

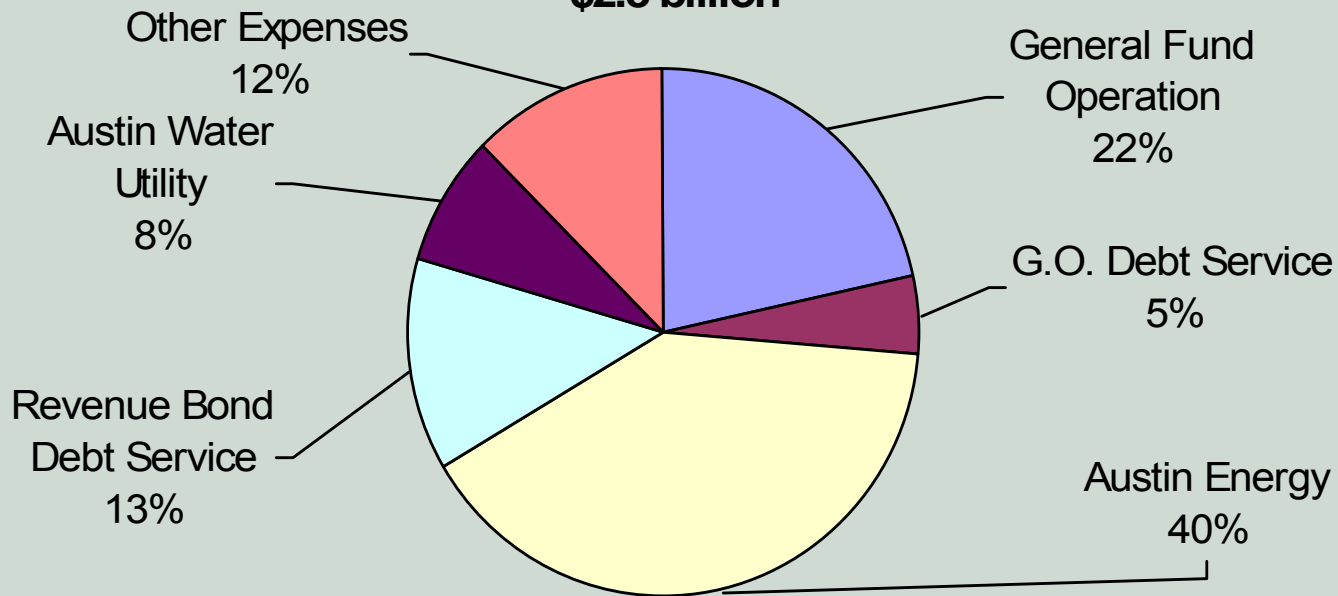


City of Austin
Impact of Recession on 2009 Budget

City of Austin

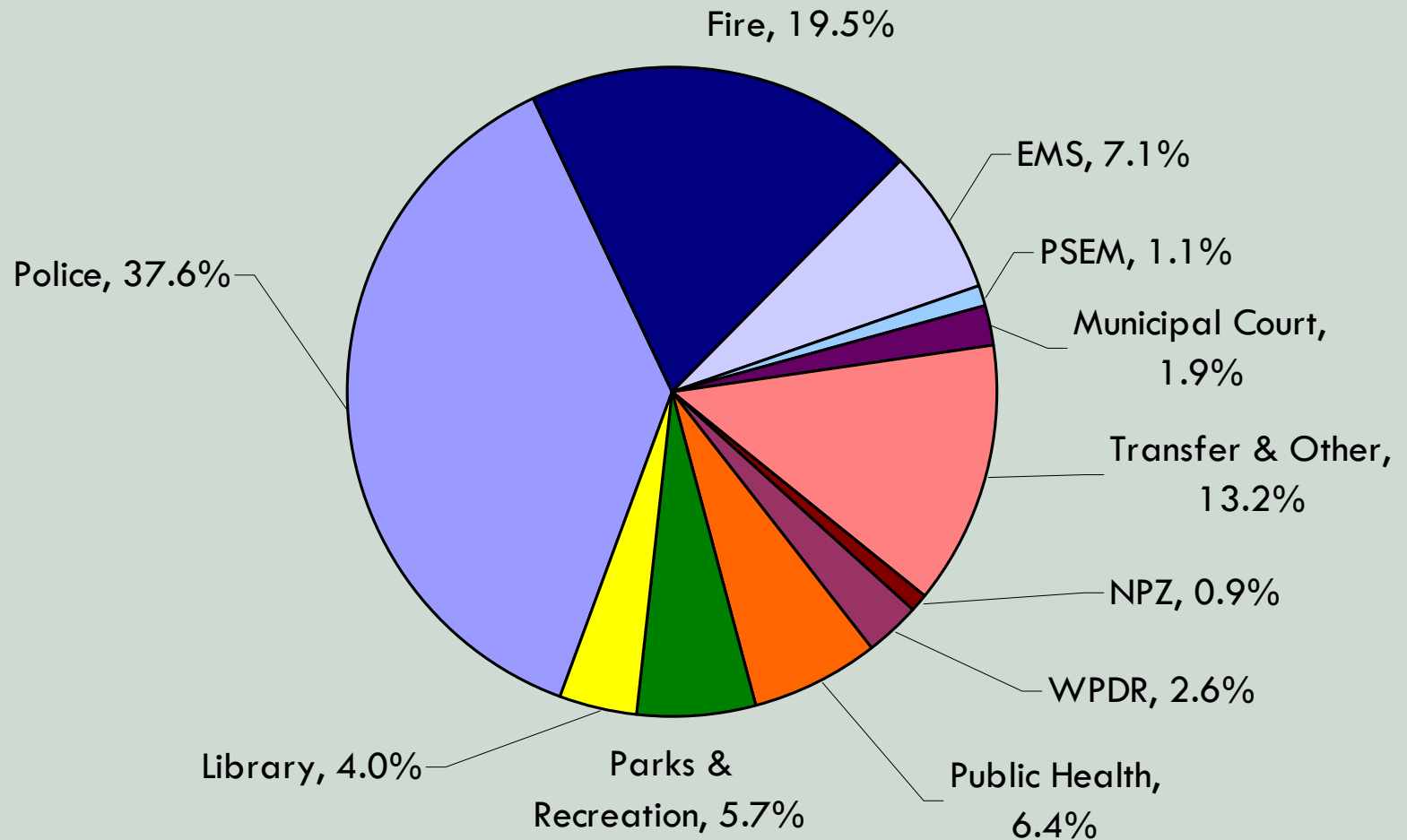
All City Funds Proposed Uses of Funds FY 2008-09

\$2.8 billion



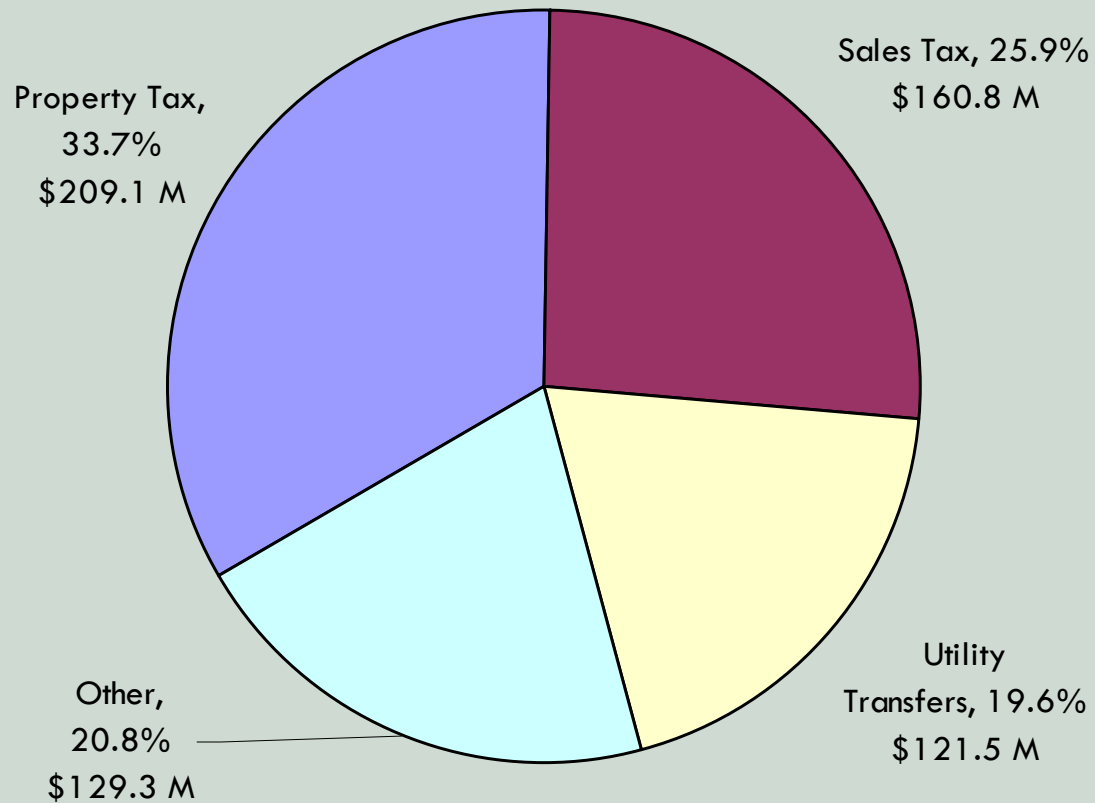
General Fund Expenditures

2009 General Fund Expenditures: \$621 Million



General Fund Revenues

2009 General Fund Revenue: \$621 Million



FY09 General Fund Revenue: Sales Tax

Sales Tax

- Budget based on projection of 3% growth
 - Well below 15 year average growth of 6.0%
- FY09 Sales Tax
 - Year-To-Date revenue is down 8.0%

\$15.6 million shortfall projected

Development Revenue

- Budget based on flat growth compared to FY08
- FY09 Development Revenue
 - FY09 YTD (3 months) permits are down 21% compared to same period last year

\$3.0 million shortfall projected

FY09 General Fund Revenue

Interest Income

- \$8.0 million assumed in budget
 - 1.3 % of General Fund revenue
- Average earnings rate lower than anticipated rate
\$1.5 million shortfall projected

Other Revenue

- All other revenue currently at budgeted levels
 - Monitoring this category closely to detect trends
 - Such as Franchise Fees, Traffic Fines, User Fees

FY09 General Fund Revenue

2009 General Fund Revenue

(\$ mills)

	<i>Budget</i>	<i>Estimate</i>	<i>Variance</i>
Revenue			
Property Tax	209.4	209.4	0.0
<i>Sales Tax</i>	<i>160.8</i>	<i>145.2</i>	<i>(15.6)</i>
<i>Development</i>	<i>18.6</i>	<i>15.6</i>	<i>(3.0)</i>
<i>Interest Income</i>	<i>8.0</i>	<i>6.5</i>	<i>(1.5)</i>
All Other Revenue	224.2	224.2	0.0
<i>Total Revenue</i>	<i>621.0</i>	<i>600.9</i>	<i>(20.1)</i>

Corporate Reductions Plans – \$8.6 Million

Personnel Related

- Pay-for-Performance capped at 2.5%
 - \$0.4 million in savings
- Delaying salary adjustments to keep pace with market
 - \$2.3 million in savings
- Hold placed on vacant positions
 - Have initiated executive review process before filling “critical need” positions
 - Approximate savings of \$3.9 million could be realized
- Fuel costs have dropped from August 2008 high
 - \$2 million General Fund savings anticipated

Department Reductions – \$11.5 Million

2009 Department Reduction Plans

(\$ mills)

Department	<i>Budget</i>	<i>Reduction</i>	<i>%</i>
<i>Library</i>	24.9	0.5	1.9%
<i>PARD</i>	36.9	0.7	1.9%
HHSD	39.8	1.0	2.5%
<i>Police</i>	238.3	3.7	1.6%
Fire	121.3	0.0	0.0%
EMS	44.5	0.8	1.7%
Municipal Court	11.9	0.0	0.0%
NPZD	5.5	0.1	2.1%
WPDR	16.0	0.3	1.9%
Housing	49.8	0.4	0.8%
Support Services	61.5	2.1	3.4%
Information Technology	32.2	1.9	6.0%
<i>Total</i>	<i>682.7</i>	<i>11.5</i>	<i>1.7%</i>

Highlighted Service Impacts

- **Reduced Library Hours**
 - Cut hours at branch libraries 9.5 hours/week
 - Branches still open 5 days per week
- **Postpone hiring of Park Rangers until June**
 - Diminished presence on trails/parks/facilities
- **Postpone Police Cadet Class 6 Months**
 - Align timing of 114th cadet class with vacancy trends
- **Reduce Police and EMS overtime**
 - Reduces flexibility to conduct new Police initiatives
- **Eliminate South Day Labor Site**
 - Limited participation at south site, despite outreach
- **Freeze unallocated social services funding**
 - Residual funding after annual award process has been distributed as one-time funding in past
- **Reduce funding for two social service contracts**
 - Skillpoint Career Fair
 - ECHO administration support

Complete list of budget cuts at www.cityofaustin.org/budget

Process and Next Steps

- Dollars & Sense campaign continues
- City Council Briefing held February 11th
- Community Outreach
 - Continued Meetings with Community Groups
 - Town Hall Meeting on February 19th, 2009 from 6pm to 8pm
 - Citizen feedback: communityfeedback@ci.austin.tx.us
- February 26th Council Update
 - City Manager's intended cost reduction plan
- Begin work on Financial Forecast and 2010 Budget
 - As shake-out in employment and housing market continues, expect slumping retail activity
 - Lower new construction value in upcoming years will limit generation of additional property tax revenue
 - Anticipate difficult budget environment for the next two years

Input/Feedback