



Staying the course in 2005.....

- Reflects financial principles for a structurally balanced budget
 - Cut management and administrative expenditures, before cutting back on direct services
 - Service delivery changes where it makes sense
 - Look at revenues, only after reductions
 - Maintain a multi-year focus
- Sets stage for moving forward in a sustainable budget environment

General Fund Budget Facts

Tax Rate

Proposed at the Effective Tax Rate

- Current Tax Rate: 49.28¢
- Estimated Effective Tax Rate at Policy Budget: 50.13¢
- Effective Tax Rate Change Factors:
 - Proposed Budget Effective Rate: 50.65¢
 - Although overall assessed valuation increased slightly, 'existing' values declined further
 - Current year property tax revenues negatively impacted by dramatic increase in prior year tax refunds

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General Fund Budget Facts

Tax Rate

- Hospital District Tax Rate Impact
 - Estimated tax rate reduction at Policy Budget: 5.97¢
 - Proposed Budget estimated tax rate reduction: 6.18¢
- Proposed Tax Rate: 44.47¢
 - Effective Tax Rate 50.65¢
 - Less Hospital District 6.18¢
- Effective tax rate impact on average home
 - Average Value: \$ 182,111
 - \$ 25 per year (of which only \$ 21.95 goes to City)

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General Fund Budget Facts

- Closing the gap:
 - Revenue enhancements 45%
 - Expenditure reductions 55%
- Cost reductions and cost containment \$ 10.8 million
- Eliminates 37 positions (15 employees impacted, all being offered placements within organization)
- No facility closures, however many continue at reduced hours and program levels
- 3.5% pay increase for civilian employees (first time since 2002)

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A look back at our 4-year journey

- Year One (FY 2002) - Budget approved by Council on September 11, 2001
 - Drastic economic change
 - Budget 'just' approved, could not be implemented
 - Begin four years of hiring freezes and aggressive budget reductions

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A look back at our 4-year journey

- Year Two (FY 2003) – Economy continues to decline; cost drivers outpacing revenue growth
 - Closed a \$ 52 million gap
 - General Fund reductions of over \$ 31 million, of which \$ 17 million were in management and administrative costs
 - Eliminated 321 positions; no layoffs

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A look back at our 4-year journey

- Year Three (FY 2004) – Economy shows signs of stabilizing; cost drivers still a challenge
 - Produced \$ 38.2 million in General fund strategic reductions
 - Eliminated 344 General government positions (206 filled); 200 management and administrative jobs eliminated
 - Actions taken to mitigate cost driver impact
 - Business model changes implemented
 - *Achieved Structural Balance*

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A look back at our 4-year journey

- Year Four (FY 2005) – Economy in slow recovery mode
 - Fourth year of reductions to close a \$ 19.4 million gap
 - Budget of needs not wants
 - Well positioned strategically to rebuild our programs and service levels

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Responsible People, Responsive Government

- Solicit Public feedback
 - Tool for assessing progress
 - Tool for resource allocation decisions
 - Customer driven and customer focused
 - Improves public accountability of City government
- Annual Citizen Survey
 - Comprehensive instrument of city services / programs
 - Asks citizens priority (importance) and satisfaction with services / programs

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Responsible People, Responsive Government
Citizen's Top 5 Issues Facing City

1. Traffic Issues (congestion, flow, planning, etc)
2. Tax related issues (too high, too many, etc)
3. Growth management (speed, planning, zoning, etc)
4. Environmental (protection, conservation, control, balance, etc)
5. Roadway development (planning, maintenance, inconvenience, etc)

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Responsible People, Responsive Government
Citizen's Priority for Funding

1. Ambulance (EMS) services
2. Police services
3. Fire services
4. Traffic flow / signal synchronization
5. Environmental protection
6. Health care and social services to low-income citizens
7. Affordable housing
8. Parks
9. Libraries
10. Economic development efforts

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Responsible People, Responsive Government Survey Results - Customer Focus

Measure	Rating
City employees' courtesy	80% favorable (+1%)
City employees knowledge of their job	78% favorable (=)
City employees conduct city business in an ethical manner	84% favorable (+1%)
Government services are provided efficiently	72% favorable (+1%)
Utility customer service	83% favorable (+3%)
City employees' accessibility	74% favorable (-2%)

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Responsible People, Responsive Government Customer-Driven Models For Change

- Main Principles
 - Organize for the Customer
 - Streamline and Simplify Processes
 - Think Differently About Service Delivery

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*Responsible People, Responsive Government
Customer-Driven Models For Change*

- Four Key Areas Of Change
 - Transportation, Planning, and Sustainability
 - One-Stop Development Shop
 - Consolidated Code Enforcement
 - 24/7 Call Center

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*Responsible People, Responsive Government
Implementing Safeguards*

- Establishment of Integrity Office
- Investing in the Workforce

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Revenue Policies

- Comprehensive Revenue Initiative
 - Existing fees
 - Inflationary analysis increases
 - Cost of service increases
 - New fees
 - Services / programs not currently assessed a fee
- Maintenance of Utility Transfer Rates
 - Electric Utility 9.1%; Water Utility 8.2%
- Sales Tax Growth 5%
- Effective Tax Rate
- Judicious use of One-Time Funds

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Revenue Policies

Enterprise Funds

- Water Utility
 - water rate increase 9.2%; wastewater rate increase 14.7%
 - Combined rate increase 11.8%
 - Average monthly impact to residential customer: \$5.16
- Drainage Utility
 - Residential: \$ 6.30 to \$ 6.74
 - Commercial: \$ 120.41 to 147.92 per impervious acre

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Budget Highlights
Police

- Proposed reductions \$ 1.8 million; 4 vacant civilian positions
- Maintain 2.0 Officers per 1,000 residents
- Replacement of critical equipment
 - 85 marked patrol cars; unmarked units, motorcycles
 - Technology equipment
- Meet and Confer – 2nd Year of contract funding
- Budget Presentation – August 5th

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Budget Highlights
Fire

- Proposed reductions \$ 1.5 million; 4 vacant civilian positions and 3 vacant sworn staff positions
- Operation of all fire stations maintaining taskforce staffing
- Replacement of critical equipment
 - 3 Pumpers and 1 Ladder
 - 2nd year of replacement purchases of self-contained breathing apparatus and air bottles
- Executive management reductions, 2 AC's; redeployment of 3 staff firefighter positions
- Budget Presentation – August 5th

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Budget Highlights
Emergency Medical Services

- Proposed reductions \$ 1.3 million; 6 vacant paramedic positions
- Operation of all 28 EMS stations
(20 within city limits, 8 outside city limits)
- Emergency response service delivery enhancement
 - Convert 2 stations to 12 hour - 'alternative' shift stations
- Replacement of critical equipment
 - Skid Truck simulator – Training and safety enhancement
 - Direct patient care equipment: nitronox and capnography equipment; airway masks, etc.
 - 50 Automated External Defibrillators (AED's) for placement at City facilities
- Budget Presentation – August 5th

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Budget Highlights
Health and Human Services

- Proposed reductions \$ 689,000; 2 vacant and 5 filled positions
- Shots for Tots – provide approximately 44,000 immunizations
- Food establishment inspections – increase number of inspections by 1,000 (7,115 in 2004 to 8,114 in 2005)
- Maintain funding levels for social services
- Animal control services – continue basic service levels for animal care and control
- Budget Presentation: August 12th

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Budget Highlights

Parks and Recreation Department

- Proposed reductions \$ 493,000; 3.5 vacant positions
- Community recreation programs – maintain current levels of youth participation hours
- Park Safety – maintain funding levels for Park Police
- Facility maintenance & improvements – maintain current maintenance levels; addition of ‘one-time’ funding for facility repairs and improvements
- Opening of Carver Museum and Cultural Center
- Budget Presentation: August 12th

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Budget Highlights

Austin Public Library

- Proposed reductions \$ 386,000; .25 vacant and 1.75 filled positions
- Maintain current operating hours at all branch libraries and central library
- Maintain current operating hours for the Austin History Center
- Book material budget – restore partial funding of \$ 300,000
- Opening of Carver branch and Terrazas branch libraries
- Budget Presentation: August 12th

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New Facilities

- Maintains approved 2-year delay for opening many facilities
- Five facilities scheduled to open in 2005
 - Circle C Fire / EMS Station
 - Fire component of Del Valle Fire/EMS Station
 - Carver Library branch expansion
 - Carver Museum and Cultural Center expansion
 - Terrazas branch library expansion

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Roadways, Sidewalks & Transportation

- Preventative maintenance on 545 lane miles, or approximately 8% of street inventory; 74% of all lane miles will be in fair to excellent condition
- Addition of new concrete crew dedicated to ADA sidewalk and ramp projects
- \$ 4.3 million available in 2005 for ADA projects such as restroom upgrades, curb ramps & sidewalks, and park facility upgrades
- Construction of 100 curb ramps and 14,000 linear feet of sidewalks
- Continued expansion of traffic signal system along bus routes; funded by 1.4 cent sales tax from CapMetro
- Increased appropriation for bikeway projects

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1998 Bond Projects

- New appropriations
 - Proposition 1 – Transportation
 - \$ 8.9 million street reconstruction
 - \$ 784,000 bikeway improvements
 - \$ 1.3 million sidewalk improvements
 - \$ 735,000 traffic signals
 - Proposition 2 – Parks
 - \$ 2.2 million Destination Parks
 - \$ 1.9 million South Austin Tennis Center
 - \$ 200,000 playscapes

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Fiscal Year 2005 Unanticipated Surplus

- Better than expected sales tax revenue and revised calculation of our effective tax rate allowed us to ease the impact of reductions
- Unanticipated surplus of \$ 200,000 remains in Proposed Budget

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Budget Calendar

- Today – Set Public Hearings
- August 5th – Public Safety Briefings
Public Hearing
- August 12th – Community Services Briefings
Public Hearing
- August 26th – Infrastructure & Growth
Management Briefings
Public Hearing (final)
- September 2nd – Utilities Briefings
Rate Hearing
- Budget Readings – September 13th – 15th

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