

2013-14 Proposed Budget

September 3, 2013



Austin, Texas





Work Session Objectives

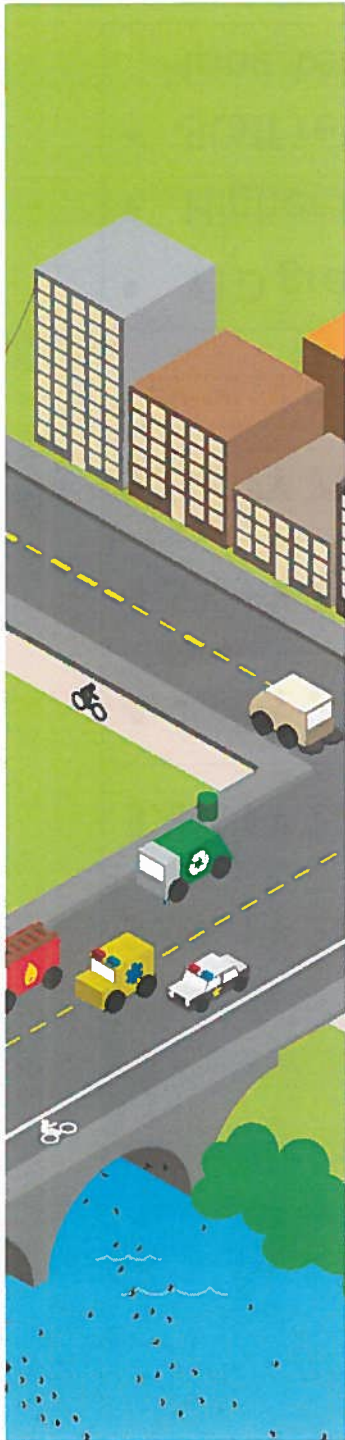
1. Staff Presentation on Potential Funding Options to Address Council Budget Priorities
2. Council Discussion of Budget Priorities

Outstanding Items From Council

	FY 2014 GF Impact
Move Bridge Child Care Voucher from CDBG to General Fund	\$283,272
Legal Consultants for Voter Identification Law	\$280,000
Implementation of Local Food Systems recommendations	\$200,000
African American Men and Boys Club Harvest Foundation	\$181,430
Employee Leave Bank (approved 8/22)	\$117,007
Roy and Ann Butler Trail Public Art Master Plan	\$50,000
Hyde Park Plaza Improvements	tbd
Total	\$1,111,709 +

Potential Funding Options





Revenue Changes Since Proposed Budget

- Higher than projected property tax collection rate – \$1.5 million (FY 2013)
- Updated development revenue projection based on actuals through July – \$0.9 million (FY 2013)

Sales Tax Scenarios

Scenario (FY 2013 Year End Estimate; FY 2014)	FY 2013 Revenue Increase	FY 2014 Revenue Increase
3.0% FY 2013; 3.0% FY 2014*	\$251,431	\$258,974
3.5% FY 2013; 3.5% FY 2014	\$465,182	\$1,356,613
4.0% FY 2013; 4.0% FY 2014	\$678,932	\$2,456,389
4.5% FY 2013; 4.0% FY 2014	\$892,683	\$2,678,690
5.0% FY 2013; 4.0% FY 2014	\$1,106,434	\$2,900,991

* FY 2014 Proposed Budget projection updated to reflect July and August actuals

- YTD growth through August is 8.1%
- Higher tax rate estimates increase risk from potential future downturns
- Staff recommends not exceeding options shown in the table above given long-term trend of 3.6% annual growth

Eliminate Fee Waivers for City Cosponsored Events

Cosponsored Event	GF Waiver Amount \$	Cosponsored Event (continued)	GF Waiver Amount \$
South by Southwest	553,427	Zilker Kite Festival	40,193
Austin Farmer's Market	184,053	Viva la Vida Festival	13,675
Juneteeth	58,440	MLK Jr. Day Parade	7,235
Celebrate Texas	15,018	Austin PRIDE Event	19,070
Austin July 4 th Concert	45,875	HOPE Farmer's Market	17,160
Veterans' Day Parade	16,584	Fiesta de Independencia	20,199
		TOTAL	990,929

- Does not include additional waivers of up to \$6,000 per council office



Other Revenue Options

- Draw down Business Retention Fund ending balance – \$0.6 million
 - Fund intended to provide low interest loans to businesses on Congress Ave & East Sixth St.
 - Current FY 2014 projected ending balance is \$1.6 million
 - Remaining balance of \$1.0 million sufficient for four loans at \$250,000 per loan cap



Expenditure Changes Since Proposed Budget

- Continued low claims past two months allows for smaller increase in transfer to Employee Benefits Fund from 5% to 3% – (\$1.2 million)
- Lower than anticipated increase in jail contract – (\$496,000)
- Reverse proposed change to Housing Trust Fund transfer calculation – (\$78,000)



Reverse Proposed Changes to Cost Sharing Models

- Restore AWU and ARR contributions to Sustainability Fund to 1% of gross revenues – (\$1.3 million)
- Reverse General Fund contribution to Economic Development Department – (\$1.3 million)
- Maintain General Fund contribution to 311 Call Center at \$1.0 million – (\$0.5 million)
- Eliminate General Fund contribution to Economic Development Program – (\$333,000)

Increase Budgeted Vacancy Savings 1%

Department	Add'l Savings \$	Department	Add'l Savings \$
Animal Services	(49,936)	Contract Mgmt	(1,695)
Austin Public Library	(206,153)	Financial Services	(68,954)
HHSD	(164,136)	Gov't Relations	(2,674)
Mun. Court	(105,560)	Human Resources	(37,353)
Parks and Rec	(379,486)	Law	(38,449)
Planning	(275,216)	Mgmt Services	(42,770)
Building Services	(35,981)	Office of Real Estate	(12,355)
CPIO	(8,883)	SMBR	(10,114)
CTM	(104,729)		
		TOTAL	(1,544,444)

- Increases collective vacancy savings for these department from 1.6% to 2.6%



Other Expenditure Options

- Reduce APD overtime requirements for 24/7 trail pilot – (\$525,000)
 - Remaining workload will be absorbed by 47 new officers
- Unexpended NHCD Tax Credit Funds – \$250,000
 - Two tax credit projects lower than initial projections

Potential Funding Options Summary

Potential Revenue Options	FY 2013	FY 2014
Increase Estimated Property Tax Collections	1,500,000	
Update Development Revenue Estimate	900,000	
Increase Sales Tax Estimates (5.0% FY 2013; 4.0% FY 2014)	1,106,434	2,900,991
Eliminate Special Event Fee Waivers		990,929
Draw Down Business Retention Fund Balance		600,000
Total Revenue Changes	3,506,434	4,491,920
Potential Expenditure Options		FY 2014
Reduce Transfer to CIP		(3,500,000)
Lower Increase in Transfer to Employee Benefits Fund		(1,183,990)
Lower than Anticipated Increase in Jail Contract		(496,534)
Reverse Proposed change to Housing Trust Fund Transfer		(78,251)
Reverse Proposed Changes to Sustainability Fund		(1,333,073)
Reverse General Fund Transfer to Economic Development Dept.		(1,280,445)
Maintain General Fund Transfer to 311 Call Center at \$1 million		(500,000)
Eliminate General Fund Transfer to Econ Development Program		(333,334)
Increase Budgeted Vacancy Savings by 1%		(1,544,444)
Reduce 24/7 Trail Pilot Requirements		(525,000)
Unexpended NHCD Tax Credit Funds		(250,000)
Total Expenditure Changes		(11,025,071)



Conclusion

- Additional FY 2013 revenue of \$3.5 million can be allocated to one-time expenditures in FY 2014
 - \$1.0 million for Turner Roberts
 - \$1.5 million for facility maintenance and repairs
 - \$1.0 million for new Central Library book collection
- Total FY 2014 potential funding options of \$15.5 million for the General Fund
- Some options would impact enterprise departments

More information at
www.austintexas.gov/finance



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