Proposed Budget Overview

Fiscal Year 2016-17

July 27, 2016 | City of Austin, Texas

Today's Agenda

July 27 (9:00 AM – 12:00 PM)

FY 2017 Overview

- Council Priorities
- Budget Highlights
- Public Engagement

All Funds Overview

- General Fund Highlights
- Internal Service Funds Highlights
- Enterprise and Other Funds Highlights

Capital Budget Overview

- Capital Budget Highlights

Next Steps

- Budget Timeline

Council Priorities

Elaine Hart, Chief Financial Officer

Council Policy Work Sessions

- Five policy work sessions conducted to capture Council's policy priorities and comments
- Allowed staff to engage with Council on the considerable policy areas facing the City
  - Tax Rates, Utility Rates, and Impact on Affordability
  - Civilian Wages and Employee Benefits
  - Funding for Deferred Facility Maintenance
  - Growing Information Technology Needs
  - Zero Waste Initiatives
  - Health and Human Services Funding
  - Equity and Affordability
  - General Fund Transfer Policy
  - Mobility and Traffic
  - Public Safety Staffing Levels
- Feedback from Council employed as a building block for the Proposed Budget

Council Policy Priorities Retreat

- Forum for Council to discuss annual goals and priorities and seek consensus on City matters
- Overall highest rated Council priorities
  - Comprehensive solutions to combat homelessness
  - Investments and funding for mobility improvements (road/corridor)
  - Increase housing supply, options, and remove barriers
  - Develop and implement additional housing cost tools
  - Higher density in transit corridors and workforce housing
  - Economic development east of Highway 183

Continuation of FY 2016 Council Initiatives

Annualized General Fund Cost for FY 2017

EMS 42-hour work week implementation (52 FTEs for Phase 2)	$3.4M
Austin Police Department overtime increase for Spring Festival Season	$1.5M
Annualized Shady Hollow fire station costs	$1.3M
"True-up" for living wage temp position funding (PARD and Child Safety Fund)	$0.7M
Living wage for lifeguards at City pools	$0.4M
Funding for childcare services for families in the Passages program	$0.2M
Total	**$7.5M**

Budget Highlights

Elaine Hart, Chief Financial Officer

Affordability

- Tax Exemptions
  - Increase general homestead exemption by 2% (from 6% to 8%)
  - Increase senior/disabled exemption by $5,000 (from $80,000 to $85,000)
  - 4.0% increase in combined tax and utility bill for a "typical" customer
- Plan Changes Reduce Growth in City Health Insurance Costs
  - 8% increase in City contributions to Employee Benefits Fund
    - Compared to 12% projected at the Financial Forecast – reduction due to plan design changes
  - Increase in family premium offset by 29-cent per hour cost of living increase
- City Manager directed departments to identify "belt-tightening" reductions of $3.0 million to fund Council initiatives

Transportation and Mobility

- Austin Transportation Department Mobility Improvements
  - 13 new positions to enhance and support mobility programs, signal timing and maintenance, planning, and right-of-way programs: $1.3 million
  - Increase in contracts to improve mobility and signalization and initiate the Safety and Enforcement Program: $1.1 million
  - $8.3 million CIP spending plan for corridor improvements, pay station replacement, signals, and local area traffic management
- Public Works
  - $2.1 million for additional street overlay contractual work
  - 16 new positions to enhance overlay, roadway, and infrastructure activities: $1.2 million
  - $40.0 million CIP spending plan for street, bridge, urban trails, and bike and pedestrian improvements

Health and Housing Needs

- Increase transfer to the Housing Trust Fund by $1.1 million
- "Housing First" permanent supportive housing funds increase of $600,000 to help reduce homelessness
- Additional social service contract funding of $500,000
- Contractual funding of $380,000 to establish the new Sobriety Center
- $217,000 for implementation of Colony Park Sustainable Communities Master Plan

Public Safety Enhancements

- Staffing and Personnel
  - 52 positions and $3.4 million for EMS personnel and equipment costs to complete implementation of 42-hour work week
  - 33 new positions in Austin Police Department (APD) to increase proactive community policing
    - 12 sworn positions
    - 21 civilian positions to reallocate 21 sworn employees currently performing civilian work back to patrol activities
  - 3 firefighters for $277,000 to service the airport fire station
- Other Initiatives
  - $762,000 increase for smart and wireless phone service to support APD body cameras
  - $3.0 million in overtime for sworn Fire personnel to address high number of vacancies and maintain four-person staffing, a Council policy

Wages and Employee Benefits

- 2% performance-based salary increase for civilian employees
- 29-cent per hour cost of living increase for civilian personnel to offset rising health costs for families
- 2% increase for APD, Fire, and EMS Sworn per contract
- Living wage increased from $13.03 to $13.50 per hour
- Annualization of civilian market adjustments approved by Council in FY 2016

Community Growth Persists

- Aviation
  - 41 new positions and costs associated with new facilities are needed to address continued terminal expansion, customer growth, and customer service: $3.3 million

- Development Services Department (DSD)
  - 39 new positions added for expedited permit review, expanding review and inspection capabilities, and to support drainage inspections and forestry programs (7 months funding): $2.1 million

Other Major Initiatives

- Deferred Facility Maintenance
  - Total of $3.0 million from General Fund allocated to address backlog
- Funding for IT Governance: $7.7 million
  - Highlights include AMANDA upgrade (permitting system), public safety storage expansion and data center relocation
- Organics Collection Program (operating and capital costs)
  - Five-year implementation plan: $23.2 million and 55 positions
  - $4.2 million and 12 positions in FY 2017 for first year implementation
- $3.4 million for the opening of the New Central Library
- $75,000 to develop an equity assessment tool

Maintains Outstanding Financial Stability

- Outstanding credit ratings keep interest costs low

City of Austin's Credit Ratings

	Moody's	Standard & Poor's	Fitch Investors
GO Bonds	Aaa	AAA	AAA
Austin Energy	A1	AA-	AA-
Austin Water	Aa2	AA	AA-
Aviation	A1	A	N/A

- Budget maintains total General Fund reserves at 12.0%
- Austin Energy transferring $19 million to reserve funds; Strategic Reserve Fund on target to be fully funded by FY 2018
- Austin Water budget stabilized through rate increases and cost containment measures

Major Rate and Fee Changes

Monthly estimated impact of proposed rate and fee changes on "typical" residential rate payer:

	FY 2015-16 Monthly Rate	FY 2016-17 Proposed Rate	Monthly Dollar Change	*Typical Rate Payer Defined as:*
Austin Energy	$89.31	$91.05	$1.74	*Residential customer usage of 895 Kwh.*
Austin Water	$80.24	$83.19	$2.95	*Residential customer usage of 5,800 gallons of water and 4,000 gallons of wastewater*
Austin Resource Recovery	$23.30	$24.30	$1.00	*Residential customer using a 64-gallon cart*
Clean Community Fee	$7.65	$8.05	$0.40	*Per single-family home*
Transportation User Fee	$9.77	$11.52	$1.75	*Per single-family home*
Drainage User Fee	$10.82	$11.80	$0.98	*Residential customer with 3,100 sq. ft./37% of impervious cover*
Property Tax Bill	$90.60	$94.26	$3.66	*FY 2016-17 median non-senior homestead assessed value of $278,741 (reflects 10.6% growth over FY 2015-16)*
TOTAL MONTHLY IMPACT	**$311.69**	**$324.17**	**$12.48**	***Combined projected increase of 4.0%***

Public Engagement

Ed Van Eenoo, Deputy Chief Financial Officer

Public Input and Community Outreach

Summary of Engagement Efforts

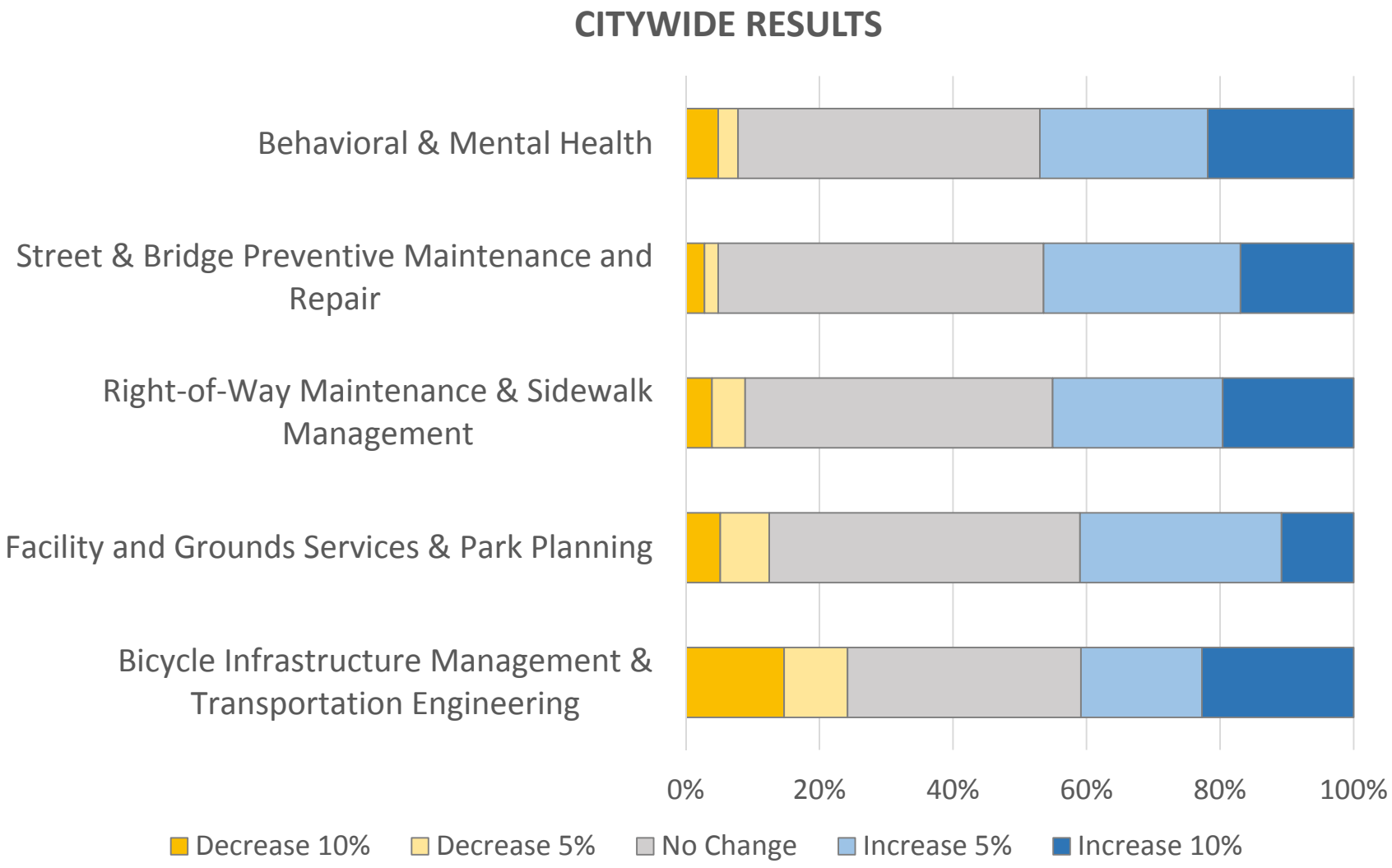
Description	Count
Number of City Council Town Hall meetings facilitated by Budget staff	5
Number of public meetings with the City's Boards and Commissions	19
Number of community events attended to promote and facilitate Austin Budget Simulator	28
Total Austin Budget Simulator Submissions	1,626

Austin Budget Simulator

- Online, interactive tool to collect public input on 49 City service areas
- Allows participants to increase, maintain, or decrease service levels
- Provides real-time updates to estimated property tax and utility bill impact based on participants' choices
- Accessible design optimized for use on mobile devices, screen reader, and available in English and Spanish

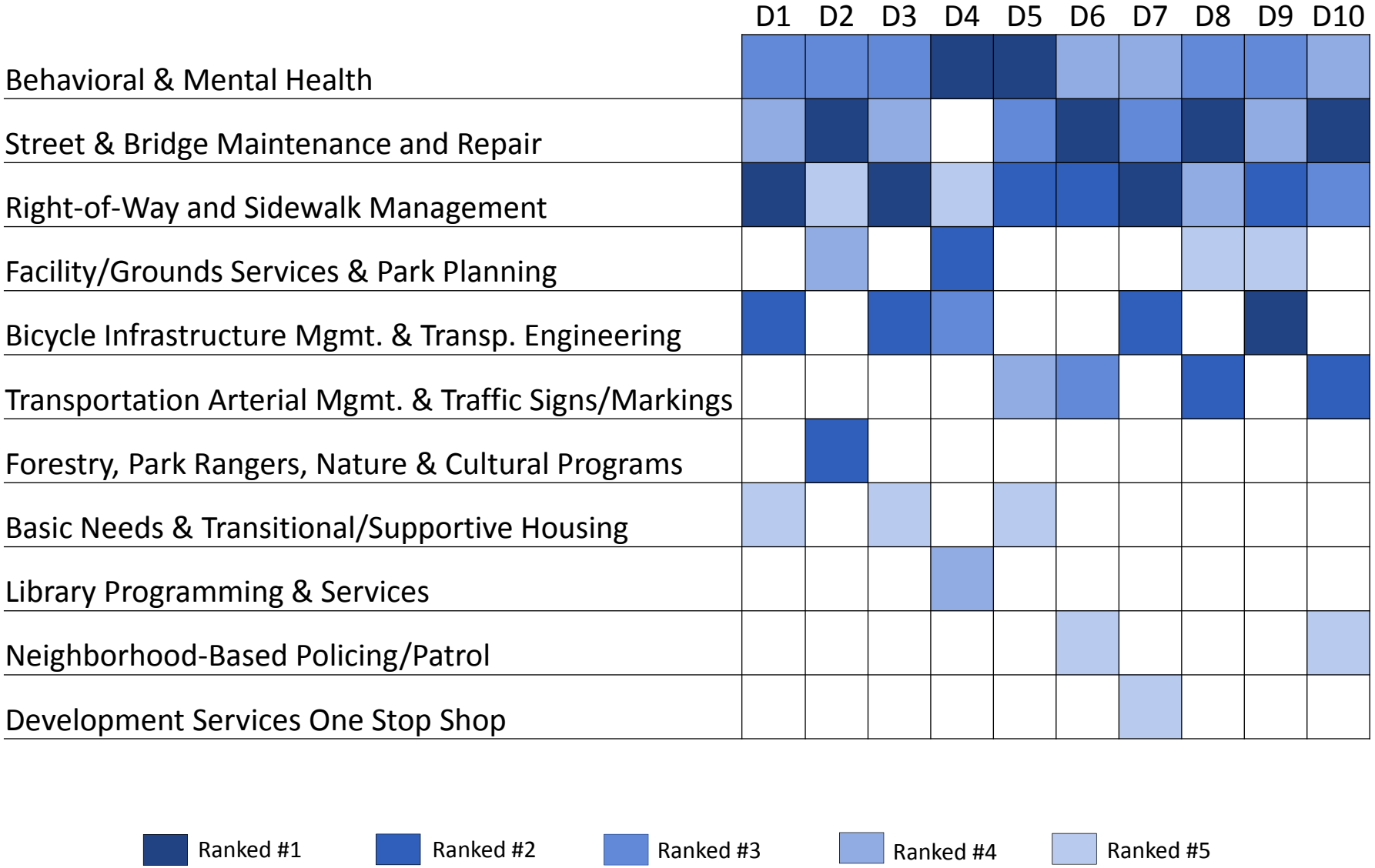
Public Input and Community Outreach

Top 5 City service areas where participants chose to increase funding



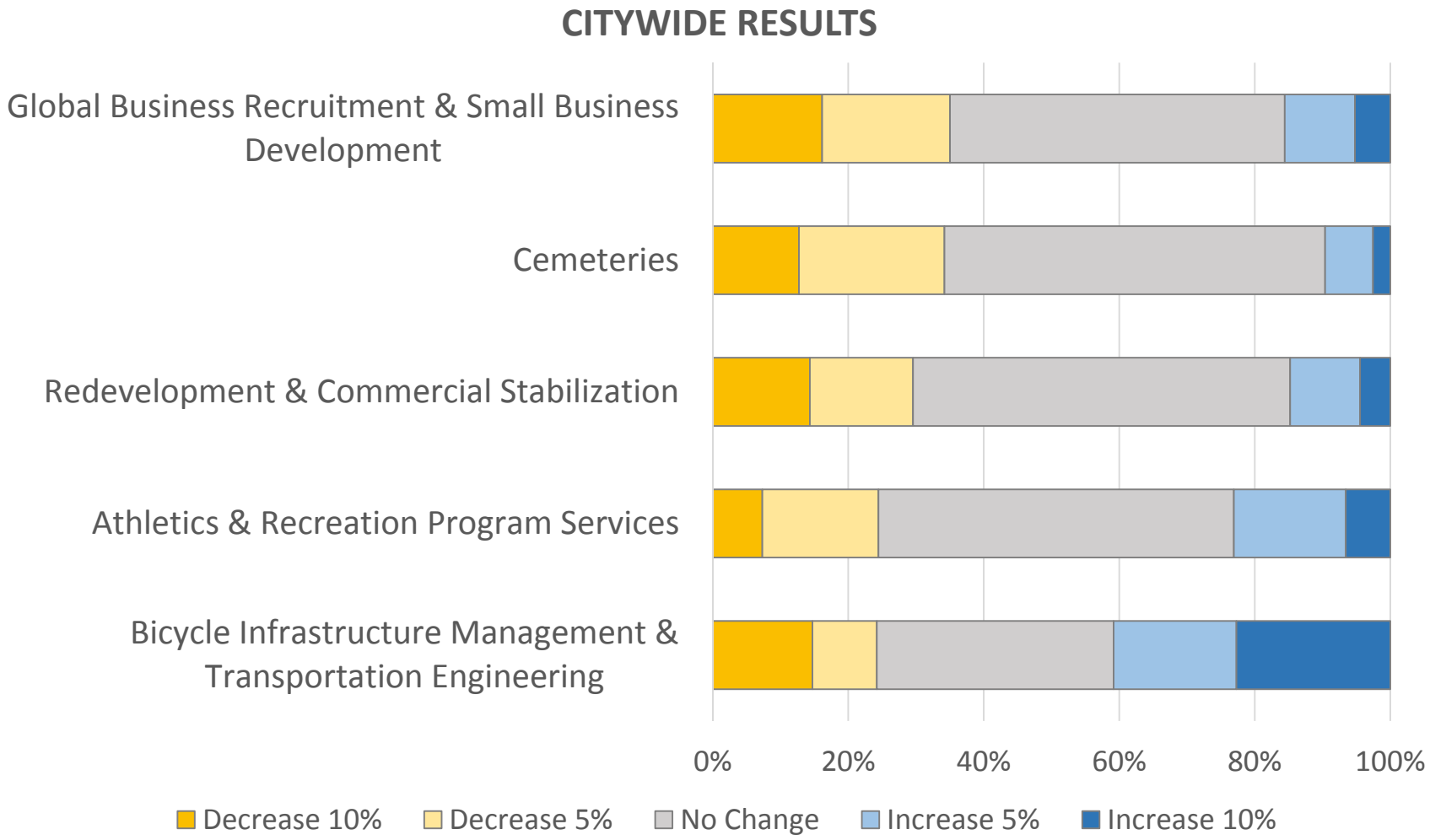
Public Input and Community Outreach

Austin Budget Simulator Results by City Council District



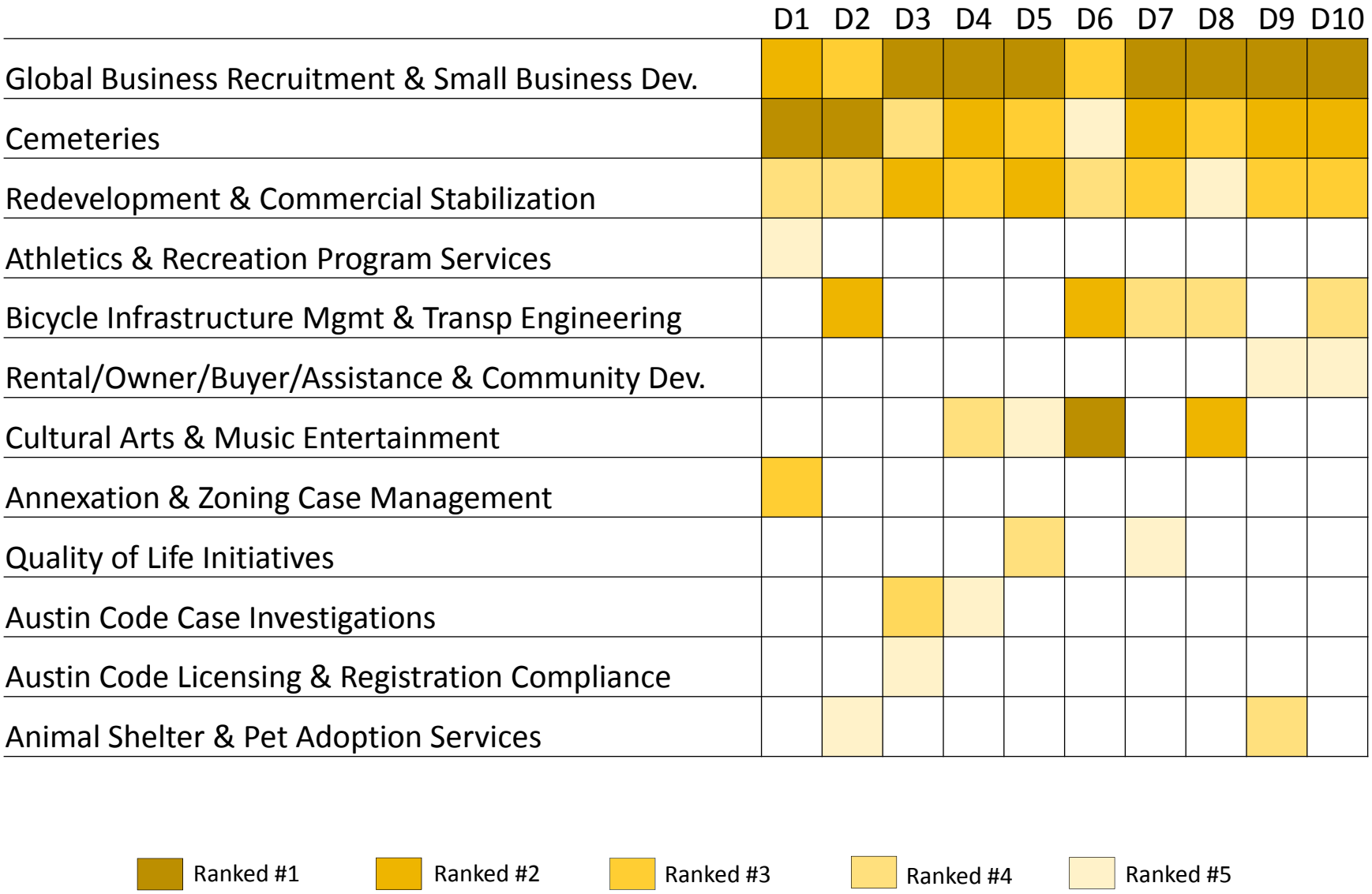
Public Input and Community Outreach

Top 5 City service areas where participants chose to reduce funding



Public Input and Community Outreach

Austin Budget Simulator Results by City Council District



Public Input and Community Outreach

Citizen Survey

- Of 46 services assessed, the City of Austin was at or above other large cities in 31 areas (populations of 250,000 or greater)
- 82% of residents were satisfied with the city of Austin as a place to live
- 66% satisfied or very satisfied with quality of customer service
  - *"Austin is setting the standard for customer service among large U.S. cities"*
- 60% of residents "satisfied" or "very satisfied" with overall quality of Austin's services
  - 11% higher than national average of cities of populations of 250,000 or higher
- 41% of residents were satisfied with the overall value for city tax dollars and fees (6% higher than the national average)
  - 29% of respondents expressed dissatisfaction

Public Input and Community Outreach

Citizen Survey

Services Rated Above or Below National Average	10%+ Above National Avg.	10%+ Below National Avg.
Overall quality of customer service	+25%	-
I feel safe in my neighborhood at night	+25%	-
I feel safe in city parks	+18%	-
Condition of streets in neighborhoods	+13%	-
Number of walking/biking trails	+12%	-
Overall quality of services provided	+11%	-
Quality of residential curbside recycling services	+11%	-
Bulky item pick-up/removal services	+10%	-
Quality of youth athletic programs offered by the City	-	-10%
How well the City is planning growth	-	-16%
Traffic flow on major city streets	-	-23%

Public Input and Community Outreach

Summary of Results

Top Austin Budget Simulator Priorities

Rank	Priority	% of Participants choosing a funding increase
1	Behavioral and mental health	47%
2	Street & Bridge Preventive Maintenance and Repair	46%
3	Right-of-way maintenance & sidewalk management	45%

Top Citizen Survey areas identified for further investment

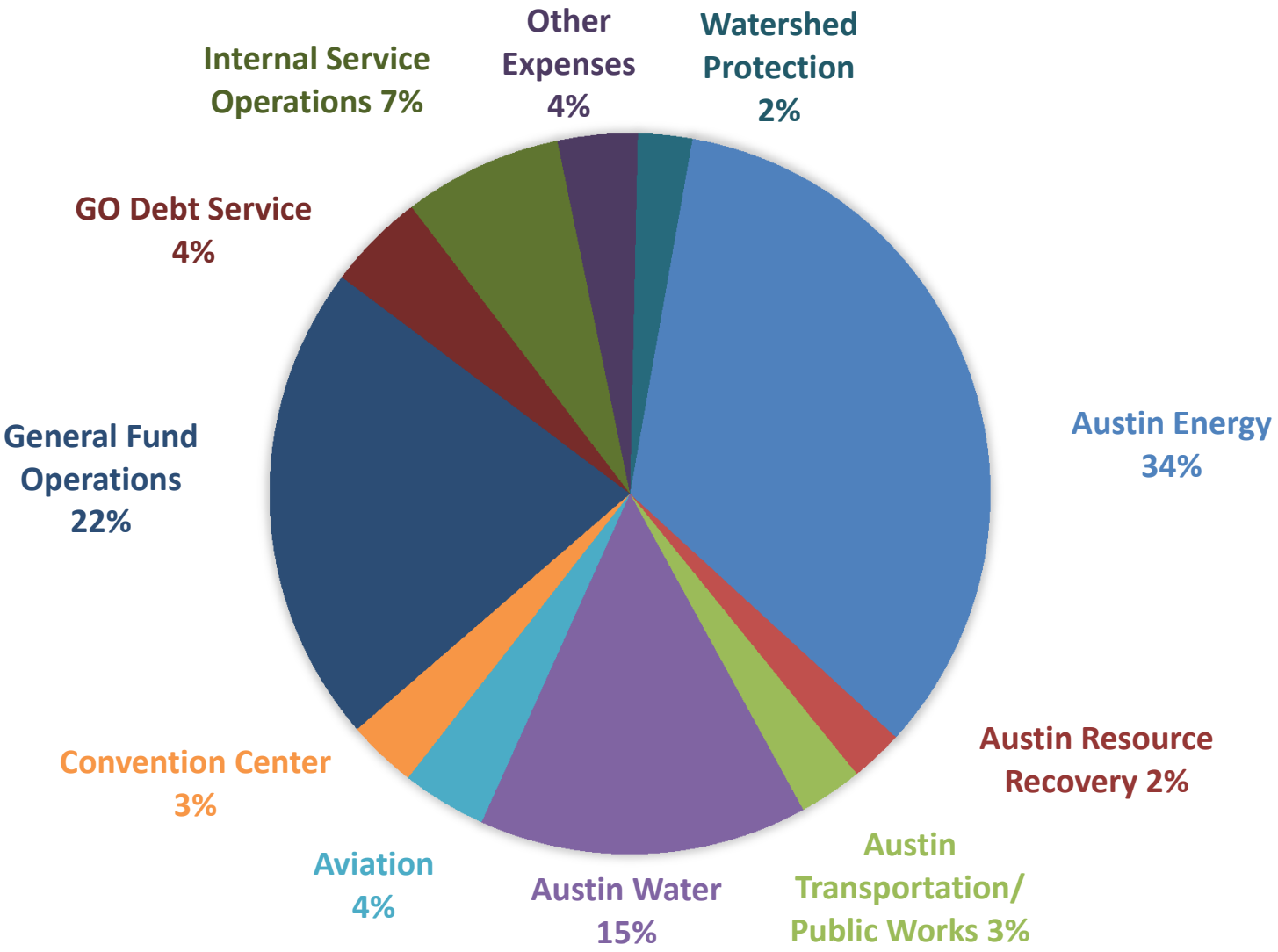
Rank	Major Areas Identified for Further Investment
1	Maintenance for major city streets and sidewalks
2	Planning, development review, permitting, and inspection services
3	Public safety
4	Traffic flow on major city streets

All Funds Overview

Elaine Hart, Chief Financial Officer

All Funds

ALL CITY FUNDS USES OF FUNDS FY 2016-17
$3.7 BILLION



Civilian Pay

- 2% performance-based pay
  - All Funds = $9.8 million
  - General Fund = $2.4 million
- $0.29 per hour across-the-board
  - All Funds = $4.6 million
  - General Fund = $1.3 million
- Annualized market adjustments
  - All Funds = $8.2 million
  - General Fund = $3.8 million

Other Texas Entities Wage Increases

Entity	2017 *
Dallas	3.0%
Fort Worth	3.0 - 3.5%
Houston	4.1%
San Antonio	1.0%
Travis County	3.0%
AISD	4.0%
Austin	2.0% + $600

* Percentage based on major Texas city projections

Salary Budget Increases by State - Texas

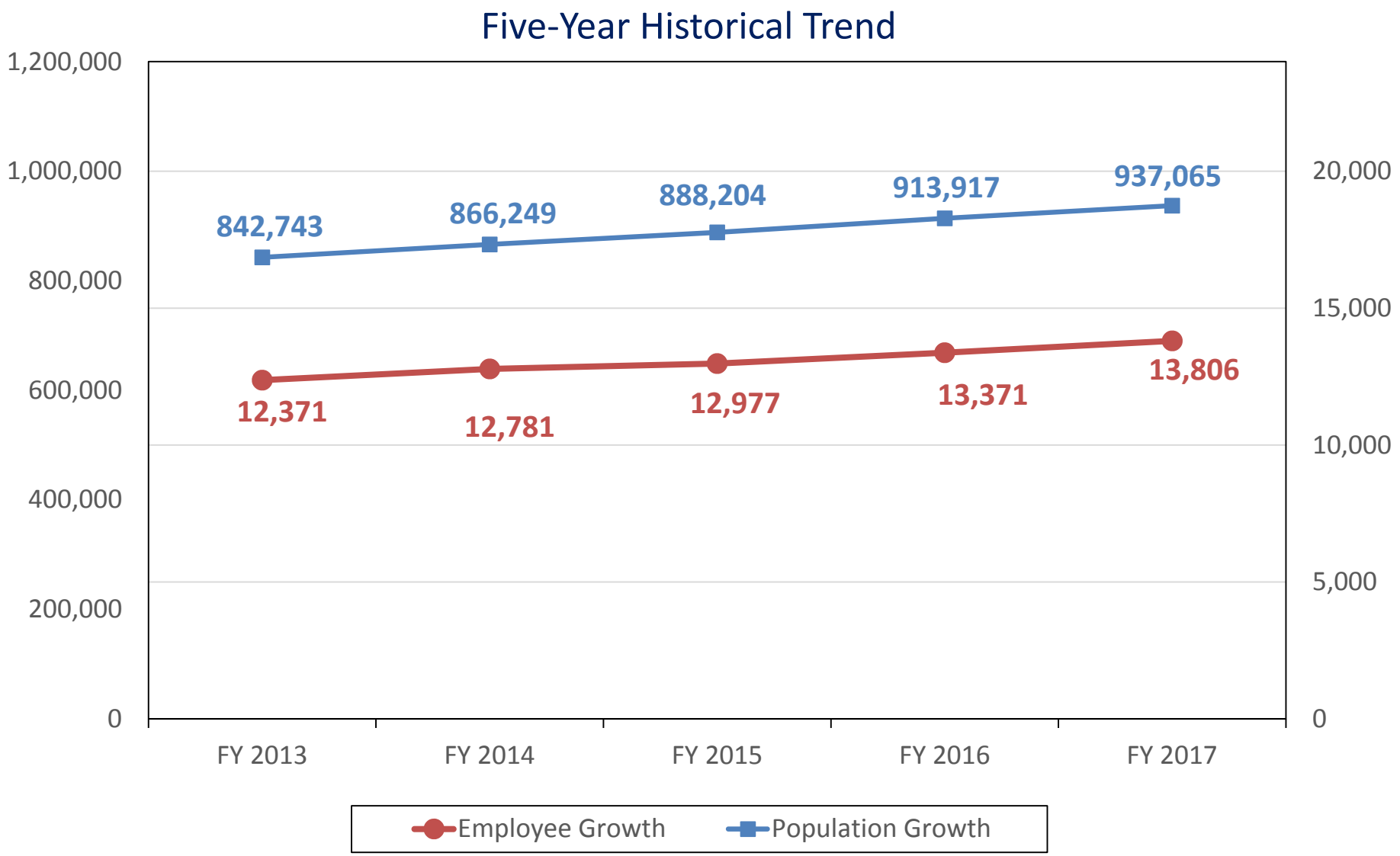
Calendar Year	Results	Average
2013	Actual	3.0%
2014	Actual	3.1%
2015	Actual	3.0%
2016	Projected	3.1%

- WorldatWork Salary and Budget Survey
- Includes public and private employers in Texas

Sworn Pay

- 2% across-the-board pay increase: $6.8 million
  - Emergency Medical Services: $0.7 million
  - Fire: $2.2 million
  - Police: $3.9 million
- Other Public Safety Contractual Pays
  - Step and Longevity Pays: $1.9 million
- Final year of four year contract

City Population and Employee Growth

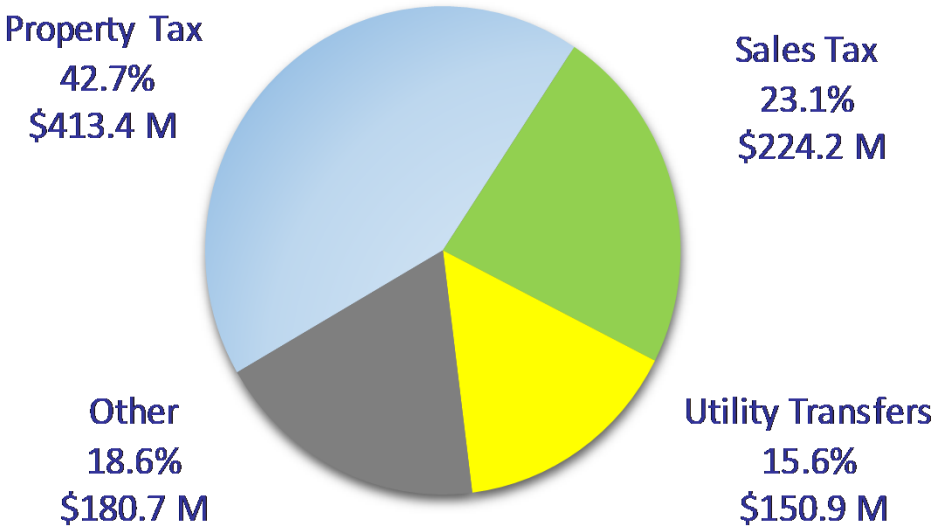


General Fund Highlights

Ed Van Eenoo, Deputy Chief Financial Officer

General Fund Revenue

FY 2017 Projected General Fund Revenue $969.2 Million



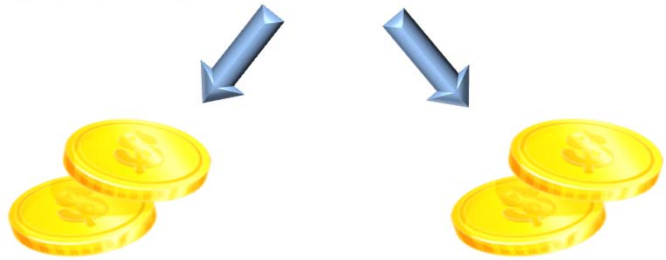
General Fund Revenue FY 2016 Estimated to FY 2017 Proposed (millions)

Source	FY 2016 Est.	FY 2017 Budget	Change
Property Tax	$384.3	$413.4	$29.1
Sales Tax	$213.4	$224.2	$10.8
Utility Transfers	$145.8	$150.9	$5.1
Other Transfers and Revenue	$174.2	$180.7	$6.5
TOTAL	**$917.7**	**$969.2**	**$51.5**

Property Tax

	Growth Rate	Total AV	New Property	Tax Rate
FY 2015	11.1%	$98.7 Billion	$1.7 Billion	0.4809
FY 2016	12.3%	$110.7 Billion	$2.9 Billion	0.4589
FY 2017	13.7%	$125.9 Billion	$3.1 Billion	0.4411

Proposed FY 2016-17 Tax Rate = 44.11¢

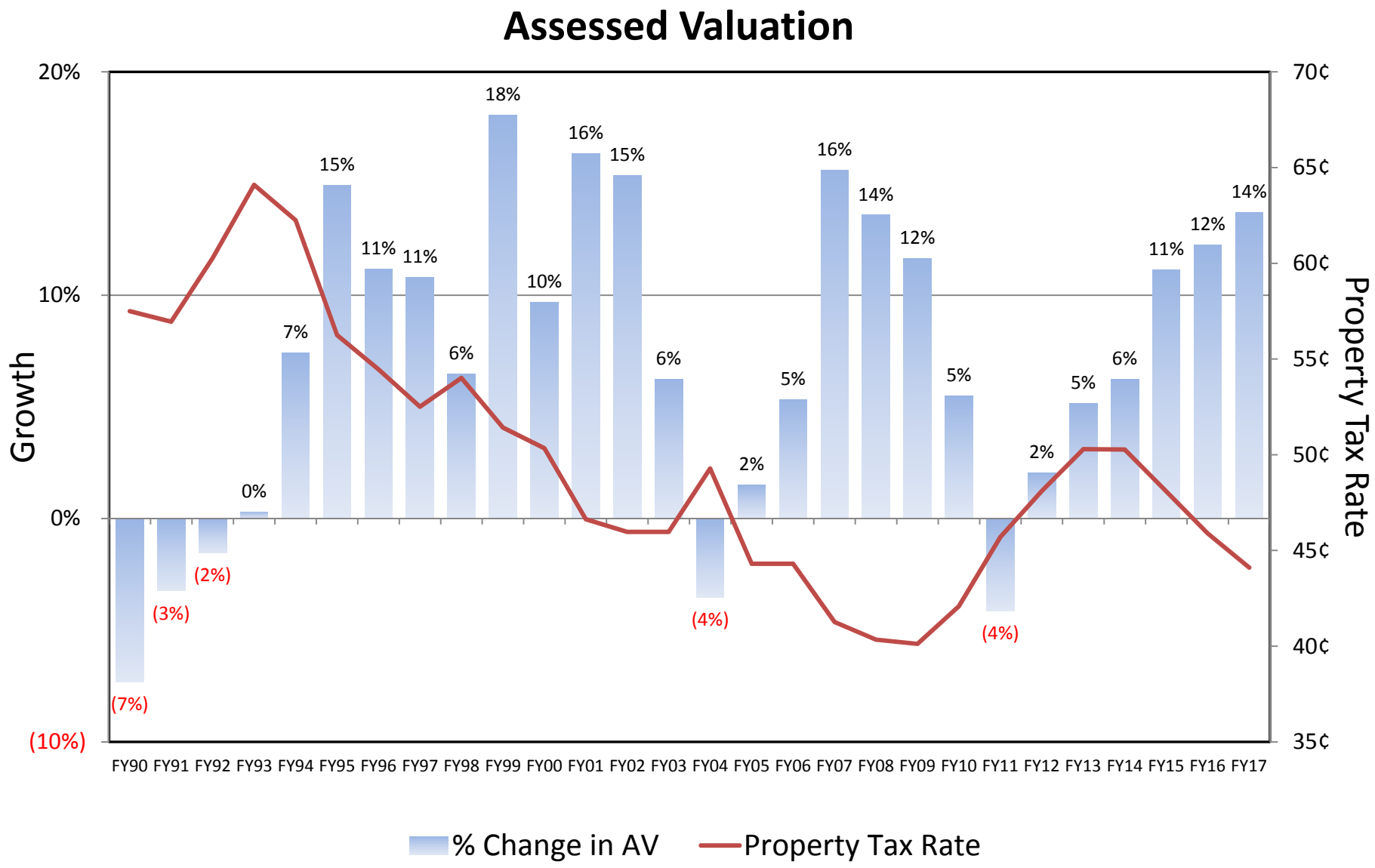


O&M:
33.92¢

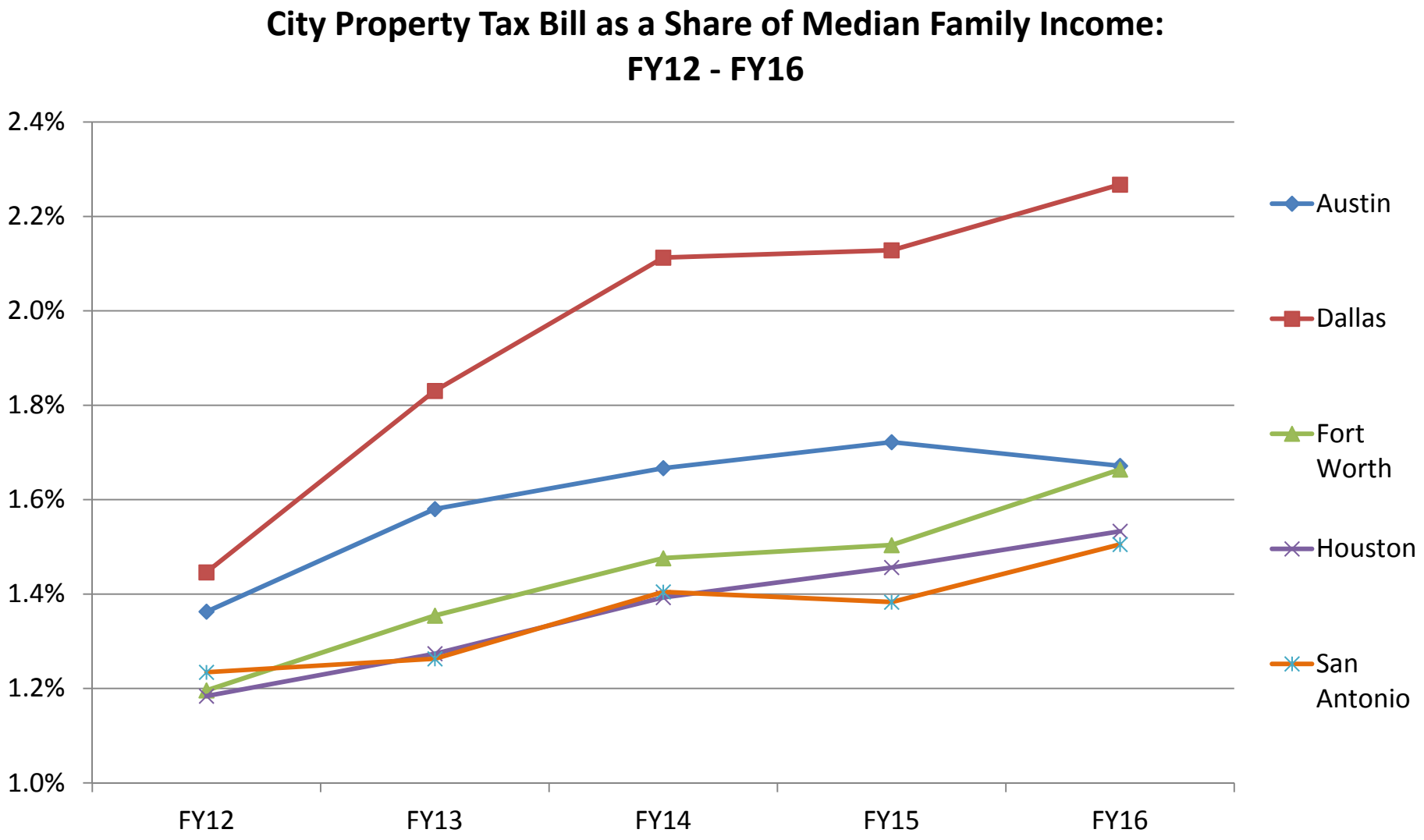
Debt:
10.19¢

- 1.78 cent decrease in tax rate
- 8% general homestead exemption and $85,000 exemption for Over 65 & Disabled Homeowners
- Estimated $3.66 per month increase for owner of a non-senior homestead with median assessed value of $278,741

Property Tax



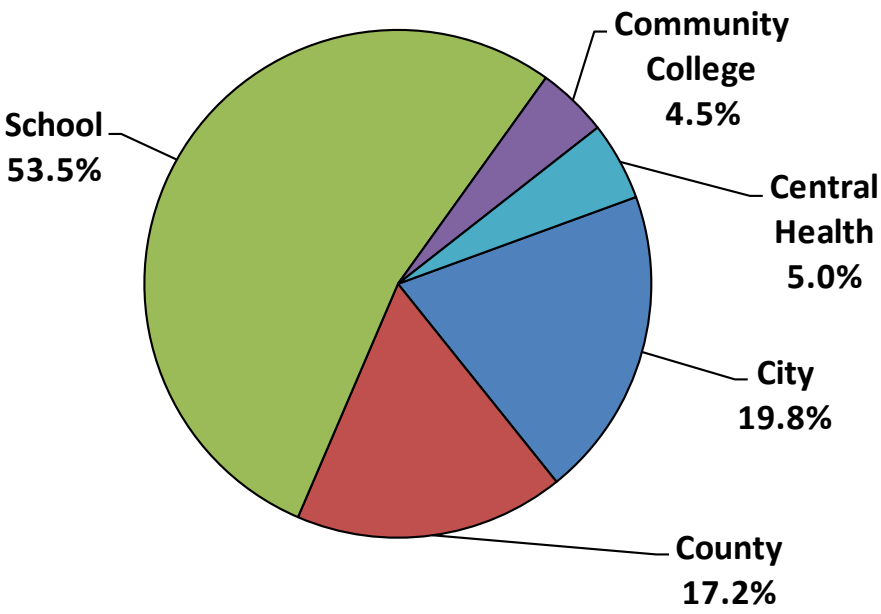
City of Austin Median Tax Bill History



Net of homestead exemptions. Median home sales data from the Texas A&M Real Estate Center. Median family income from U.S. Department of Housing and Urban Development.

Overlapping Property Tax

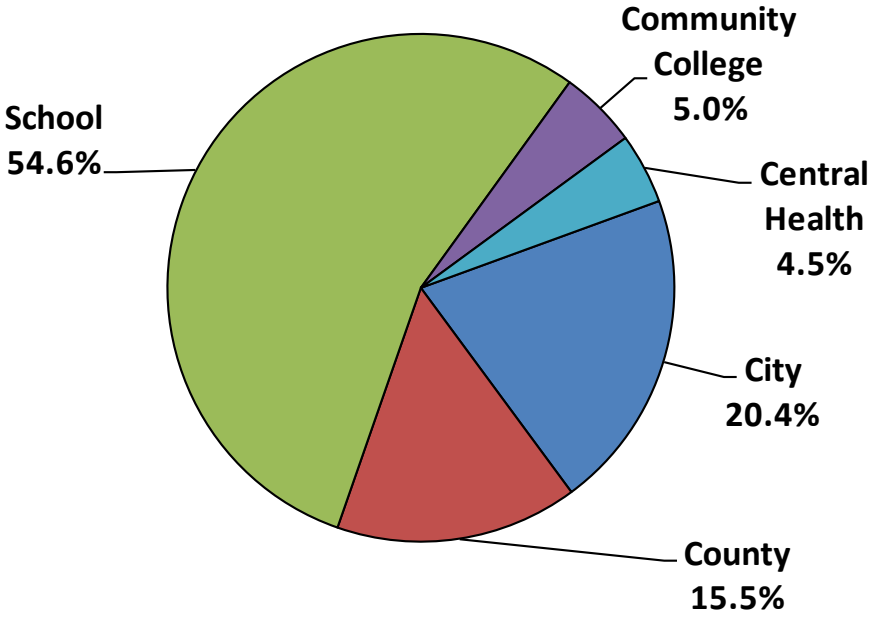
Tax Rate



Jurisdiction	FY16	FY17*	Change
City	0.4589	0.4411	(0.0178)
County	0.4169	0.3838	(0.0331)
AISD ^	1.2220	1.1920	(0.0300)
Community College	0.1005	0.1005	--
Central Health	0.1178	0.1115	(0.0063)
Total Tax Rate ^	2.3161	2.2289	(0.0872)

*Most recently available tax rate projections from local jurisdictions.

Tax Bill for Median-Value Homestead

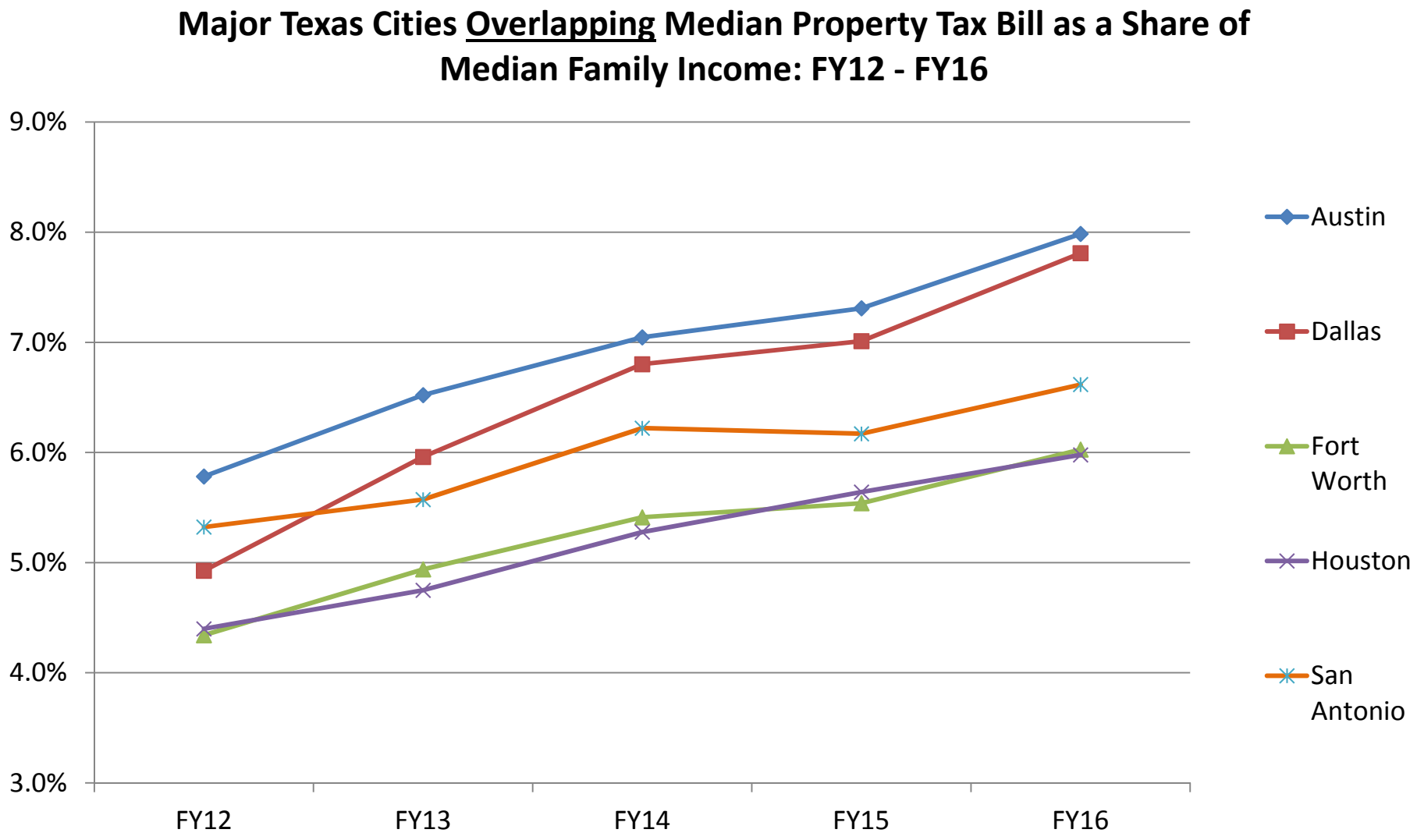


Jurisdiction	FY16	FY17*	Change
City	$1,087	$1,131	$43.99
County	$841	$856	$15.27
AISD	$2,729	$3,025	$295.68
Community College	$248	$275	$26.84
Central Health	$237	$249	$11.20
Total Tax Bill	$5,142	$5,535	$392.98

*Tax bills derived by applying homestead exemptions to median non-senior homestead assessed value of $278,741.

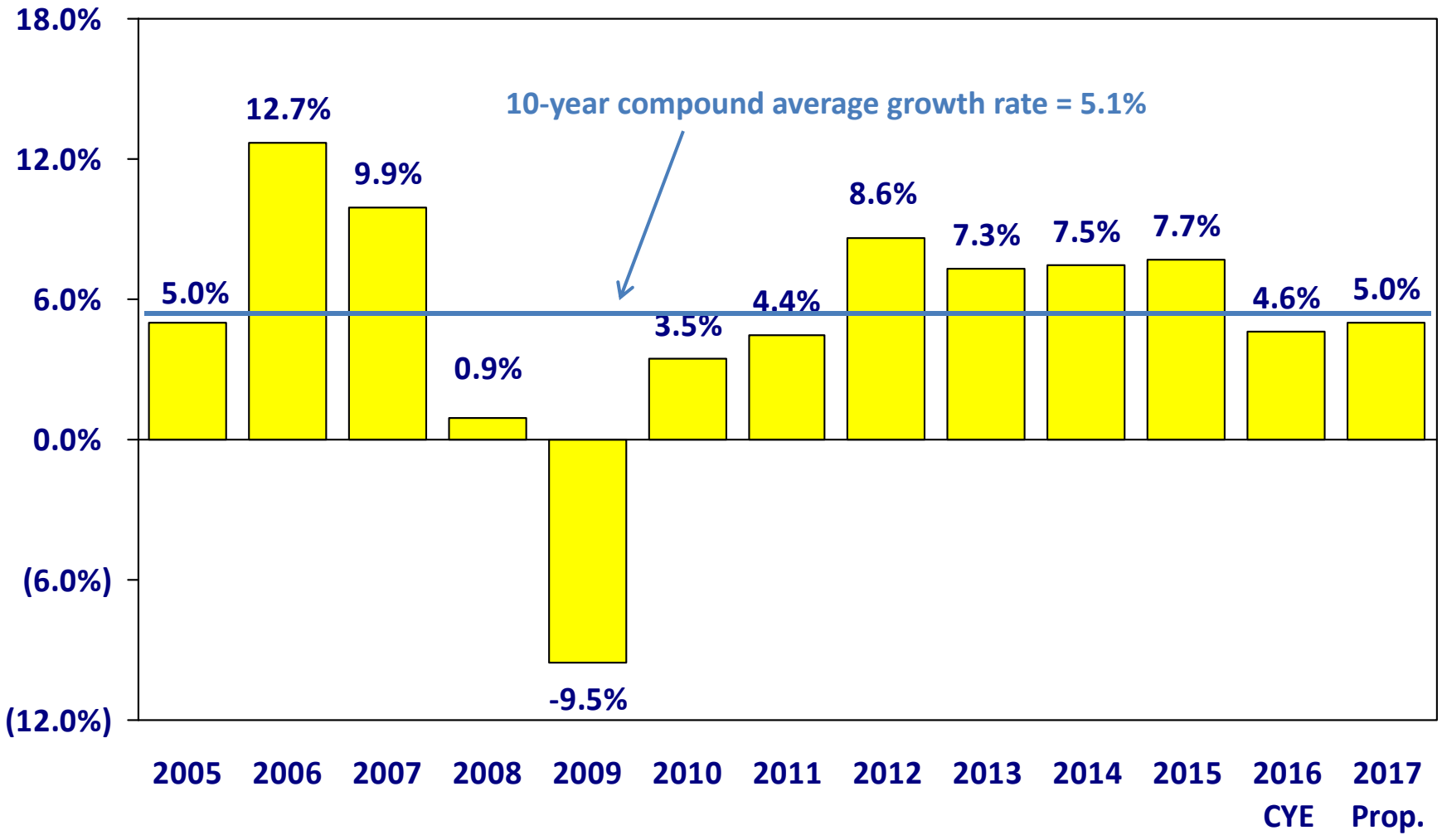
^ FY 16 Total Tax Rate and FY 17 AISD amounts revised August 8, 2016 due to data error.

Overlapping Median Tax Bill History



Net of homestead exemptions. Median home sales data from the Texas A&M Real Estate Center. Median family income from U.S. Department of Housing and Urban Development.

Sales Tax – Annual Growth Rate



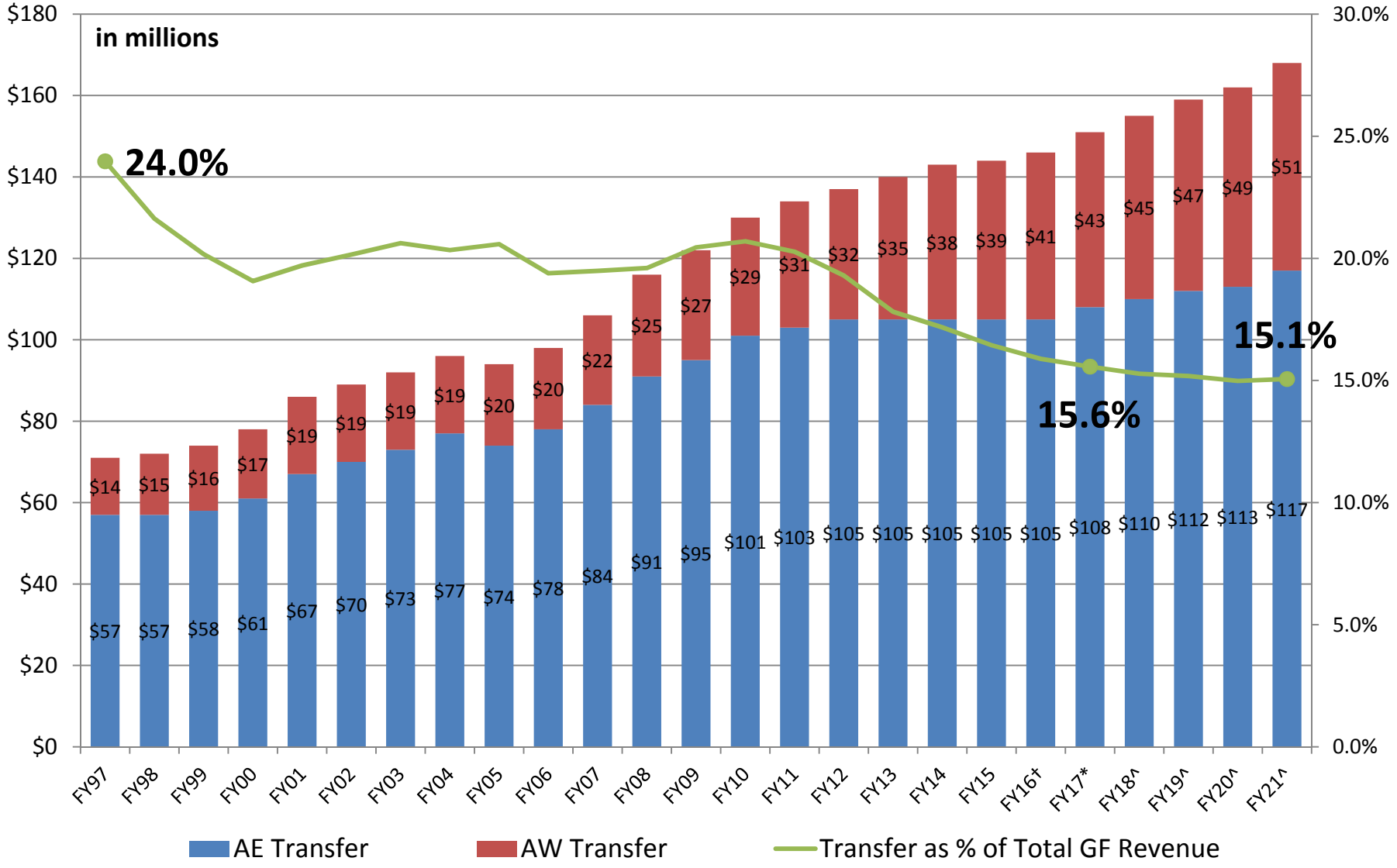
FY 17 sales tax growth projected at 5%.

Utility Transfers

Fiscal Year	AE Transfer	AW Transfer	Total Increase
FY 2016	$ 105.0 m	$ 40.8 m	$ 2.0 m
FY 2017	$ 108.0 m	$ 42.9 m	$ 5.1 m
FY 2018	$ 110.0 m	$ 45.2 m	$ 4.3 m
FY 2019	$ 112.0 m	$ 47.4 m	$ 4.2 m
FY 2020	$ 113.0 m	$ 49.0 m	$ 2.6 m
FY 2021	$ 117.0 m	$ 50.7 m	$ 5.7 m

- Budget maintains Council approved transfer policies
  - Austin Energy transfer set at 12% of the three-year average of non-power supply revenue, with a floor of $105 million
  - Austin Water transfer set at 8.2% of the three-year average of gross revenue

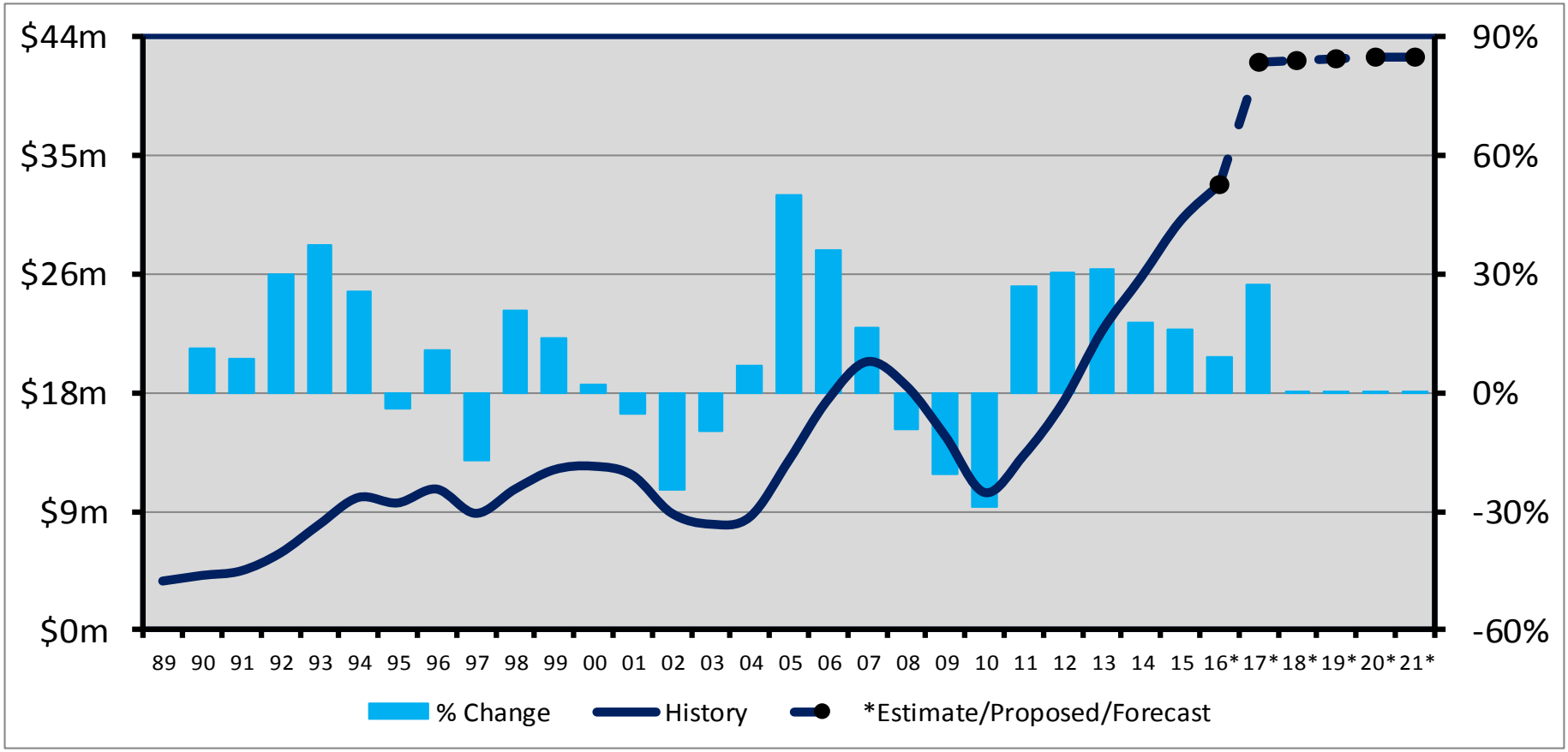
Utility Transfer History



†Estimate *Proposed ^Forecast

Development Revenue

Historical Activity



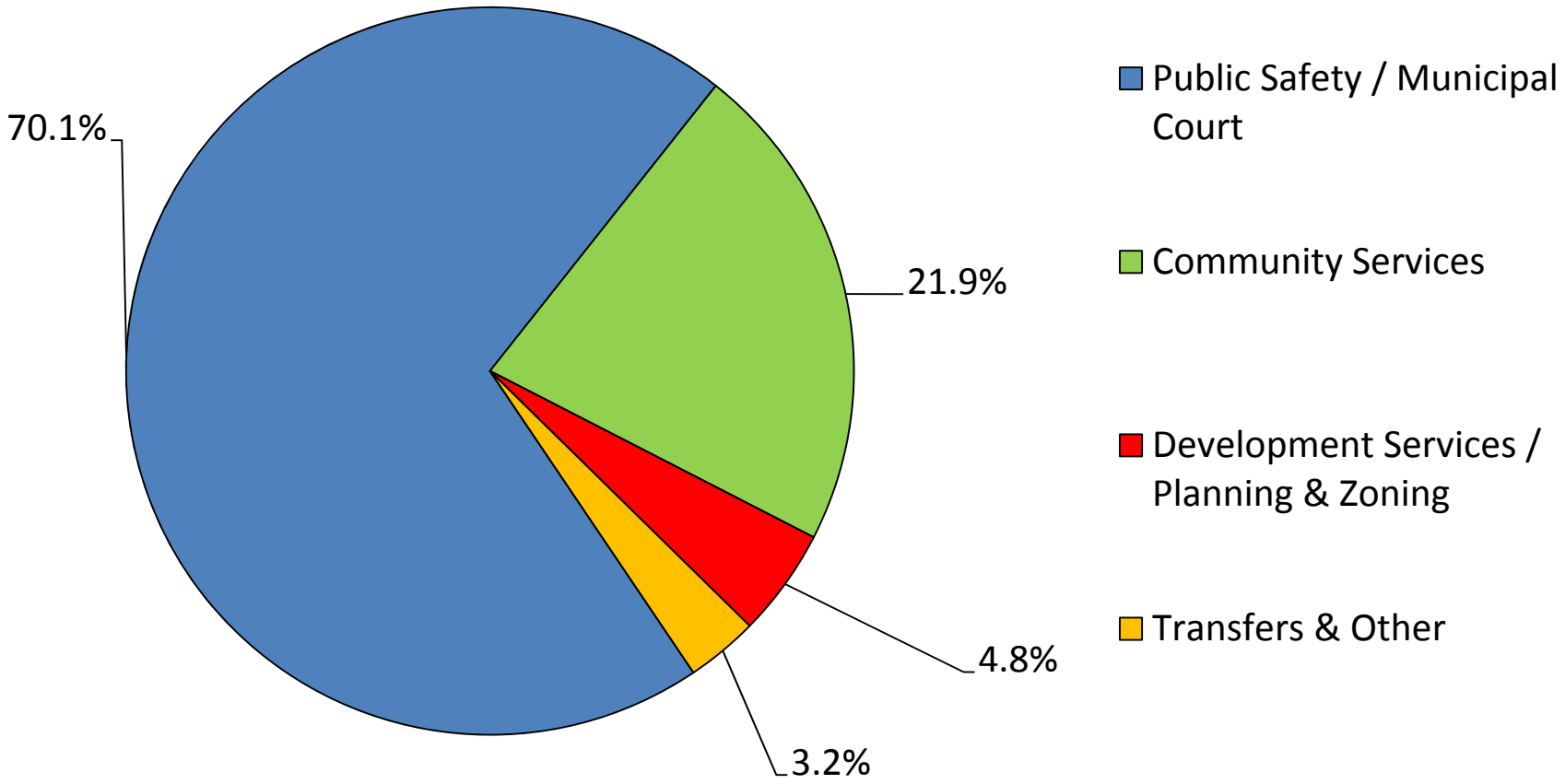
FY 2016 estimate = $33.0 M; FY 2017 Proposed = $42.1 M

* $6.3 million due to change in accounting of Austin Water transfer for development review
* $2.8 million due to expanded capacity and workload projection

General Fund

Uses of Funds

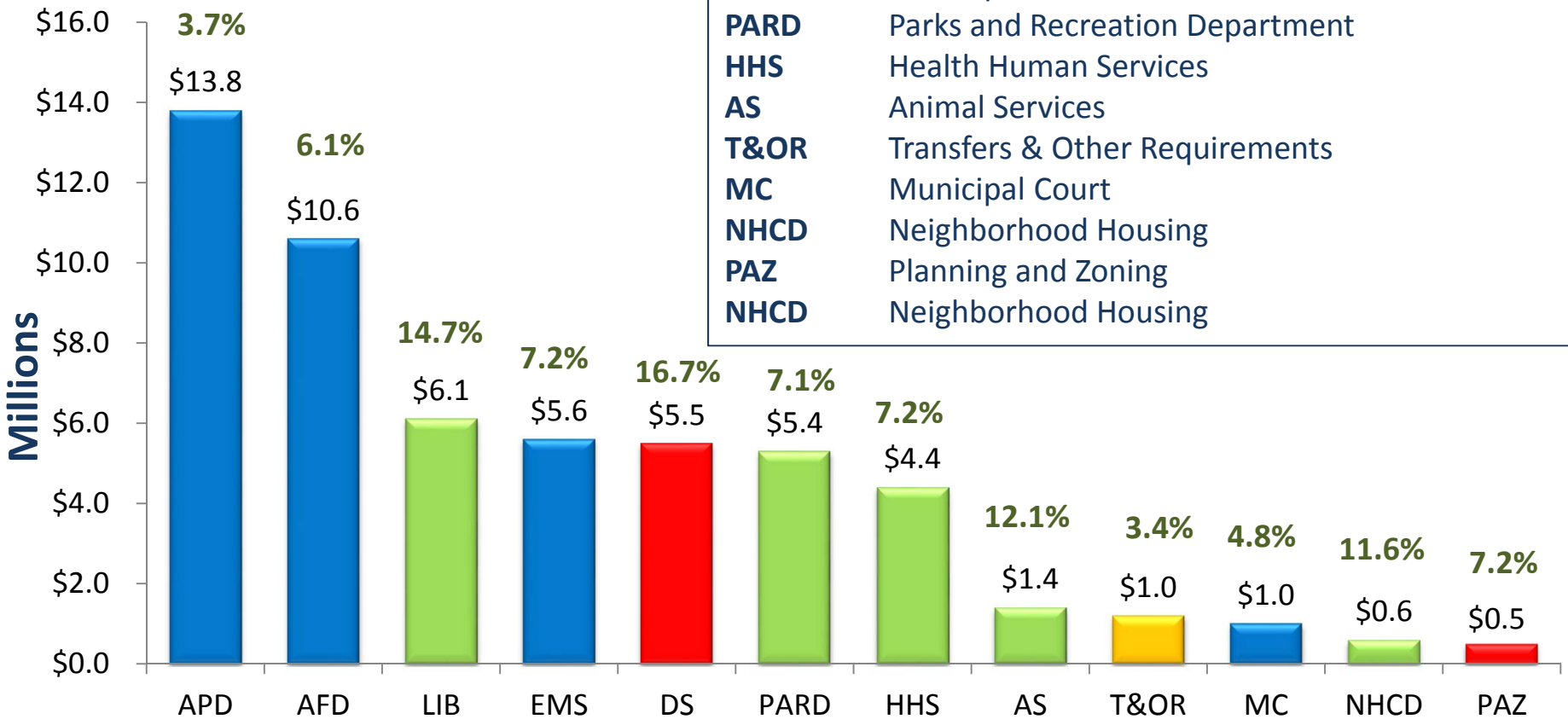
Fiscal Year 2017 Proposed Budget – $969.2 Million



Budget Changes – $56.0 Million

General Fund Increases

Acronyms	
APD	Austin Police Department
AFD	Austin Fire Department
LIB	Austin Public Library
EMS	Emergency Medical Services
DS	Development Services
PARD	Parks and Recreation Department
HHS	Health Human Services
AS	Animal Services
T&OR	Transfers & Other Requirements
MC	Municipal Court
NHCD	Neighborhood Housing
PAZ	Planning and Zoning
NHCD	Neighborhood Housing



Footnote: Bar chart colors match "Uses of Funds" previous slide

Department Highlights

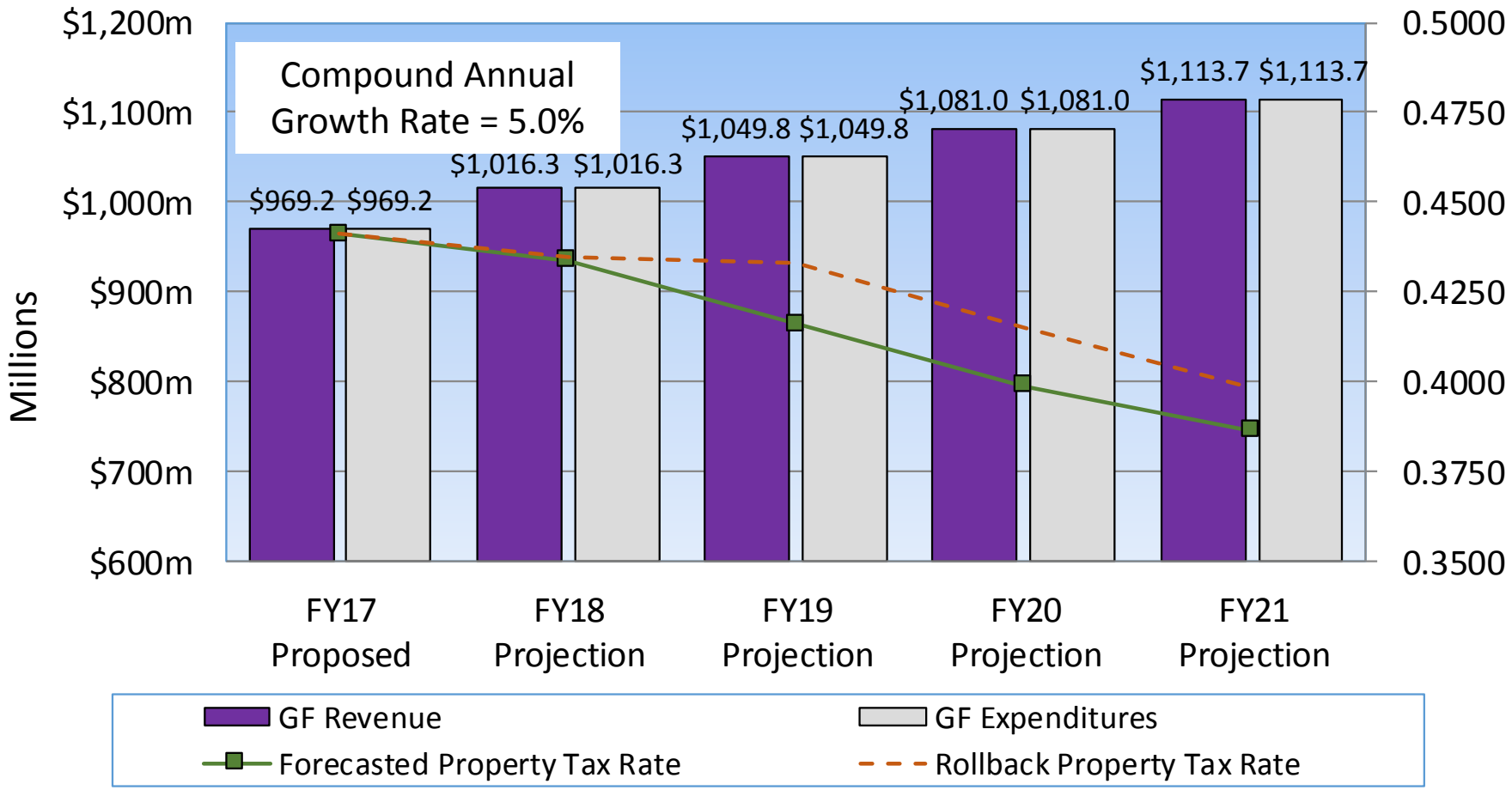
- 12 new officers to increase proactive community engagement time (6 months funding): $0.9 million
- 21 civilian positions to reallocate 21 sworn employees currently performing civilian work back to patrol activities (9 months funding): $1.2 million
- 52 paramedic positions for implementation of 42-hour work week: $3.4 million
- 11 new positions (9 months funding), O&M, and annualized personnel costs from FY 16 for the New Central Library opening Spring of 2017: $3.4 million net cost
- 3 Animal Control Officers to bolster prevention and education efforts for $164,000 (9 months funding)

Department Highlights

- 39 new positions added to Development Services
  - 18 positions and $1.6 million for expedited permit review program
  - 13 positions and $900,000 for expanding review and inspection capabilities
  - 8 positions supporting drainage inspections and Community Forestry Division
- "Housing First" permanent supportive housing to reduce homelessness: $600,000
- Sobriety Center start up funding: $380,000
- Increase of $250,000 for Downtown Austin Community Court's Rehabilitation Services
- Two positions for $154,000 added to Planning and Zoning to support CodeNEXT and long range planning initiatives (9 months funding)

Five-Year Outlook

Projected Baseline Expenditures vs. Revenue



* Projections based on cost drivers associated with existing programs, anticipated annexations, and new facility opening dates. Projections do not include funding for new initiatives.

Internal Service Funds Highlights

Ed Van Eenoo, Deputy Chief Financial Officer

Internal Service Allocations

- Internal Service Funds provide goods and services to other City departments on a cost-reimbursement basis

	Support Services	Comm. & Tech. Management	Fleet Services
Budget Increase	$7.2M	$8.4M	$0.3M
Total 2017 Budget	$123.8M	$96.9M	$55.7M
Percent Change	5.8%	8.7%	0.5%
New Positions	13.00	9.00	6.00

- Support Services and Communications and Technology Management
  - Costs are allocated to service-receiving departments using metrics that most closely reflect service usage by those departments
- Fleet Services costs
  - Fuel costs are charged to departments based on actual usage
  - Preventative maintenance costs determined by factoring labor and supply costs for prior year planned maintenance

Support Service Highlights

Dept./Office	Description	Amount
City Clerk	Net cost for November 2016 Council elections	$750,000
	3 positions and software to enforce campaign finance and disclosure requirements	$348,000
Labor Relations	Funding for public safety contract negotiations contract and compensation study	$425,000
Human Resources	3 positions to enforce Fair Chance Hiring ordinance	$327,000
	1 position in to conduct criminal background checks	$84,000
Management Services	Annualized cost of new Equity Office	$232,000
Real Estate Services	2 positions for accounting and records to support Real Estate growing workload	$153,000
Purchasing	2 contract compliance positions to conduct living wage reviews	$140,000
Capital Planning	1 position for bond oversight and development	$90,000
Building Services	1 Security Coordinator position (transfer from CTM)	$89,000

CTM Highlights

Operating Budget

- $7.7 million for 9 positions and funding for prioritized IT governance projects
  - Examples include relocating the City's data center, AMANDA upgrade (permitting system), CTECC & Public Safety Storage Expansion, Regional Mutual Aid (closest public safety responder), and electronic health records
- $3.1 million for hardware and software maintenance contracts to support existing systems
- $5.5 million transfer to CIP for critical replacements to servers, storage, VOIP, network and building security, etc.
- Decrease of $13.4 million in transfers to CIP for prior-year IT governance and replacement items

Fleet Highlights

- Fuel cost reduction for vehicle fleet: $2.5 million
- 6 new positions to support customer departments in public health and safety
- Funding of $1.3 million for compressed natural gas equipment and site improvements
- $16.5 million for the purchase of 255 new and replacement vehicles in General and Internal Services Funds
  - Due to limited Budget Stabilization Reserve funding, all General and Internal Services Fund vehicular purchases proposed to be debt financed in FY 2017

Enterprise and Other Funds Highlights

Elaine Hart, Chief Financial Officer

Austin Energy Highlights

Total Requirements $1,308.6 million; 1,718.00 FTEs

- Converting 45 temporary and contractor staff into full time employees for a net $1.8 million
- Power supply cost reduction of $72.9 million
- State-wide transmission rate and grid costs increase $17.7 million
- $4.2 million for IT consulting and staffing services
- $10 million begins funding non-nuclear decommissioning reserve
- $11.6 million decrease in debt service due to FY 2014-15 bond refunding
- $26.0 million net decrease in transfer for Contingency, Emergency, and Repair and Replacement reserves
- General Fund Transfer at $108 million, an increase of $3 million; first increase since FY 2012

Austin Energy Highlights

Revenue and Rates

- Decrease in base revenue based on proposed system average rate reduction: ($24.6 million)
- Decrease Power Supply Adjustment: ($72.9 million)
- Increase in pass-through Regulatory Charge: $6.7 million
- Infrastructure attachments revenue up by $3.3 million

Typical Monthly Bill	Energy kWh	FY 2016 Rate	FY 2017 Proposed	$ Change	% Change
Customer Charge	Flat Fee	$ 10.00	$ 10.00	None	None
Base Electricity Charge	895	$ 36.78	$ 38.62	$1.84	5.0%
Power Supply Adjustment (PSA)	895	$ 24.91	$ 24.84	($ 0.07)	(0.3%)
Community Benefit Charge (CBC)	895	$ 4.96	$ 5.03	$ 0.07	1.4%
Regulatory Charge	895	$ 12.66	$ 12.56	($ 0.10)	(0.8%)
Total Monthly Bill	**895**	**$89.31**	**$91.05**	**$ 1.74**	**1.9%**

Austin Water Highlights

Total Requirements $571.6 million; 1,170.00 FTEs

- 11.5 positions at $1.2 million to strengthen internal controls, engineering services and customer service
- 9.0 positions to focus on pipeline operations and newly annexed areas for $755,000
- Electric cost savings of $3.3 million from moving to Commercial Energizer rate
- Debt service increase of $5.2 million
- $10.7 million increase in cash funding of capital projects
- Refund payments of $2.1 million for wholesale rate case

Austin Water Highlights

Revenue and Rates

- System-wide rate increase of 3.0%; additional $12.8 million revenue
- $2.95 monthly increase to typical residential customer
- Revenue stability charge remains at $0.19/1,000 gallons

Typical Residential Customer Bills 5,800 Gals. Water and 4,000 Gals. Wastewater	**FY 2016 Rate**	**FY 2017 Proposed Rate**	**Monthly Change**
Water	$40.26	$41.59	$1.33
Wastewater	$39.98	$41.60	$1.62
Totals	**$80.24**	**$83.19**	**$2.95**

Aviation Highlights

Total Requirements $146.3 million; 456.00 FTEs

- 41 new positions to keep pace with growing service demand and facility expansion: $3.3 million
- $2.7 million increase related to newly expanded facilities and maintenance activities
- Technology upgrades and implementation of Information Technology Master Plan: $1.3 million

<u>Revenue and Rates:</u>

- Airline (terminal rent, landing fees) and non-airline (parking, concessions, etc.) revenue up $10.9 million
- Revenue: 45.4% from airlines; 54.6% non-airline

Convention Center Highlights

Total Requirements $102.2 million; 276.75 FTEs

- 11.75 new positions for $1.0 million to service understaffed areas due to event growth and customer demand
- $9.3 million transfer to CIP from Convention Center, Town Lake Venue, and Palmer Events Center for building improvements and future facility development

Revenue and Rates:

- Hotel Occupancy Tax revenue 3.0% over FY 2016 estimate
- City receives 9 cents of each qualified $1 of hotel occupancy rent

Hotel Occupancy Tax (HOT)	Allocation	FY 2017 Revenue	Description
Convention Center Tax Fund	4.50 cents	$45.2M	ACC operating & debt service requirements
Venue Project Fund	2.00 cents	$20.1 M	Debt service on bonds for 2002 ACC expansion and Waller Creek Tunnel
Tourism and Promotion Fund	1.45 cents	$14.6 M	Contract payments to *ACVB*

Remaining 1.05 cents for Cultural Arts Fund to fund grant contracts to artists and cultural agencies: $10.6M FY 2017

ACC – Austin Convention Center | *ACVB – Austin Convention and Visitors Bureau* | *FY 2017 Revenue in millions (M)*

Austin Resource Recovery Highlights

Total Requirements $91.1 million; 454.00 FTEs

- 12 new positions and operational expenses for first year of five year implementation of organics program: $1.1 million
- 7 positions for increased customer demand: $469,000
- $1.0 million increase for North East Service Center land payment
- Additional funding for equipment and vehicles: $700,000
- Reduction in G.O. Debt Service of $2.1 million
- Reserve policy non-compliant until FY 2018; $1.5 million short

Revenue and Rates:

Major Fee/Rate Description	FY 2016 Rate	FY 2017 Proposed Rate	Monthly Change
ARR Clean Community fee – Residential	$4.30	$4.70	$0.40
ARR Clean Community fee – Commercial	$14.75	$16.50	$1.75
Residential customer with a 64-gallon cart	$23.30	$24.30	$1.00

Austin Code Highlights

Total Requirements $19.8 million; 117.00 FTEs

- $436,000 reduction for removal of one-time equipment and vehicle purchases in prior year
- No new positions for FY 2017; will consider mid-year budget amendment subsequent to departmental review

Revenue and Rates:

- Austin Code's portion of Clean Community Fee – no increase for FY 2017

Major Fee/Rate Description	FY 2016 Rate	FY 2017 Proposed Rate	Monthly Change
Code Clean Community fee – Residential	$3.35	$3.35	$0.00
Code Clean Community fee – Commercial	$6.70	$3.35	($3.35)

Public Works Highlights

Total Requirements $90.3 million; 506.25 FTEs

- Net increase of 15 positions for $1.1 million to support overlay, alley, and roadway maintenance and repair activities
- Additional $2.1 million for asphalt overlay contract
- $670,000 increase for street and bridge contract and survey support

Revenue and Rates:

- $7.0 million revenue increase for Public Works' portion of Transportation User Fee

Major Fee/Rate Description	FY 2016 Rate	FY 2017 Proposed Rate	Monthly Change
PW Transportation User Fee - Residential	$6.60	$7.85	$1.25
PW Transportation User Fee - Commercial	$33.01	$39.27	$6.26

Austin Transportation (ATD) Highlights

Total Requirements $42.1 million; 232.50 FTEs

- Net increase of 12 positions and $1.2 million to work on traffic signal maintenance and timing and enhance mobility and right-of-way programs
- $583,000 for transportation network companies (TNC) and chauffeur fingerprinting
- Safety, mobility and signal improvement contracts of $1.1 million

Revenue and Rates:

- $3.0 million additional revenue from ATD's portion of Transportation User Fee
- $924,000 in new revenue from parking meters, TNC fees, permits and licenses

Major Fee/Rate Description	FY 2016 Rate	FY 2017 Proposed Rate	Monthly Change
ATD Transportation User Fee – Residential	$3.17	$3.67	$0.50
ATD Transportation User Fee – Commercial	$15.87	$18.37	$2.50
Downtown hourly parking rate (pay stations)	$1.20	$1.20	$0.00

Watershed Protection Highlights

Total Requirements $93.3 million; 311.00 FTEs

- 26 new positions to support open waterways, streambank stabilization, storm water and drain programs: $1.8 million
- 4 new positions and $394,000 to improve customer service related to fee structure
- $300,000 to reduce storm drain construction work backlog

Revenue and Rates:

- Revised fee structure approved June 2015 by Council
- Increase in drainage fee and revenue due to expiring single-family discount; customer growth and development: $3.6 million

Major Fee/Rate Description	FY 2016 Rate	FY 2017 Proposed Rate*	Monthly Change
Drainage Utility Fee	$10.82	$11.80	$0.98

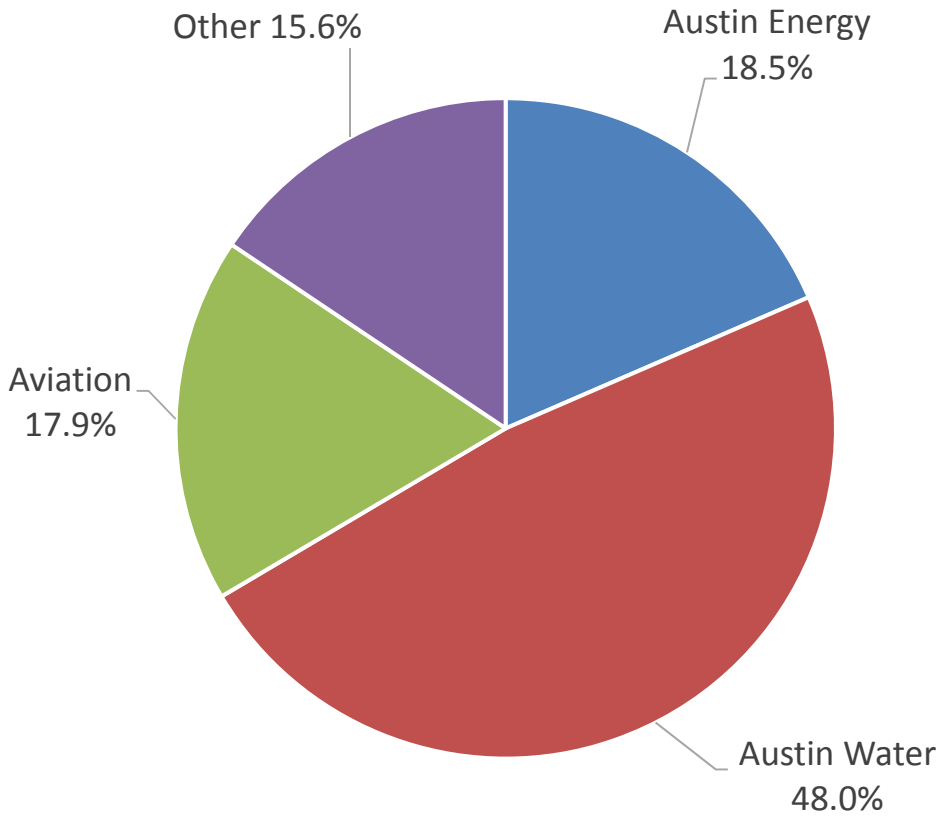
* *Residential customer with 3,100 sq. ft. of impervious cover and 37% impervious cover*

Capital Budget Highlights

Ed Van Eenoo, Deputy Chief Financial Officer

FY 17 Appropriations by Department

FY 2017 Appropriation Categories: $1,136.0 Million



Appropriation Changes by Department FY 2016 Amended to FY 2017 Proposed (millions)

Department	FY 2016 Amended	FY 2017 Budget	Change
Austin Energy	$262.4	$210.2	($52.2)
Austin Water	$40.9	$545.2	$504.3
Aviation	$134.9	$203.3	$68.4
Other	$203.4	$177.3	($25.8)
TOTAL	**$641.6**	**$1,136.0**	**$494.4**

Austin Energy Capital Budget Highlights

- Sand Hill Energy Center water clarification system, Environmental Lab Relocation
- On-site generation upgrades at Domain plant
- Transmission circuit upgrades, distribution growth and reliability projects, substation upgrades
- 1.6 megawatt commercial battery storage at Mueller development part of SHINES project
- Complete upgrade to Avaya telephony system
- Enterprise Work Management system

Power Production	$28.6M
Transmission	$38.8M
Distribution	$129.0M
Support Services	$13.8M
TOTAL	**$210.2M**

Austin Water Capital Budget Highlights

- Focus on replacement and rehabilitation
- Pipes, valves, treatment plants, pump stations, reservoirs, lift stations
- Reclaimed water

Infrastructure Improvements	$479.0M
Reclaimed Water	$62.1M
Capital Equipment/ Vehicles	$4.1M
TOTAL	**$545.2M**

Aviation Capital Budget Highlights

- Terminal and Apron Expansions
  - Apron under construction and will complete summer 2019
  - Terminal expansion will begin fall 2016
- New West Lot A Parking Garage
  - Design continuing

ABIA Improvements	$200.9M
Capital Equipment/ Vehicles	$2.4M
TOTAL	**$203.3M**

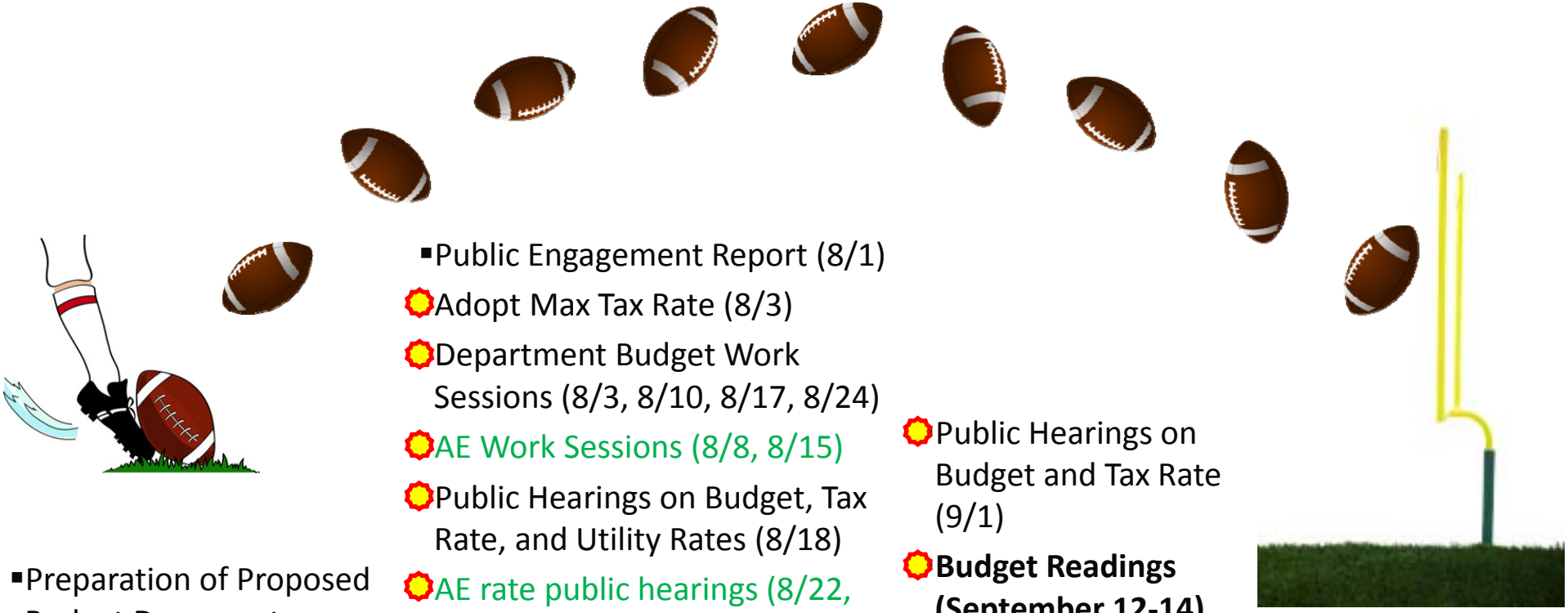
Other Capital Appropriations – $177.3 Million

Austin Convention Center	$50.1 million
Watershed Protection	$31.6 million
Fleet	$17.9 million
Communications and Technology Management	$16.6 million
Neighborhood Housing and Community Development	$14.1 million
Parks and Recreation	$13.0 million
Austin Resource Recovery	$8.1 million
Building Services	$5.2 million
Other Departments	$20.7 million

Next Steps

Ed Van Eenoo, Deputy Chief Financial Officer

Budget Timeline



July

- Preparation of Proposed Budget Document
- Presentation of Proposed Budget (7/27)

August

- Public Engagement Report (8/1)
- Adopt Max Tax Rate (8/3)
- Department Budget Work Sessions (8/3, 8/10, 8/17, 8/24)
- AE Work Sessions (8/8, 8/15)
- Public Hearings on Budget, Tax Rate, and Utility Rates (8/18)
- AE rate public hearings (8/22, 8/25)
- Council Work Session on AE rates (8/29)
- Pre-budget adoption Work Session (8/31)

September

- Public Hearings on Budget and Tax Rate (9/1)
- **Budget Readings (September 12-14)**
- AE budget amendment adoption (9/22)

October

- **First Day of Fiscal Year 2017! (October 1)**

Council meeting

Budget Work Session Agenda

AUGUST 3
(9:00 AM – 4:30 PM)

Community Services
- Animal Services
- Austin Code
- Austin Public Library
- Health and Human Services
- Neighborhood Housing & Community Development
- Parks and Recreation

AUGUST 10
(9:00 AM – 4:30 PM)

Development
- Economic Development
- Development Services
- Planning and Zoning

Infrastructure / Transportation
- Austin Transportation
- Public Works
- Watershed Protection

Public Safety
- Fire

AUGUST 17
(9:00 AM – 4:30 PM)

Public Safety
- Municipal Court
- Emergency Medical Services
- Police

Internal Services
- Communications and Technology Management
- Fleet Services
- Building Services

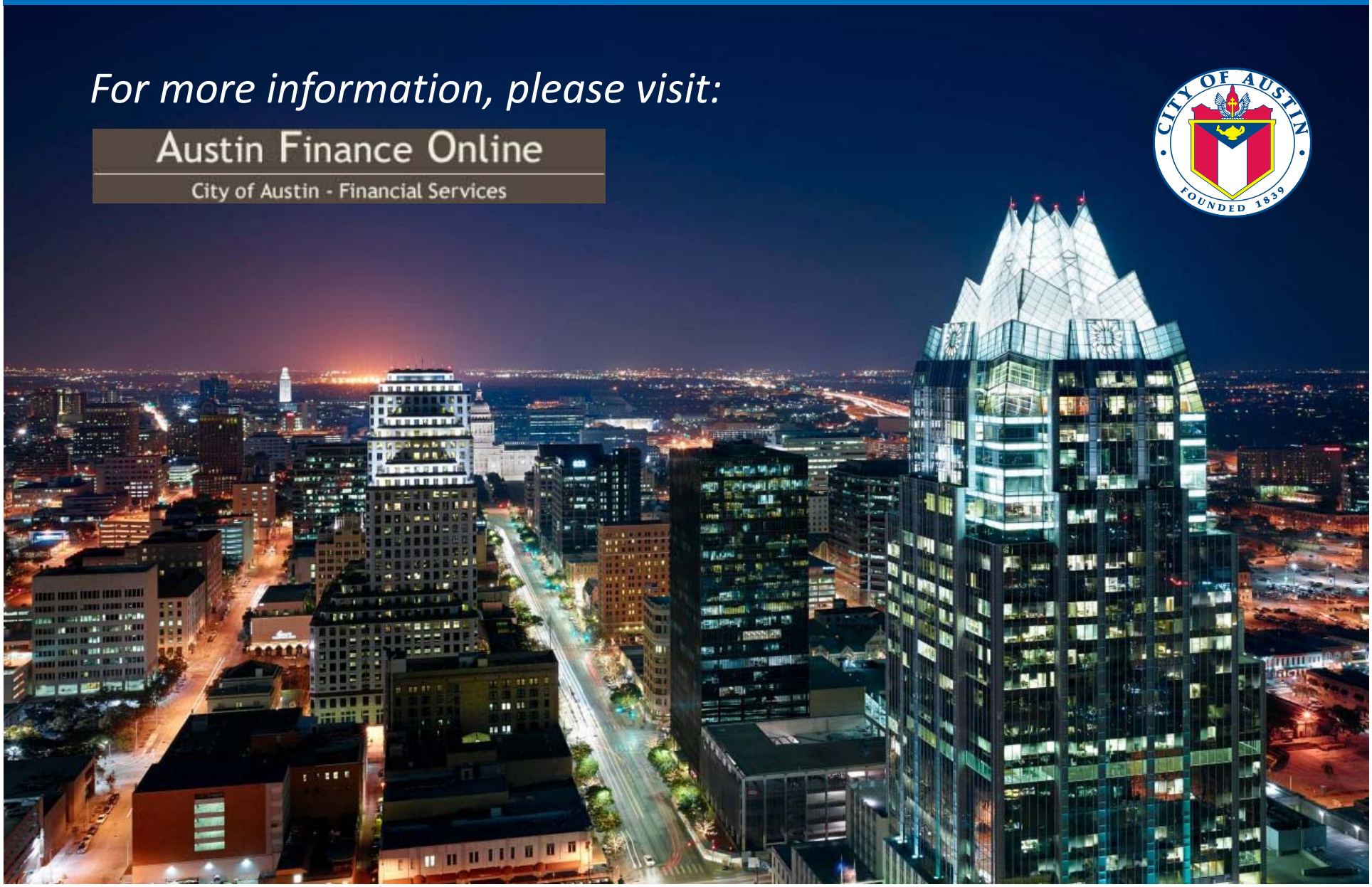
AUGUST 24
(9:00 AM – 4:30 PM)

Utilities/ Other Major Enterprises
- Austin Convention Center
- Austin Energy
- Austin Resource Recovery
- Austin Water
- Aviation

** Additional departments can be made available for presentations at Council's request*

Questions/Comments/Discussion

For more information, please visit:

Austin Finance Online

City of Austin - Financial Services