

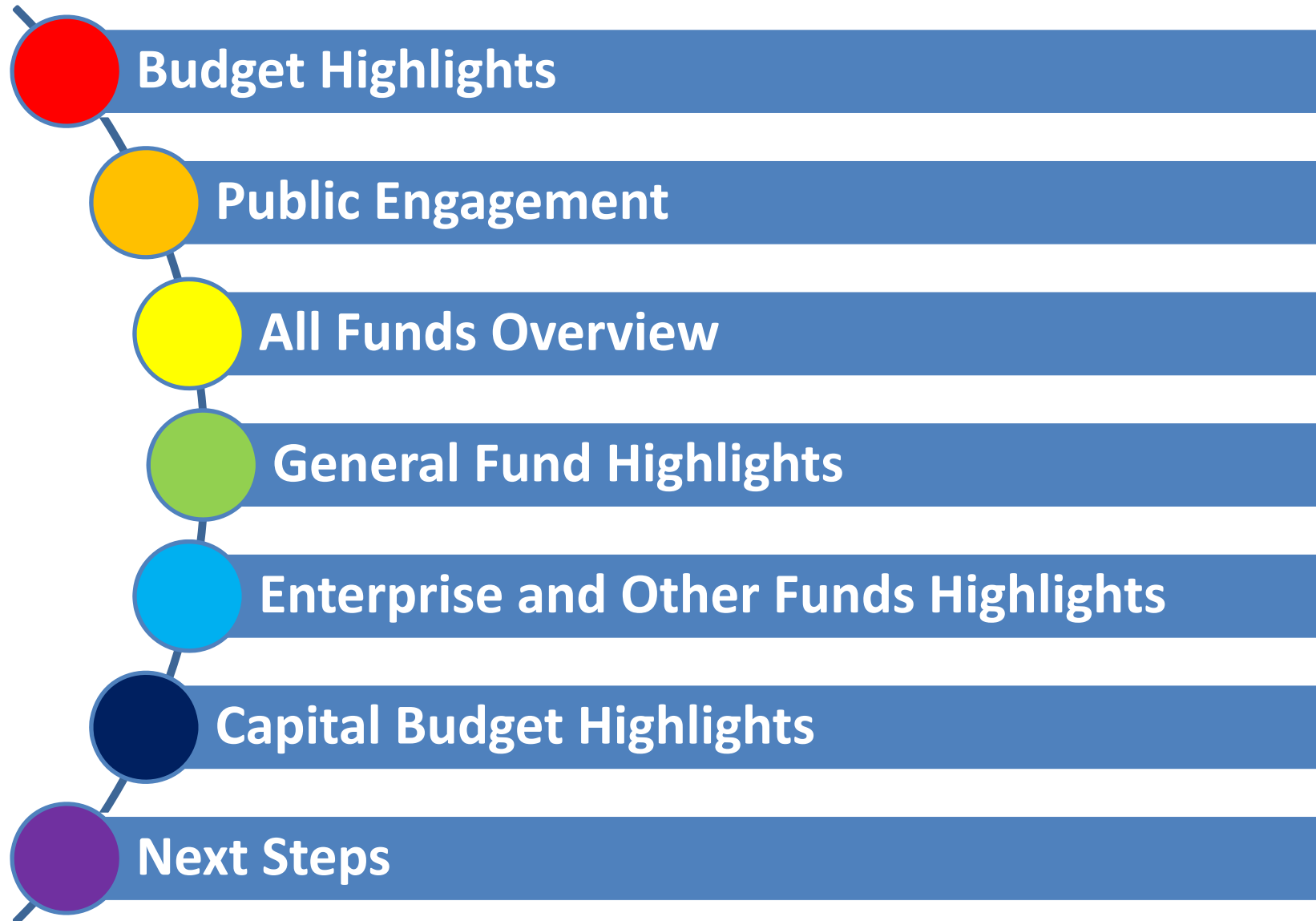


2015 | 2016

PROPOSED BUDGET OVERVIEW



Today's Presentation



City of Austin Proposed Budget

Budget Highlights

Elaine Hart, Chief Financial Officer

Budget Highlights

➤ Tax Exemptions and Renter Assistance

- 6% general homestead exemption – first in the City's history
- \$70,000 senior and disabled exemption
- \$740,000 increase for tenant based rental assistance

➤ Keeping Pace with Rapid Growth, New Facilities, and Community Priorities

- 347.4 new positions proposed; largest increases for Police, Library, Development Services, Aviation, Transportation, Convention Center, and Resource Recovery

➤ Valuing our Employees

- 3% civilian wage increase plus mid-year implementation of market adjustments; pay increases for sworn personnel per labor contracts
- Benefit enhancements for applied behavioral analysis and transgender reassignment surgery

Maintains Outstanding Financial Stability

- Maintained outstanding credit ratings to keep interest costs low

City of Austin's Credit Ratings			
	Moody's	Standard & Poor's	Fitch Investors
GO Bonds	Aaa	AAA	AAA
Austin Energy	A1	AA-	AA-
Austin Water	Aa2	AA	AA-
Aviation	A1	A	N/A

- Increase in General Fund reserves from 12% to 12.5%
- Austin Energy transferring \$36 million to its Strategic Reserve Fund; reserves fully funded by FY 2018
- Austin Water budget stabilized through rate increases and cost containment measures
 - \$9.2 million transferred to Stability Reserve Fund
 - Debt service requirements decreasing \$14.0 million due to 2015 bond refinancing
 - Delay implementation of staffing plan for second consecutive year

Reflects Rapidly Growing Community

➤ Aviation

- 37 new positions and costs associated with new facilities are needed to address terminal expansion and customer growth



➤ Austin Code

- Engaging with the community on code violations and increasing investigations citywide requires 8 new positions and one transfer



Investing in Community Values

➤ Mobility Improvements

- 22 new Austin Transportation positions for \$2.0 million to enhance and support mobility programs and parking related activities
- Public Works \$45.7 million CIP spending plan for street, bridge, urban trails, and bike and pedestrian improvements
- Austin Transportation \$15.1 million CIP spending plan for corridor improvements, pedestrian hybrid beacons and new signal installations

➤ Parks and Libraries

- 11 positions and \$0.6 million for recreation specialists, a park ranger supervisor, an equipment operator and maintenance worker
- Initial staffing of 48.25 positions and operational costs for opening the New Central Library in late 2016—\$2.3 million; remainder of staffing will be added in FY 2017 and FY 2018 budgets

Investing in Community Values

➤ Public Safety

- 85 new officers to increase proactive community engagement time and 21 civilian staff including fifteen 911 Call Takers
- 12 positions for a new EMS unit for County unit relocation

➤ Development Services Department (DSD)

- Established as a separate department in FY 2015
- Implementing numerous recommendations from DSD staff and Zucker Report
- Adds 27 positions and \$2.8 million



➤ Health and Housing

- Transferring in 5 positions for chronic disease prevention and control due to expiring grant for \$429,000
- Adds \$740,000 for rental and financial assistance to displaced residents

Valuing Our Employees

- 3% salary increase for civilian employees
- 1% increase for APD and EMS per contract
- 2.5% increase for Fire per contract
- Implementation of civilian market study beginning April 2016 (30% of non-sworn jobs currently under market)
- Living wage of \$13.03 per hour for full-time employees
- Transgender benefits of \$75,000
- Applied Behavioral Analysis benefits of \$243,750

Major Rate and Fee Changes

Estimated impact of proposed rate and fee changes on “typical” residential rate payer:

	2015 Monthly Rate	2016 Proposed Rate	Monthly Dollar Change	Typical rate payer defined as:
Austin Energy	\$107.90	\$105.68	(\$2.22)	<i>Residential customer usage of 1,000 Kwh</i>
Austin Water	\$73.78	\$78.72	\$4.94	<i>Residential customer at 5,700 gallons of water and 4,000 gallons of wastewater</i>
Austin Resource Recovery	\$21.60	\$23.30	\$1.70	<i>Residential customer with a 64-gallon cart</i>
Clean Community Fee	\$7.40	\$7.65	\$0.25	<i>Per single-family home</i>
Transportation User Fee	\$8.25	\$9.77	\$1.52	<i>Per single-family home</i>
Drainage Utility Fee	\$9.80	\$11.59	\$1.79	<i>Residential customer with 3,100 sq. ft./37% impervious cover</i>
Property Tax Bill	\$84.27	\$87.59	\$3.32	<i>Median-value homestead of \$232,272</i>
Total	\$313.00	\$324.30	\$11.30	<i>Combined increase of 3.6%</i>

City of Austin Proposed Budget

Public Engagement

Ed Van Eenoo, Deputy Chief Financial Officer

Public Input and Community Outreach

Summary of Engagement Efforts

Description	Count
Number of public meetings with the City's various Boards and Commissions	18
Number of Budget in a Box 2.0 staff-facilitated instruction sessions	30
Number of groups participating in Budget in a Box 2.0 activity	80
Individual participation of Budget in a Box 2.0 Online version	1,577
Percent increase in Budget in a Box participation compared to 2013	212%

Public Input and Community Outreach

Citizen Survey

- Of 46 services assessed, the city of Austin was at or above other large cities in 31 areas (populations of 250,000 or greater)
- 61% of residents “satisfied” or “very satisfied” with overall quality of Austin’s services
 - 11% higher than national average of cities of populations of 250,000 or higher
- 40% of residents were satisfied with the overall value for city tax dollars and fees (30% of respondents expressed dissatisfaction)
 - 36% is the national average for large cities
- 83% of residents were satisfied with the city of Austin as a place to live

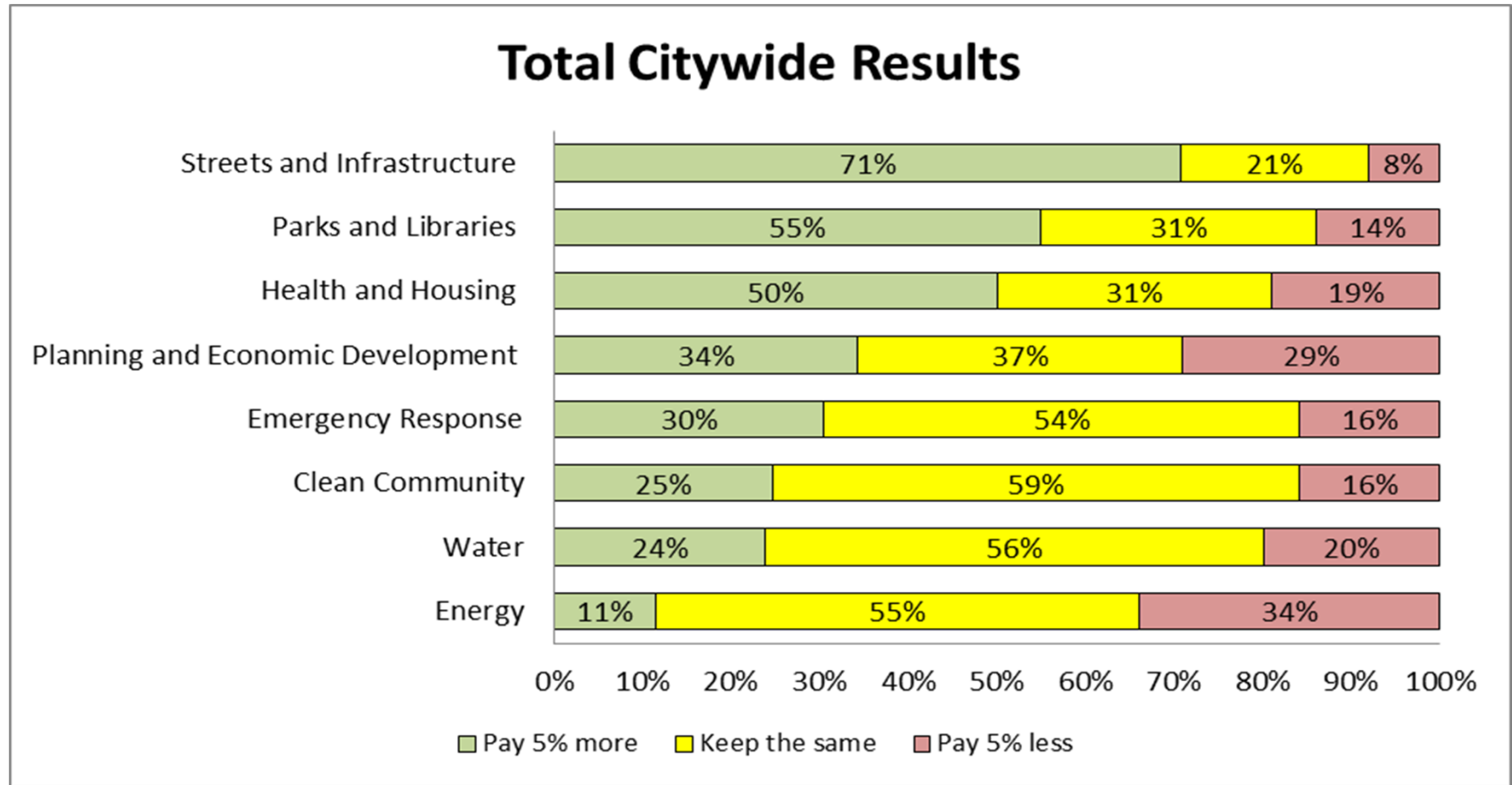
Public Input and Community Outreach

Citizen Survey

Services Rated Above or Below National Average	10%+ Above National Avg.	10%+ Below National Avg.
Overall quality of customer service	+28%	-
I feel safe in my neighborhood at night	+25%	-
I feel safe in city parks	+17%	-
Condition of streets in neighborhoods	+16%	-
Quality of residential curbside recycling services	+13%	-
Bulky item pick-up/removal services	+12%	-
Number of walking/biking trails	+11%	-
Overall quality of services provided	+11%	-
Traffic flow on major city streets	-	-23%
How well the City is planning growth	-	-15%

Public Input and Community Outreach

Budget in a Box Results

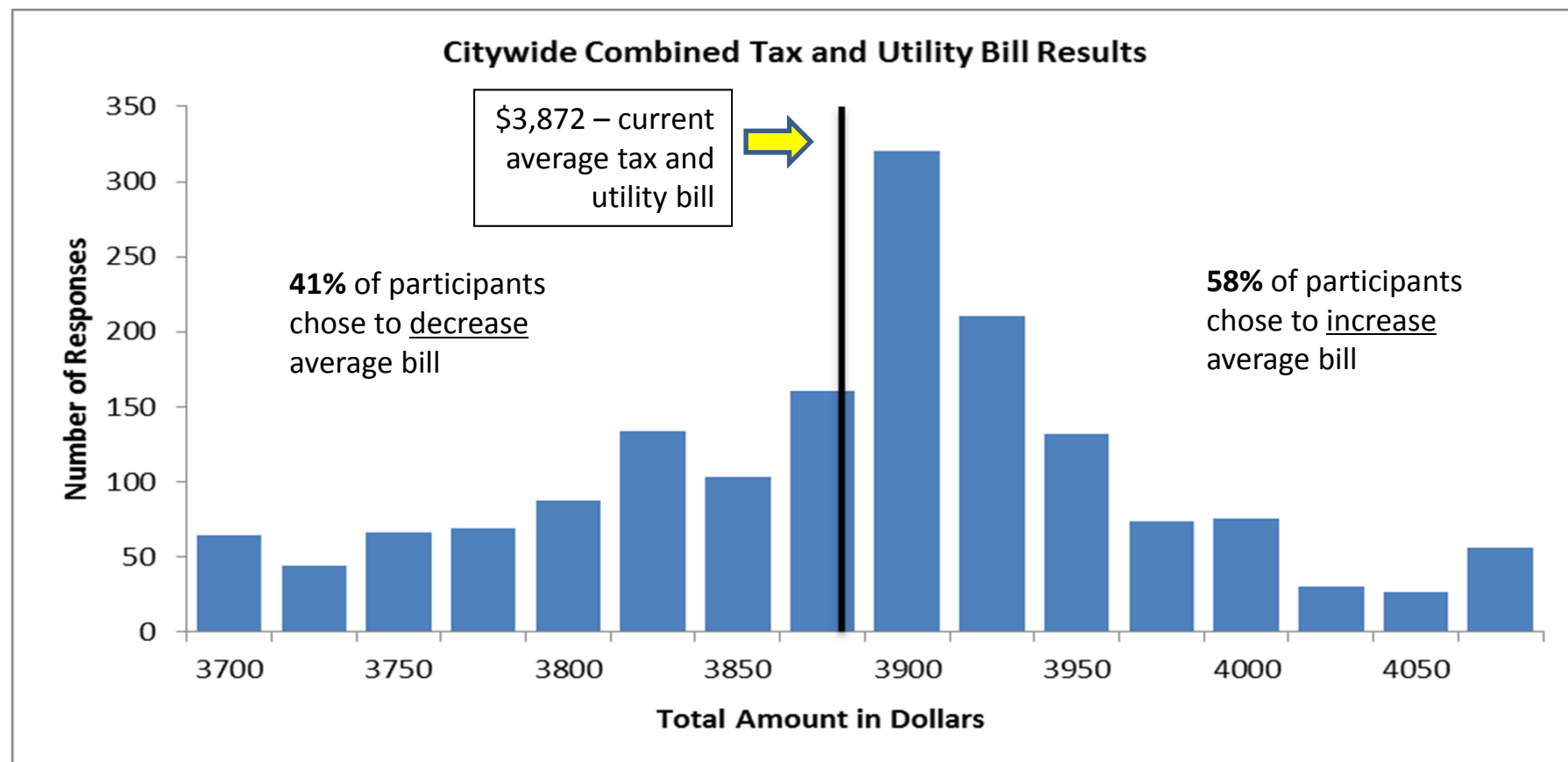


➤ Budget in a Box results were fairly consistent across all 10 districts

Public Input and Community Outreach

Tax and Utility Bill Analysis – Budget in a Box

- City of Austin annual bill (combines property tax and utility bill for the “average” resident) results graph:



Footnote: Does not include other local taxing entities

* 1% of participants chose to keep average bill the same

Public Input and Community Outreach

Summary of Results

➤ Top Budget in a Box citizen priorities

Rank	Priority	% of Participants choosing a funding increase of 5%
1	Streets and Infrastructure	71%
2	Parks and Libraries	55%
3	Health and Housing	50%

➤ Top Citizen Survey areas identified for further investment

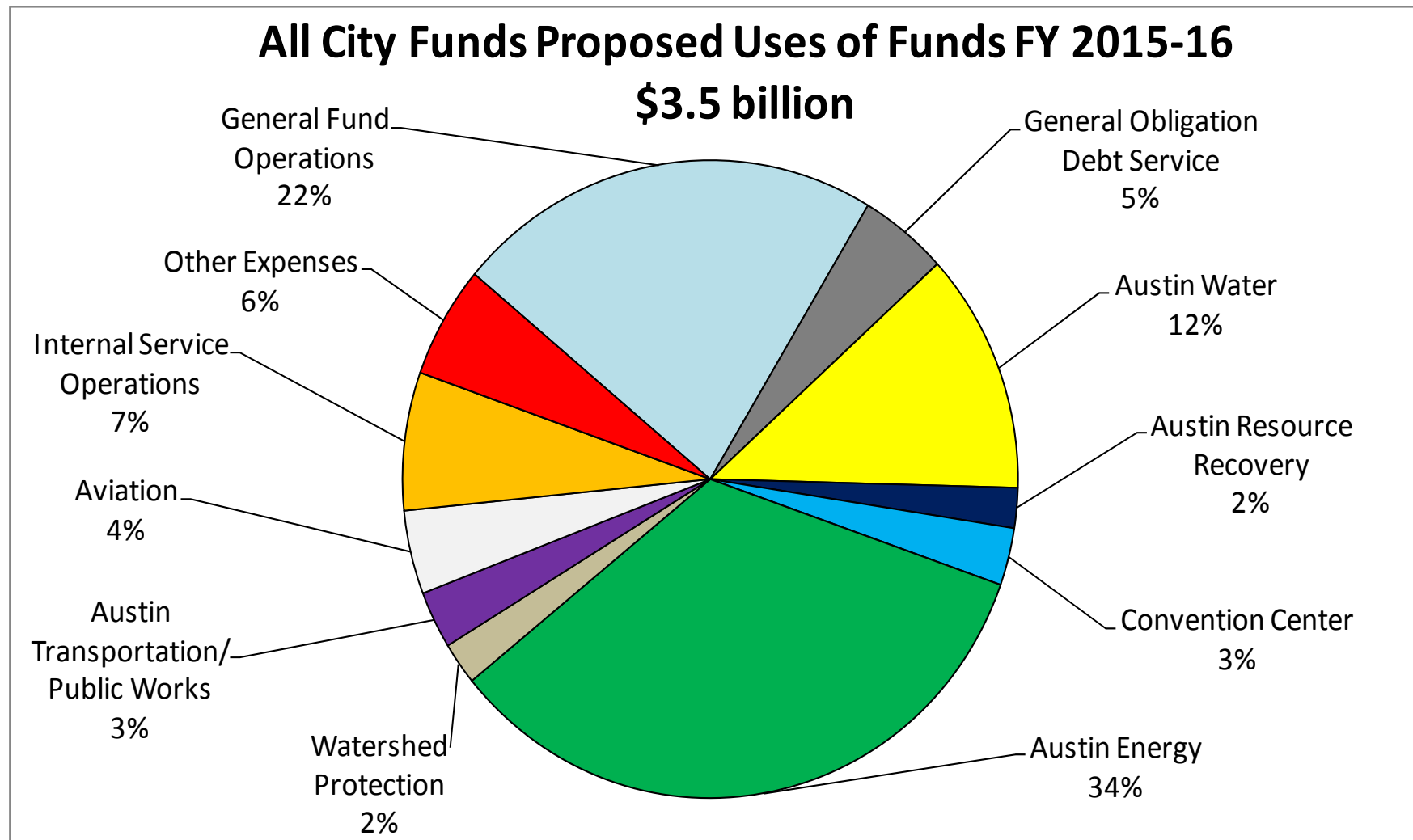
Rank	Major Areas Identified for Further Investment
1	Maintenance for major city streets and sidewalks
2	Planning, development review, permitting, and inspection services
3	Public safety

City of Austin Proposed Budget

All Funds Overview

Elaine Hart, Chief Financial Officer

All Funds



Civilian Pay

- 3% wage increase for civilian staff
 - All Funds = \$18.9 million
 - General Fund = \$4.6 million
- Funding also included for mid-year market adjustments
 - All Funds = \$5.8 million
 - General Fund = \$2.3 million

Other Texas Entities Wage Increases

Entity	2014	2015
Dallas	3.0%	3.0%
Fort Worth	0.0%	4.0%
Houston	3.0%	3.0%
San Antonio	3.0%	2.0%
Travis County	3.0%	1.5% + \$1,000
AIISD	1.5%	2.0%

WorldatWork Salary and Budget Survey

Year	Results	Mean	Median
2012	Actual	2.8%	3.0%
2013	Actual	2.9%	3.0%
2014	Actual	3.0%	3.0%
2015	Projected	3.1%	3.0%

Salary Budget Increases by State - Texas

Year	Results	Mean	Median
2012	Actual	2.9%	3.0%
2013	Actual	3.0%	3.0%
2014	Actual	3.1%	3.0%
2015	Projected	3.1%	3.0%

Civilian Pay

Increases by Fund

	3% Wage Adjustment	Citywide * Markets	Total
General Fund - Civilians	\$4,560,787	\$2,293,486	\$6,854,273
Support Services	\$2,073,176	\$680,803	\$2,753,979
Internal Service Funds	\$1,242,052	\$67,345	\$1,309,397
Austin Energy	\$4,405,423	\$749,935	\$5,155,358
Austin Water	\$2,315,416	\$578,769	\$2,894,185
Austin Resource Recovery	\$701,935	\$59,453	\$761,388
Austin Code	\$215,411	\$15,927	\$231,338
Austin Convention Center	\$437,163	\$41,298	\$478,461
Aviation	\$721,767	\$126,897	\$848,664
Transportation Fund	\$801,621	\$300,295	\$1,101,916
Watershed Protection	\$628,766	\$335,670	\$964,436
Other Funds	\$814,925	\$593,392	\$1,408,317
Total	\$18,918,442	\$5,843,266	\$24,761,708

Labor Contracts

- Increases from contracts with public safety associations

Description	Cost*
1% pay increase for sworn APD and EMS personnel	\$2.4
2.5% pay increase for sworn Fire personnel	\$2.7
Step and longevity increases	\$2.0
TOTAL	\$7.1

** Amounts are in millions*

Employee Benefits

- Increases in employee health insurance premiums
 - 10% increase to plus one and family plans
 - \$10 per month increase to employee only coverage
- Increase in Employee Benefits Fund
 - 12% increase in health insurance

Fund	12% Insurance Increase
General Fund	\$8,584,653
Support Services	\$1,229,509
Internal Service Funds	\$724,207
Austin Energy	\$2,355,116
Austin Water	\$1,615,407
Austin Resource Recovery	\$583,313
Austin Code	\$152,171
Austin Convention Center	\$351,932
Aviation	\$534,010
Transportation Fund	\$627,847
Watershed Protection	\$387,125
Other Funds	\$516,064
Total	\$17,661,354

All Funds Personnel Changes

	FY 15 Amended	New	Deleted	Net Transfers	FY 16 Proposed
General Fund	6,234.5	220.3	0.0	32.0	6,486.8
Austin Convention Center	250.0	16.0	0.0	0.0	266.0
Austin Energy	1,672.8	0.0	0.0	0.0	1,672.8
Austin Water	1,147.3	1.2	0.0	0.0	1,148.5
Aviation	379.0	37.0	0.0	(1.0)	415.0
Austin Resource Recovery	414.0	15.0	0.0	0.0	429.0
Austin Code	108.0	8.0	0.0	1.0	117.0
Mobility Fund	143.0	9.0	0.0	3.0	155.0
Transportation Fund	303.0	0.0	0.0	10.0	313.0
Watershed Protection	273.7	2.0	0.0	0.0	275.7
Internal Service Funds	1,386.3	34.0	0.0	2.0	1,422.3
Grant Funds	277.0	0.0	(2.0)	(5.0)	270.0
Other Funds	387.8	5.0	0.0	(42.0)	350.8
Total	12,976.5	347.4	(2.0)	0.0	13,321.9

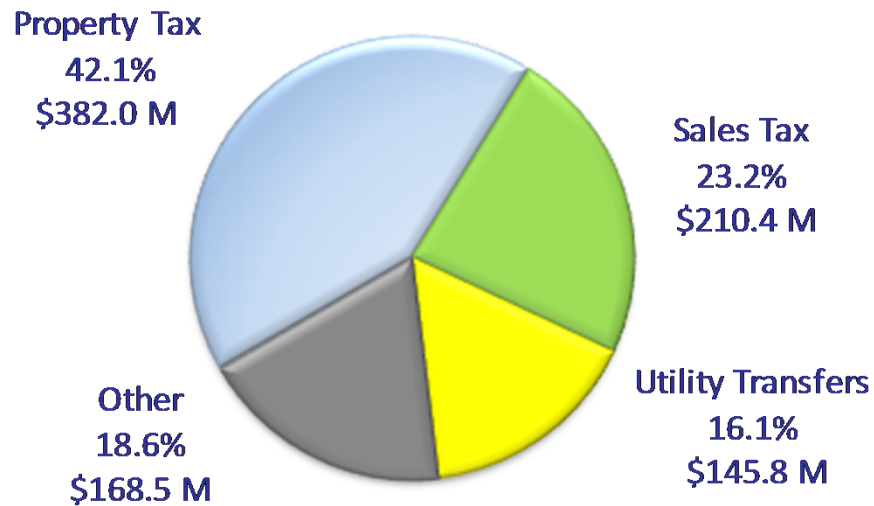
City of Austin Proposed Budget

General Fund Highlights

Ed Van Eenoo, Deputy Chief Financial Officer

General Fund Revenue

FY 2016 Projected General Fund Revenue \$906.7 Million



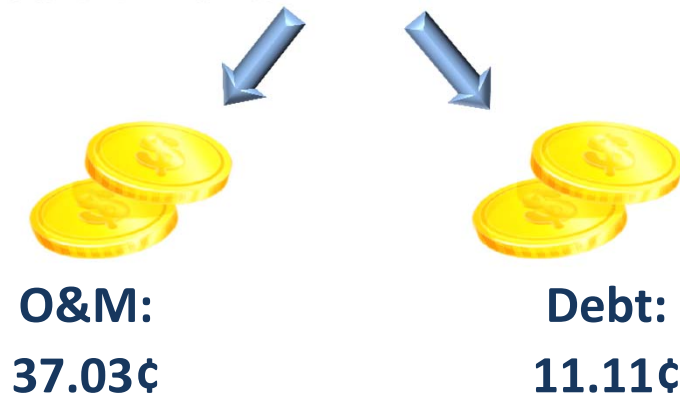
Projected General Fund Revenue FY 2015 Estimated to FY 2016 Proposed (millions)

Source	FY 2015 Est.	FY 2016 Budget	Change
<i>Property Tax</i>	\$357.8	\$382.0	\$24.2
<i>Sales Tax</i>	\$200.4	\$210.4	\$10.0
<i>Utility Transfers</i>	\$143.8	\$145.8	\$2.0
<i>Other Revenue</i>	\$164.3	\$168.5	\$4.2
TOTAL	\$866.3	\$906.7	\$40.4

Property Tax

	Growth Rate	Total AV	New Property	Tax Rate
FY 2014	6.6%	\$88.8 Billion	\$1.8 Billion	0.5027
FY 2015	11.2%	\$98.7 Billion	\$1.8 Billion	0.4809
FY 2016	7.6%	\$106.2 Billion	\$2.9 Billion	0.4814

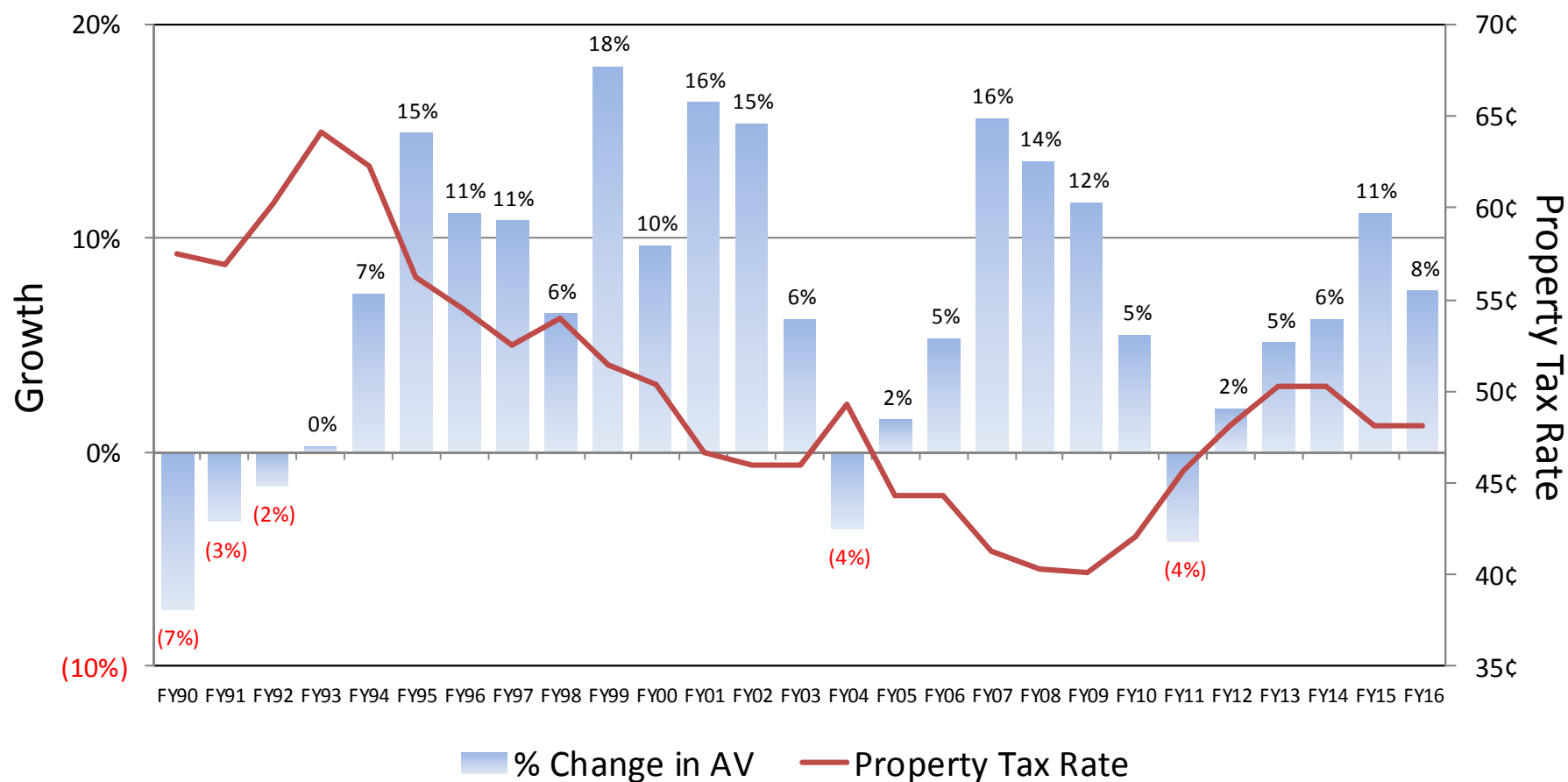
Proposed FY 2015-16 Tax Rate = 48.14¢



- Estimated \$3.32 per month impact for owner of a median-valued homestead of \$232,272, before exemptions
- 6% general homestead exemption and \$70,000 exemption for Over 65 & Disabled Homeowners

Property Tax

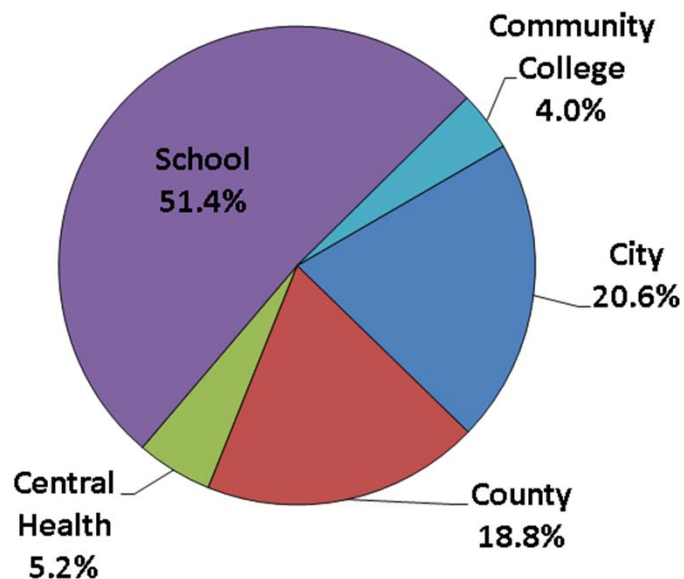
Assessed Valuation



Overlapping Property Tax

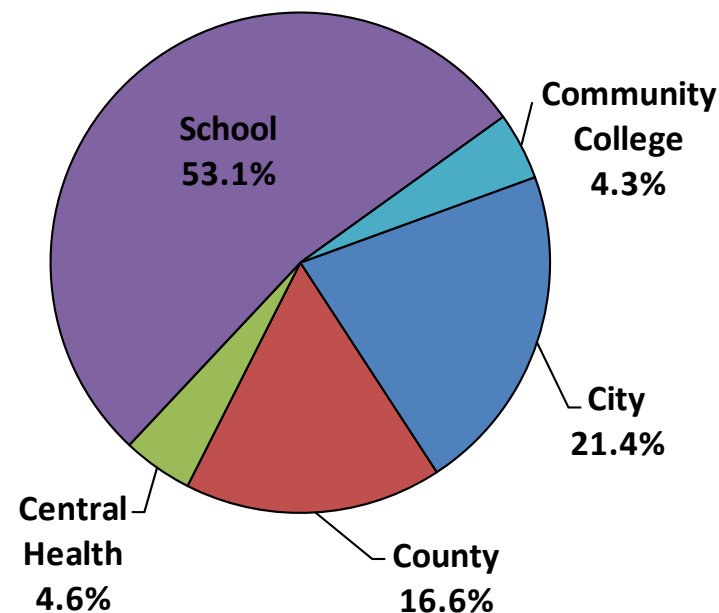
FY 2016 Overview

Tax Rate



Jurisdiction	Austin	Share
City	0.4814	20.6%
County	0.4407	18.8%
Central Health	0.1207	5.2%
School	1.2020	51.4%
Community College	0.0942	4.0%
Total Tax Rate	2.3390	100.0%

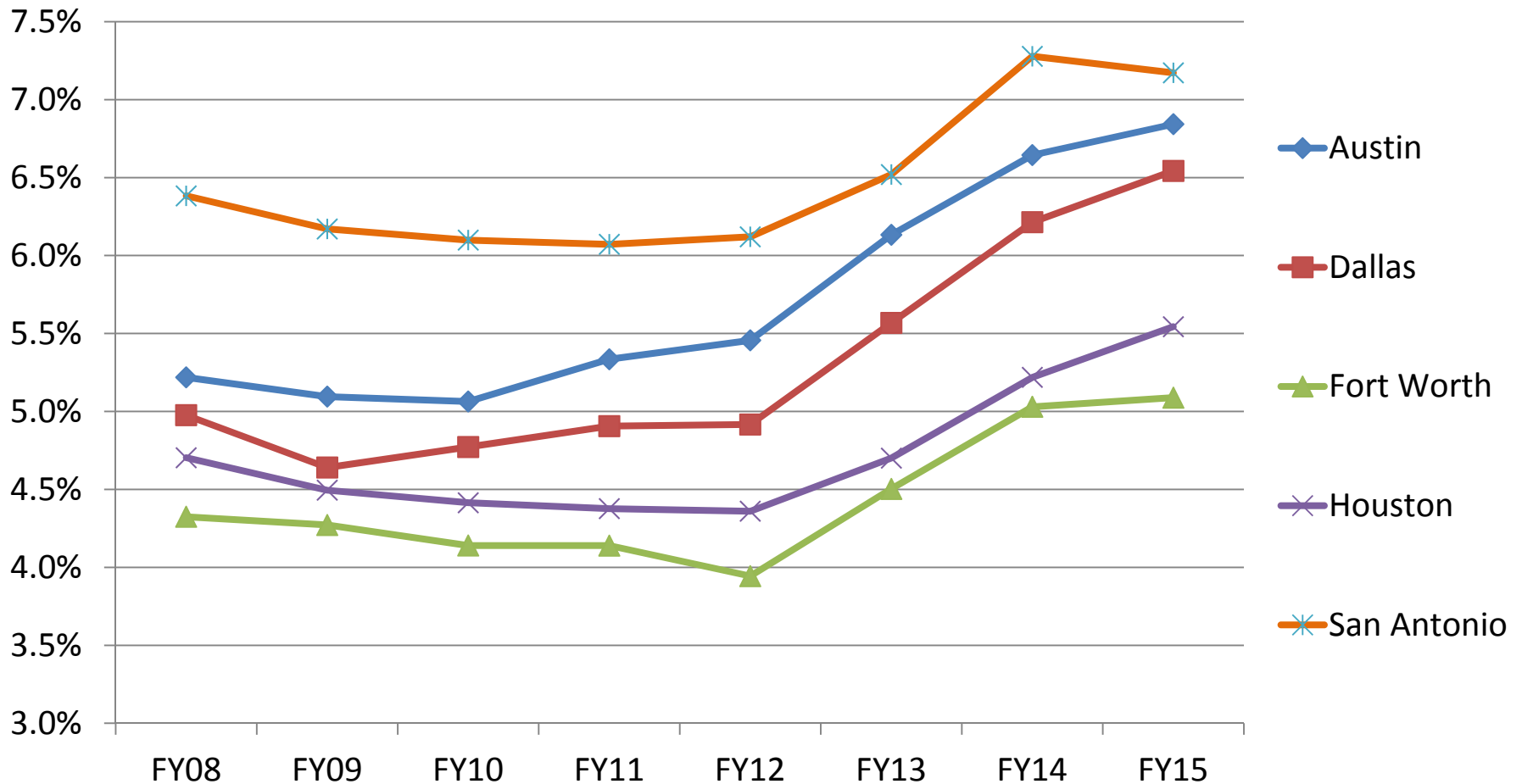
Tax Bill for Median-Value Homestead



Jurisdiction	Austin	Share
City	\$1,051	21.4%
County	\$819	16.6%
Central Health	\$224	4.6%
School	\$2,612	53.1%
Community College	\$214	4.3%
Total Tax Bill	\$4,920	100.0%

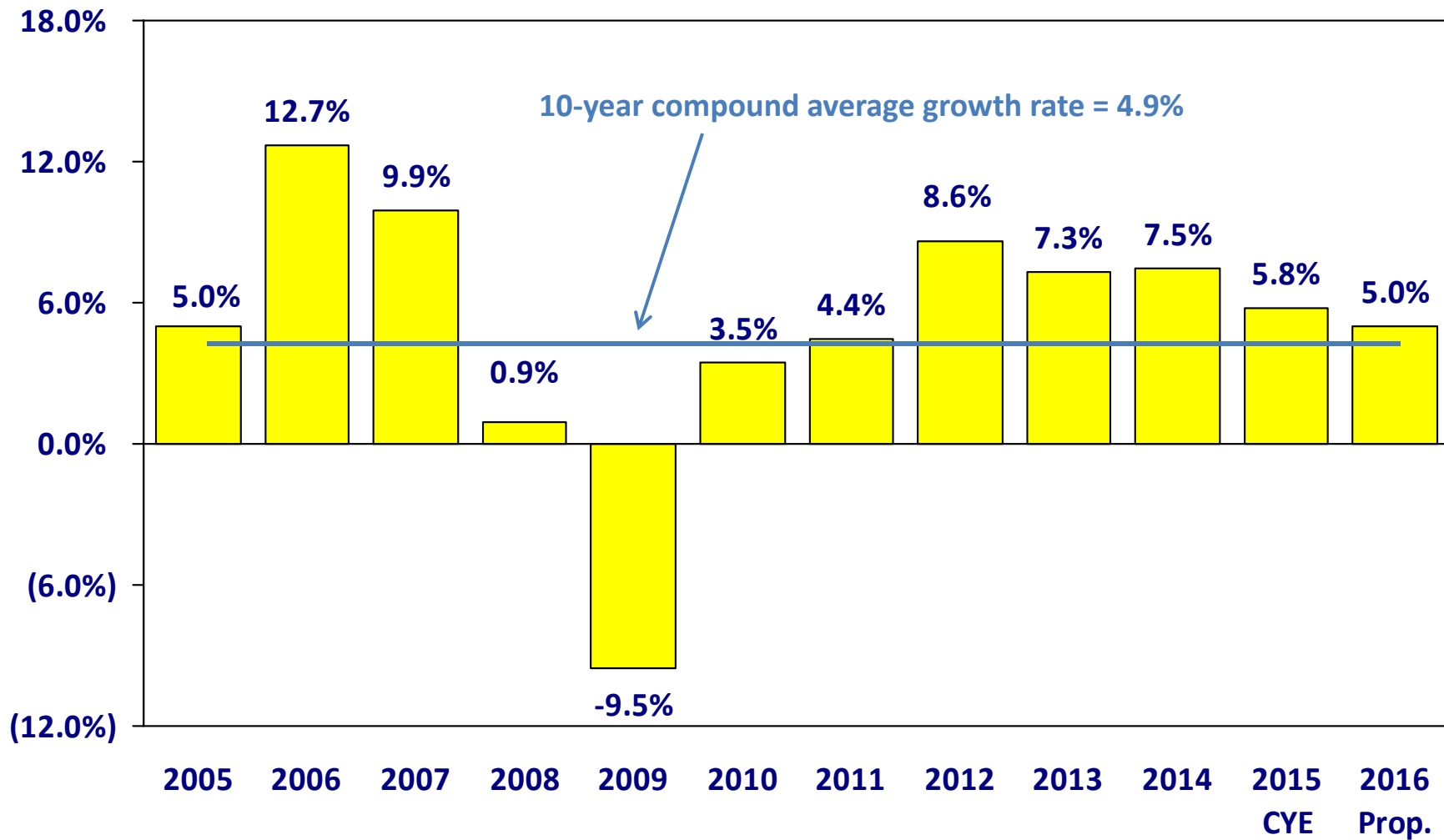
Overlapping Median Tax Bill History

Overlapping Property Tax Bill as a Share of Median Family Income: FY08 - FY15



Net of homestead exemptions. Median home sales data from the Texas A&M Real Estate Center. Median family income from U.S. Department of Housing and Urban Development.

Sales Tax – Annual Growth Rate



FY 16 sales tax growth projected at 5%.

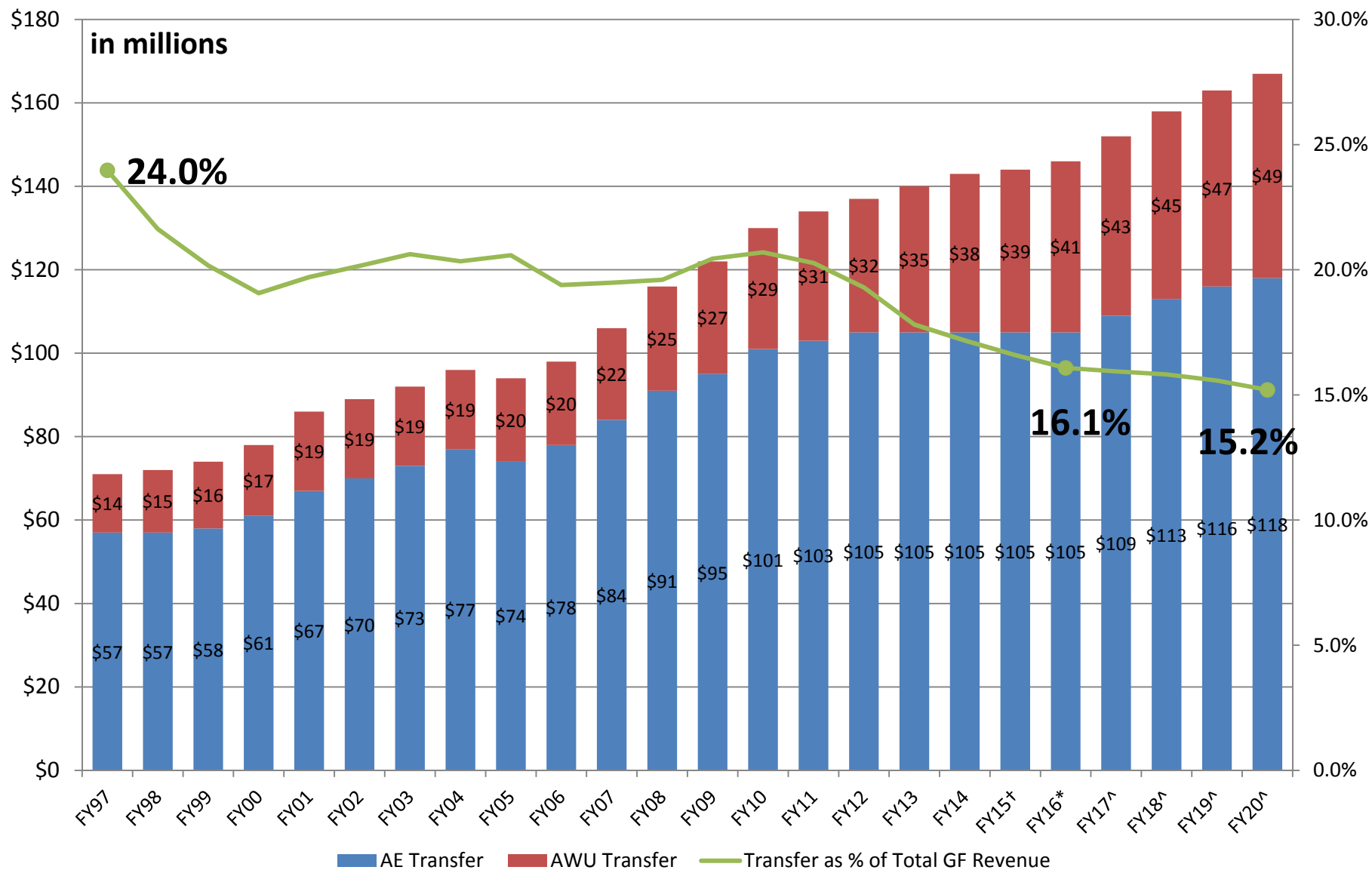
Utility Transfers

Fiscal Year	AE Transfer	AW Transfer	Total Increase
FY 2015	\$ 105.0 m	\$ 38.8 m	\$ 0.8 m
FY 2016	\$ 105.0 m	\$ 40.8 m	\$ 2.0 m
FY 2017	\$ 109.0 m	\$ 42.5 m	\$ 5.7 m
FY 2018	\$ 113.0 m	\$ 44.8 m	\$ 6.3 m
FY 2019	\$ 116.0 m	\$ 47.4 m	\$ 5.5 m
FY 2020	\$ 118.0 m	\$ 49.5 m	\$ 4.1 m

➤ Budget maintains Council approved transfer policies

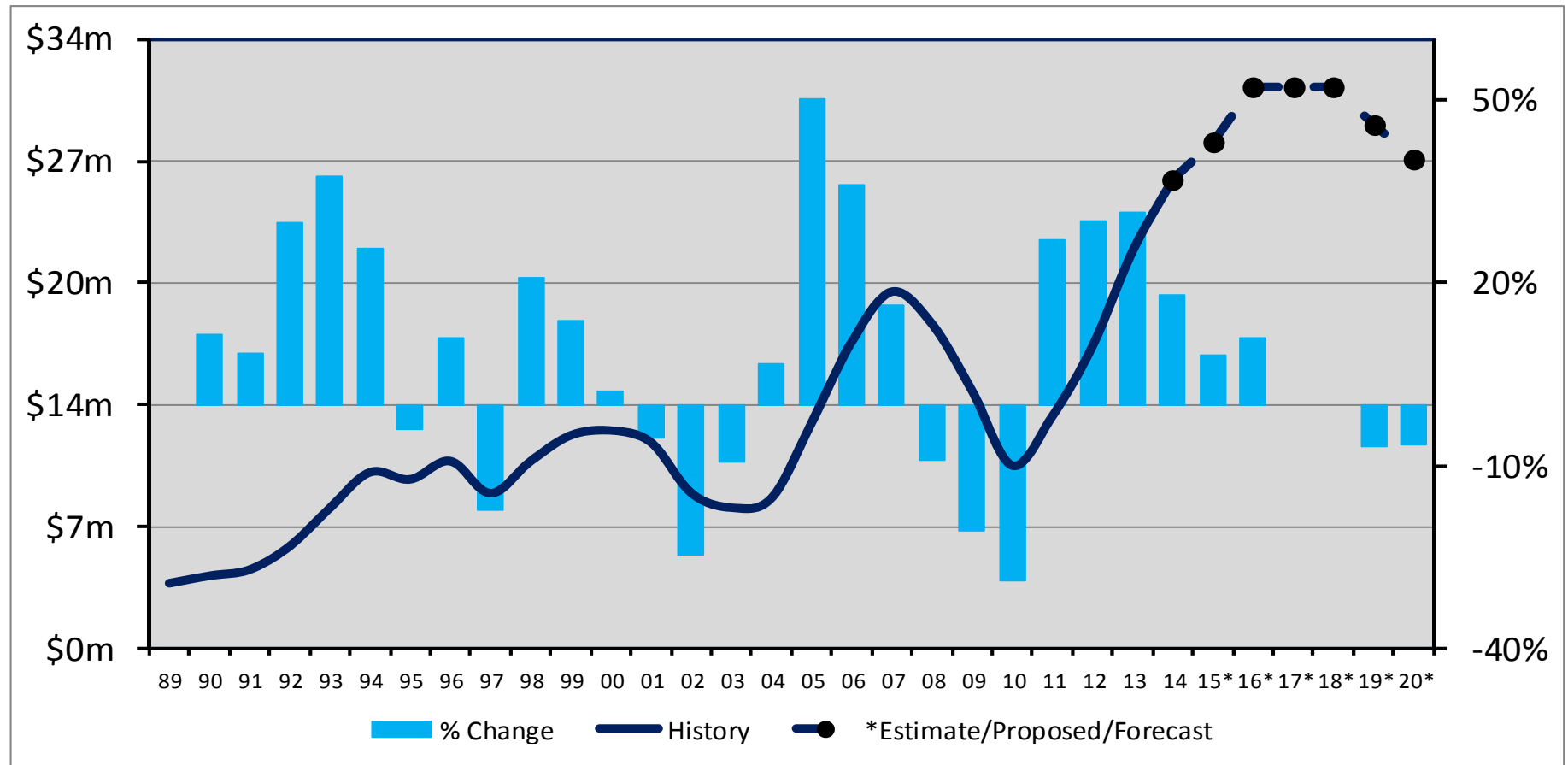
- Austin Energy transfer set at 12% of the three-year average of non-fuel revenue, with a floor of \$105 million; fifth consecutive year at this level
- Austin Water transfer set at 8.2% of the three-year average of gross revenue

Utility Transfer History



Development Revenue

Historical Activity



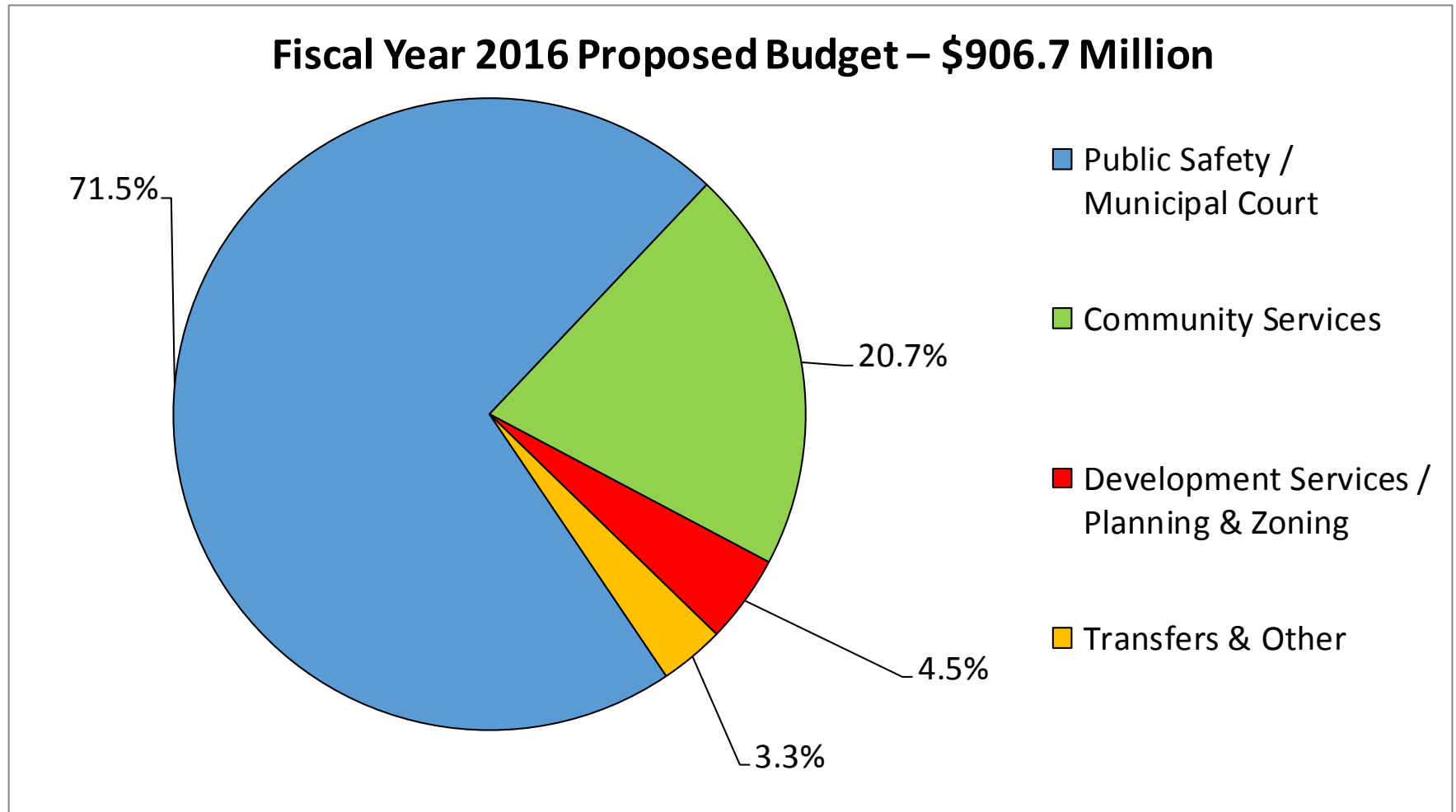
FY 2015 estimate = \$28.2 M; FY 2016 Proposed = \$31.4 M

Other Revenue Highlights

- Cable franchise revenue projected to increase by \$1.1 million, or 11.1%, in FY 2016
- Public Health revenue increasing by \$0.6 million, or 9.7%, due to increased County interlocal agreement revenue for Animal Services and increased number of birth certificates issued
- PARD expects discount program utilization to increase, at a cost of \$0.3 million; increasing fees for non-resident pool entry anticipated to generate \$0.4 million in new revenue

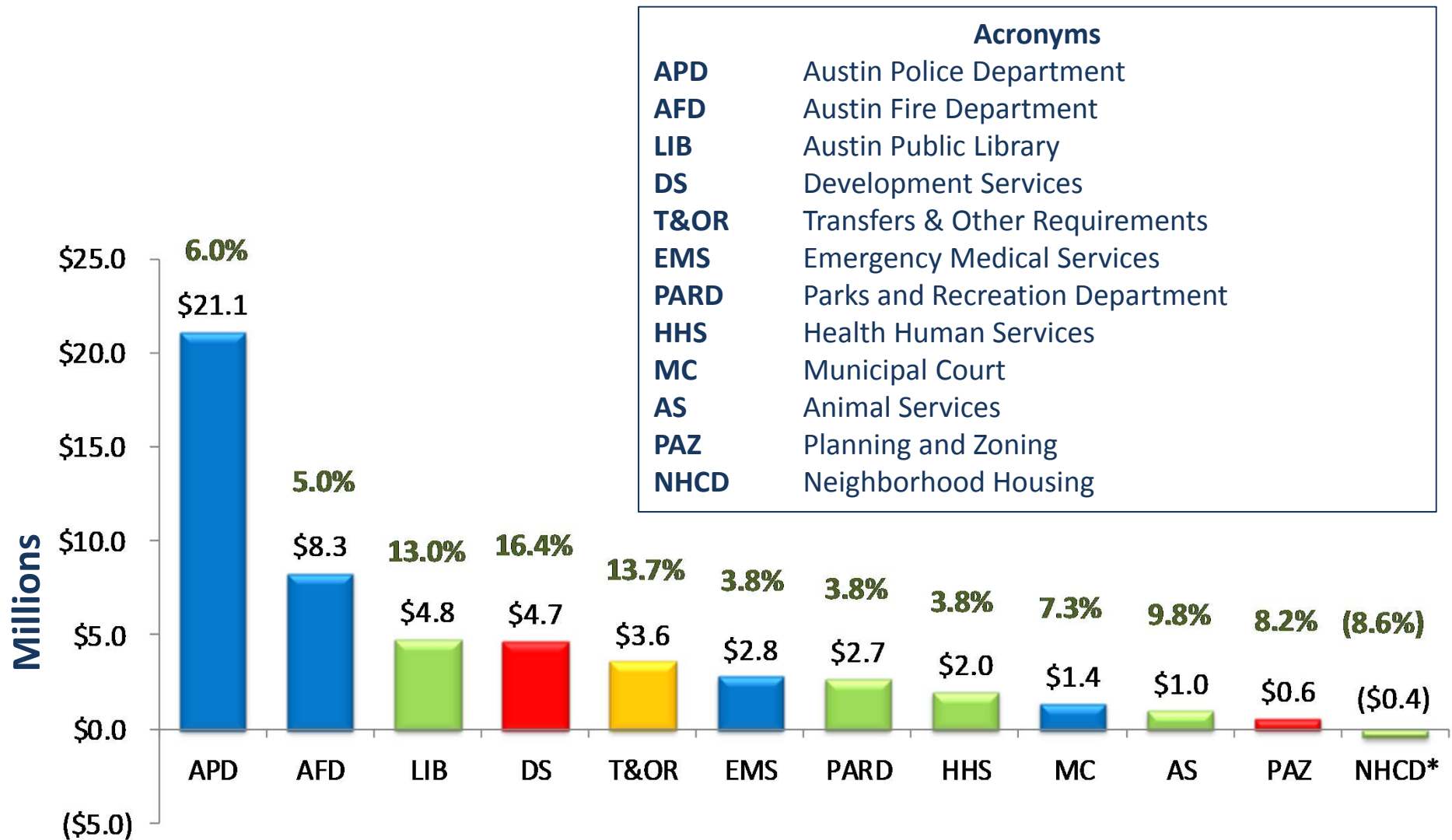
General Fund

Uses of Funds



Budget Changes – \$52.6 Million

General Fund Increases



* NHCD is decreasing a net \$0.5 million primarily due to reduced CTM and Support Services costs in FY 2016

Footnote: Bar chart colors match "Uses of Funds" previous slide

Department Highlights

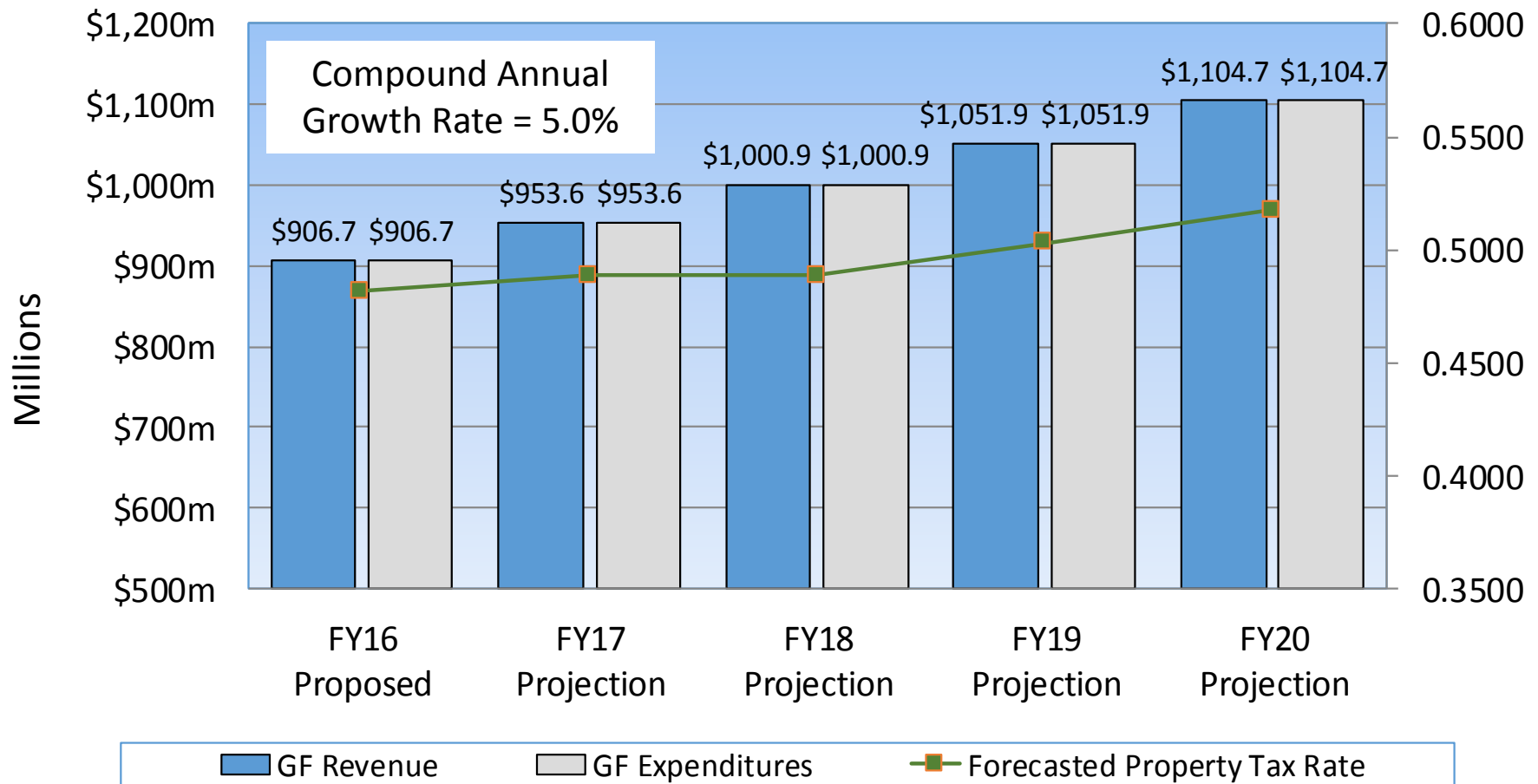
- 85 new officers to increase proactive community engagement time – \$7.0 million
- 21 APD civilian personnel for additional call taking, telecommunications, and administrative support – \$1.2 million
- 12 paramedic positions related to relocation of an existing County unit – \$800,000
- 48.25 new positions, O&M and one-time relocation costs New Central Library opening November 2016 – \$2.3 million net cost

Department Highlights

- 11 positions and \$560K for recreation specialists, a park ranger supervisor, an equipment operator and maintenance worker
- 27 new positions added to Development Services – \$2.8 million
 - Improve planning, reviewing and permitting
- Neighborhood Housing and Community Development incorporated into General Fund
 - No fiscal impact to General Fund
- HHS transfer in 5 positions for chronic disease prevention and control due to expiring grant funds – \$429,000
- Social Services Contracts
 - Rental and financial assistance to displaced residents – \$740,000
- Adding 8 positions at the Austin Animal Shelter to improve animal care and sanitation

Five-Year Outlook

Projected Baseline Expenditures vs. Revenue



City of Austin Proposed Budget

Internal Service Funds Highlights

Elaine Hart, Chief Financial Officer

Internal Service Allocations

- Internal Service Funds provide goods and services to other City departments on a cost-reimbursement basis

	Comm &Tech Management	Fleet Services	Support Services
Budget Increase	\$4.0 M	\$3.3 M	\$10.0 M
Total 2016 Budget	\$87.0 M	\$54.8 M	\$116.0 M
Percent Change	4.8%	6.4%	9.4%
New Positions	3.00	7.00	24.00

- **Support Services - Cost Allocation Plan**
 - One-time savings in costs allocated to departments through use of \$5.5 million beginning balance
- **Information Technology - Governance**
 - \$28.5 million in FY 2016 for critical infrastructure replacement and approved projects
- **Fleet - Decrease in fuel cost for vehicle fleet - \$9.0 million**
 - 50% one-time reduction in FY 2016 charges to departments
 - 3% annual increase projected after FY 2016

Support Service Highlights

Description	Amount
Funding for City-wide cost drivers (wage adjustment, market study, health insurance)	\$4.2 million
13 positions for Mayor and Council staff	\$1.1 million
Annualized cost for four Council offices	\$345,000
11 positions to increase support functions in seven departments due to increased demand for services	\$782,000
Increase funding for preventive maintenance at City facilities	\$600,000
Reduce elections funding for City Clerk	(\$1.0 million)
Reduce transfer to Capital Improvements Projects	(\$1.7 million)

CTM Highlights

Transfers to CIP \$28.5 million

- \$9.0 million for Critical Infrastructure Replacement
 - Data storage, Servers, Network switches and connections, Phone upgrades, Security, Public Safety Radios
- \$13.5 million for Information Technology Governance Approved Projects
 - Library Radio Frequency Identification (RFID), Electronic Health Records, Electronic Permitting, Real Estate Inventory System, AMANDA Case Management System, Video Wall for Combined Transportation, Emergency & Communications Center (CTECC)
- \$2.0 million for equipment for new police officers
- \$4.0 million for vehicle wireless equipment

Fleet Highlights

- Fuel cost reduction for vehicle fleet – \$9.0 million
- 7 new positions and market based pay increase to attract and retain fleet technicians
 - \$1.4 million for market adjustments and incentive pay for technician certification program
 - \$338,000 for staff for tire service, inventory functions, registration stickers and contract compliance
- Vehicle Acquisition – \$12.1 million
 - \$10.5 million replacement vehicles for General Fund and Support Services departments
 - \$1.6 million for vehicles for new police officers

City of Austin Proposed Budget

Enterprise and Other Funds Highlights

Elaine Hart, Chief Financial Officer

Austin Energy Highlights

Total Requirements \$1,370.4 million; 1,672.75 FTEs

- Power supply cost reduction of \$70.0 million
- No new positions requested for FY 2016
- Bond refunding lowered debt service by \$3.0 million
- \$36.0 million transfer to Strategic Reserve; reserve fully funded by FY 2018
- \$9.0 million transfer for Repair and Replacement
- General Fund Transfer at \$105.0 million since FY 2012

Revenue and Rates:

- No base rate increase
- Decrease Power Supply Adjustment - (\$70.0 million)
- Increase in Regulatory Charge - \$50.9 million
- Chilled water revenue up by \$6.6 million

Austin Water Highlights

Total Requirements \$518.7 million; 1,148.50 FTEs

- Cost containment efforts delay staffing plan a second year
- One new position for Balcones Canyonlands Preserve
- Bond refunding lowered debt service by \$14.0 million
- \$8.4 million increase in transfer for capital projects
- Revenue Stability Reserve – increase transfer \$1.9 million to \$9.2 million total for FY 2016 balance of \$27.5 million

Revenue and Rates:

- System-wide rate increase of 4.9%; additional \$19.3 million revenue
- \$4.94 monthly increase to typical residential customer
- Revenue stability charge remains at \$0.19/1,000 gallons

Aviation Highlights

Total Requirements \$135.4 million; 415.00 FTEs

- 37 new positions to keep pace with growing service demand and facility expansion – \$2.8 million
- \$2.0 million cost increase related to newly expanded facilities and maintenance activities
- Logistics management services for airport tenants and information technology maintenance - \$1.7 million
- Revenue bond debt service increases by \$7.0 million to \$23.6 million due to significant capital projects underway

Revenue and Rates:

- Airline (terminal rent, landing fees) and non-airline (parking, concessions, etc.) revenue up \$14.2 million
- Revenue - 44.5% from airlines; 55.5% non-airline

Austin Resource Recovery Highlights

Total Requirements \$89.6 million; 429.00 FTEs

- 15 new positions for growing customer base - \$1.2 million
- \$1.1 million for North East Service Center land payment
- Additional funding for equipment and vehicles of \$5.7 million
- \$0.1 million for equipment for City-wide launch of organics program; full rollout planned to begin FY 2017
- Reserve policy non-compliant until FY 2017; \$0.5 million short

Revenue and Rates:

- Austin Resource Recovery's portion of Clean Community Fee

Major Fee/Rate Description	FY 2015 Rate	FY 2016 Proposed Rate	Monthly Change
ARR Clean Community fee – Residential	\$4.30	\$4.30	\$0.00
ARR Clean Community fee – Commercial	\$11.75	\$14.75	\$3.00
Residential customer with a 64-gallon cart	\$21.60	\$23.30	\$1.70

Austin Code Highlights

Total Requirements \$20.1 million; 117.00 FTEs

- 8 new positions and 1 transferred position from Public Works focused on increasing process improvements
 - 4 for Case Investigations, 1 for the Short Term Rental Program, 1 for Multi-Family program, 1 for Repeat Offender Program, and 1 position to serve as a community liaison

Revenue and Rates:

- Austin Code's portion of Clean Community Fee

Major Fee/Rate Description	FY 2015 Rate	FY 2016 Proposed Rate	Monthly Change
Code Clean Community fee – Residential	\$3.10	\$3.35	\$0.25
Code Clean Community fee – Commercial	\$6.20	\$6.70	\$0.50

Convention Center Highlights

Total Requirements \$67.6 million; 266.00 FTEs

- 16 new positions for \$1.0 million to service understaffed areas due to event growth and customer demand
- \$5.0 million one-time transfer from Town Lake Venue to parkland development capital project

Revenue and Rates:

- Hotel Occupancy Tax revenue 4% over FY 2015 estimate
- City receives 9 cents of each dollar of hotel occupancy rent

Hotel Occupancy Tax (HOT)	Allocation	FY 2016 Revenue	Description
Convention Center Tax Fund	4.50 cents	\$39.7 M	ACC operating & debt service requirements
Venue Project Fund	2.00 cents	\$17.6 M	Debt service on bonds for ACC expansion and Waller Creek Tunnel
Tourism and Promotion Fund	1.45 cents	\$12.8 M	Contract payments to ACVB

Remaining 1.05 cents for Cultural Arts Fund to fund grant contracts to artists and cultural agencies - \$9.3M FY 2016

Public Works Highlights

Total Requirements \$78.8 million; 491.25 FTEs

Significant reduction in capital projects workload:

- 12 positions transferred/repurposed to other departments for \$1.5 million
- 11 positions transferred to Transportation Fund from Capital Projects Management \$1.3 million; net impact \$0
- \$1.3 million lower transfer to capital budget

Revenue and Rates:

- \$4.0 million revenue increase for Public Works' portion of Transportation User Fee

Major Fee/Rate Description	FY 2015 Rate	FY 2016 Proposed Rate	Monthly Change
PW Transportation User Fee - Residential	\$6.19	\$6.60	\$0.41
PW Transportation User Fee - Commercial	\$30.95	\$33.00	\$2.05

Austin Transportation (ATD) Highlights

Total Requirements \$41.6 million; 220.50 FTEs

- 12 new positions for \$1.2 million for mobility programs (9 new and 3 transferring from Public Works)
- 10 positions for \$0.8 million for parking activities (5 new and 5 transferring from Public Works)
- Increased contract costs of \$4.9 million for improving mobility

Revenue and Rates:

- \$1.8 million in new revenue for creation of two parking management districts and downtown parking rate increase
- \$6.6 million revenue increase for ATD's portion of Transportation User Fee

Major Fee/Rate Description	FY 2015 Rate	FY 2016 Proposed Rate	Monthly Change
ATD Transportation User Fee – Residential	\$2.06	\$3.17	\$1.11
ATD Transportation User Fee – Commercial	\$10.32	\$15.88	\$5.56
Downtown hourly parking rate (pay stations)	\$1.00	\$1.20	\$0.20

Watershed Protection Highlights

Total Requirements \$85.5 million; 275.75 FTEs

- 2 new positions for buyout and other programs - \$0.2 million
- Debt service increases total of \$1.9 million including \$1.5 million for Onion Creek buyout
- Temporary staff to help apply new fee structure - \$0.3 million

Revenue and Rates:

- Revised fee structure approved June 2015 by Council
- Fee now calculated based on amount and percentage of impervious area on each property

Major Fee/Rate Description	FY 2015 Rate *	FY 2016 Proposed Rate**	Monthly Change
Drainage Utility Fee	\$9.80	\$11.59	\$1.79

** Per single-family home*

55 *** Residential customer with 3,100 sq. ft. of impervious cover and 37% impervious cover*

City of Austin Proposed Budget

Capital Budget Highlights

Kimberly Springer, Deputy Budget Officer

Basics of Capital Budgeting

➤ Operating vs. Capital Budget

- Operating budget funds used for personnel costs, annual facility costs, etc. and are only available in the fiscal year in which approved/appropriated
- Capital budget funds major improvements and expansions of City facilities and infrastructure
- Multi-year funding (Funds are available until exhausted, over multiple years)

➤ Appropriations vs. Spending Plan

- Capital budget includes appropriations for new and continuing projects and programs
- Spending plan is anticipated capital spending for the upcoming fiscal year
- Spending plan will not match new appropriations since spending utilizes both prior year and new appropriations
- Spending rate varies depending on phase of the project

Capital Budget Funding Sources

- Cash
- Grants
- Debt

Types of Debt	Purpose	Voter Approval	Term
Public Improvement Bonds (PIBs)	Capital assets	Yes	20 Years
Certificates of Obligation (COs)	Real property; off-cycle capital needs	No	10 – 20 Years
Contractual Obligation (KOs)	Equipment	No	5 – 10 Years
Commercial Paper (CP)*	Capital assets	No	270 Days
Revenue Bonds**	System improvements; Refund CP to longer terms	No	20 – 30 Years

* Utilized only by Austin Energy and Austin Water.

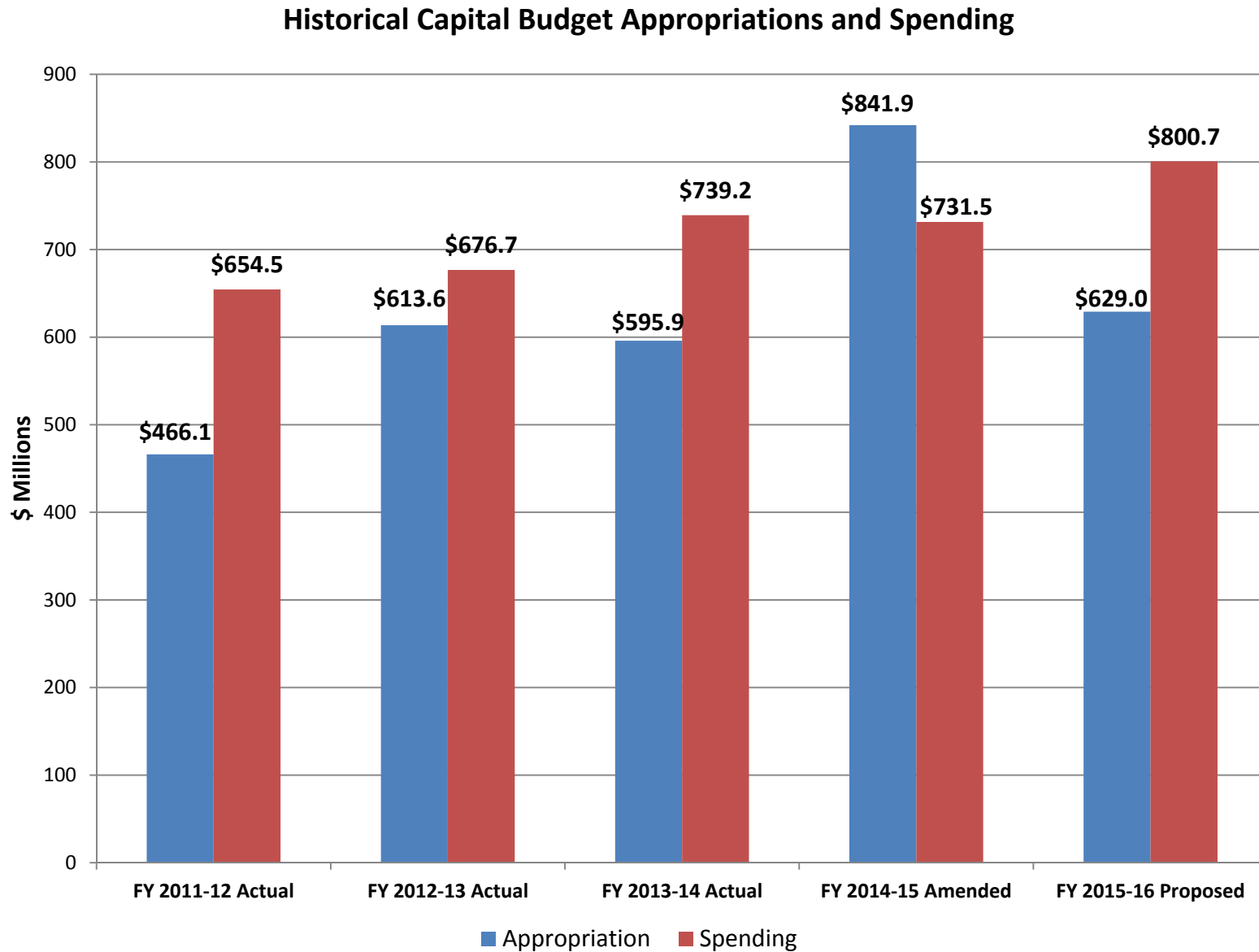
** Utilized only by Austin Energy, Austin Water, and Aviation.

Capital Budget Funding Sources

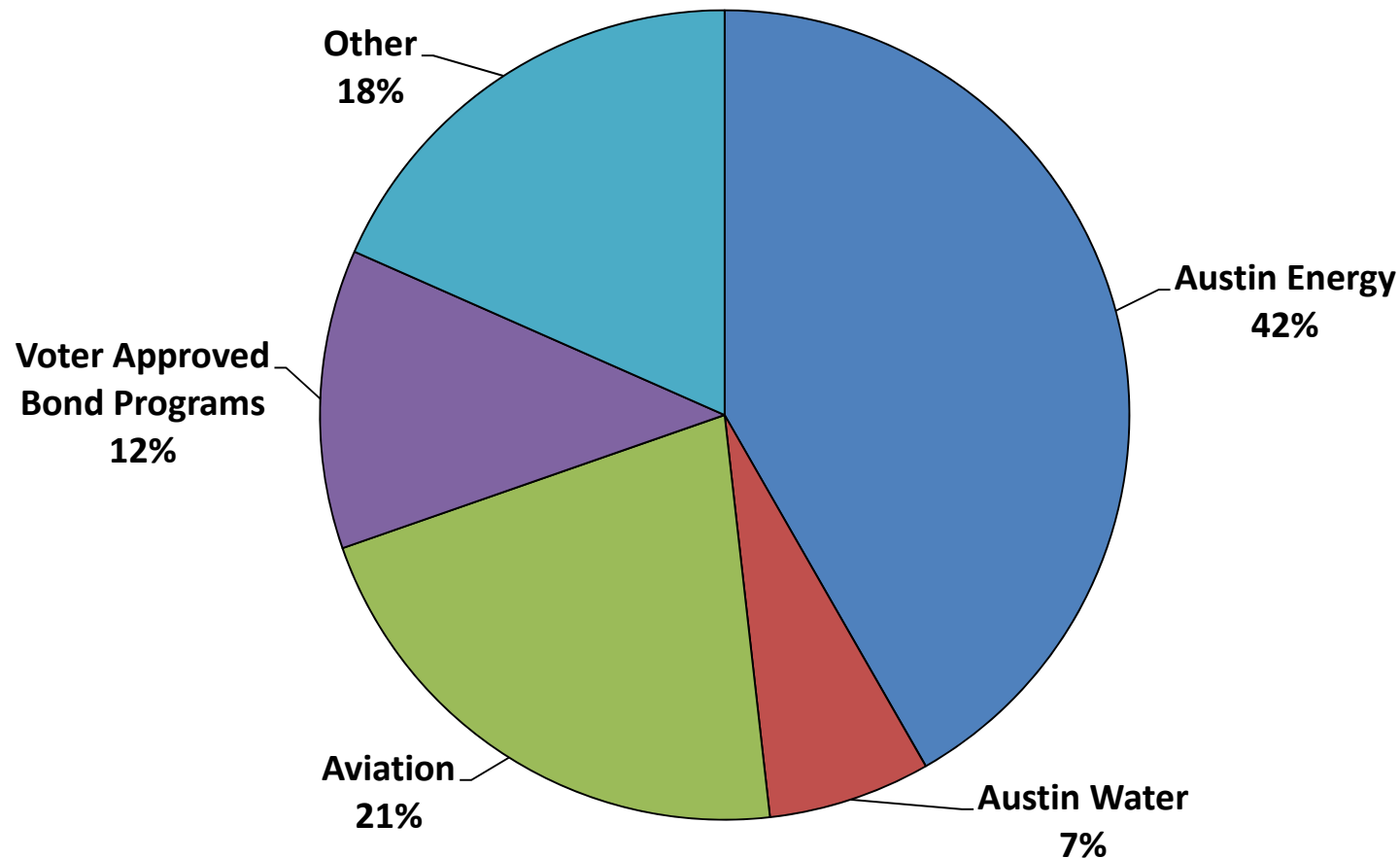
➤ Reimbursement Resolution

- Allows the City to appropriate capital funds supported by debt and issue that debt at a later date to reimburse itself
- Authorized by the Internal Revenue Service (IRS)
- Required to preserve ability to issue tax-exempt debt in order to reimburse the project cost
- Must be passed by City Council not more than 60 days after the date the cost to be reimbursed is paid
- Debt must be issued no later than 18 months after the expenditure or when the project is placed in service

Capital Budget History

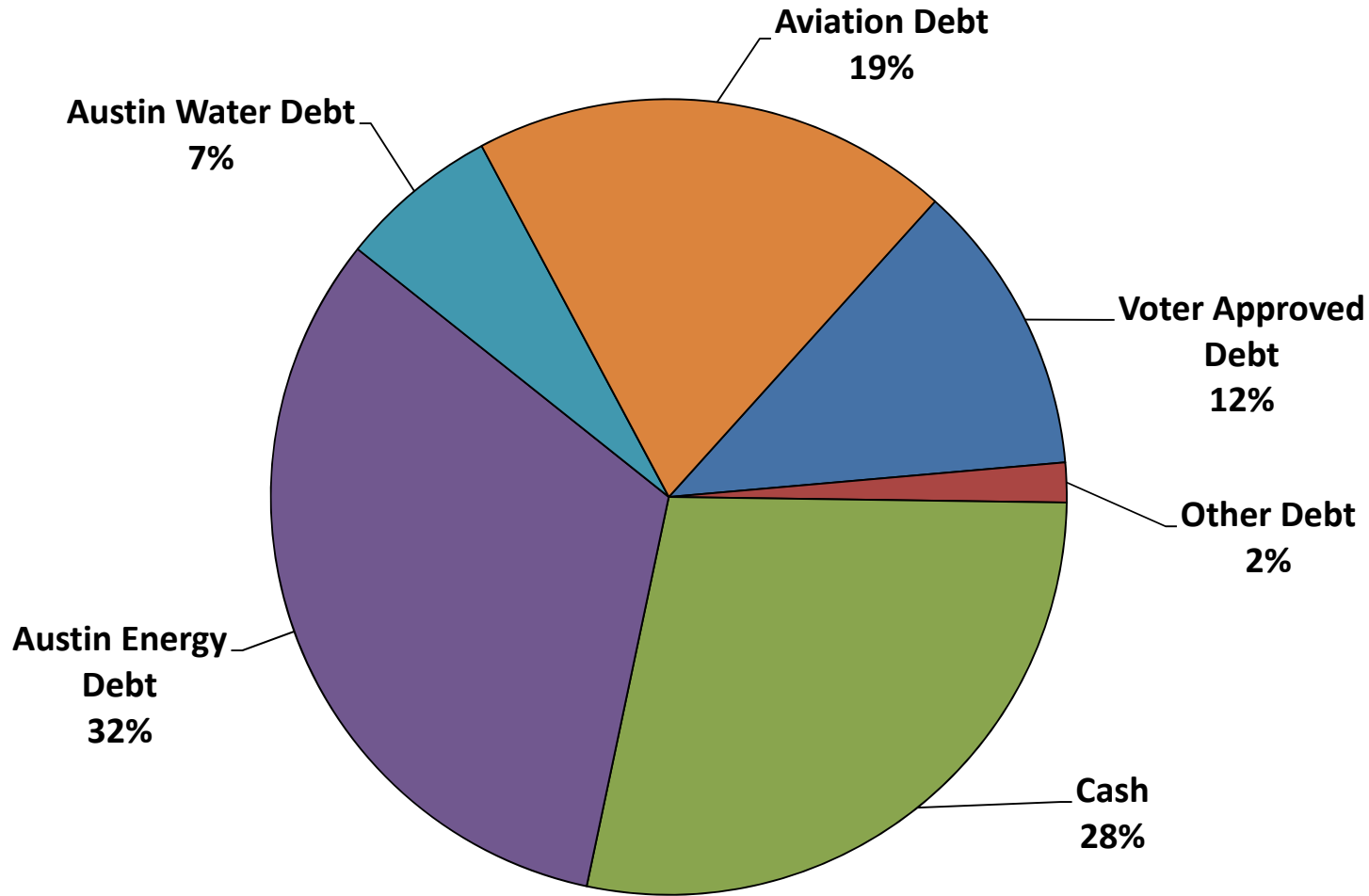


Capital Budget New Appropriations



- Total new appropriations – \$629.0M
- Austin Energy and Aviation account for \$397.3M or 63.2% of new appropriations

Capital Budget Appropriations by Funding Source



- Austin Energy, Austin Water, and Aviation revenue bonds are not supported by the tax rate
- Other debt includes Certificates of Obligation and Contractual Obligations

Austin Energy Capital Budget Highlights

- Power production
- Transmission and distribution
- On-site generation
- Alternative energy
- Customer service and metering
- Information Technology and Facilities



Power Production	\$142.9M
Transmission	\$39.5M
Distribution	\$79.1M
Support Services	\$0.9M
TOTAL*	\$262.4M

*\$203.8M debt funded; \$58.6M cash funded

Aviation Capital Budget Highlights

- Terminal and Apron Expansions
 - Additional Gates
 - Ticket Lobby Renovation
 - Baggage Claim Level Improvements
- New Parking Garage



ABIA Improvements	\$133.1M
Capital Equipment/ Vehicles	\$1.8M
TOTAL*	\$134.9M

*\$122.4M debt funded; \$12.5M cash funded

Austin Water Capital Budget Highlights

- Focus on replacement and rehabilitation
- Horizontal assets: Pipes, valves
- Vertical assets: Treatment plants, pump stations, reservoirs, lift stations
- Reclaimed water



Infrastructure Improvements	\$23.0M
Reclaimed Water	\$15.5M
Capital Equipment/ Vehicles	\$2.35M
TOTAL*	\$40.85M

*\$40.85M debt funded

Bond Program Highlights

- New appropriations
 - 2012 Bond Program – \$65.1M
 - 2013 Bond Program – \$10.0M
- Austin Transportation – Mobility Improvements projects (E. 51st, IH-35 Capital Corridor, neighborhood traffic calming); Pedestrian hybrid beacons
- Public Works – Street reconstruction, multimodal trails, ADA sidewalk & ramp improvements
- Parks and Recreation – Montopolis Recreation and Community Center



Bond Program Highlights

- Fire – Onion Creek Fire Station
- Health and Human Services – Austin Shelter for Women and Children Renovation/Expansion
- Economic Development – Austin Studios, East 51st Street improvements
- Neighborhood Housing – Rental, home ownership, home repair, architectural barrier removal (ABR)



Other Capital Budget Highlights

- Animal Services – Austin Animal Center expansion
- Convention Center – Parking garage improvements, tasting kitchen, Castleman Bull House
- Planning and Zoning – CodeNEXT
- Watershed Protection – Waller Creek Tunnel, District Redevelopment and home buyouts



City of Austin Proposed Budget

Next Steps

Ed Van Eenoo, Deputy Chief Financial Officer

Budget Timeline

- Public Engagement Report (8/3)
- Vacancy Report (8/7)
- Budget Worksessions (8/10 and 8/12)
- Public Hearings on Budget and Utility Rates (8/20 and 8/27)

▪**Delayed Tax Roll Certification (8/28)**

▪**October 1 – First day of fiscal year 2016!**



- Proposed Budget submitted to Council (7/30)

- Pre-budget adoption Worksession (9/1)

▪**Set Max Tax Rate (9/1)**

- Budget adoption (Sept. 8-10)

▪**Public Hearings on Tax Rate (9/10 and 9/17)**

▪**Adopt Tax Rate (9/22)**



★ = Requires Special Called Meeting

Budget Work Session Agenda

AUGUST 10

(9:30 AM – 4:30 PM)

Community Services

- Animal Services
- Austin Code
- Austin Public Library
- Health and Human Services
- Neighborhood Housing & Community Development
- Parks and Recreation

Public Safety

- Municipal Court
- Emergency Medical Services
- Fire
- Police

AUGUST 12

(9:30 AM – 4:30 PM)

Development

- Economic Development
- Development Services
- Planning and Zoning

Infrastructure/Transportation

- Austin Transportation
- Public Works
- Watershed Protection

Utilities / Other Major Enterprises

- Austin Convention Center
- Austin Energy
- Austin Resource Recovery
- Austin Water
- Aviation

** Additional departments can be made available for presentations at Council's request*

***For more information,
please visit:***

Austin Finance Online

City of Austin - Financial Services

www.austintexas.gov/finance



Questions/Comments/Discussion

