

OPERATING BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
DEPARTMENT:
FUND:

6/10/21
Financial Services
General Fund Emergency Reserve

SUBJECT: Approve an ordinance amending the Fiscal Year 2020-2021 General Fund Emergency Reserve Fund (Ordinance No. 20200812-001) to appropriate an amount not to exceed \$20,000,000 for the Relief of Emergency Needs for Tenants (RENT) Rental Assistance Program; and relating to coordinating with Travis County on rental assistance programs.

CURRENT YEAR IMPACT:

	2020-21 Amended	This Action	2020-21 Amended
Beginning Balance	31,144,443	0	31,144,443
Total Transfers In	57,986,955	0	57,986,955
Total Transfers Out	0	0	0
Total Requirements	10,000,000	20,000,000	30,000,000
Excess (Deficiency) of Total Available Over Total Requirements	47,986,955	(20,000,000)	27,986,955
Ending Balance	79,131,398	(20,000,000)	59,131,398

FIVE-YEAR ESTIMATED IMPACT:

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Revenue	0	0	0	0	0
Total Requirements	20,000,000	0	0	0	0

ANALYSIS / ADDITIONAL INFORMATION: This Item from Council amends the Fiscal Year 2020-2021 General Fund Emergency Reserve Fund (Ordinance No. 20200812-001) to appropriate an amount not to exceed \$20,000,000 for this fund to be used for the Relief of Emergency Needs for Tenants (RENT) rental assistance program to support COVID-19 emergency relief.

The "Current Year Impact" fund summary section of this fiscal note reflects the FY 2021 Amended Budget. However, the most recent current-year estimate (CYE) from the FY 2022-2026 Financial Forecast provides a clearer indicator of projected reserve levels, including compliance with the City's financial policy. The following paragraph illustrates the impact to year-end reserve levels utilizing the CYE should Council approve this budget amendment.

FY 2021 year-end General Fund reserves as of the Financial Forecast are projected to total \$166.7 million; \$92.2 million in the emergency reserve and \$74.5 million in the budget stabilization reserve. Set against a \$61.4 million-higher requirement level in FY 2022, \$28.4 million is anticipated to be available for one-time expenditures if a reserve ratio of 12% is maintained. To achieve the full funding of the reserves at the 14% level mandated by City financial policy, the amount available for one-time expenditures would fall to \$5.3 million.

In accordance with the City's approved financial policies, these funds shall be used to provide for temporary financing for unanticipated or unforeseen extraordinary needs of an emergency nature, such as related to a natural disaster or calamity or an unexpected liability created by Federal or State legislative action.