

NOTICE OF SPECIAL MEETING

TO THE MEMBERS OF THE CITY COUNCIL OF THE CITY OF AUSTIN:

Notice is hereby given that a Special Meeting of the City Council of the City of Austin will be held on the 27th day of September, 1954, at the Municipal Building, Eighth and Colorado, in Austin, Texas, at 8:00 P.M. for the purpose of finally passing an ordinance adopting and approving the budget for the fiscal year, October 1, 1954, to September 30, 1955.

(Sgd) Elsie Woosley
City Clerk

(Sgd) C. A. McAden
Mayor
City of Austin, Texas

ATTEST:

(Sgd) Elsie Woosley
City Clerk

(Seal)

CONSENT TO MEETING

We, the undersigned members of the City Council, hereby accept service of the foregoing notice, waiving any and all irregularities in such service and such notice, and consent and agree that said City Council shall meet at the time and place therein named, and for the purpose therein stated.

(Sgd) Ben White
(Sgd) Mrs. Stuart Long
(Sgd) Ted Thompson
(Sgd) Wesley Pearson

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Special Meeting

September 27, 1954
8:00 P. M.

Council Chamber, City Hall

The meeting was called to order with Mayor McAden presiding.

Roll Call:

Present: Councilmen Long, Pearson, Thompson, White, Mayor McAden
Absent: None

The Mayor announced that this was a special meeting called for the purpose of finally passing an ordinance adopting and approving the budget for the fiscal year, October 1, 1954, to September 30, 1955.

The City Manager stated the budget was being modified to take care of the amendments the Council had indicated previously. The City Manager outlined his plans for expansion of the City Hall by closing in the court and thereby providing room for the inspection services, on the first floor; utilities section on the second floor of the annex, and other offices. He stated this was the most economical route to take. After discussion, Councilman Long moved that the City Hall expansion for the utility department be struck out for further study. The motion, seconded by Councilman Pearson, carried by the following vote:

Ayes: Councilmen Long, Pearson, Thompson, White, Mayor McAden
Noes: None

Mayor McAden brought up the following ordinance for its third reading:

AN ORDINANCE ADOPTING AND APPROVING THE BUDGET FOR THE FISCAL PERIOD BEGINNING OCTOBER 1, 1954, AND TERMINING SEPTEMBER 30, 1955, AND MAKING APPROPRIATIONS FOR EACH DEPARTMENT, PROJECT AND ACCOUNT; AND DECLARING AN EMERGENCY.

The ordinance was read the third time and Councilman Pearson moved that the ordinance be finally passed. The motion, seconded by Councilman White, carried by the following vote:

Ayes: Councilmen Long* Pearson, White, Mayor McAden
Noes: Councilman Thompson**

The Mayor announced the ordinance had been finally passed.

*Councilman Long made the following statement regarding her vote:

"I reserve my right to amend under the conditions set out by the City Attorney,"

**Councilman Thompson made the following statement regarding his vote:

"I vote 'No' in order to express my disapproval of the methods used in preparing the budget which resulted in an apparent unallocated surplus in the Utility Fund; furthermore, I must express my disapproval of the Budget for the reason that it completely ignored the urgent need for a paving program in Austin."

There being no further business the Council adjourned at 9:50 P.M., subject to the call of the Mayor.

APPROVED: _____

C. A. McAdams
Mayor

ATTEST:

Elvis Hooley
City Clerk

CITY OF AUSTIN, TEXAS
BUDGET
FOR FISCAL YEAR 1954-55

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SECTION I

LETTER OF TRANSMITTAL

August 31, 1954

Honorable Mayor and Members of the City Council
Austin, Texas

Dear Members of the City Council:

In compliance with Article VII, Section 6 of the Austin City Charter, and the Budget Law of the State of Texas, we submit herewith for your consideration a tentative draft of the proposed budget of the City of Austin for the twelve month period beginning October 1, 1954 and ending September 30, 1955. So that you might have ample opportunity to make comparisons of figures, the budget contains three columns throughout -- the first representing the estimated expenditures during the present fiscal year of January 1, 1954 to September 30, 1954; the second representing the estimated expenditures for the 12 months period ending September 30, 1954; and the third column representing the proposed budget for the 12 months period beginning October 1, 1954.

Our City's growth continues at an accelerated pace. In the first seven months of 1954, our Electric Department had set 1,470 new meters, representing that many new customers and residents in our Capitol City. Building permits through July 30, numbered 1,890, an increase of 121 over the same period last year. Moreover, that construction represented \$22,720,000, more than \$4,500,000 over the first seven months of last year. Needless to say, both electric and water plants have again this summer broken all records for production and the demand continues to grow.

Austin's popularity is gratifying but it is also costly! More and more people mean more houses to inspect, more garbage to pick up, more streets to maintain, more use of library and recreational facilities, more charity patients

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at Brackenridge Hospital -- in short, more people mean more cost to our City.

Austin's growing pains are made particularly acute because of the lack of adequate revenue sources. Many larger cities, not having a utility system, are in even worse financial condition than our City, but our good fortune in owning such a system is also a problem for the temptation has been strong to drain the utility system of desperately needed money for expansion purposes and divert it instead to the General Fund. Our auditors have called this to our attention several times. Your City Manager has done likewise. It is hoped that the transfer from the Utility Fund to the General Fund can be steadily reduced until it reaches a reasonable figure. We believe the time is at hand when all of us -- administration, the City Council and the people of Austin -- need to begin to study the possibility of new revenue sources. Reliance on utility revenues and the general property tax, which are our only major sources of revenue at this time, pose serious problems for your municipal government and challenge each of us to begin thinking and planning for diversification of these revenue sources.

The City's total expenditure budget for 1954-55 will be \$26,315,242, a \$6,568,401 increase over the year just ending. The major portion of this increase is accounted for in revenue bond expenditures to our utility system and debt service for those revenue bonds. Actually, the city's current fund expenditures will be reduced almost one million dollars.

Table I shows expenditures for 1953-1954 and proposed expenditures for 1954-55, classified according to the major funds.

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Table I

FUND	9 mos. 1954	12 mos. 1953-54	Proposed 1954-55	Increase
<u>CURRENT FUND</u>				
<u>EXPENDITURES</u>				
General Fund	\$ 4,877,282	\$ 6,537,571	\$ 6,822,359	\$ 284,788
Utility Fund	3,447,750	4,702,800	3,514,158	- 1,188,642
Subtotal	8,325,032	11,240,371	10,336,517	- 903,854
<u>INTEREST AND</u>				
<u>SINKING FUNDS</u>				
General Obligation				
Bonds	2,096,321	2,096,321	2,334,188	237,867
Revenue Bonds	412,260	412,260	1,454,668	1,042,408
Subtotal	2,508,581	2,508,581	3,788,856	1,280,275
TOTAL CURRENT FUND				
EXPENDITURES	10,833,613	13,748,952	14,125,373	376,421
<u>CAPITAL IMPROVEMENTS</u>				
<u>FROM SPECIAL BOND FUNDS</u>				
General Obligation Bonds	3,291,495	3,291,495	2,764,291	- 527,204
Revenue Bonds	2,706,394	2,706,394	9,425,578	6,719,184
Subtotal	5,997,889	5,997,889	12,189,869	6,191,980
GRAND TOTAL BUDGETED				
EXPENDITURES	16,831,502	19,746,841	26,315,242	6,568,401

GENERAL FUNDREVENUES

(pp. 11-12)

These pages show a detailed breakdown of General Fund resources. They indicate the heavy reliance of the General Fund upon the Utility transfer, which accounts for well over one-third of total General Fund resources. An analysis of the revenue accruing to this Fund by source shows that \$2,366,000 will come from the property tax, which means that this tax will bear less of the load in supporting our General Government activities than our Utility Fund; the transfer is projected at \$2,560,000.

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Other receipts are about the same as last year except that we estimate departmental earnings will drop some \$50,000 due to a decline in revenue at Brackenridge Hospital during the construction of the addition. An increase of \$30,000 in the collection of delinquent taxes is estimated in addition to an increase of \$10,000 in penalty and interest on these taxes. The total resources of the General Fund for the next year is estimated at \$6,871,439.

EXPENDITURES
(p. 13)

The 1954-55 General Fund budget contemplates a total expenditure of \$6,822,359, which is an increase of \$284,788 over the estimated expenditure of \$6,537,571 for the twelve months ending September 30, 1954. This increase is due primarily to the fact that all street and bridge construction has been budgeted under current operating funds rather than bond funds as has been the case in the past. Other major increases in the General Fund are in the City's General Overhead expense and an increase in various departmental budgets in the Public Safety section, primarily the Police budget and General Inspections. All of these major increases are explained in some detail in their respective sections below.

The following is a brief resume of the General Fund accounts:

Administrative and Finance
(pp. 14-30)

This account includes all the administrative offices and general overhead. The 1954-55 contemplated expenditure is \$1,007,969, compared to an estimated \$945,278, for the 12 months ending September 30, 1954. This \$62,000 increase is due entirely to items in the general overhead. Actually, estimated expenditures are up some \$86,000 in this section, but cuts totalling \$24,000

bring the net increase back to approximately \$62,000. The cuts occur primarily in the Tax office (back to a normal operating staff), and the Municipal Building. Increases in the general overhead are primarily for fire insurance (three year premium due this year), increases in the city's portion of employee insurance costs and employee retirement deposits, and \$6,500 payment on recodification of our ordinances.

Public Safety
(pp. 31-41)

This section of our City, concerned with fire protection, police protection and general inspectional services, has an increased budget of approximately \$100,000 --- from \$1,751,945 during 1953-54 to \$1,850,571 in the coming year. The increase is largely accounted for in the Police Department where additional personnel are required because of the new building and where \$34,000 has been set up to buy urgently needed new mobile equipment. General inspections have been increased \$14,000 to allow for salary and transportation costs of two new building inspectors and to provide for the printing of the Building Code,

Public Works
(pp. 42-85)

The Public Works Department budget for 1954-55 is estimated at \$1,584,335, an increase of \$126,000 over the estimate for the 12 months period ending September 30, 1954. This increase is due almost entirely to an increase in the Construction budget of the Street and Bridge Division from \$90,276 to \$211,000. Heretofore, we have had bond money available for the major portion of Street and Bridge construction expenditures, but none is available this year. The \$211,000 budgeted is, for the most part, already committed to such projects as East 19th Street and West 45th

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Street and these figures make it apparent that very little paving can be done in the current budget.

The only other major increase in the Public Works budget is an item of \$26,000 for a tractor-dozzer in the Sanitation Division, needed for use at one of our sanitary fills. The other divisions in this section have either been cut or are approximately the same as last year.

Public Health
(pp. 86-134)

The Public Health section of the budget includes the Health office, Brackenridge Hospital, TB Sanitorium, and the Abattoir. The total budget requirements for this section in 1954-55 is \$1,869,725 as compared with \$1,866,055 in the year just ending. This has been held to a \$3,000 increase primarily by a \$5,000 cut in the overall Brackenridge Hospital budget. Personal services costs at the Hospital are up slightly, but they have been compensated for by a reduction in other current expenses. Some of this is due to the saving in laundry costs, over and above the operating cost of the hospital laundry itself.

Recreation
(pp. 135-153)

The Recreation Department budget for the coming year is estimated at \$373,656, a decrease of about \$5,000 under the \$378,794 estimated for the year ending September 30, 1954.

Libraries
(pp. 154-158)

The Library budget for the City has been cut approximately \$7,000 to a figure of \$127,903 for the coming year compared to \$135,013 for 1953-54.

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UTILITY FUNDRevenues
(pp. 167-168)

Utility revenue in the new year is estimated at \$8,162,400, an increase of some \$620,000 over the estimate of \$7,542,082 for the present year. This may be broken down as follows:

SUMMARY OF UTILITY REVENUES

<u>Utility</u>	<u>9 mos. 1954</u>	<u>12 mos 53-54</u>	<u>Proposed 54-55</u>	<u>Increase</u>
Electric	\$ 4,048,586	\$ 5,335,919	\$ 5,856,700	\$ 520,781
Water	1,650,633	2,146,773	2,243,200	96,427
Sewer	28,548	36,599	40,000	3,401
Misc.	<u>21,423</u>	<u>22,791</u>	<u>22,500</u>	<u>- 291</u>
TOTAL	5,749,190	7,542,082	8,162,400	620,318

Utility Expenditures
(p. 169)

Austin's growing pains are nowhere felt more keenly than in the continued upsurge in the use of electricity and the consequent strain on generating and distribution facilities. Since the month of August has been completed, we assume that 1954's peak has been reached. This peak demand was reached July 31st with a reading of 71,000 KW. It is estimated that total production this year will reach 296,000,000 KWH and that for 1955, this will increase to 330,000,000 KWH.

Our ability to withstand such loads is possible only by the passage and subsequent issue of revenue bonds voted last January. Construction has begun on the installation of two 20,000 KW turbo-generators and we hope to have one of those

ready by the peak period of 1955.

Total utility operating and maintenance budget for the year 1954-55 is contemplated at \$2,761,023, an increase of \$210,000 over our estimated expenditures during the present year. This increase is due to several causes, but more than one-half of the increase is an increase in "power costs" to the utility system, which is of course, only a "book" figure, and represents no cash outlay. Fuel costs will increase again -- \$65,000 this coming year. Other added costs are chemicals, labor, and other operational cost of the new water plant.

It is anticipated that \$275,000 will be refunded to subdividers in the coming year, virtually the same amount as budgeted and expended this present year.

Electrical Projects from Current Funds

A total of \$542,110 is contemplated for electrical system improvements to be paid from current funds. This includes \$465,810 of miscellaneous extensions to serve 2,400 new customers and improve services to many others. Other expenditures in this category include \$23,000 for transportation and equipment, \$37,100 for replacing turbine blades and other maintenance in the Power Plant, and \$16,200 for shop and communication equipment.

Water System Projects from Current Funds

This budget estimates an expenditure of \$429,350 in the Water Department for improvements to be paid out of current operating funds. Major items included here: \$197,050 for main extensions. This takes into account \$107,000 of unpredictable extensions --- from 2" to 12" pipe; \$63,500 for a line from East 19th Street and Airport Boulevard to Springdale Road to provide water for low pressure

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areas in East Austin and \$27,000 for a 12" main in Southwest Austin to care for low pressure areas in that section of Austin.

Sewer System Projects from Current Funds

The Sewer System will spend \$6,675 from current funds for small tools and equipment, most of its expenditures being accounted for by general obligation and revenue bond projects which total over \$1,000,000.

CAPITAL EXPENDITURES FROM BONDS

PROPOSED REVENUE BOND IMPROVEMENTS

The revenue bond issue voted last January carried \$15,000,000 for utility system improvements. In April, \$8,810,000 of this authorization was sold and some two and one-half million dollars of this issue will be expended in the year just ending, leaving a carry-over of \$6,178,892 into the new budget year. It is contemplated that an additional \$3,500,000 of electric and water revenue bonds will be sold in 1955.

Improvements which are contemplated with this money are as follows:

Electric System Improvements from Revenue Bonds

We plan an expenditure of \$7,769,025 from revenue bonds for electrical system improvements in the coming year. Over two-thirds of this

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amount will be spent in the extension of the Power Plant, which includes \$1,120,000 for structures and improvements, \$1,046,000 for boiler plant equipment, and \$2,534,000 for turbo-generators, and with station electric equipment accounting for another \$1,148,890 of expenditures.

Beside the Power Plant expansion, a considerable part of the Electric Bond funds will be used in the Distribution System improvements and expansion including:

Wheless Lane Substation

An additional 5,000 KVA of capacity in Northeast Austin \$ 133,220.

12 KV Lines - Wheless Lane 12 KV Feeder Number 3, Construction of 3 miles of 12 KV lines 33,140.

12 KV Lines - Magnesium Plant Substation 12 KV Feeder Number 3 Extension. Construction of 1.7 miles of 12 KV lines 18,780.

Lakeshore Substation and 69 KV Lines
Construction of 1.9 miles to relieve area south of Colorado River 13,710.

Completion of Bergstrom and Cardinal Lane Substations... Materials delivered; projects to be completed 28,000.

Underground and Network Service Facilities
Installation of 6 transformer vaults to serve major office buildings 209,740.

Service to Brackenridge Hospital
Needed because of expansion of Hospital and overloaded conditions in this area of city 30,220.

Capacitors 32,000.

Atlanta Substation

Construction of a 3,000 KVA Substation near intersection of West 5th Street and Lake Austin Boulevard 148,550.

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Hancock Substation	
New 69/12.5, 5000 KVA Substation for Northwest Austin	\$ 174,610
69KV Lines - Hancock Substation to Magnesium Plant Substation; construction of 4.3 miles of 69 KV line to complete the 69 KV loop around the city	54,670
Installation of 69 KV Circuit Breaker	150,000
Relaying the 69 KV Loop	228,000
69 KV Lines - Lakeshore Substation to Hancock Substation. Construction of 3.7 miles of 69 KV Line	72,370
Transformers, meters, and other miscellaneous equipment	523,270
Street Lighting	
300 mast arm street lights in residential areas	52,500
Traffic Signal Program	
5 overhead vehicle actuated traffic signals	
7 corner type traffic signals	
13 overhead suspension type traffic signals	57,245
City Hall expansion for utility departments	175,000
Total estimated expenditures	\$ 2,139,025

out -
Minister of
9-27-54

Water System Improvements from Revenue Bonds

A total of \$981,600 is budgeted for expenditure in the Water Department this year from revenue bonds. The detail:

Land for reservoir site in Northwest Austin	10,000
South Austin Reservoir	308,000

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South Austin Booster Pump Station including building, piping, valves, pumps and meters	73,600
North Austin Booster Pump	10,000
Fence and road at Water Plant # 2	18,000
Total Plant	<u>419,600</u>
Water main along Oltorf from South Congress to Parker Lane and Woodland; to provide better water pressure for Southeast Austin	160,000
Water main from Denson and Chesterfield to High- way 20 and Cameron Road; to provide better water pressure in Northeast Austin	82,200
Water main along Northland Drive from Shoal Creek to Balcones; to provide better pressure for Northwest Austin	35,000
Water main along Richcreek Road from Hardy to Burnet Road; to provide better pressure for Northwest Austin	8,400
Extension from Manchaca Road to Inwood Hills	17,000
Water main from Northland Drive to Highland Park Reservoir; to provide for proper utilization of Highland Park Reservoir	92,500
Water main from Guadalupe to Anderson Lane to Woodrow; to provide more water for this rapidly growing area	114,550
Water main from 38th and Red River to 19th and Airport; to provide more water for East Austin	32,000
Fire Hydrants	20,000

Sewer Utility Improvements from Revenue and General Obligation Bonds

The Sewer Utility has a final \$358,372 available of general obligation bond money. This together with \$674,953 of revenue bond money, allows for a total expenditure in this section of \$1,033,325 for sewer improvements.

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The detailed breakdown is as follows:

Pump Stations:

3 million gallon holding tank and pump station	\$ 262,650
Pump Station; Shoal Creek at West 1st Street	22,710
Taylor Branch	22,330

Sewer Lines - 8" to 36" diameter in size:

Shoal Creek main from West 3rd Street to Gaston Ave.	109,000
Boogy Creek main from Bryan St. to Manor Road	105,000
East Bouldin Creek main from Havana St. to Industrial Boulevard	30,000
Montopolis Area	25,000
Tannehill Branch Area from Sewage Treatment Plant north	25,000
Camp Mabry area - from Scenic Drive to Horseshoe Bend pumping station	25,000
Homewood Heights Area in Govalle	15,000
Miscellaneous laterals	113,635
House connections	90,000

Sewage Treatment Plant:

Expansion of Excess sludge disposal facilities	188,000
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PROPOSED GENERAL OBLIGATION BOND FUND IMPROVEMENTS

(p. 199)

Our general obligation bond funds will enter the new year with net resources of \$1,778,117. During the year of 1955, it is proposed that we sell \$275,000 of Recreation bonds. It is also proposed that the following money already available be spent:

Airport \$ 377,780

Application has been made to the Federal government for aid in extending and improving our runways at Municipal Airport

Auditorium 100,000

This is in the preliminary planning stage by the architects. It is contemplated that the revenue bonds voted for this project will be sold during the year.

Fire Station 37,000

The contract has been let for the addition to the Police Building which will house the Fire Marshal. Work will begin immediately on that building.

Hospital 531,175

We have just received a check for \$600,000 representing the initial participation of the Federal government in this project. Another payment of \$900,000 will be made. It is contemplated that with the expenditure of \$1,431,175 during this fiscal year that the hospital will be completed.

Sanitary Sewer 358,372

The Sewer Utility will exhaust its general obligation bond resources at the completion of the coming year. The amount shown above will be spent for improvements as shown under Revenue Bond expenditures.

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Parks, Playgrounds, and Recreation

1. <u>REED PARK PROJECT:</u>	\$23,000
Construct park road, water system, erect play apparatus, construct tennis courts and rest rooms.	
2. <u>ZARAGOSA PARK PROJECT:</u>	8,000
Install water system and general improvements.	
3. <u>MONTOPOLIS PARK PROJECT:</u>	9,000
Install water system, erect lights for night play.	
4. <u>PERRY PARK PROJECT:</u>	9,500
Install water system	
5. <u>ROSEWOOD PARK PROJECT:</u>	73,000
Install water system, construct swimming pool.	
6. <u>ZILKER PLAYGROUND PROJECT:</u>	10,000
Install water system, erect lights for night play, and construct tennis courts.	
7. <u>NEW GOLF COURSE:</u>	5,000
Engineering, surveying, and planning new 18 hole golf course.	
8. <u>LAND PURCHASES:</u>	117,464
Area 17 McCallum School Area	
Area 26 St. Johns Area	
Area 40 Old Bastrop Road	
Area 43 St. Elmo Area	
Area 33 Taulbee Area	
Area 25 East Austin	
9. <u>PAYMENT ON NEW GOLF COURSE:</u>	20,000
10. <u>EAST AUSTIN COMMUNITY RECREATION CENTER:</u>	100,000
11. <u>MISC. PROJECTS</u>	95,000
TOTAL	\$ 469,964

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ANALYSIS OF AD VALOREM TAX LEVY
(pp 1-3)

Austin's first revaluation of property since 1947 has been completed and will be in effect with the tax roll that will be herewith adopted. It was estimated and so announced earlier this year that the new assessed values in the city would probably be about \$375,000,000 and that the tax rate for the new year would be about \$1.86 per \$100 valuation for city and school purposes. It is now estimated that these valuations may go slightly above the announced figure, to an estimated total of \$384,000,000 and consequently the tax rate is being projected in this budget for \$1.82, a reduction of four cents.

With a 90% collection record, this will bring \$6,289,920 into the city's treasury. That total will be split three ways: the General Fund with a tax rate of 62 cents will collect an estimated \$2,142,720; the schools with a tax rate of 59 cents will collect an estimated \$2,039,040, and the Sinking Fund with a rate of 61 cents will collect an estimated \$2,108,160.

INTEREST AND SINKING FUND
(pp 202-206)

The total receipts and balances available to the Interest and Sinking Fund on October 1, 1954 will be \$3,453,641.95. During the year, the City is committed to \$1,549,500 in principal payments and \$784,687.83 in interest costs. In addition, it must be anticipated that another \$755,655 in principal and interest will be due January 1, 1956. Thus, after the above disbursements and reserve for January 1, 1956 requirements are deducted, the fund will have a balance of \$363,799.12.

GENERAL RECOMMENDATIONS

Sanitation Equipment. Capital outlay expenditures for equipment in the Public Works Department have again been cut drastically, especially in the Sanitation Division. We are still operating nineteen old-style open-bed trucks, all of which are past the stage where it is economically practical to operate them. To buy nineteen of these new packer trucks at a cost of \$6,500 each would mean an additional \$123,500 which this budget does not have. Therefore, we are again recommending to the Council that an alternate plan be adopted-- that of reducing our garbage collection pick-ups to once each week instead of twice as is now the custom in residential areas. If this is done, it will alleviate greatly our equipment maintenance problem. As suggested last year, if this plan were adopted, we would recommend that the saving in manpower from this plan be used to pick up cans at the rear of the house or wherever the homeowner might place them.

Taken out Sept. 20, 1954
Meeting of Sept. 16, 1954

This would take care of one of the standing complaints which the City has and that is the complaint of citizens having to place their cans at the curb in order to have their garbage and refuse picked up. The establishment of a policy wherein our employees would do the transporting of the cans might entail the home owner buying an additional can, but we believe that the esthetic advantages gained would more than offset these expenditures and the City would save, not only the cost of the new trucks now needed, but the constant expense of new equipment as well as gasoline and repairs to existing equipment.

Planning. You will note that no money has been set up in the operating budget of the Planning Department for consulting services for this fiscal year.

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Your city administration is fully appreciative of the importance of this area of municipal government and we believe much can be accomplished in our city in cooperation with the State Planning Committee appointed in 1953. Several civic organizations have indicated a deep interest in the adoption of a Master Plan for Austin and it is recommended to the City Council that you appropriate \$50,000 of the remaining "Unappropriated Reserve" for planning consulting services in the ensuing year.

Work Week of City Employees. For several years, we have discussed the possibility of a reduction in work week for city employees. Serious thought was given to this matter in July of last year when it was finally decided to grant employees a cash pay increase instead of a reduction in their work week.

So that a sound recommendation could be given to the Council, we have had our Personnel Department make^a survey of salaries and work week of other Texas cities and other business and governmental agencies in Austin. A copy of this survey has been given each Council member.

The survey clearly shows that our city employees are being paid below the average of the 12 other larger cities in Texas and of other employees in the Austin labor area. The difference in the hourly work week accounts for much of this. Five of the eleven cities surveyed have a majority of their employees on a 40 hour week. In the Austin area, the percentage is even higher. Sixteen of the eighteen business and governmental firms surveyed observe a forty hour work week with only two having a longer work week. A reduction in work week of all of our employees will do much to bring their salaries in line with employees of other cities and with their co-workers in Central Texas.

Based on the survey's results, we are recommending for your consideration the following reduction in the work week of our employees:

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Firemen, now on a 72 hour week, be placed on a 63 hour week; employees now on 45 and 44 hour weeks be placed on a 40 hour week; housekeeping, dietary and other employees in the hospital now on a 48 hour week be placed on a 44 hour week; and finally, police employees now working a 48 hour week be given approximately, a 7 1/2% pay increase. The latter recommendation is made for several reasons: (1) the work of this Department lends itself to a 48 hour week much more readily than a shorter work week; problems would arise in the adoption of a 40 hour week that are not present in other departments; (2) a 48 hour week is in line with other large Texas cities. Of the twelve largest cities in Texas, only Houston and Dallas have their police departments on a shorter work week than 48 hours; (3) an informal poll of police employees reveals they actually prefer an increase to a shorter work week.

Set up in the present budget is a reserve of \$253,841. It is our recommendation that \$178,000 of that be used for the reduction in the work week outlined above. The actual yearly cost of such a reduction is \$230,000, but we are suggesting that the new work week be effective January 1, 1955. The principle reason for this is to give the Fire Department necessary time to recruit and train properly the 16 new men required in that department.

The recommendations outlined above will require a minimum of 70 new employees in various departments. This allows for additional employees only in departments where 24 hour operations are carried on and does not anticipate an increase in the number of employees in most departments. In those departments where employees now work 44 or 45 hours, we believe that the shorter work week and hence shorter work day will result in their producing just as much as the longer day.

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The cost of the foregoing program is detailed as follows:

General Fund Departments:

<u>Department</u>	<u>No. of New Empl Required</u>	<u>Yearly Cost</u>
Fire	16	\$ 46,650
Hospital	30	54,000
Airport	1	2,500
TB Sanitorium	2	5,000
Abattoir	1	2,500
Police (7 1/2% pay increase)		<u>51,350</u>
SUBTOTAL	50	\$ 162,000

Utility Fund Departments:

Power Plant	9	33,500
Pumping Plant	1	2,600
Electric Distribution	2	6,600
Water & Sewer Plant	7	22,800
Sewer Lift Station	<u>1</u>	<u>2,500</u>
SUBTOTAL	20	68,000

GRAND TOTAL 70 230,000

Cost for 9 months beginning
January 1, 1955: 172,500

Cost of training 16 men in Fire
Department for six weeks: 5,500

TOTAL COST \$ 178,000

Salaries of Department Heads. I further recommend that very serious consideration be given to the salaries of the top department heads of the city. It has been two years since the great majority of them have received any consideration for deserving salary increases. You will recall that the last salary increase in July of 1953 did not apply to any employee drawing more than \$5,000 per year. It is actually at the upper level that we are in danger of

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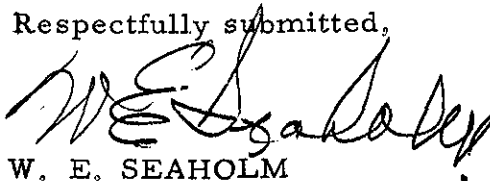
losing key people -- persons upon whom the efficiency of the city's operation really hinges from day to day.

Each year, we lose several of these top department heads and many more receive offers which are difficult to refuse. I do not feel it at all fair that they should bear the brunt of responsibility and not be considered for salary increases.

To those department heads and to all others of our employees who have worked so diligently for our city the past year, I extend my sincere thanks. I also wish to thank the members of the Council for their cooperation and work during the past year.

The budget submitted to you is a budget of minimum necessities and represents only the bare predictable needs of our city.

Respectfully submitted,



W. E. SEAHOLM
City Manager