



MEMORANDUM

TO: Mayor and City Council

FROM: Ed Van Eenoo, Deputy Chief Financial Officer

DATE: September 9, 2019

SUBJECT: Backup for September 10, 2019 Budget Readings

Adoption of the FY 2019-20 Budget is scheduled for tomorrow, Tuesday, September 10. The budget adoption agenda encompasses the following items:

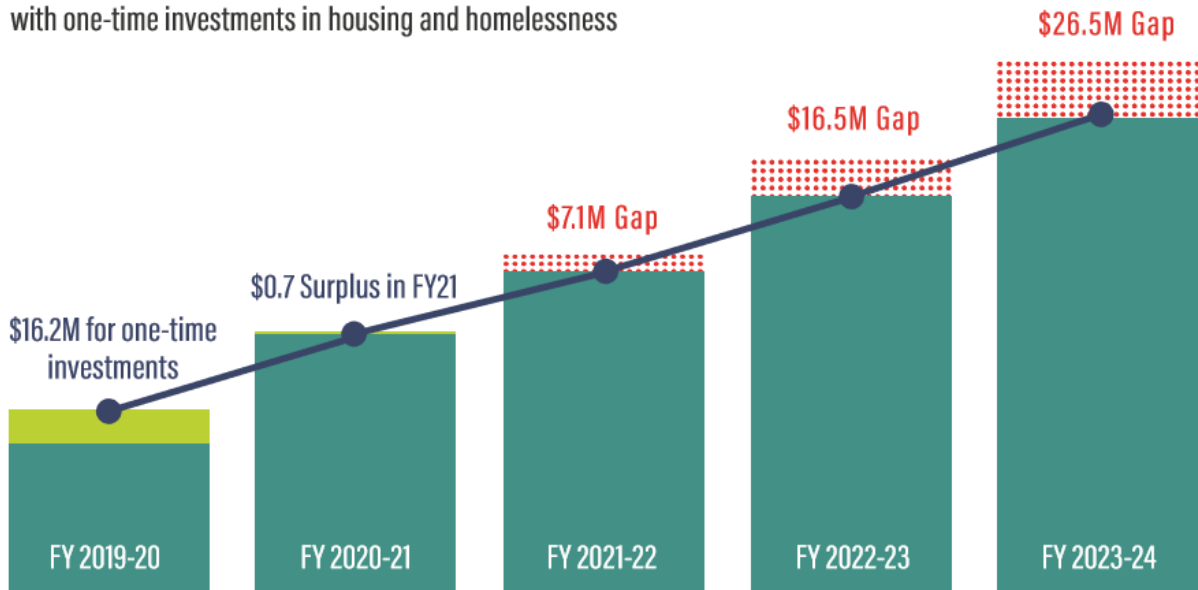
- 1: Approval of the FY 2019-20 Budget
- 2: Approval of fees, fines, and other charges for FY 2019-20
- 3-5: Approval of sworn classifications and positions for Police, Fire, and Emergency Medical Services
- 6-8: Reimbursement resolutions related to FY 2019-20 projected capital expenditures and future debt issuances (Federal and State law requirement)
- 9: Ratification of the property tax increase reflected in the FY 2019-20 Budget (State law requirement)
- 10: (Convene as the Board of Directors of the Austin Housing and Finance Corporation)
Approval of the Austin Housing and Finance Corporation FY 2019-20 Budget
- 11: (Convene as the Board of Directors of the Mueller Local Government Corporation)
Approval of the Mueller Local Government Corporation Meeting FY 2019-20 Budget

Staff amendments to the FY 2019-20 Proposed Budget will be read into the record prior to consideration of Items 1 and 2. These amendments are listed in Attachment A.

We have updated the five-year financial forecast to reflect these proposed amendments, including the additional revenue that resulted from the certified tax roll. While the General Fund budget inclusive of the staff proposed amendments is \$2.5 million higher than initially proposed, the projected future year deficits have been slightly reduced as a result of a portion of this increase being used for one-time costs. The forecast includes base cost drivers such as employee wage and health insurance increases as well as 30 new officers per year and the operations and maintenance costs of one new fire station per year.

PROPOSED BUDGET FORECAST

with one-time investments in housing and homelessness



In light of the lower property tax revenue cap of 3.5% next year, I can't stress enough the importance of taking into account the long-term financial consequences of other budget amendments that you might consider tomorrow. For example, delaying the implementation date of a program can serve to lower costs in the first year but the full year program costs in subsequent years will exacerbate future projected budget gaps unless there is some source of offsetting revenue.

If you have any questions prior to tomorrow's meeting, please do not hesitate to contact me.

xc: Spencer Cronk, City Manager
Elaine Hart, Deputy City Manager



FY 2019-20 Budget Adoption Readings Staff Amendments

City of Austin | September 10, 2019





Item 1:
Adopting the Budget



Staff-proposed General Fund Budget Amendments

- Add property tax revenue of **\$2,467,352** based on certified tax roll at **.4431**
- Implement staff recommendations to support first responder mental health calls for service
 - EMS: **\$790,000** and **7.0 positions** for the Community Health Paramedics program
 - Police: **\$392,000** for call center training and clinicians
 - Downtown Community Court: **\$260,000** for EMCOT program expansion
- Add **2.0 positions** to Parks and Recreation (PARD) using existing resources to implement expansion of programs for individuals with learning disabilities
- Add **\$67,000** to PARD to provide equity within the lifeguard classifications including an increase for open-water lifeguard wages to \$16 per hour

Staff-proposed General Fund Budget Amendments



- Add **\$170,000** to PARD to establish a land management plan for Austin's preserves system and to reclass an existing position to oversee the system
- Add **\$95,000** and **1.0 position** to PARD to oversee encampment cleanup efforts
- Add **\$145,000** to Austin Public Health to add 2 additional Workforce First crews
- Increase the transfer to the Budget Stabilization Reserve Fund by **\$548,352** (brings reserve levels to **12.04%**, **\$410,884** above policy level of 12.0%)



Staff-proposed Other Operating Budget Amendments

- Budget Stabilization Reserve Fund (Muni Court): re-appropriate **\$1,825,000** for furniture in the new Municipal Court building
- Budget Stabilization Reserve Fund (FSD): revise retirement system study funding to **\$250,000** (from \$500,000 to \$250,000)
- Budget Stabilization Reserve Fund (EMS): add **\$250,000** for equipment costs for additional Community Health Paramedics
- Support Services Fund (Mayor & Council): increase Mayor and Council budgets by **\$594,000** with savings from current year
- Austin Resource Recovery Fund (ARR): add **\$300,000** to fund homeless encampment cleanups



Staff-proposed Other Operating Budget Amendments

- Hotel Occupancy Tax Fund: Increase Hotel Occupancy Tax (HOT) revenue by **\$20,962,980** to record additional 2 cents approved by Council on August 8th
- Convention Center Capital Fund: increase transfer in by **\$14,674,086**
 - **\$20,962,980** from Hotel Occupancy Tax Fund
 - **(\$6,288,894)** from Convention Center Operating Fund
- Cultural Arts Fund: increase transfer in by **\$3,144,447** from the Convention Center Operating Fund
- Historic Preservation Fund: increase transfer in by **\$3,144,447** from the Convention Center Operating Fund

Staff-proposed Capital Budget Amendments



- Austin Transportation CIP Fund: increase requirements by **\$1,500,000** to mitigate the traffic impacts of development and **\$350,000** for pedestrian safety projects
- Parks and Recreation CIP Fund: increase requirements by **\$150,069** from insurance proceeds for Garrison Park
- Fleet Mobility CIP Fund: increase requirements by **\$150,000** to purchase vehicles for Community Health Paramedics

Item 2:
Authorizing Fees, Fines and
Other Charges



Staff-proposed Fee Schedule Amendments

- Amend the fee schedule to align with Council actions taken during adoption of the FY 2019-20 operating budget
- Amend Austin Energy's fee schedule as shown in the *City of Austin Fiscal Year 2020 Electric Tariff*



Staff-proposed Fee Schedule Amendments



| Development Services Department | FY 2019-20 |
|--|--|
| <p>Special District and Zoning Fee</p> <p>Development Assessment Site Plan or Project Assessment</p> <p><i>Only acreage fee can be credited toward any land development application if submitted on the subject tract within 1 year</i></p> <ul style="list-style-type: none"> < 2 acres < 5 acres <= 10 acres > 10 acres Per acre over 10 acres | <p>\$8,811</p> <p>\$9,714</p> <p>\$10,617</p> <p>\$10,617 plus \$64 additional</p> |
| <p>Subdivision</p> <p>Subdivision Project Assessment</p> <p><i>Only acreage fee can be credited toward any land development application if submitted on the subject tract within 1 year</i></p> <ul style="list-style-type: none"> < 2 acres < 5 acres <= 10 acres > 10 acres Per acre over 10 acres | <p>\$8,811</p> <p>\$9,714</p> <p>\$10,617</p> <p>\$10,617 plus \$64 additional</p> |

Staff-proposed Fee Schedule Amendments



| Watershed Protection Department | FY 2019-20 |
|---|--|
| General Subdivision Plan Fees Completeness Check | \$34.00 -\$100.00 |
| Subdivision Review Fees by Type of Plans Final with Preliminary or Project Assessment Floodplain Modification Review Hydro geologist Review Wetland Biologist Review Preliminary or Project Assessment Floodplain Modification Review Hydro geologist Review Wetland Biologist Review | \$769.00 \$1,272.00 \$769.00 \$1,537.00 \$2,544.00 \$1,537.00 |

Staff-proposed Fee Schedule Amendments



| Parks and Recreation Department | FY 2019-20 |
|--|--|
| Tennis Fees* League Use Fees Tournament Use Fees | \$4.00-\$6.00 \$3.00-\$6.00 |
| Museums, Cultural Facility, Recreation /Senior Center Fees Cleaning Fee Great Lawn - Non-Resident/Commercial Resident/Non-Profit/Commercial Damage and Clean Up Deposit | \$100.00 - \$300.00-\$500.00 \$57.00-\$75.00 \$100.00 - \$200.00-\$400.00 |

*Changes effective January 1, 2020

| Austin Water - Wastewater Operating Fund | FY 2019-20 |
|---|--|
| Mapping Sales – Photo Copies Intersection Detail Drawings Plan and Profile Drawings | \$1.25-\$1.05 \$1.25-\$1.05 |

Discussion

