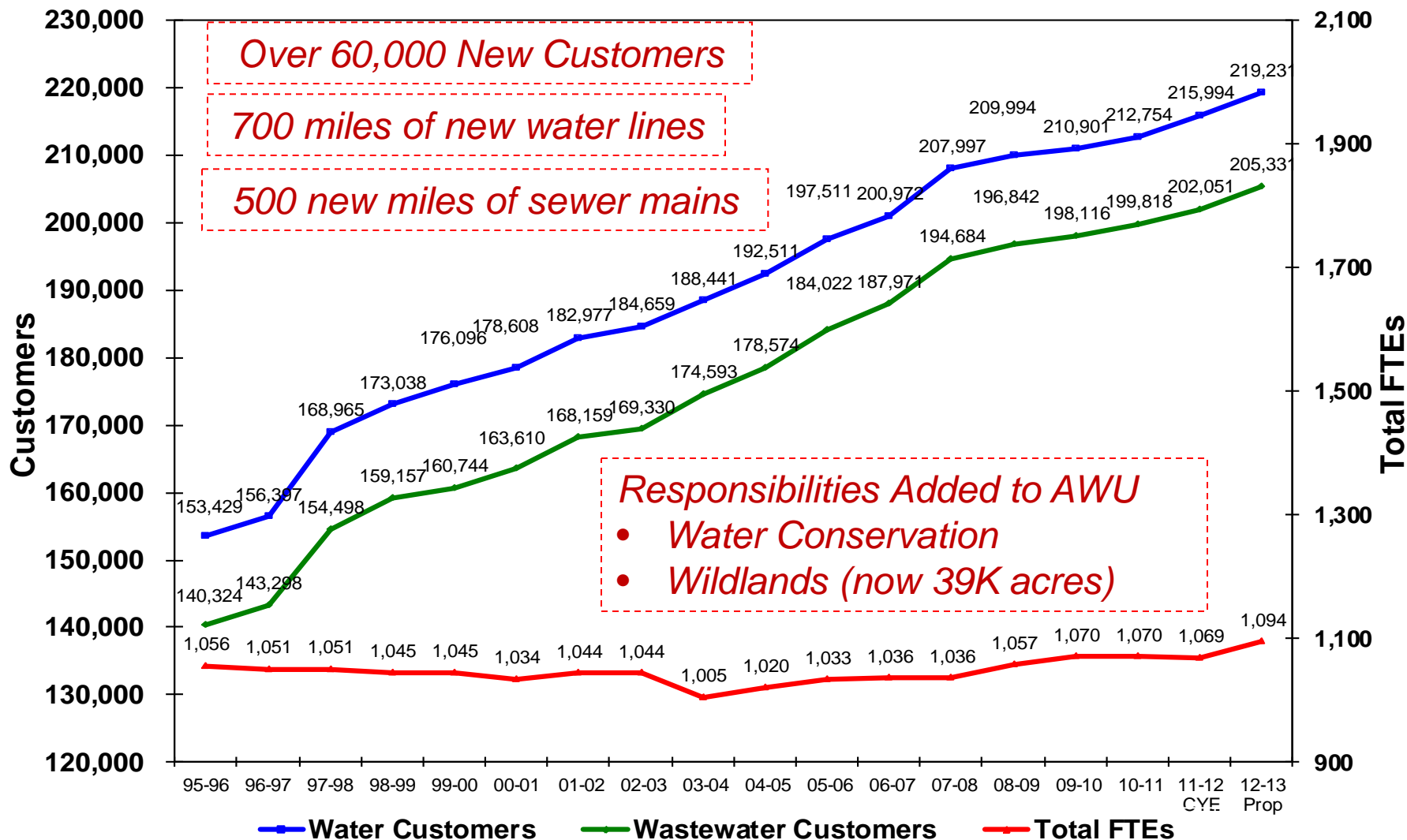
Category	Proposed Increase (Millions)	Justification
O&M Support Costs	\$7.5	<ul style="list-style-type: none"> • Austin Energy Billing & Customer Care • Administrative Support-City • Public Works Street Cut & Repair • CTM Support
Personnel Costs	\$6.2	<ul style="list-style-type: none"> • 3.0% compensation adjustment • 2.0% additional retirement contribution • Health insurance increase
Transfers Out	\$2.6	<ul style="list-style-type: none"> • General Fund Transfer

2013 Significant Changes - \$35.5 M

Utility

Category	Proposed Increase (Millions)	Justification
Personnel & Contractual Costs	\$4.3	<ul style="list-style-type: none"> Security at plants, sludge hauling, generator maintenance, AE electrical, etc. \$2.0 M 26 new FTEs \$2.3 M
Debt Service	\$15.2	<ul style="list-style-type: none"> Existing debt service \$5.9 M New debt service \$9.3 M
Transfers Out	\$16.0	<ul style="list-style-type: none"> Capital Improvement Program \$8.6 M Revenue Stability Reserve Fund \$5.5 M Reclaimed Utility Fund subsidy \$1.9 M

FTEs vs. Customer Growth



2013 Staffing Proposal – 26 Positions

- Manage a Growing System & Staffing New Facilities
 - WTP4 (13 FTEs)
 - System Operations & Maintenance (4 FTEs)
- Enhance Water Conservation, Reclaimed Water, Water Accountability & Water Quality
 - Reclaimed Water (1 FTE)
 - Water Accountability – Meters (2 FTEs)
 - Water line replacement – Renew Austin (1 FTE)
 - Wildland management (1 FTE)
- Planning for the Future
 - Capital Improvement Planning & Prioritization (1 FTE)
- Ensure Solid Business Practices
 - Safety & Emergency Preparedness (2 FTEs)
 - Facility Management (1 FTE)

Capital Program

Capital Improvement Program

\$1.02 Billion 5-Year Capital Spending Plan

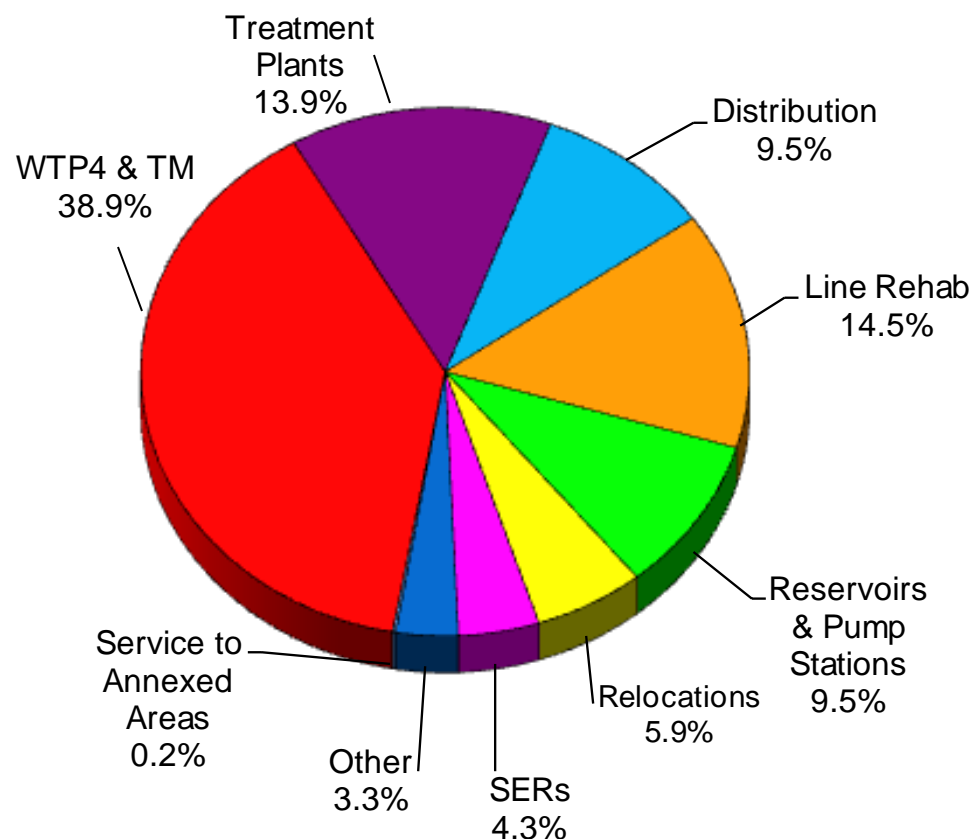
\$ in millions

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Total</u>
Water	\$191.4	\$167.9	\$92.5	\$92.4	\$69.5	\$613.7
Wastewater	59.9	69.4	81.4	70.8	81.7	363.2
Reclaimed	<u>7.3</u>	<u>6.1</u>	<u>8.9</u>	<u>9.9</u>	<u>8.3</u>	<u>40.5</u>
Combined	<u>\$258.6</u>	<u>\$243.4</u>	<u>\$182.8</u>	<u>\$173.1</u>	<u>\$159.5</u>	<u>\$1,017.4</u>

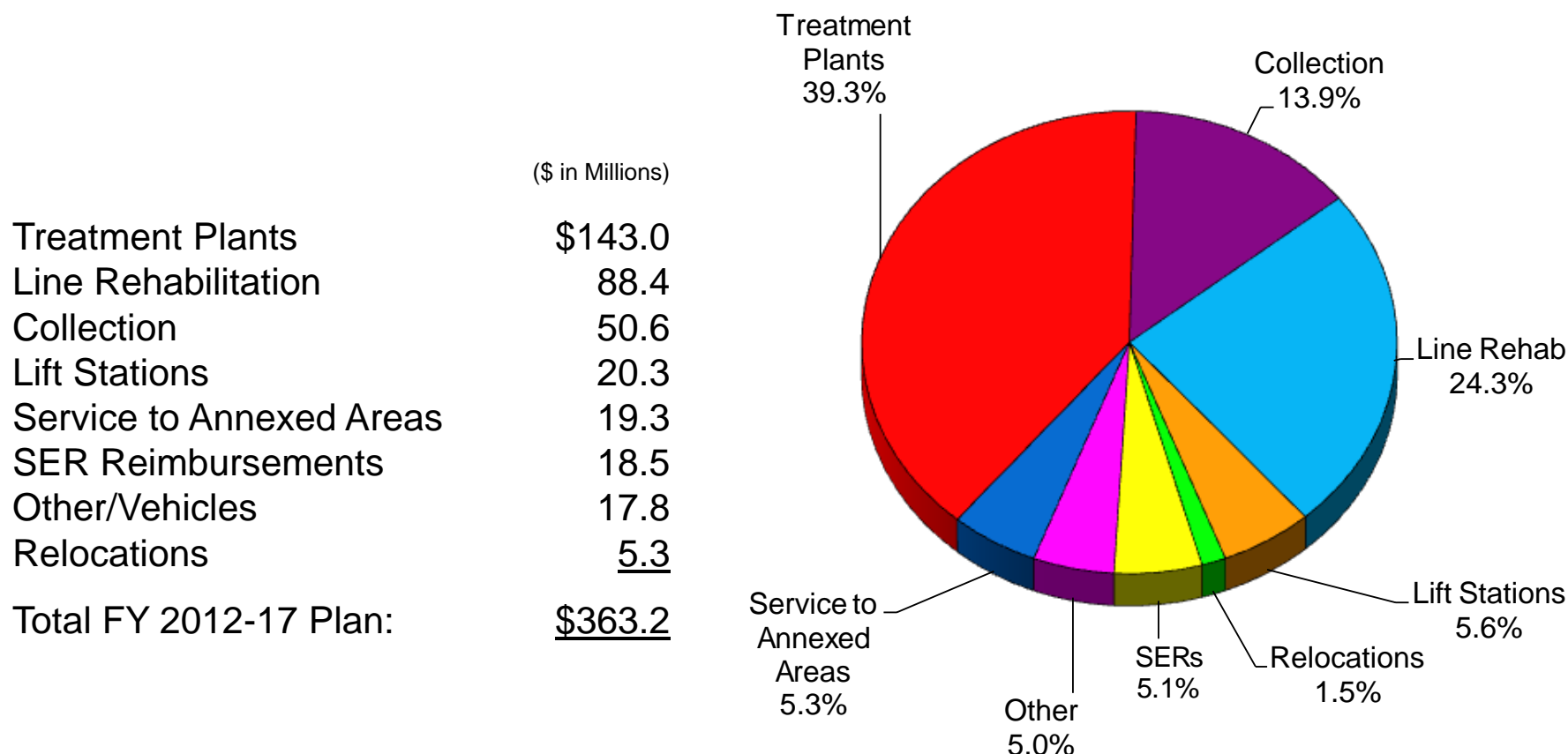
Proposed 5-Year CIP Spending Plan Water Utility - \$613.7 Million

	(\$ in Millions)
WTP4 & Related TM	\$238.9
Line Rehabilitation	89.1
Existing Treatment Plants	85.5
Reservoirs / Pump Stations	58.3
Distribution (except WTP4 TM)	58.3
Relocations	35.9
SER Reimbursements	26.4
Other/Vehicles	20.2
Service to Annexed Areas	<u>1.1</u>
Total FY 2013-17 Plan:*	<u>\$613.7</u>

* Reclaimed activity funded by the Water utility is included with the new Reclaimed utility data.



Proposed 5-Year CIP Spending Plan Wastewater Utility - \$363.2 Million





Financial Policies

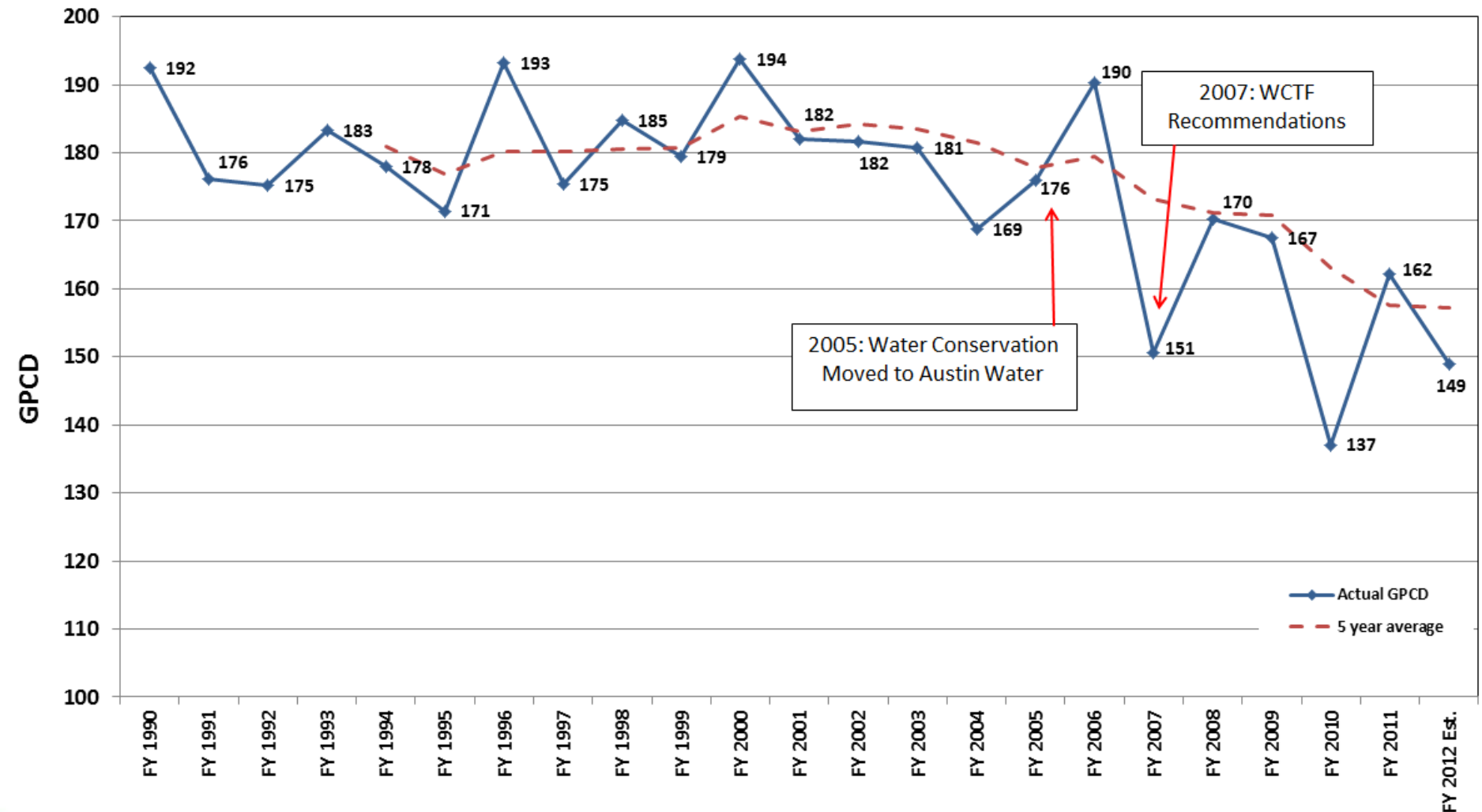
Financial Policies – 2013 Proposed

- Financial Policy proposed revisions
 - Commercial Paper use – City Auditor recommendation
 - Commercial paper approved for all utility system projects
 - Adjust voter authorized bond requirements to comply with State Law
 - Consistent with Austin Energy financial policy
 - Operating Cash Reserve - Joint Committee recommendation
 - Change from 45 days to 60 days
 - Revenue Stability Reserve Fund – Joint Committee recommendation
 - Goal of 120 days operating costs
 - 5 year funding goal to build or replenish
 - Water revenue shortfall of 10% or greater
 - Only 50% use of fund balance in any one year

Performance Measures

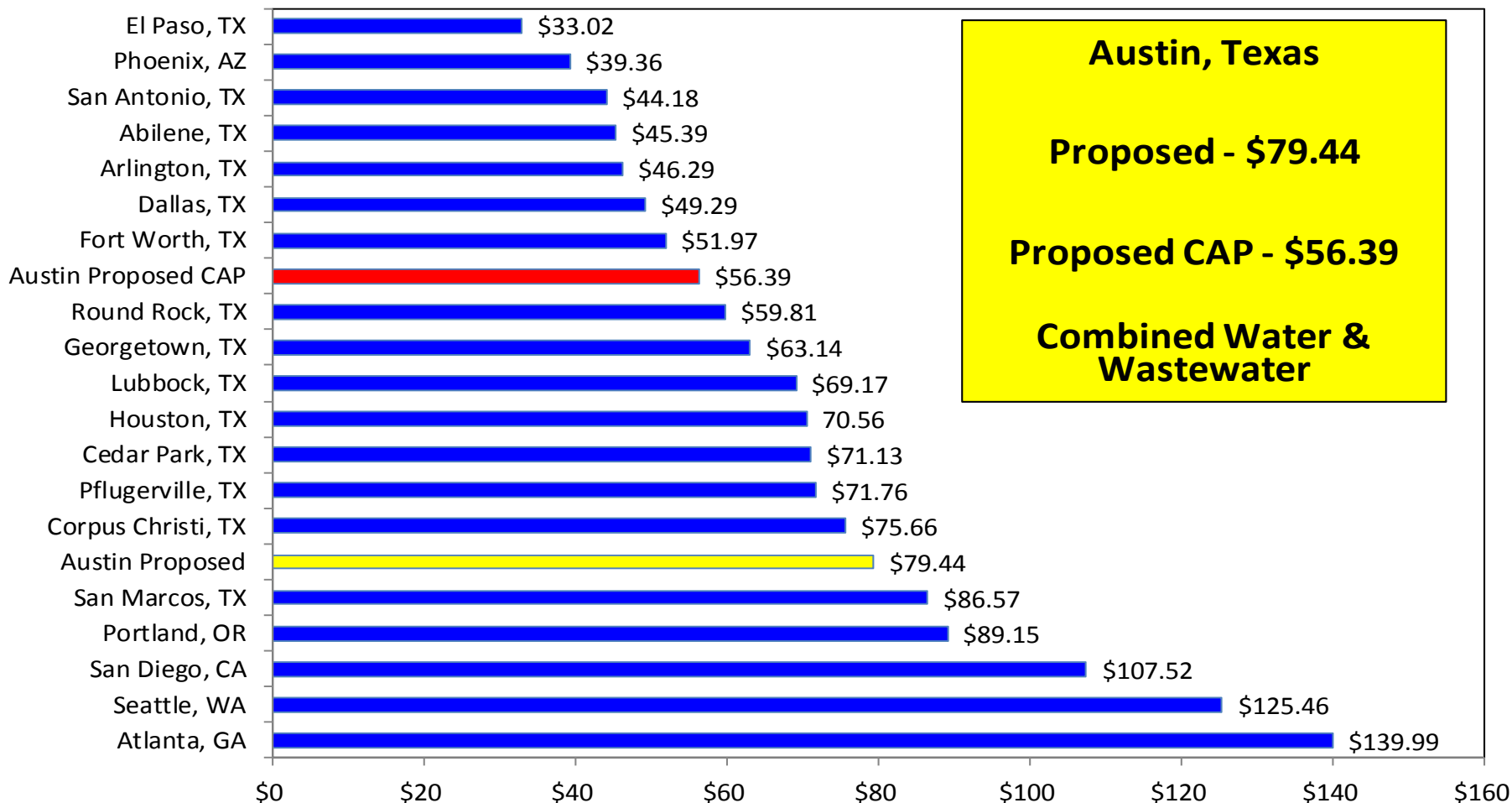
Gallons Per Capita Per Day

Austin Gallons per capita per day (GPCD) from 1990 to 2012 Estimate



Average Residential Bill Comparison

(7,727 gallons water and 4,699 gallons wastewater)



Budget Highlights

- Significant business model changes to improve AWU's short and long term financial stability
- Continue enhanced water conservation to achieve 140 gallons per capita per day goal
- Investment in system infrastructure including Renew Austin water distribution main replacement
- Provide safe, reliable and high quality water services to our customers

Questions?



FY 2012-13 Proposed Budget

Volume 1, Page 409

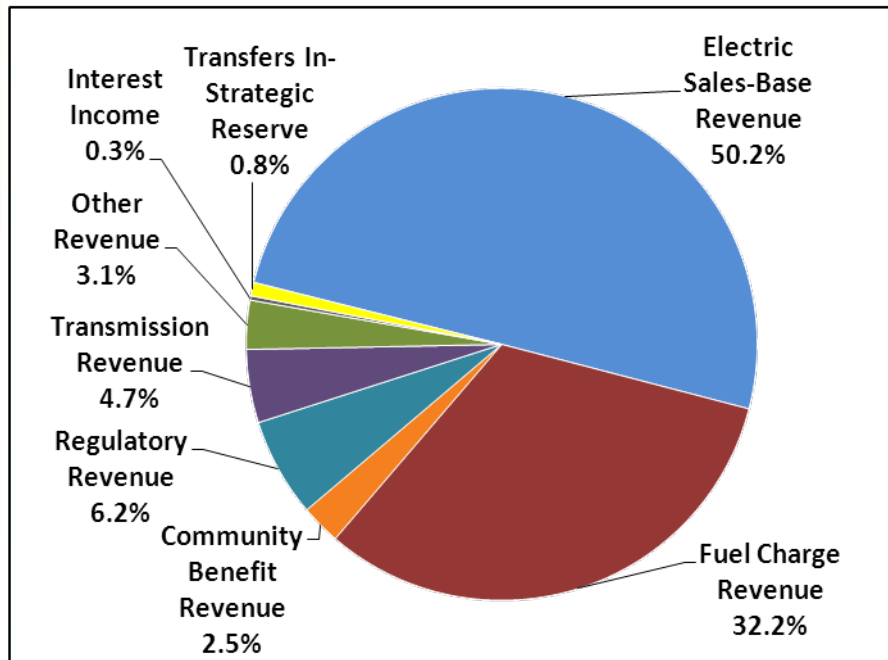


Larry Weis, Austin Energy General Manager
City Council Budget Work session
August 22, 2012

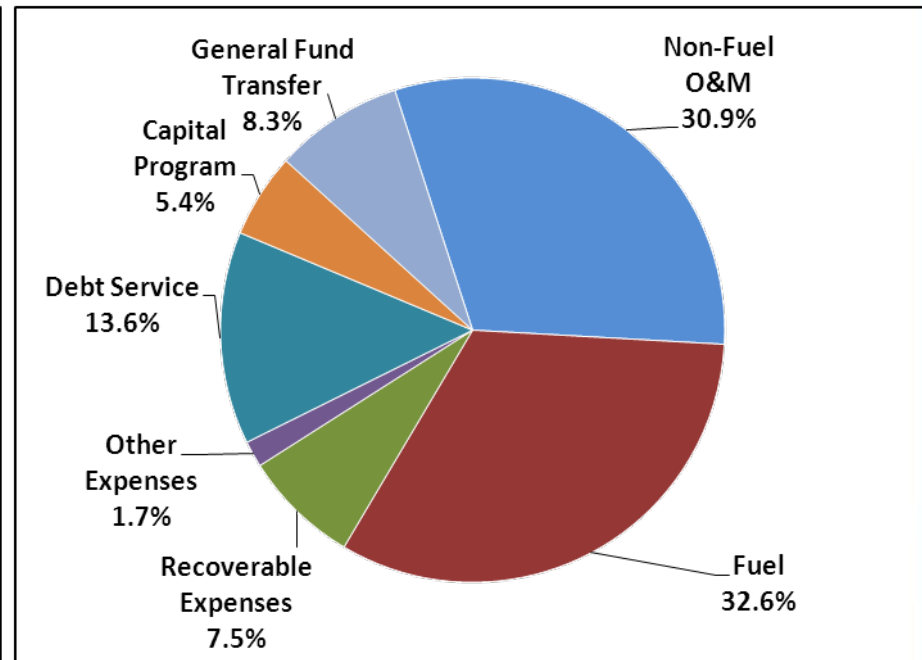
FY 2013 Budget \$1.27B



Sources of Funds (Revenue) FY 2013 Proposed \$1,285 Million (In Millions)



Uses of Funds (Expense) FY 2013 Proposed \$1,269 Million (In Millions)



	FY 2011 Actual	FY 2012 Amended	FY 2012 CYE	FY 2013 Proposed
FTEs	1,721.0	1,706.0	1,706.0	1,706.0

Significant Changes - \$51.0M



City Wide:

- | | |
|--|---------------|
| ● Salary adjustments | \$3.8 million |
| ● Supplemental Retirement Contribution | \$2.3 million |
| ● Administrative Support | \$1.4 million |
| ● Information Technology Support | \$0.7 million |
| ● Health insurance | \$0.5 million |

Departmental:

- | | |
|--|----------------|
| ● Coal & Nuclear plant operating expense | \$23.9 million |
| ● Transmission expense for rising cost of Texas grid | \$14.0 million |
| ● Maintenance at Decker and Sand Hill plants | \$ 2.8 million |
| ● Costs to serve new customers for chiller plants | \$ 1.6 million |

Budget Highlights - Revenue



- Rate Implementation Included
 - System average 7% increase (\$71 M)
 - Redesigned rates with more tiers
 - Line item funding for Customer Assistance Program (CAP), Energy Efficiency/Solar and Street & Traffic Lighting
 - Line item funding for Regulatory charges
 - Summer rates - 4 months; Non-Summer rates - 8 months
- Increased revenue allows Austin Energy to move forward with carbon reduction and renewable goals
- Austin Energy rates to remain in the lower half of the Texas retail market
- Future increases not to exceed 2% annually

Average Residential Customer Monthly Bill Impacts



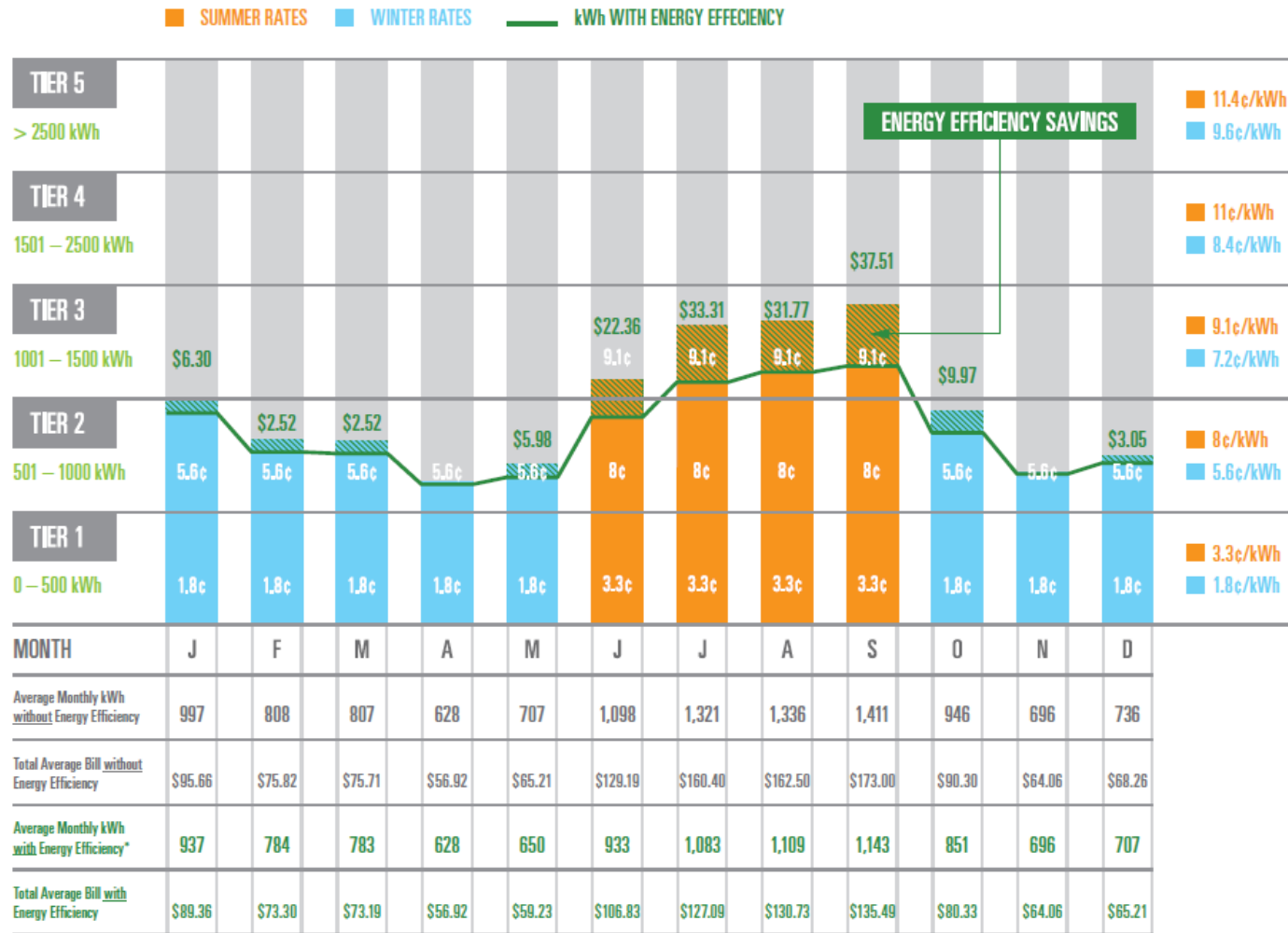
Average for 12 months

	Energy kWh	FY 2011 - 12 Rate	FY 2012 – 13 Rate	\$ Change	% Change
Average Monthly Bill	1,000	\$95.94	\$102.47	\$6.53	6.8%

- 80% of customers' summer bills are for less than 2,000 kWh per month
 - Summer months are June, July, August and September
- 85% of customers' non-summer bills are less than 1,000 kWh per month

Residential Tiered Base Electric Rates & Energy Efficiency Potential

Average Residential Customer Usage & Bills
(Rates effective with October 2012 electric bills)



*Energy efficiency savings are based on an average 20% savings for customers who are new to Austin Energy's energy efficiency programs and have made the following home improvements: new efficient air conditioner, additional attic insulation, duct repairs or replacement, weather stripping and solar screens. Some customers may see much greater savings.



Changes to Rate Tariffs not included in Proposed Budget Document



- Rider Time of Use (TOU) – Thermal Energy Storage
 - Customers on Large Primary Special Contract Rider, Large Primary Special Contract Rider II and Large Primary Special Contract Rider – Industrial (including Time of Use (TOU) customers on this rate
 - Supports customers who own and operate an on-site thermal energy storage system
 - Allows customers served under long-term contract rates to continue benefiting from their thermal energy systems
 - Preserves the option of long-term contract customers adding thermal energy storage systems in the future
- Power Supply Adjustment (PSA) – clarify wording to reflect the concept that GreenChoice® expenses & revenue will be netted in PSA
- Regulatory Charge – include Electric Reliability Council of Texas ERCOT credits as applicable

Changes to Rate Tariffs Since June 7, 2012 Council Approval



- Other Changes/Corrections to Tariffs since Council approval on June 7, 2012
 - Secondary voltage <10 kW changed from demand rate to non-demand time-of-use
 - Secondary voltage rates clarified for public school (ISD) discount and house of worship ceiling
 - Power factor examples corrected
 - Primary voltage 20> MW rate schedule modified to show correct rate
 - GreenChoice® rate schedule and option language modified to ensure consistency
 - State of Texas charges removed from standby capacity rate schedule
 - Typing errors corrected
 - Large Primary Service Special Contract Industrial Rider
 - Fuel Adjustment Clause rate schedule
 - Transmission Service Adjustment Rate (TSAR) schedule
 - Customer Owned Non-Metered Lighting estimated monthly kWh used by each fixture added to schedule

Budget Highlights – Requirements

Cost Control Efforts



- Cost containment efforts by deferring projects and maintenance including:
 - information technology projects
 - comprehensive pole inventory
 - software and equipment
- No new FTEs for fourth consecutive budget cycle
- Deferrals and reduction in scope of capital projects
- Fund capital projects with higher percentage of debt
- General Fund transfer maintained at \$105 million



Capital Spending Plan



\$1.1 Billion Five Year Capital Spending Plan

\$ in Millions	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>Total</u>
Distribution	\$62	\$53	\$55	\$57	\$58	\$285
Distribution Substation	\$14	\$10	\$14	\$15	\$16	\$69
Transmission	<u>45</u>	<u>17</u>	<u>20</u>	<u>24</u>	<u>22</u>	<u>128</u>
Electric Service Delivery	121	80	89	96	96	482
Power Production	65	57	119	173	53	467
Customer Service Billing & Metering	4	7	4	8	10	33
Facilities, Technology & Support Services	<u>31</u>	<u>28</u>	<u>16</u>	<u>16</u>	<u>20</u>	<u>111</u>
Total	<u>\$221</u>	<u>\$172</u>	<u>\$228</u>	<u>\$293</u>	<u>\$179</u>	<u>\$1,093</u>

- \$761 million debt funded or 69.6% of five-year plan
- Generation Plan includes Sand Hill Energy Center 200 MW - \$228M (FY 15 -17)
- \$177 million new appropriations

Highlights – Major CIP Projects in Progress



- 300 Kw solar photovoltaic (PV) at Decker Plant
- 311 service demand and data analysis upgrades
- Remote intelligent streetlight monitoring system
- Dark Sky streetlight improvements
- Bullick Hollow substation
- Dunlap substation
- McNeil to Summit transmission reconductor
- Seaholm substation remediation
- Hyatt Place Chiller Customer Connection
- Park Place Chiller Customer Connection
- Holly power plant decommissioning
- Sand Hill Energy Center control system upgrade
- System Control Center (SCC)



Solar PV at Decker Plant



System Control Center

Highlights – Major CIP Projects Completed



Carver Library Solar PV



Stoney Ridge Substation serving Del Valle



Elroy Substation serving Formula One



Domain Chiller Plant 2 Phase 3 Chiller



Developmental Highlights

Budget Years 2013 - 2020

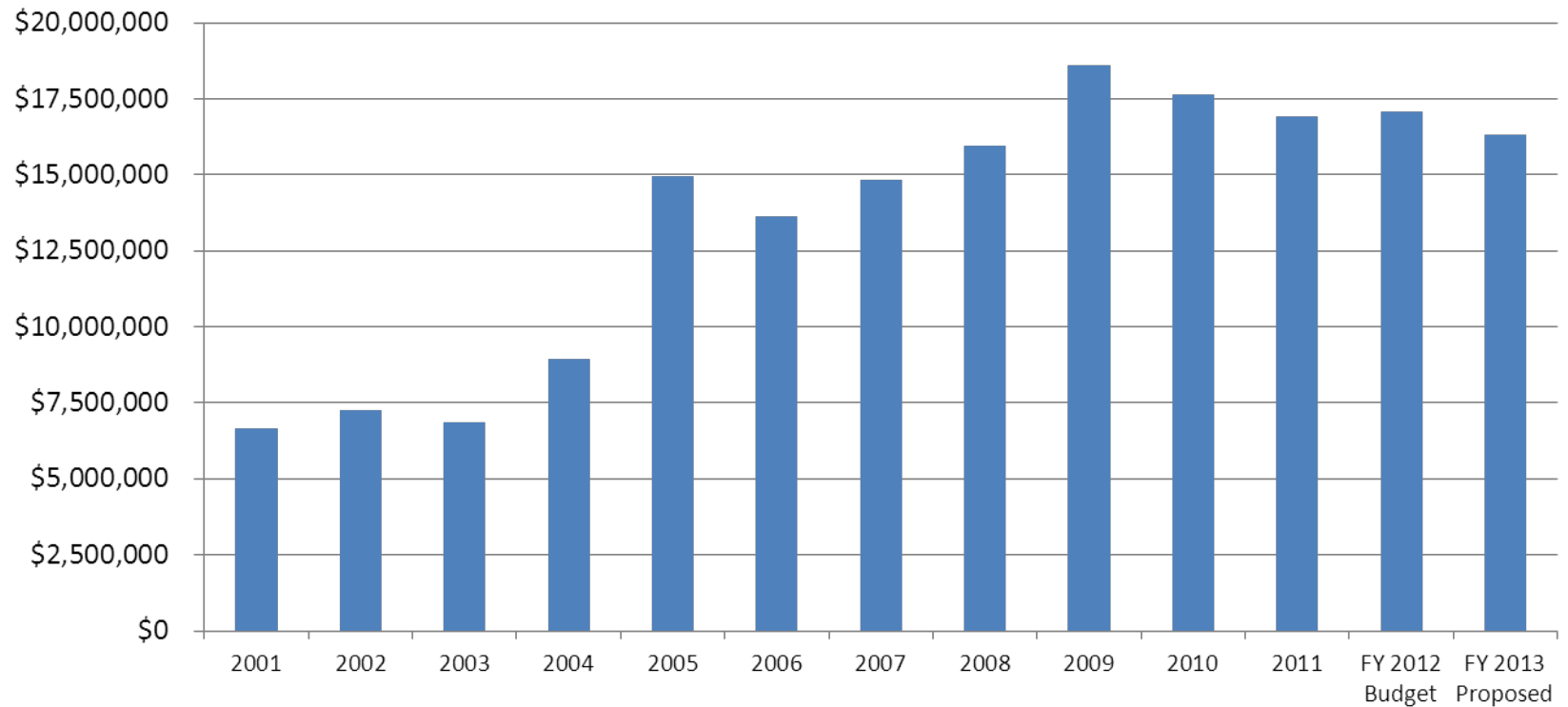


- Line extension policy and new service fees
- Acquire additional renewable energy
- Energy efficiency and Solar incentives are not restrained by budget
- Enhancement of GreenChoice® programs
- Continue support of the Pecan Street Project
 - Continue dedication of AE staff to pilot projects
 - Test various pilot rate projects

Energy Efficiency Expense History



Rebates & Incentives for Solar & Energy Efficiency



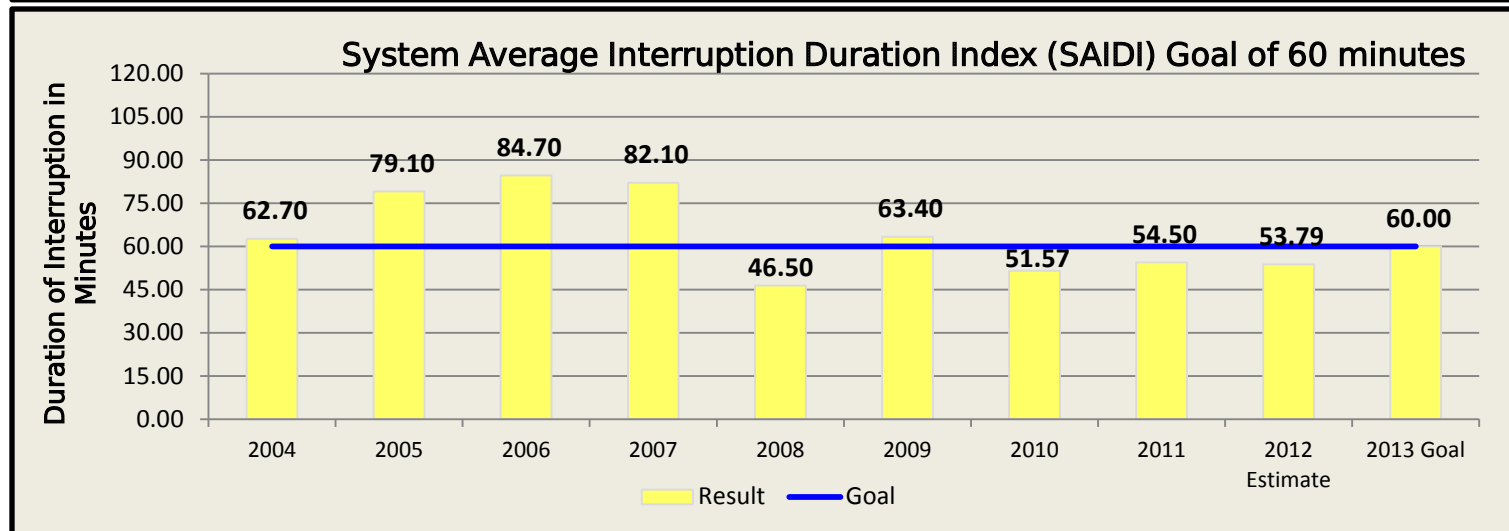
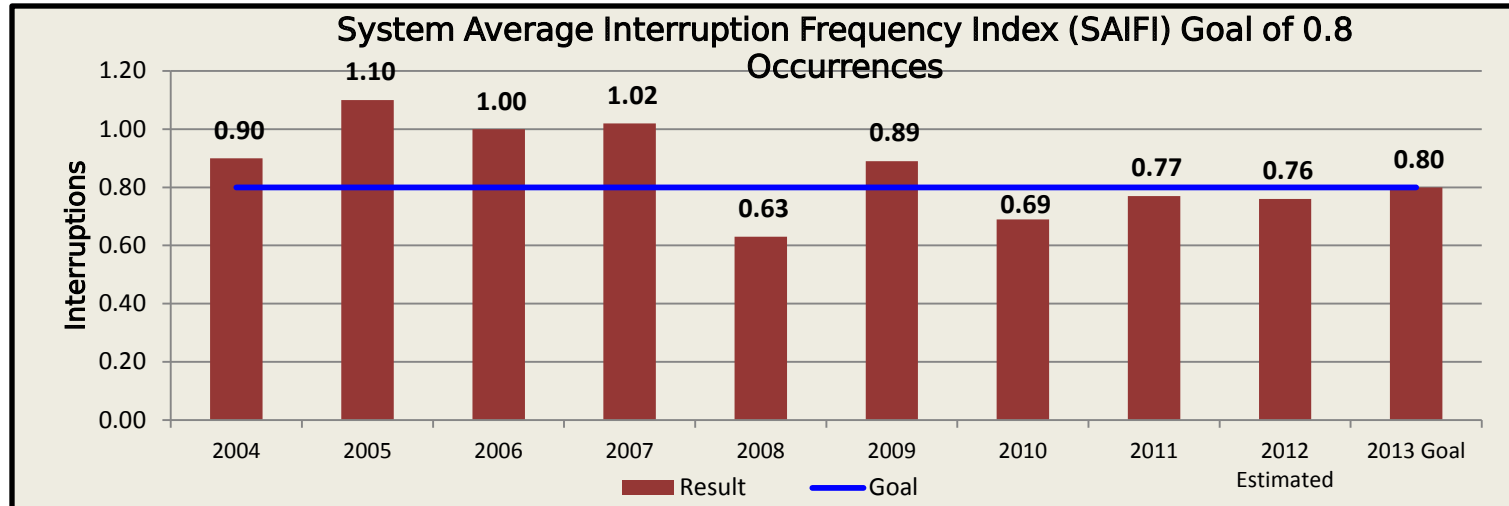
Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 Amended	2013 Proposed
\$ Rebates Issued (millions)	\$6.7	\$7.2	\$6.9	\$8.9	\$15.0	\$13.6	\$14.8	\$16.0	\$18.6	\$17.6	\$16.9	\$17.1	\$16.3

Fund Summary

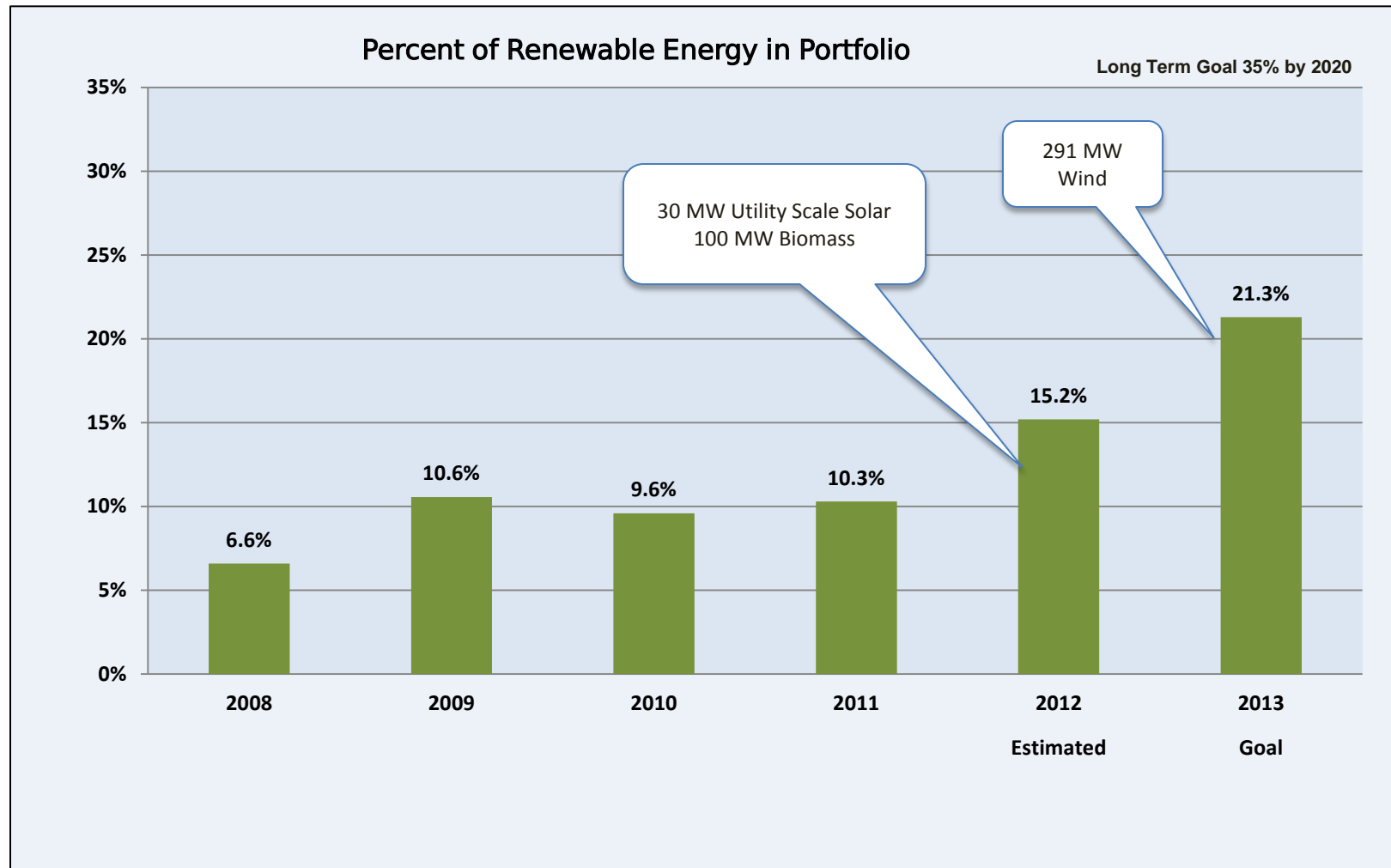


(in millions)		Amended 2012	Estimated 2012	Budget 2013
Beginning Balance	\$	115	144	124
Revenue	\$	1,139	1,183	1,274
Transfers In	\$	0	25	11
Available Funds - Revenue	\$	1,139	1,208	1,285
Fuel	\$	409	427	414
Recoverable Expenses	\$	70	70	95
Operating Requirements (Non-fuel)	\$	382	382	413
Debt Service	\$	175	167	173
Transfers Out	\$	182	182	175
Total Requirements - Expenses	\$	1,218	1,228	1,270
Excess (Deficiency)	\$	(79)	(20)	15
Ending Balance	\$	36	124	139
Strategic Reserve Fund	\$	138	112	101

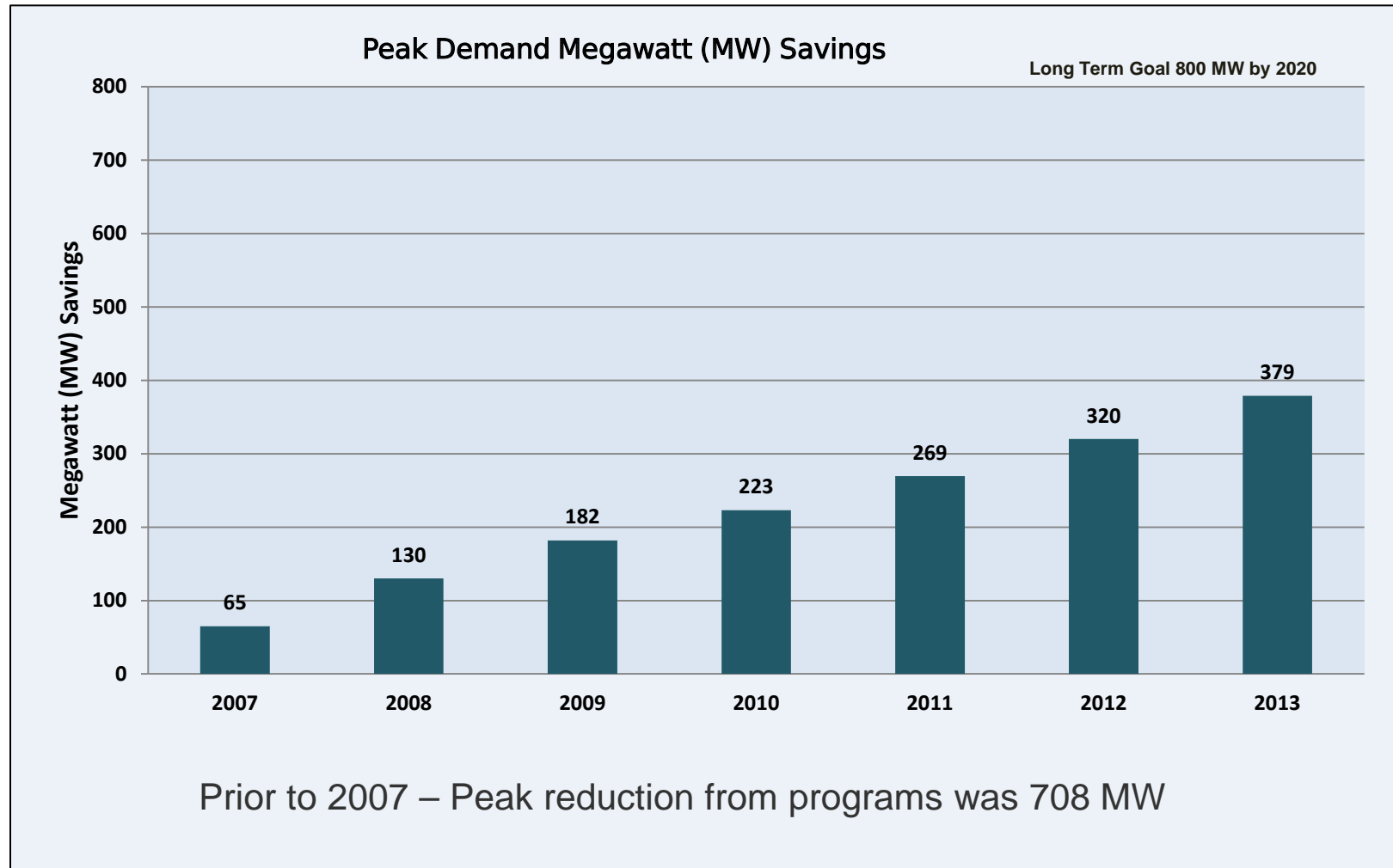
Performance Metrics – System Reliability



Performance Metrics – Renewable Energy



Performance Metrics – Peak Demand Savings



Questions/Comments



More information at
www.AustinTexas.gov/finance

