



City of Austin **2021-22 BUDGET**

Budget Work Session
FY 2022 Proposed Budget Discussion

August 5, 2021



Today's Agenda

August 5th Budget Work Session

- ✓ FY 2022 Budget Update
- ✓ Austin Parks Foundation Budget Items
- ✓ Homeless Strategy Office
- ✓ Displacement Prevention Division
- ✓ Police Staffing and Funding Overview
- ✓ Financial Policy Changes (*see appendix*)



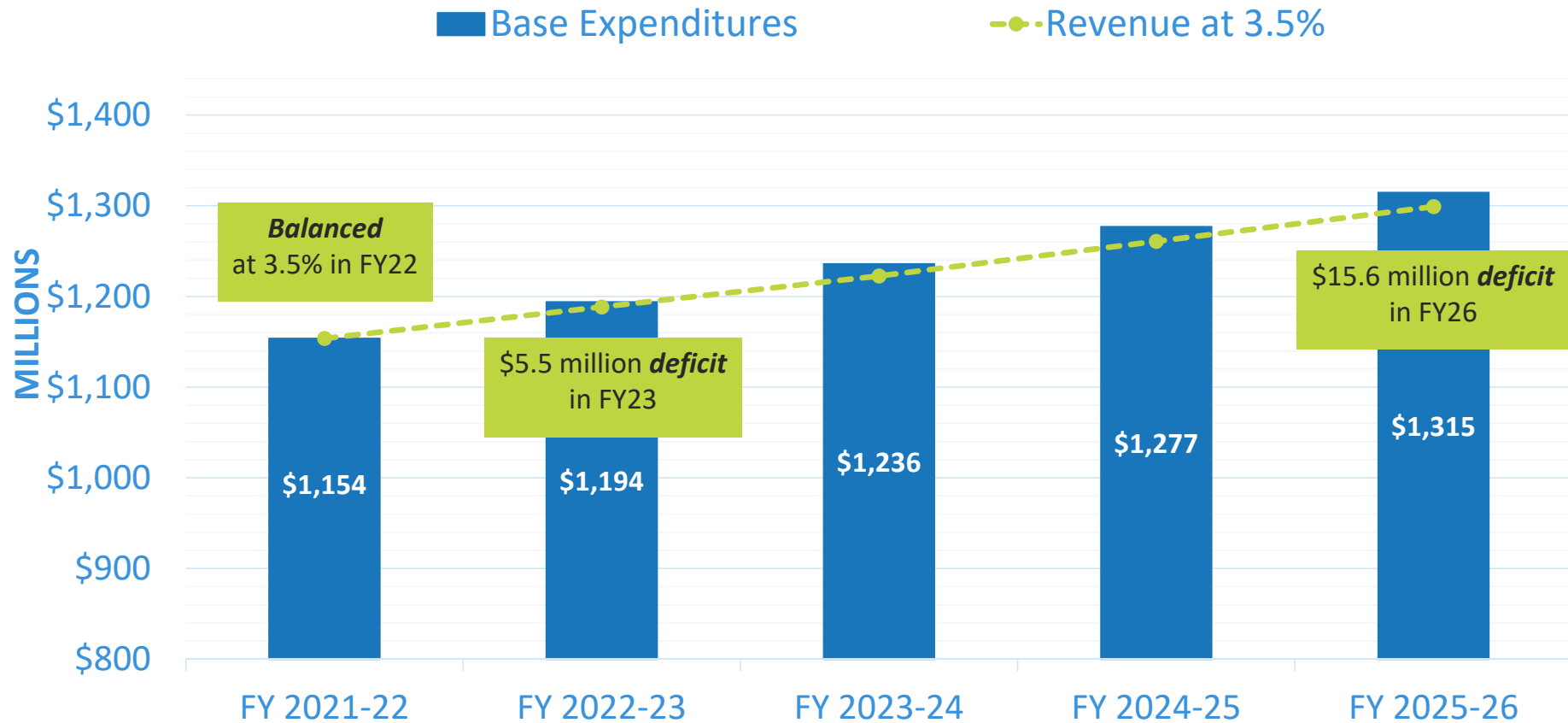
City of Austin **2021-22 BUDGET**

FY 2022 Budget Update

Budget Office



General Fund Forecast as of FY22 Proposed Budget



Post-Certification Property Value and Tax Changes

	Proposed Budget Based on Noticed Roll and Staff Projections	Post-Certification Update
Total Taxable Valuation	\$180.7B	\$182.1B
New Construction Value	\$3.9B	\$4.3B
Tax Rate at 3.5% Increase	\$0.5431	\$0.5359
GF PT Revenue at 3.5% Increase	\$584.0 million	\$581.6 million
Revenue change vs. Proposed	-	(\$2.4 million)

Post-Certification Taxpayer Impacts

	Proposed Budget Projection	Post-Certification Update
Typical Homeowner: Annual Property Tax Bill vs. FY21	(\$9.06)	(\$33.42)
Typical Senior/Disabled Homeowner: Annual Property Tax Bill vs. FY21	(\$168.67)	(\$184.33)

FY 2022 Revised Major Rates and Fees

	2021 Monthly Rate	2022 Projected Rate	Monthly Dollar Change	Typical ratepayer defined as:
Austin Energy	\$84.60	\$84.60	\$0.00	<i>Residential customer usage of 860 Kwh</i>
Austin Water	\$80.79	\$80.79	\$0.00	<i>Residential customer usage of 5,800 gallons water and 4,000 gallons of wastewater</i>
Austin Resource Recovery	\$27.55	\$29.05	\$1.50	<i>Residential customer with a 64-gallon cart</i>
Clean Community Fee	\$8.95	\$9.45	\$0.50	<i>Per single-family home</i>
Transportation User Fee	\$13.04	\$14.96	\$1.92	<i>Per single-family home</i>
Drainage Utility Fee	\$11.80	\$11.80	\$0.00	<i>Residential customer with 3,100 sq. ft./37% of impervious cover</i>
Property Tax Bill	\$145.61	\$142.82	(\$2.79)	<i>FY22 median non-senior homestead assessed value of \$399,760, net of 20% general homestead exemption</i>
Total	\$372.34	\$373.47	\$1.13	Combined FY22 increase of 0.3%

Tax Bill Implications of Property Tax Rate Increases

	Typical Homeowner Property Tax Bill vs. FY21	Additional One-Time Funding
Effective property tax increase of 6.0%:	\$0	\$14.4M
Effective property tax increase of 8.0%:	\$2.09 per month	\$25.4M

Staff Revenue Amendment Proposal

	FY21 Estimate	FY22 Budget
Property Tax Impact Post-Certification	-	(\$2.5M)
Revised Sales Tax Projections	\$5.8M	\$5.6M
Net GF Impact	\$5.8M	\$3.1M
	Eligible for use on one-time expenditures in FY22	Eligible for use on ongoing or one-time expenditures in FY22; Staff recommends restricting use to one-time to reduce the projected FY23 budget deficit

Discussion

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Austin Parks Foundation Budget Items

Parks and Recreation Department



Parks and Recreation Department

Park Rangers and Development

- **Park Rangers- \$1.7 million and 12 FTEs**
 - Ongoing funding - \$1.2 million for 12 FTEs, contractual, and commodity costs
 - One-Time funding needs - \$490,000
 - Provide trailside information to park visitors, connect people experiencing homelessness on parkland to services, enforce park rules
 - Currently 21 Park Rangers provide coverage for 303 parks comprising 17,000 acres
- **Park Development Services - \$30,000 and 1 FTE**
 - Park Development CADD Technician - \$30,000 and 1 FTE
 - Provide drafting support to projects, including systems upgrades, building renovation and ADA-accessibility
 - Reduce PARD's reliance on consultants for drawings on smaller scale architectural projects, which carry fees in the tens of thousands
 - 75% of time to capital program (\$30,000 to be funded via General Fund)

Parks and Recreation Department

Afterschool Programs

- **Increase summer camp attendance capacity - \$1.2 million**
 - PARD's Out of School Time youth programming at city recreation centers provides academic, social, and physical benefits to our city's youth in a safe and supportive environment
 - Experiencing increasing demand, particularly in areas east of IH-35, with space for 375 more children (ages 5-15 years old) at PARD sites across the city

Parks and Recreation Department

Operations and Maintenance (O&M)

- **Ongoing Facilities and Grounds Maintenance - \$615,000 and 7.5 FTEs**
 - PARD delivering largest bond program to date acquiring new land and building park/facility-based amenities
 - Scheduled to acquire 107 acres through parkland dedication (57 acres acquired in FY20-FY21)
 - Renovating and Opening two new buildings – Seaholm Intake Facility (D9) and Zilker Maintenance Barn (D8)
 - Renovating Zilker Clubhouse (D8) and the Pharr Tennis Center (D9)
 - Developing two new pocket parks – Pomerleau (D1) and Scenic Brook (D8)
 - Improving Givens District Park (D1), Govalle Neighborhood Park (D3), Brownie Neighborhood Park (D4), Highland Neighborhood Park (D4), and Alderbrook Pocket Park (D7)
 - Improving trails along Holly Lakefront (D3), Slaughter Creek Greenbelt (D5), Northern Walnut Creek Greenbelt (D7), and connecting the Violet Crown Trail to the Veloway (D8)

Discussion

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Homeless Strategy Office

Dianna Grey, Homeless Strategy Officer



Homeless Strategy Office

FY22 Proposed Budget Staffing

FY21 Budget	FY22 Proposed	Change
\$734,294	\$806,606	\$72,312

FY21 FTEs	FY22 FTEs	Change
6.0	6.0	0.0

- **FTEs**

1. Homeless Strategy Officer
2. Public Health Program Manager II
3. Administrative Specialist
4. Planner Senior – *Vacant*
5. Planner Senior – *Vacant*
6. Administrative Senior – *Vacant*

- **Temporary Positions**

1. Community Engagement Specialist
2. Public Health Program Manager I
3. **COVID-19 Response:**
 1. Public Health Program Manager I
 2. ProLodge Site Staff – two full-time
 3. ProLodge Administrative – one part-time

- **Corporate Public Information Office**

1. Public Information Specialist Senior – 1.0 FTE

Homeless Strategy Office

Requested New Staffing

New Unit	Purpose	Position Title	New FTE	Full-Year Cost
Project Management and Program Delivery	Support efficient city-wide collaboration for special projects, service delivery and daily problem solving in partnership with departments	Public Health Program Manager I	1.0	\$ 114,205
		Public Health Program Supervisor	1.0	\$ 103,035
		Total	2.0	\$ 217,240
Planning and Strategy	Carry out research, analysis, coordination, and develop policy/process recommendations	Public Health Program Manager III	1.0	\$ 142,101
		Business Process Consultant Senior	1.0	\$ 133,619
		Total	2.0	\$ 275,720
Communications and Community Engagement	Serve as primary point of contact for City of Austin communications and community engagement regarding homelessness, coordinating across departments via a joint communications team	Public Information Spec Senior	1.0	\$ 108,461
		Community Engagement Consultant	1.0	\$ 120,317
		Community Engagement Consultant	1.0	\$ 120,317
		Total	3.0	\$ 349,095
Total			7.0	\$ 842,055

Discussion

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Displacement Prevention Division

Housing & Planning Department



Displacement Prevention – 15 Strategic Priorities

Activity & Progress

Activity	Progress
Implement a Preference Policy to prioritize new city-subsidized affordable units for income-qualified households that are appropriately sized to the unit and/or have ties to the City.	The program launch date is late fall 2021, with the sale of eight single-family homes in AHFC's Community Land Trust (CLT).
Incorporate robust tenant protections for all rental properties receiving City support.	Staff adopted new RHDA guidelines that include revised tenant protections clarifying the rights and responsibilities of landlord and tenant for all properties funded by the RHDA and Private Activity Bond programs.
Modify and expand home repair programs in gentrifying areas.	70% of the Austin Emergency Home Repairs have been in high displacement pressure zip codes (approximately 310 households).
Support tenant organizing and engagement and provide legal and other assistance to tenants facing eviction or displacement.	Ongoing investments in tenant supportive activities, including legal representation.
Provide tenant relocation assistance and emergency rental assistance.	Continued investments of federal and City funding of emergency rental assistance. Relocation assistance is available for select cases.
Recalibrate, streamline, and expand density bonus programs to serve renters at or below 60% MFI.	Incorporated as part of the Land Development Code Rewrite.
Support the creation of deeply affordable units at 20% and 30% MFI and below.	HPD's RHDA program incentivizes the creation of extremely low-income rental units (at or below 30% MFI).
Land bank in gentrifying areas to acquire and develop affordable housing.	With the 2018 Affordable Housing Bonds, AHFC has prioritized acquisition of land in gentrifying areas, in alignment with Project Connect.

Displacement Prevention – 15 Strategic Priorities

Activity & Progress

Activity	Progress
Engage directly with communities vulnerable to displacement and connect them with services.	Community Outreach Contracts were issued in FY21 to community-based organizations to inform residents of emergency rent assistance.
Market HPD-subsidized affordable units to people of color in gentrifying areas.	Communications staff capacity was limited in 2020 due to COVID19. For FY21, work is underway to identify staff capacity to dedicate to the creation of a marketing and outreach plan for these efforts.
Streamline the application process for affordable units.	Launched the Affordable Housing Online Search Tool (AHOST), a searchable map and listing of income-restricted affordable rental housing within the City of Austin.
Proactively monitor affordable properties at risk of losing affordability to extend affordability periods.	Currently identifying Low-Income Housing Tax Credit developments in the City at risk of losing their affordability restrictions and categorizing those developments according to a risk profile. To date, staff have identified 31 developments; three of those developments have been preserved.
Increase fair housing enforcement and education.	Executed a new contract in FY21 with Austin Tenants Council to expand services for education. Will begin collaborative work with the Office of Civil Rights to expand work in this area.
Support capacity building for community development corporations.	Expanding the program to provide a more robust offering of capacity building support for community development corporations in FY22.
Increase communities of color participation in HPD's affordable housing investment recommendations and displacement prevention activities.	Reviewing the function and make-up of the HIRC. Plan to institute significant changes including expanded membership to include persons with lived experience.

Project Connect

Anti-Displacement Funding

Racial Equity Anti-Displacement Tool

Community members with a depth of racial equity expertise borne of lived experience worked closely with equitable development consultants and City staff to develop the "Tool".

The Tool uses community priorities, data, and inquiry to center racial equity in policy, planning, program, and funding decisions.

The Tool was developed over four months through a series of workshops and discussions

The Tool Prioritizes People, Places & Purposes

Next Steps: Public Release & Socialization of the Tool

Priority Purposes

- Affordable Housing
- Communities of Color Owned Businesses
- High Quality Jobs
- Cultural Anchors
- Land Bank
- Community Capacity Building
- Strengthen Tenant & Homeowner Rights

Implementation Phase

- Investment of \$65 Million
- Community Evaluation Process 5 using the Tool
- Recommendations to CAC & City Council
- Finalizing Timeline for Implementation Launch

Anti-Displacement Staffing Needs & Constraints

- Current Staffing Levels:
 - 4 Full-time Employees
 - 4 Temporary Staff
 - 1 - FUSE Fellow (expires May 2022)
 - 3 - Housing Trust Fund Supplementing Salaries (program support & engagement)
- Project Connect Anti-Displacement Staffing Requirements:
 - 11 Full-time Employees

Discussion

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Police Staffing and Funding Overview

Austin Police Department



APD Emergency Communications

Staffing Shortages/Retention

Emergency Communications Staffing

Titles	FY 21 Authorized Positions	Current Vacancies
911 Call Takers	105	25
Police Dispatchers	75	14
Police Dispatcher Leads	14	1
Supervisors	13	0
Training Specialists	4	0
Training Supervisor	1	0
TOTAL	212	40 or 18.9%

APD Modified Cadet Class

- Logistics
 - \$703,000 for a full-term 16-week cadet class
 - Goal for the modified class is 30 cadets with an estimate that 25 will graduate
- Ability/Capacity
 - Recruit for a September 2022 start date

APD Victim Services

- APD notified July 30th that Victims of Crime Act (VOCA) grant will be awarded in the amount of \$596,105 (*prior notification was no funding for FY22*)
- Proposed Budget includes \$654,300 in the General Fund for the eight Victim Services Counselors related to the VOCA grant
- Now, only \$135,000 and two FTEs need General Fund support, freeing up \$519,300

Victim Services Staffing

Positions	FY 21 Authorized Positions	Current Vacancies
Victim Services Counselor	27	4
Victim Services Lead Counselor	3	0
Victim Services Supervisor	5	0
Victim Services Manager	1	0
Total	36	4 or 11.1%

House Bill 1900

FY22 Proposed Budget Fully Complies with HB 1900

Category	Increase
APD FY21 Amended Budget	\$309.7 million
Emergency Communications, Forensic Science, Decouple Fund, & Reimagine Safety Fund back to APD	\$107.4 million
Cadet Academy Classes	\$6.2 million
Sworn & Civilian Wage Increases	\$6.2 million
Austin Police Retirement System Reform	\$6.0 million
Other Base Cost Drivers (<i>administrative support, RMS, radio maintenance, etc.</i>)	\$7.4 million
APD FY22 Proposed Budget	\$442.8 million

- Continued commitment to reimagining public safety by investing in:
 - Reimagining the policy academy with curriculum centered around diversity, equity, and inclusion
 - Moving forward with collaboration and innovation for potential FY 2023 restructuring

Save Austin Now Petitioned Ordinance Details

- (A) Increase Sworn Staffing Strength
 - “Employment of at least two sworn officers for every 1,000 residents”
 - (B) Three full-term cadet classes annually
 - Until staffing reaches FY 2020 levels
 - (C) Training
 - Additional 40 hours annually for all officers
 - (D) Program to enhance recruiting and retention
 - (1) Language stipend*
 - (2) Mentorship program stipend*
 - (3) One-time honorable conduct stipend every 5 years of service
- *These would need to be negotiated through the Meet & Confer Agreement*
- Provisions of the petition would have significant fiscal impacts – staff still reviewing and performing analysis

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APPENDIX

City of Austin 2011-12
PROPOSED
BUDGET



City of Austin 2011-12
PROPOSED
BUDGET





Financial Policy Changes



Austin Water

Financial Policy Changes

“Debt Service Coverage of at least ~~1.50x~~ 1.75x shall be targeted.”

“Capital improvement projects for new water and wastewater treatment plants, capital expansions, and growth-related projects that are located in the Drinking Water Protection Zone (DWPZ) will be identified and submitted, as part of the annual budget process, to the following Boards and Commissions: Water and Wastewater Commission, Resource Management Commission, and the Environmental Board., ~~Planning Commission, and the Zoning and Platting Commission.~~

These Boards and Commissions will review growth-related DWPZ capital projects spending plans, obtain Board and Commission and citizen input, review consistency with Imagine Austin Comprehensive Plan, review effect on growth within the DWPZ, and make recommendations on project approval for inclusion in Austin Water's five-year capital spending plan.

~~A public hearing will be held during the City's annual budget review process to provide citizens an additional opportunity to comment on growth related projects located within the DWPZ.”~~

Austin Water

Financial Policy Changes

“Capital projects should be financed through a combination of cash, referred to as pay-as-you-go financing (equity contributions from current revenues), and debt. An equity contribution ratio of at least ~~20%~~ 35% to 50% is desirable.”

“Austin Water shall maintain operating cash reserves equivalent to a minimum of ~~60~~ 180 days of budgeted operations and maintenance expense.”

Airport

Financial Policy Changes

“The Airport shall maintain ~~a ratio of current assets plus operating reserve to current liabilities of at least 1.5x. Source of information shall be the Comprehensive Annual Financial Report.~~ minimum of 400 days cash on hand based on the budgeted operating and maintenance costs for a given year.”

“~~The Aviation Fund shall maintain working capital operating cash reserves that is equivalent to a minimum 60 days of budgeted operations and maintenance expense., in accordance with bond ordinance provisions (current assets plus operating reserve less current liabilities).~~”

Letters of Credit

Financial Policy Changes

“...Foreign banks do not report financial data to the Federal Deposit Insurance Corporation, which prevents financial analysis. Therefore, foreign banks are not acceptable institutions to issue letters of credit to the City of Austin, unless approved by the City Treasurer.

The City of Austin will draw on any letter of credit if a bank or credit union no longer meets the criteria. The City will not accept new letters of credit issued by institutions that do not meet these criteria.

Each department will provide the Treasurer's Office with a quarterly report listing dollar values, by institution, of that department's letter of credit. The Treasurer's Office will prepare a quarterly report indicating total City-wide exposure at each financial institution.

Letters of credit that support an Energy Market Agreement (Power Purchase Agreement, ISDA, EEI, or NAESB) with Austin Energy are governed by Austin Energy's Letter of Credit Policies for Energy Market Agreements, as enacted and overseen by Austin Energy's Risk Oversight Committee.”