

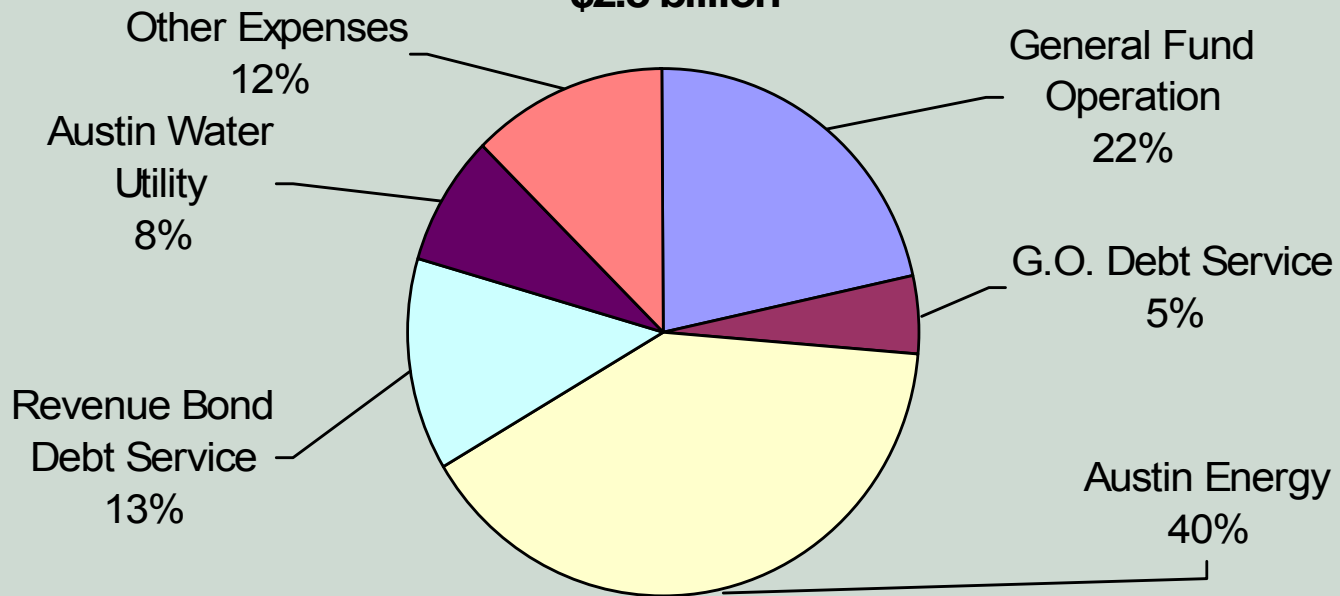
***City of Austin***  
***Impact of Recession on 2009 Budget***

Austin Neighborhoods Council

# City of Austin

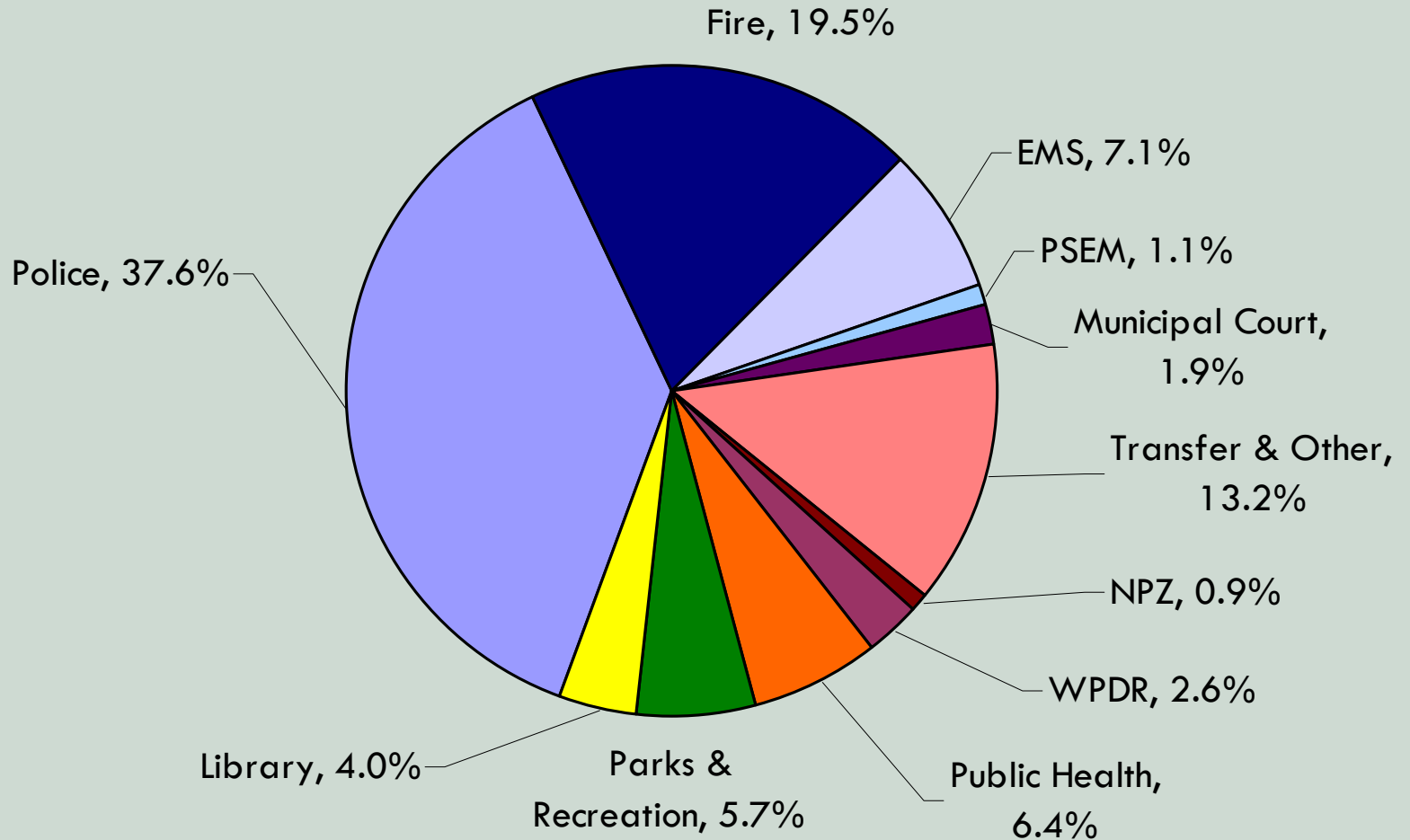
## All City Funds Proposed Uses of Funds FY 2008-09

**\$2.8 billion**



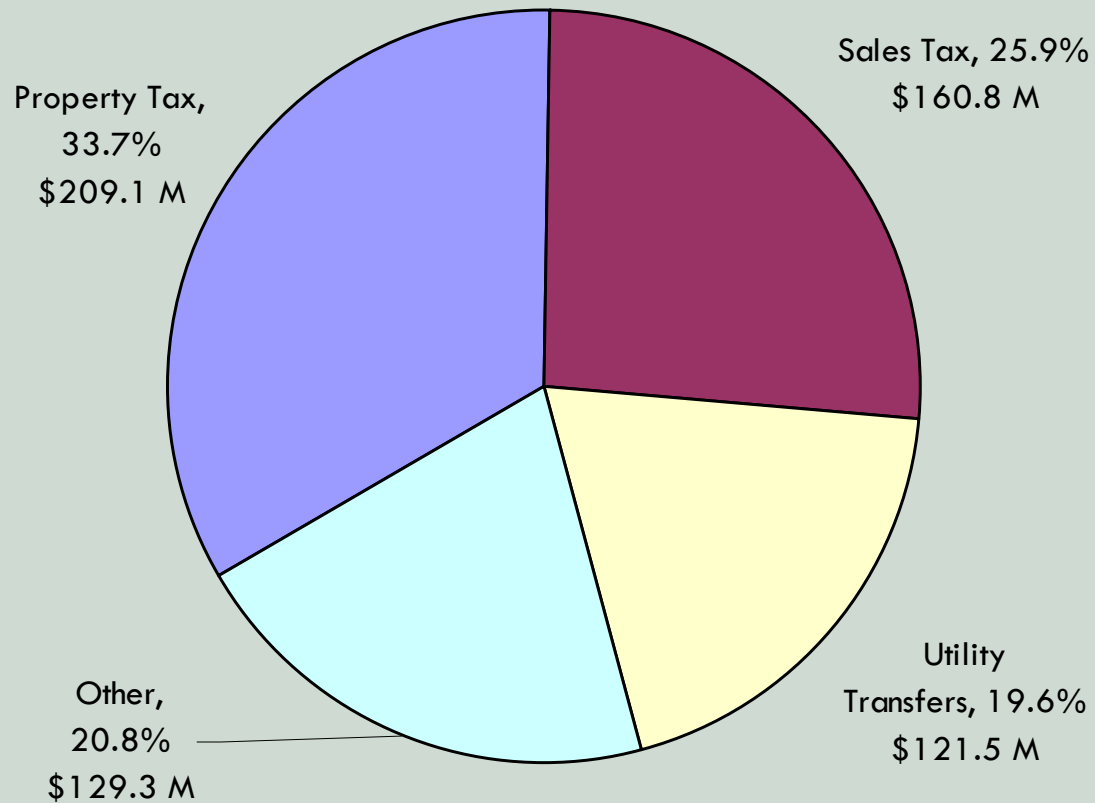
# General Fund Expenditures

2009 General Fund Expenditures: \$621 Million



# General Fund Revenues

**2009 General Fund Revenue: \$621 Million**

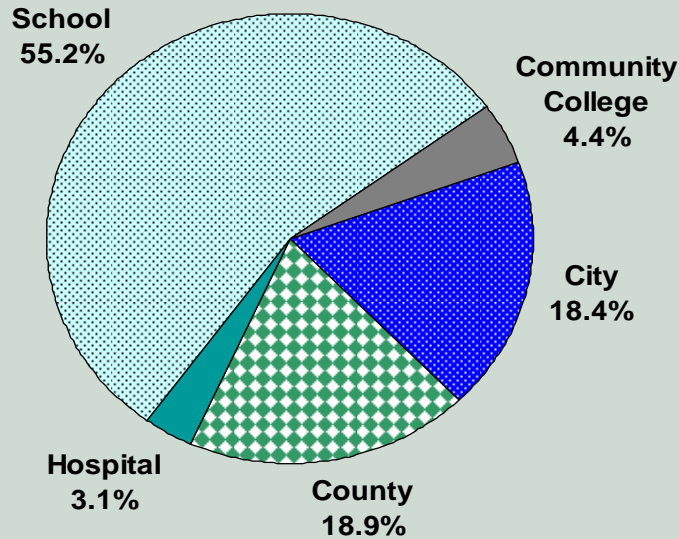


# General Fund Revenues

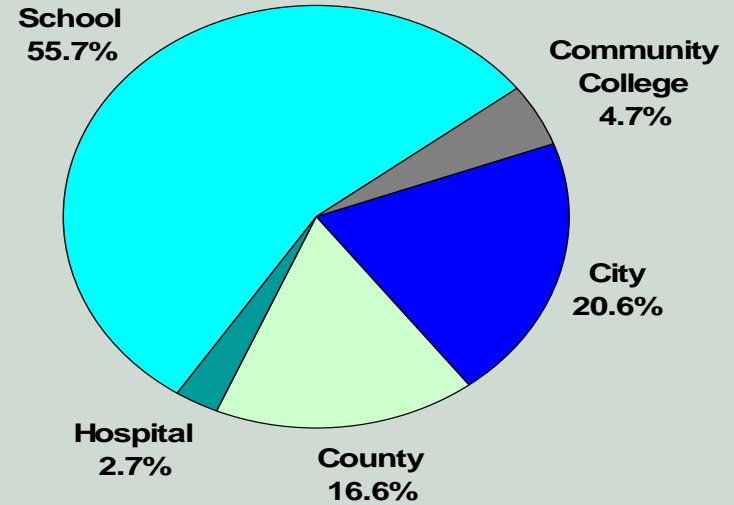
- Property Taxes
  - Concerns about potential delinquencies, declines in new construction
- Sales Taxes
  - Currently experiencing reduced revenue
- Development Revenue is \$18.6 million
  - Building activity has slowed in the last months
- Interest earnings generates \$8.0 million
  - National financial situation has driven down interest rates

# Austin 2008-09 Overlapping Property Tax

## TAX RATE



## TAX BILL \$185,000 HOME



<u>Jurisdiction</u>	<u>Rate</u>	<u>Share</u>
City	0.4012	18.4%
County	0.4122	18.9%
Health Care	0.0679	3.1%
School	1.2020	55.2%
Community College	0.0954	4.4%
<b>Total Tax Rate</b>	<b>2.1787</b>	

<u>Jurisdiction</u>	<u>Bill</u>	<u>Share</u>
City	\$742	20.2%
County	\$610	16.6%
Health Care	\$100	2.7%
School	\$2,043	55.7%
Community College	\$172	4.7%
<b>Total Tax Rate</b>	<b>\$3,667</b>	

# Sales Tax

## Sales Tax Revenue Growth: 20 Yr History



# Impact of Recession on City Budget

- 2008 Budget
  - Expenditure reductions of \$8 million in response to lower sales tax revenue
    - *Sales tax grew at only 1% for the year*
- 2009 Budget
  - \$25 million budget gap solved with over \$20 million in expenditure reductions
  - ***Continuing decline in sales tax revenue, as well as in development revenue will require a 3<sup>rd</sup> round of expenditure reductions***
- Looking ahead to 2010
  - Reduced sales tax revenue or low sales tax growth
  - Limited growth in assessed valuation

# Process for 2009 Budget Reductions

## Actions already taken:

- Limited Pay-for-Performance payout
- Postponed market adjustments to salaries
- Freeze of vacant positions
  - Hiring review process to allow for filling of critical need positions
- Departments have identified nearly \$15 million in expenditure reductions
  - City Manager review underway
  - Input from Community Groups
- City Manager's Dollars and Sense Initiative

## Next Steps:

- City Council Briefing on February 11<sup>th</sup>
- Begin work on Financial Forecast and 2010 Budget

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# **Input/Feedback**