

Proposed Budget Highlights

City of Austin

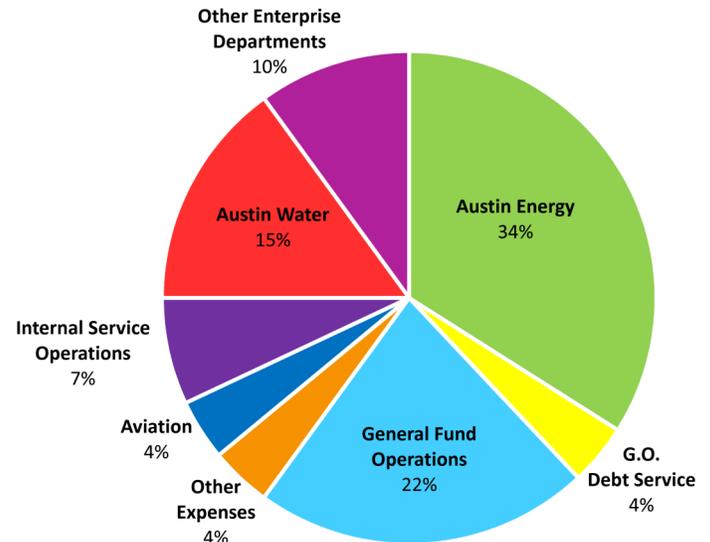
Fiscal Year 2016 - 17



Presented in this document are the highlights from the City of Austin's Proposed Budget for FY 2016-17. Action by the City Council to adopt the proposed budget will occur on Sept. 12-14. To review the full Proposed Budget, visit the City's website at www.austintexas.gov/finance.

This year's proposed budget of \$3.7 billion is balanced, structurally sound and was formulated with an eye towards meeting the diverse needs of our long-standing residents as well as keeping pace with Austin's rapidly growing population. The proposed budget of the General Fund, which supports public safety services as well as our parks, libraries, neighborhood health centers, affordable housing programs, and animal shelter, is \$969.2 million. The FY 2016-17 Capital Budget includes \$1.1 billion in new appropriations and \$901.7 million in planned spending.

All City Funds: Proposed Uses of Funds \$3.7 Billion



TAXES AND FEES

The City of Austin receives revenue from a variety of sources, including property, sales, and hotel/motel occupancy taxes; utility billings from Austin Energy and Austin Water; and various service charges including development fees, curbside trash and recycling collections fees, the drainage user fee, and the transportation user fee. More information on proposed rates is provided in the following Department Highlights section.

The FY 2016-17 Budget is balanced at a property tax rate of 44.11 cents per \$100 of taxable value, a reduction of 1.78 cents from the FY 2015-16 rate of 45.89 cents. While the tax rate is coming down, home values are increasing sharply. Data from the Travis Central Appraisal District indicates that the median assessed value of a residential homestead will increase in value by 10.6% in FY 2016-17. To provide homeowners with some measure of relief from escalating home values, the Budget includes a two-percentage point increase in the

City's general homestead exemption—from 6% to 8% of a homestead's assessed valuation. Inclusive of rising property values, a lower tax rate, and a larger homestead exemption, the "typical" homeowner's tax bill for FY 2016-17 is projected to increase by \$44 annually. A summary of the estimated annual impact of the proposed rate changes on the "typical" resident is shown below.

Major Rate & Fee Changes

Estimated fiscal impact of proposed rate and fee changes on a "typical" residential rate payer:

	FY 2015-16 Monthly Rate	FY 2016-17 Proposed Rate	Monthly Dollar Change	Typical Ratepayer 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 using 5,800 gallons of water and 4,000 gallons of wastewater
Austin Resource Recovery	\$23.30	\$24.30	\$1.00	Residential customer using 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 Utility 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 2017 median non-senior homestead assessed value of \$278,741 (reflects 10.6% growth over FY 2016)
Total Monthly Impact	\$311.69	\$324.17	\$12.48	Combined projected increase of 4.0%

DEPARTMENT HIGHLIGHTS

Community Services

The **Animal Services** Office provides animal protection, shelter and prevention services. Its \$13.1 million operating budget includes nine months funding for 3 new Animal Control Officers to improve response time and to support community education and outreach.

The **Austin Code** department is responsible for promoting the health, safety and welfare of residents and visitors of Austin through quality education and enforcement of City codes and ordinances. The FY 2016-17 operating budget of \$19.8 million, \$0.4 million less than FY 2015-16 Amended Budget, reflects a decrease in expenditures to align the budget with prior year actual expenditures.

The **Austin Public Library** (APL) operates 20 branch libraries, the Faulk Central Library, and the Austin History Center. The FY 2016-17 Operating Budget includes \$3.4M in support for the second year of a three year plan to fund the operations of the New Central Library, expected to open in the spring of 2017. The funding will support the Library's requirements for annualizing the cost of 48.25 positions added in FY 2015-16, 9 months of funding for an additional 11 positions, building operations and maintenance, and materials.

The **Health and Human Services** (HHSD) Department provides public health protection and prevention services with a focus on health equity, social services, youth development and employment services. The FY 2016-17 Operating Budget is

\$99.2 million, including \$32.0 million from grant funding. The Budget supports 3 new General Fund positions and 2 new grant funded positions to support vital records, disease and health promotion, and environmental review. Also included is a \$600,000 increase for Housing First Permanent Supportive Housing, \$380,000 for the new Sobriety Center, and an additional \$500,000 for current social service contracts. The Capital Budget includes \$2.9 million in new appropriations to complete construction of the Women and Children's Shelter Renovation and Expansion project.



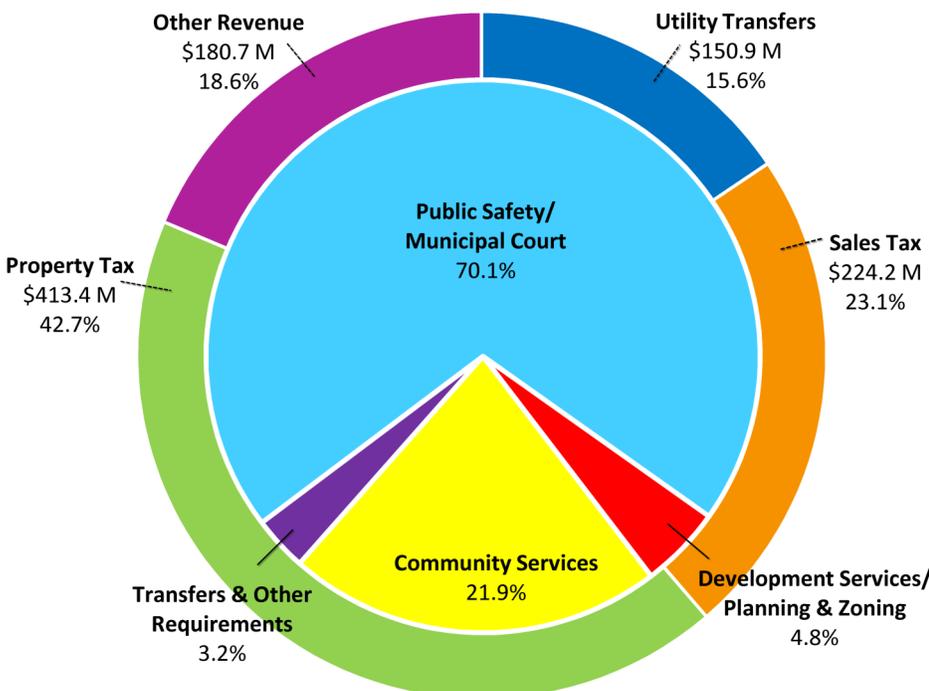
The **Neighborhood Housing and Community Development** Department (NHCD), with its \$19.5 million operating budget, offers assistance to small businesses, homebuyers, and homeowners and is funded primarily through federal grant awards and the General Fund. The FY 2016-17 Budget includes funding for a new position to administer S.M.A.R.T. Housing and 4 grant funded positions. The

capital budget includes \$14.1 million in new appropriations for various affordable housing projects, including rental, permanent supportive housing, home ownership, and repair.

The **Parks and Recreation** (PARD) Department promotes quality recreational, cultural, and outdoor experiences for Austin residents. Its \$94.9 million operating budget includes increased funding to expand its core services and increase the quality of care provided to the city's valuable parkland assets. The capital budget includes \$13.0 million in new appropriations to continue park and cemetery improvements.

General Fund: Revenue & Expenses

\$969.2 Million



Public Safety

The \$84.4 million operating budget of the **Emergency Medical Services** Department (EMS) includes the annualized cost of adding 15 positions in FY 2015-16 and funding for 52 new sworn positions to complete the transition to a 42-hour work week, one new sworn position to monitor clinical performance, and annualized costs related to adding 12 positions in FY 2015-16 for the new unit added to the network.

The \$192.3 million operating budget of the **Austin Fire** Department (AFD) includes a \$3.0 million increase in overtime, annualized costs related to the 16 positions added in FY 2015-16 for the Shady Hollow fire station, and funding to convert seven civilian support staff from temporary to permanent positions. The Capital Budget includes \$0.6 million in new appropriations and will continue efforts for the Onion Creek Fire Station, drill tower renovations, and additional women's locker rooms.

The \$26.4 million operating budget of the **Municipal Court** includes funding for managing over 333,000 anticipated new cases filed at the Municipal Court and 50,000 anticipated cases docketed at the Downtown Austin Community Court (DACC). In addition, the FY 2016-17 budget includes a \$250,000 increase in the DACC Rehabilitative Services contract costs.

The \$402.4 million operating budget of the **Austin Police** Department (APD) includes funding for 12 sworn positions and 21 civilian positions. The 21 civilian positions are being added in order to reallocate 21 sworn employees currently performing civilian work back to patrol activities, which will improve community engagement time.



\$8.2 million operating budget includes increased funding for 2 new positions to support CodeNEXT and Long Range Planning. PAZ's Capital Budget includes \$1.2 million in new appropriations for implementing projects such as the Great Streets Development program, CodeNext land development code revision, and the implementation of small area plan priority projects approved for funding under the 2012 Bond Program.

Infrastructure/Transportation

The **Austin Transportation** Department (ATD) serves Austin residents as an advocate for improved regional mobility, providing traffic and parking management services. Its \$44.4 million operating budget includes 12 new positions to address various mobility and safety improvements. ATD is largely funded through the Transportation User Fee (TUF), the department's share of the TUF is proposed to increase by \$0.50 per month for a typical residential household. The Capital Budget includes \$5.0 million in new appropriations to continue implementation of the signals program, mobility improvement projects, and local area traffic calming projects.

The **Public Works** Department (PWD) is responsible for maintenance and design of streets and bridges, sidewalk infrastructure, and school zone crossings. The \$90.3 million operating budget includes 15 new positions to support roadway maintenance and repair activities. PWD is largely funded through the Transportation User Fee (TUF), and the department's share of the TUF is proposed to increase by \$1.25 a month for a typical residential household. The Capital Budget includes \$3.5 million in new appropriations for improvements to City streets, roadways, urban trails, sidewalks and other infrastructure.



Development

The **Development Services** Department (DSD) serves Austin residents by providing comprehensive development reviews and inspections. Its \$45.5 million operating budget includes seven months of funding for 39 new positions in DSD, and 6 additional positions that will be housed in partnering departments to address workload issues, reduce permit review backlog, and increase efficiency and quality of service provided.

The **Economic Development** Department (EDD) leverages Austin's cultural, economic, and business assets to create economic prosperity for all citizens while preserving our culture and environment. The FY 2016-17 Economic Development Fund Budget includes \$15.7 million for job creation through business recruitment, international trade, small business development, and creative industries. There is also \$11.6 million for cultural arts contracts that will help retain Austin's culture and character and \$14.9 million in funding for economic incentives.

The **Planning and Zoning** Department (PAZ) serves Austin residents by providing planning, zoning, preservation, and design services. Its



The **Watershed Protection** Department (WPD) serves Austin residents by maintaining and improving water quality, reducing the impact of flooding, creating stable stream systems, and maintaining the City's drainage infrastructure. Its \$94.7 million operating budget is primarily funded by the Drainage Utility Fee (DUF), which is has been restructured and was approved by Council in June of 2016. The fee is based on the impervious cover of each property. The FY 2016-17 Operating Budget includes funding for 35.25 new positions to help meet expected service levels and to administer the revised drainage fee methodology, which is proposed to increase \$0.98 per month for a typical residential customer. WPD's Capital Budget includes \$31.6 million in new appropriations. WPD will continue the buyout program in the Onion Creek area, implement water quality projects, and improve the biological function of the Lake Austin shoreline.

Utilities and Other Enterprises

Austin Energy (AE) provides retail electric service to over 455,000 metered customers in a 437-square-mile service area and has a \$1.4 billion operating budget. The average residential customer using 895 kilowatt hours of electricity will see a proposed increase of \$1.74 in their monthly electric bill in FY 2016-17. AE's base rates, which include Customer Charges, Electric Delivery Charges, Energy Charges, and Demand Charges, will change in FY 2016-17 resulting from the cost of service study the utility is currently conducting. The results of the study will be presented to City Council on August 29, 2016 and the new rates will be implemented on January 1, 2017. AE's Capital Budget includes \$210.2 million in new appropriations for infrastructure additions and improvements.

Austin Resource Recovery (ARR) provides a broad range of services, including curbside collection of trash, recycling, yard trimmings and brush and bulk items, as well as street sweeping, household hazardous waste collection and dead animal pickup. Its \$91.9 million operating budget includes funding for equipment and 25 new positions, of which 12 positions will support the implementation of a new organics collection program. Residential customers will see a proposed increase of \$1.00 per month in FY 2016-17. ARR's Capital Budget includes \$8.1 million in new appropriations for vehicles and capital equipment, notably for the citywide launch of a new organics collection program.



Austin Water (AW) provides water, wastewater, and reclaimed water services to over one million retail and wholesale customers spanning more than 540 square miles. Its \$577.7 million operating budget includes funding for 20.5 new positions which will provide

needed support for the growing customer base. Its annual combined rates are projected to increase by \$35.40. AW's capital budget includes \$545.2 million in new appropriations for replacement and rehabilitation of critical assets.

The **Austin Convention Center** Department (ACCD) maintains and operates the Austin Convention Center, Palmer Events Center, and 3 parking garages. Its \$102.2 million operating budget includes funding needed to operate its facilities, 11.75 new positions, and transfers to its capital budget for ongoing capital requirements and future facility expansion. ACCD's Capital Budget includes \$50.1 million in new appropriations for building improvement projects.

The **Aviation** Department services the Austin Bergstrom International Airport (ABIA). The FY 2016-17 budget includes \$140.9 million in revenue from airlines, parking, concessions, rentals, and other fees, and \$125.0 million in total requirements for operations, debt service, and other transfers, including a net transfer of \$15.8 million to the Airport Capital Fund. The budget includes funding for 41 new positions to support passenger growth, new facilities, and construction projects. The capital budget includes \$203.3 million in new appropriations for improvements to airside, landside, and terminal areas.



COMMUNITY INPUT

In the spirit of open government and increased transparency, the budget process includes many opportunities for stakeholder input, including a citizen survey, work sessions, public meetings, and the Austin Budget Simulator. Many of our data-driven public information and transparency efforts are already available for review online at www.austintexas.gov/finance. These include the results of the Annual Citizen Survey, the FY 2016-17 Public Engagement Report, an updated Budget Basics Video, and access to budget documents and related reference materials.

The City will hold multiple public hearings on the Proposed Budget, tax rate, and utility rates prior to their adoption in September. These hearings will be held at City Hall, 301 W. 2nd Street, Austin, TX 78701.

Budget/Utility Rate Public Hearings:

Thursday, August 18th at 4 p.m.
Thursday, August 25th at 4 p.m. (AE rate)
Thursday, August 29th at 1 p.m. (AE rate)
Thursday, September 1st at 4 p.m.

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