



MESSAGE FROM THE MANAGER

Dear Mayor, Mayor Pro Tem and Members of the City Council:

As policy makers, you know that our budget is both a reflection and commentary on our priorities as a City. Through the budget process, it is imperative that we not only identify and address current, critical needs but also lay a foundation and plan for our future.

This year's budget does both, and – for the first time – will take a more long-term approach by providing a two-year view. We are presenting a proposed budget for Fiscal Year 2025 as well as an outlook for planned funding in Fiscal Year 2026.

As federal funds provided through the American Rescue Plan Act (ARPA) expire and growth in sales tax collections slows, municipalities across the state are finally experiencing the harsh consequences of the property tax cap established by the Texas Legislature. Austin is no exception. That means we must prioritize critical needs, be circumspect in our investments, and, now more than ever, listen to what Austinites want and need from their City government.

This year's \$5.9 billion proposed budget is sharply focused to do just that and reflects the input, priorities, and values of Austin residents.

The budget we are bringing to you is:

- **Austin Focused** – Prioritizing investments that reflect the principles of the community Austin strives to be: Livable, Affordable, Equitable, Sustainable, Resilient, and Welcoming.
- **Frontline Focused** – Improving essential City services Austinites need and expect that keep our city safe, clean and an attractive, dynamic place to live.
- **Future Focused** – Managing financial uncertainty through strategic financial stewardship, including maintaining sufficient reserves, and continuing to invest in generational projects vitally important to Austin's future success, sustainability and economic prosperity.

The proposed budget includes a tax rate of 0.4493, which represents an increase of 0.35 cents from the prior year. The typical Austin homeowner will still see a 5.7% overall increase in their tax bill – the equivalent of an additional \$8.52 per month, or \$102.26 a year. The City's General Fund will realize a 4.9% increase in property tax revenue, or \$31 million.

The General Fund proposed budget is \$1.4 billion, including a reserve of 17 percent. The 17 percent benchmark was instituted last year as a best practice to keep the City on solid footing during difficult times. I intend to continue this practice of building financial resiliency into our budget.



WE ARE: AUSTIN FOCUSED

Austin's identity is rooted in its values of being a welcoming place that embraces the diversity of our community, celebrates music, art, and outdoor recreation, and protects the beautiful natural resources of Central Texas. Our proposed budget demonstrates our commitment to maintaining that identity with new community engagement initiatives that center on equity, investments in our parks, libraries and cultural centers, and expanded language access tools to ensure everyone is informed and able to engage with their city government.

Some examples include six positions and supporting budget for the Parks and Recreation Department to open and operate the new Colony Park District pool, the rebuilt Givens Pool, and the expanded Mexican-American Cultural Center; \$150,000 for the Planning Department to launch new community engagement efforts; nearly \$200,000 to implement a new website tool for accurate, culturally competent translation in many languages on the City of Austin website; and \$2.7 million in one-time funding as well as \$440,000 in ongoing funding across several city departments to support Austin Civilian Conservation Corps programming.

We're also building and maintaining community partnerships, such as a cost-sharing interlocal agreement with Central Health to expand the Austin-Travis County EMS Collaborative Care Communication Center, known as C4. This innovative program streamlines the process of connecting people experiencing homelessness or other challenges with providers by establishing a single point of contact outside the 911 system.

WE ARE: FRONTLINE FOCUSED

Austinites have made it clear that feeling safe in their community and knowing help is available when they need it is critically important to them. As always, this proposed budget designates significant investments in public safety to ensure we deliver on that promise. This includes funding for public safety facilities, such as the new Public Safety Warehouse, and \$2.6 million to staff the new Canyon Creek Fire/EMS Station scheduled to open next year.

The proposed budget also supports the newly established Homeless Strategy Office (HSO), which has reimagined how we approach this major Council and community priority through its creation. The HSO now serves as a focal point for addressing homelessness comprehensively, strategically, and compassionately. The new approach is already yielding results. Austin has a record number of homeless shelter beds today with more than 2,200 people benefiting from City-funded rapid rehousing programs, and more than 1,000 new housing units that are being built across the city for individuals experiencing homelessness.

And to be truly frontline focused, we must ensure we are taking care of our staff, the people that make the City of Austin run day in, day out. They are at the core of our mission and even in my short time here I have seen how deeply they care about the work they do and their impact on the community. This year's budget includes an across-the-board 4% wage increase for civilian



employees and increases the City's minimum living wage to \$21.63-per-hour.

WE ARE: FUTURE FOCUSED

Austin has experienced tremendous growth and continues to attract new residents and businesses – but that growth comes at a cost. Many Austin families face displacement pressure due to the high cost of housing, making housing affordability a key issue for the City to continue to aggressively address. Investments in this budget include \$3.6 million for the “I Belong Austin” tenant stabilization and eviction assistance program, as well as continued efforts towards more long-term investments with \$121.2 million in planned capital spending for design and construction of voter-approved affordable housing projects.

We are continuing to invest in generational projects like the expansion of Austin-Bergstrom International Airport, the redevelopment of the Austin Convention Center, and critical mobility and utility infrastructure. Some of those include major projects by Austin Water, Austin Energy, and Transportation and Public Works, all of which will have a significant impact on the resiliency, sustainability and livability of Austin.

I feel fortunate to be Austin's new City Manager and to have the opportunity to lead this dynamic, ever-evolving city. I'm excited for the work ahead, and I believe this budget lays the foundation to accomplish the priorities of the Mayor and City Council as well as those of our community. We will continue throughout the year to strategically plan ahead- not just for next year, but for decades to come- remaining focused on those values that define Austin and have built its reputation as a destination city.

Respectfully,

A handwritten signature in black ink, appearing to read "T.C. Broadnax", written in a cursive style.

T.C. Broadnax
City Manager