

City of Austin

Economic Outlook & Financial Forecast Presentations

Police, Fire, EMS Departments
Public Budget Meeting
Public Safety Commission

June 4, 2012



FY 2013 Budget Process

Ongoing commitment to transparency and stakeholder engagement.

- Detailed reports published early in the process
 - citizen survey – October 2011
 - horizon issues update – March 2012
 - annual performance report and city dashboard – March 2012
 - unmet service demands report – April 2012
 - menu of potential budget reductions – May 2012
 - report on outcomes of community engagement – June 2012
 - proposed budget document – August 2012
 - all reports available at www.austintexas.gov/finance

- 33-hours scheduled for Council discussion and input
 - city council policy retreat – Feb 29
 - financial forecast work sessions – April 18, May 2, 9
 - proposed budget work sessions – August 1, 15, 22



FY 2013 Budget Process

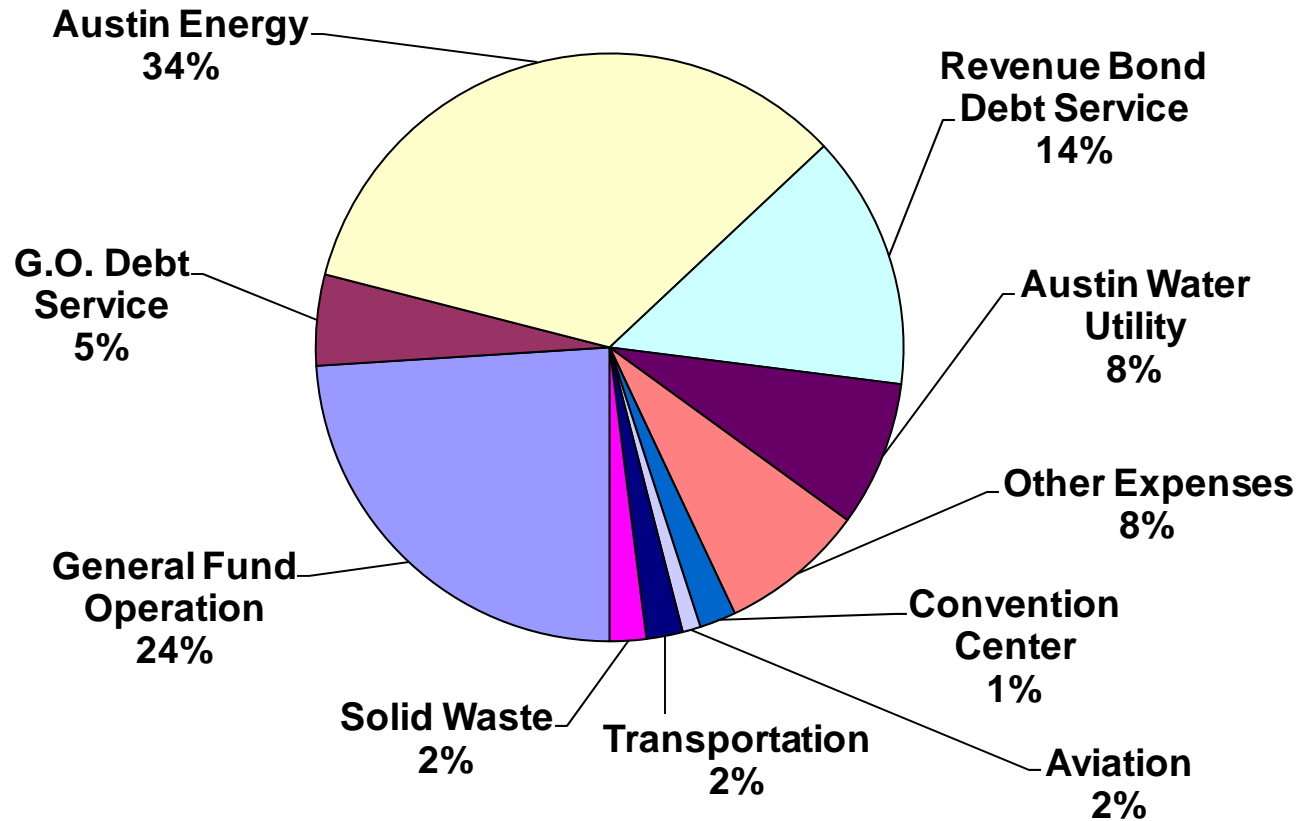
Ongoing commitment to transparency and stakeholder engagement.

- Multiple opportunities for public involvement
 - 15 public budget meetings – May and June
 - public hearings on budget, tax rate, and utility rates – August 23, 30
 - online speakupaustin! community forum for ranking of unmet needs and potential cuts
 - new online budget priority setting application
 - new online public question and answer process
 - www.austintexas.gov/finance
- Goal is an inclusive, transparent and data-driven approach to making budget recommendations



All Funds Budget

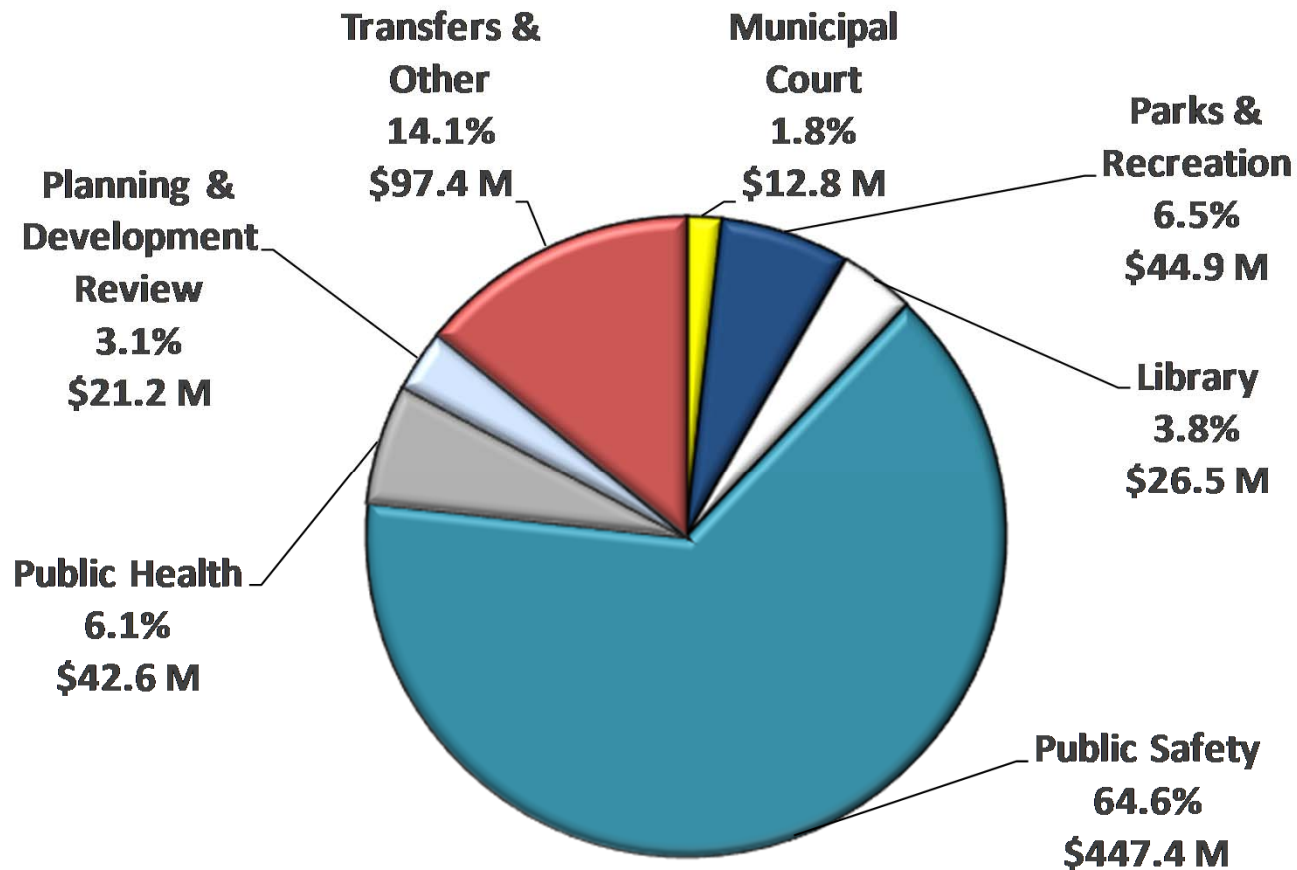
All City Funds Approved Uses of Funds FY 2011-12
(\$2.8 billion)





General Fund – Uses of Funds

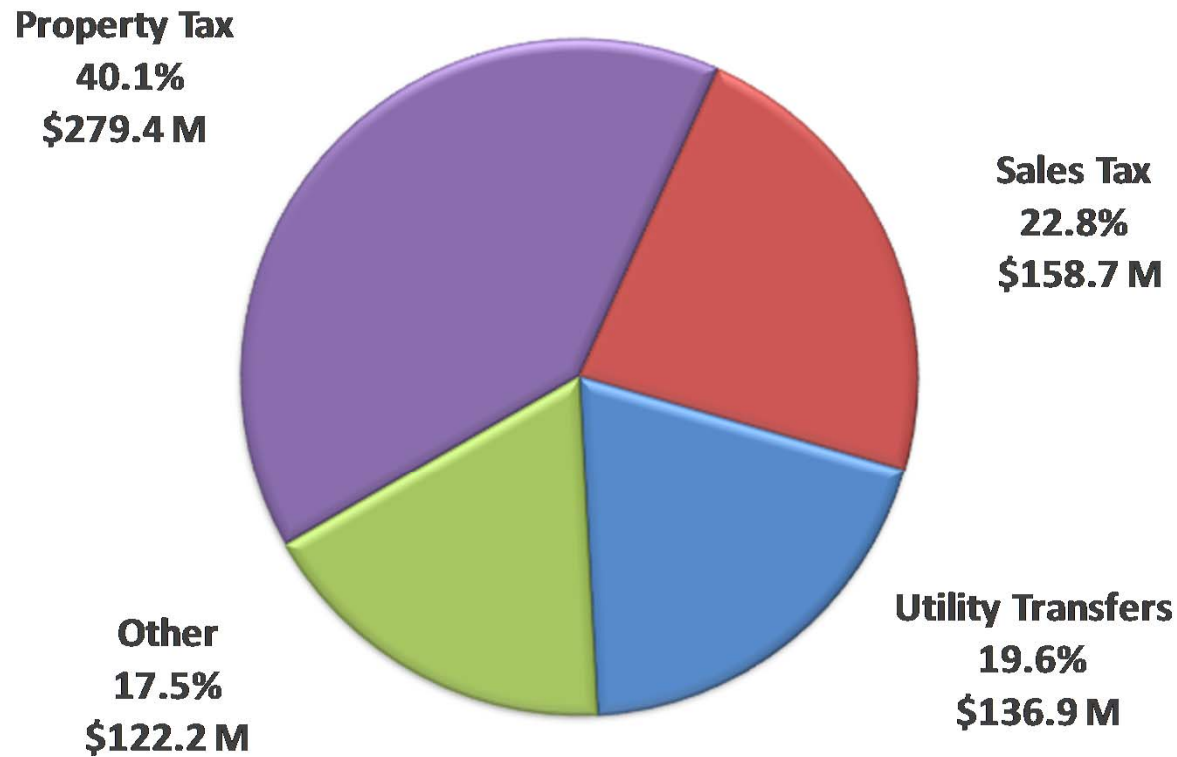
Fiscal Year 2012 Amended Budget – \$692.8 Million





General Fund – Sources of Funds

FY 2012 Estimated General Fund Revenue \$697.2 Million





Projected New Revenue

Category	FY 2012 Amended Budget	FY 2013 Projected Budget	Change
Property Tax	279.4 m	313.3 m	33.9 m
Sales Tax	152.7 m	163.4 m	10.7 m
Utility Transfer	139.2 m	140.0 m	0.8 m
Other Revenue	121.6 m	121.9 m	0.3 m
Total New Revenue	692.8 m	738.5 m	45.7 m

- property tax rate – 1.8 cent increase assumed for FY 2013
- sales tax – YTD growth = 7.3%; 3% projected for FY 2013
- utility transfer policies – electric 9.1%; water 8.2%
- other revenue – development revenue, franchise fees, fines, charges for service and interest



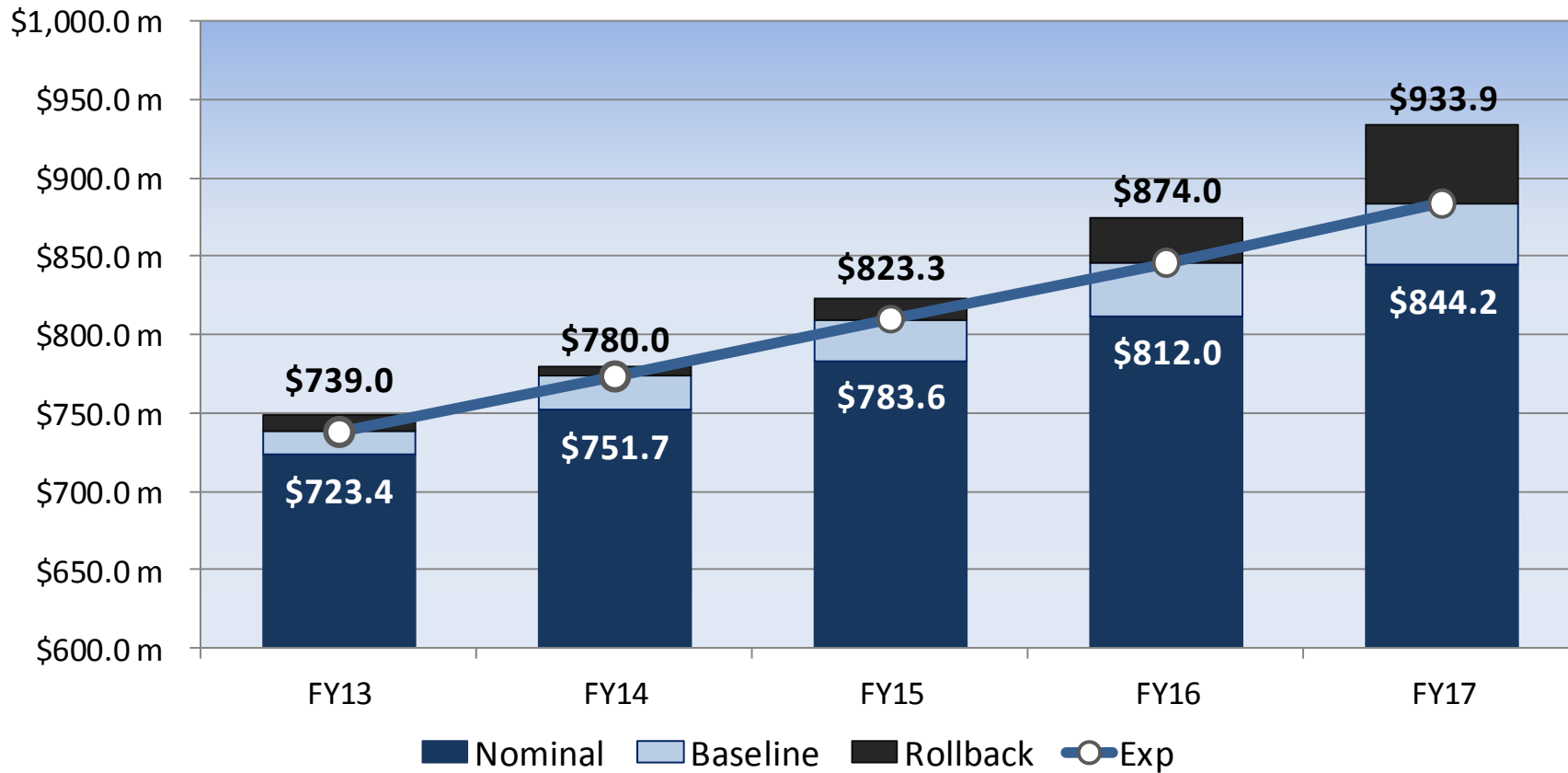
FY 2013 Cost Drivers

<u>Category</u>	<u>Estimated Increases</u>	<u>Justification</u>
Uniformed Personnel	\$20.4	<ul style="list-style-type: none"> * police, fire & EMS contracts / provisions * police & fire step / longevity * 2.0 officers per 1000 - police * 4-person staffing - fire * overtime * annualized costs of positions added in FY 2012 * health insurance
Non-Uniformed Personnel	\$10.7	<ul style="list-style-type: none"> * civilian wage adjustments * pension funding * health insurance * positions related to Asian American Resource Center & Genealogy Center at Carver Museum
Other Departmental Costs	\$3.4	<ul style="list-style-type: none"> * outside contract increases * facility openings * ATCIC funding * fleet fuel and maintenance * personal protective equipment inspections - fire
Transfers / Other Requirements	\$11.2	<ul style="list-style-type: none"> * workers compensation, accrued payroll, liability reserve * support services fund * communication & technology management * economic incentive reserve fund * reduced transfer to transportation fund & code compliance
Totals	\$45.7	



Forecast Scenarios

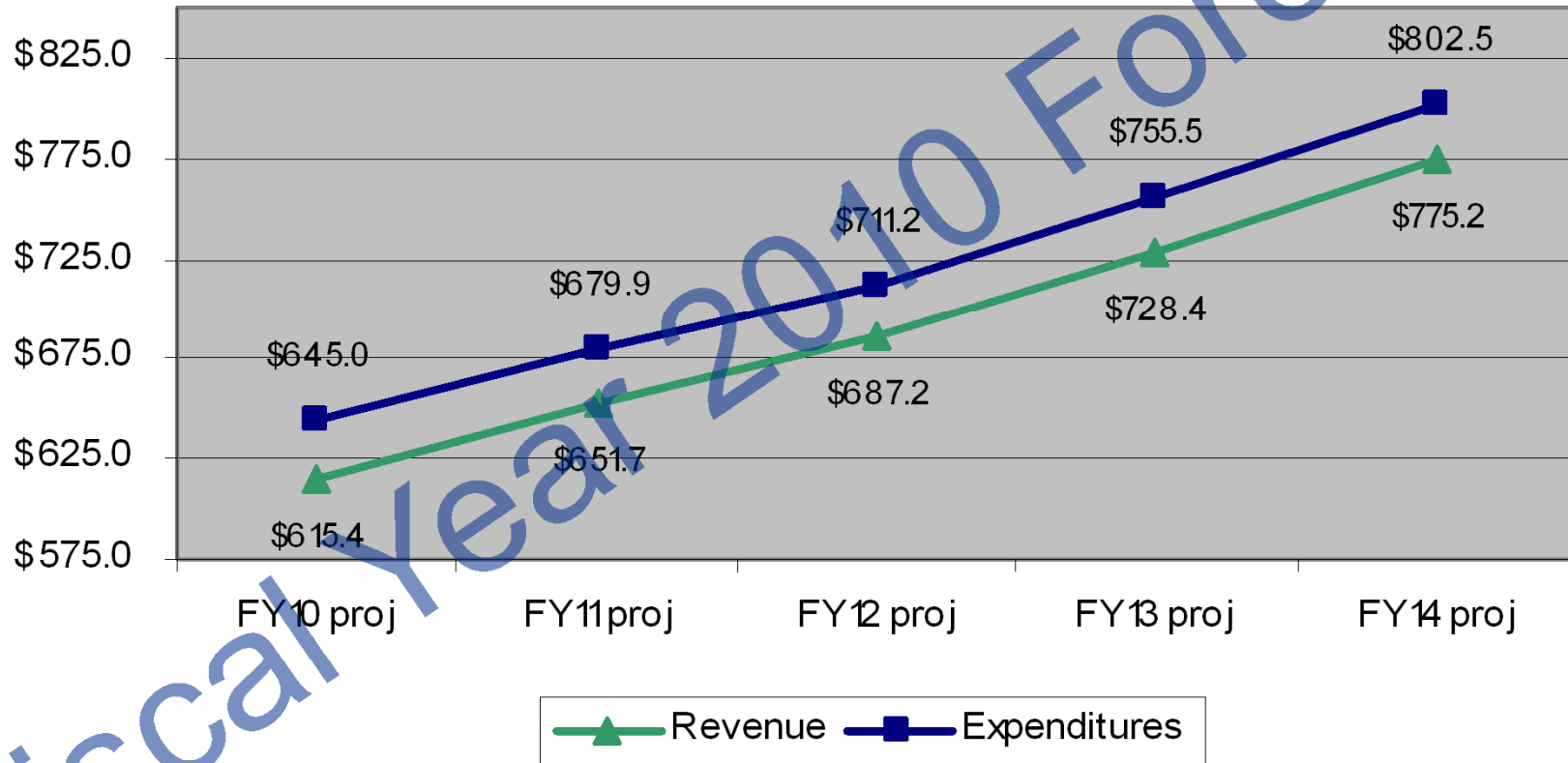
Projected Baseline Expenditures vs. Revenues



Revenue to Expenditures

Projected General Fund Expenditures and Revenue

millions



* FY2009-14 revenue projections show rollback property tax rate.





Cost Containment Strategies

- Previous three budget cycles:
 - renegotiated labor contracts
 - eliminated FY 2010 wage increases and delayed market studies
 - eliminated 178 non-essential vacant positions
 - implemented a 2nd tier (lower cost) pension plan for new hires
 - reduced APD overtime budget by \$1 million
 - cut or eliminated various non-essential services including library and pool hours, supervised playground sites and the Trail of Lights

- FY 2013 cost containment strategies
 - reviewing cost estimates for employee health insurance, pay & benefits and workers' compensation
 - \$2.8 million menu of potential budget reductions
 - no layoffs
 - no impacts to front-line public safety services
 - also monitoring revenues – particularly sales tax and development



Unmet Service Demands

- Department requests total \$24.6 million and 222 positions
- Highlights include:
 - funding to offset reduction in CDBG/HOME grants
 - funding for expiring grant positions in health & human services
 - 911 call takers and additional communications support staff
 - additional staffing for the one stop shop
 - maintenance of parks and park facilities
 - animal services center staffing
 - library services staffing
 - fire prevention activities
 - support services staffing for public safety departments
 - emergency medical services demand units



Major Rate & Fee Changes

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

	2012 Monthly Rate	2013 Projected Rate	Monthly Dollar Change	Typical rate payer defined as:
Austin Energy	\$91.62	\$96.83	\$5.21	<i>Based on average monthly residential customer usage of 1,000 Kwh</i>
Austin Water Utility	\$72.67	\$76.97	\$4.30	<i>The monthly average usage for a residential customer is 7,727 gallons of water and 4,699 gallons of wastewater</i>
Austin Resource Recovery	\$18.75	\$20.52	\$1.77	<i>A typical ARR residential customer uses a 64 gallon cart.</i>
Transportation User Fee	\$7.29	\$8.02	\$0.73	<i>per single-family home</i>
Drainage Utility Fee	\$7.75	\$8.35	\$0.60	<i>per single-family home</i>
Clean Community Fee	\$5.00	\$6.10	\$1.10	<i>per single-family home</i>
Property Tax Bill	\$73.06	\$75.85	\$2.79	<i>median priced home of \$182,228</i>
Total	\$276.14	\$292.64	\$16.50	average projected increase of 6.0%



Budget Timeline & Next Steps

Feb 29	Council Retreat
April 18, May 2, 9	Department Forecast Presentations
May 18	Publication of Revised Menu of Potential Budget Reductions
May - June	Public Engagement and Budget Development
August 1	Proposed Budget Presented to City Council
August 15, 22	Budget Work Sessions
August 23, 30	Budget, Tax Rate and Utility Rate Public Hearings
September 10-12	Adoption of Budget & Tax Rate



Questions / Comments

more information available at:

www.austintexas.gov/finance