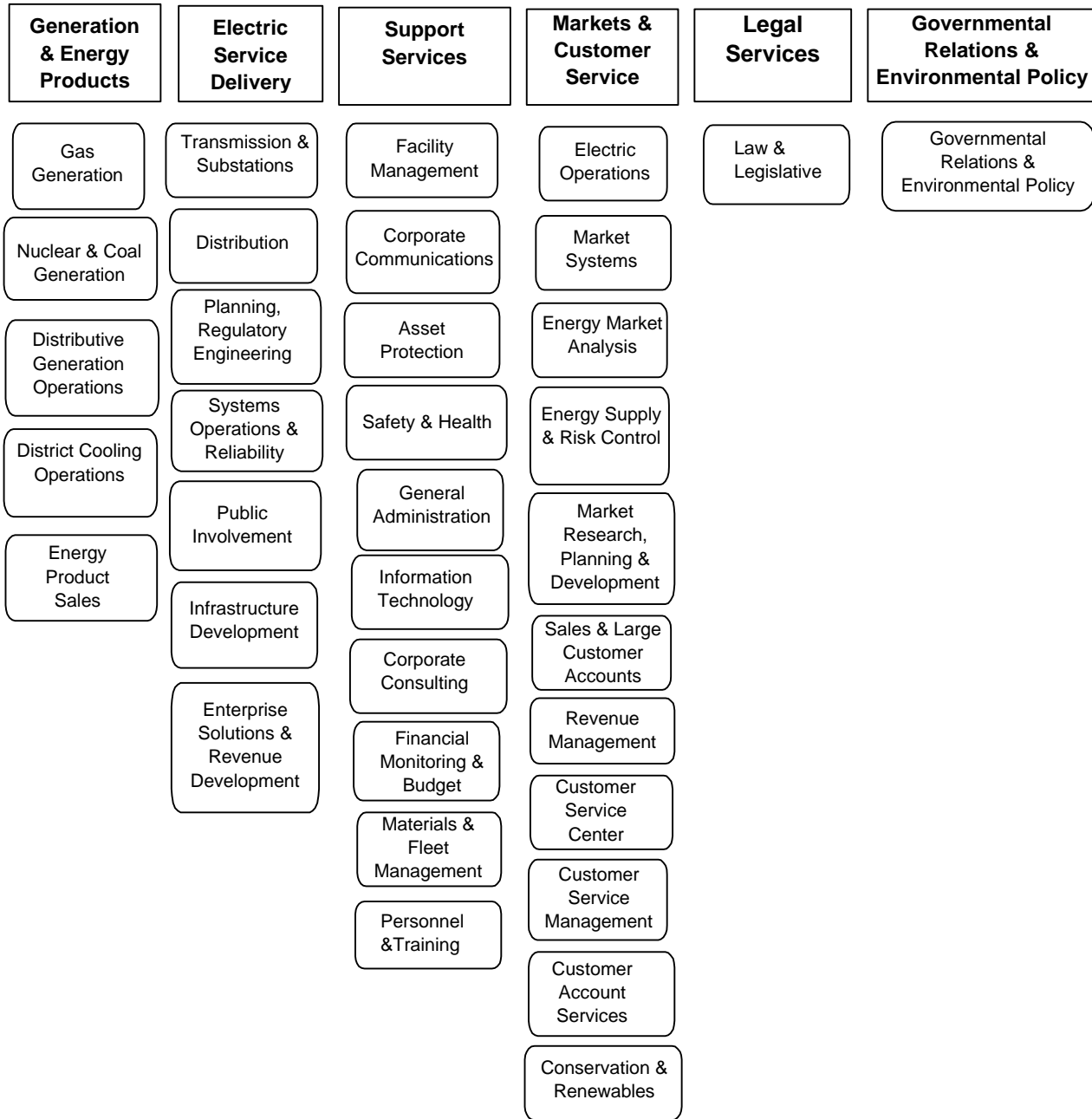


Austin Energy — 2002-2003



LEGEND = Programs Activities

| | 2000-2001 Actual | 2001-2002 Amended | 2001-2002 Estimated | 2002-2003 Proposed | 2002-2003 Approved |
|--------------------------------------|----------------------|----------------------|------------------------|-----------------------|-----------------------|
| Revenue | \$835,036,311 | \$822,086,835 | \$762,991,353 | \$815,409,471 | \$815,409,471 |
| Transfer-In | \$36,800,212 | \$15,659,592 | \$15,659,592 | \$0 | \$0 |
| Expenditures | \$858,987,442 | \$848,838,186 | \$785,112,495 | \$829,139,440 | \$830,869,440 |
| Full-time Equivalents (FTE's) | 1,360.93 | 1,435.50 | 1,435.50 | 1,435.50 | 1,434.50 |

Austin Energy — 2002–2003

Purpose and Nature of Fund

Austin Energy (AE), the City of Austin's community owned electric utility, has been providing electric power to the Austin area since 1895. The electric utility fund is an enterprise fund. Its operating budget consists of revenue received and appropriated for all operating requirements of the electric utility system and payment of principal and interest of its bond indebtedness. Any net revenue remaining is the result of Austin Energy meeting or exceeding its revenue bond debt service coverage requirement of 1.5 times established by the City of Austin financial policies. Any net revenue resulting from the debt service coverage can be used to fund transfers to Austin Energy's Capital Budget, Debt Management Fund, Repair and Replacement Fund as well as the General Fund.

Factors Affecting Funding

Operating Revenues for Austin Energy are projected to be \$815,409,471 for 2002-2003, compared to the amended 2001-2002 budget of \$822,086,835. This represents a reduction of \$6,677,364 or 0.81% primarily due to a decrease in fuel revenue associated with the reduction of fuel costs. In addition, de-appropriation of CIP Fund projects in 2001-2002 of \$15,659,592 provided a one-time transfer revenue that is not available in 2002-2003. Total resources are \$22,336,956 less in 2002-2003.

No change in base electric rates is approved for 2002-2003. An amendment is approved to the Fuel Adjustment Rider Tariff to include certain Electric Reliability Council of Texas fees for 2002-2003.

A new fee is approved for customer requests to locate underground facilities other than those required by Texas One Call (The Texas Underground Facility Damage Prevention Act).

Austin Energy's budgeted beginning balance is the previous year's ending balance carried forward. The budgeted balance is calculated by combining cash, net accounts receivable and unrecovered fuel revenue, then deducting accounts payable, accrued payroll, and encumbrances. The beginning balance does not represent only cash.

Total available funds including Revenues and Transfers In amount to \$815,409,471 for 2002-2003.

Factors Affecting Requirements

Total Approved 2002-2003 requirements for Austin Energy are estimated at \$830,869,440 compared to the 2001-2002 amended budget of \$848,838,186. This represents a reduction of \$18.0M or 2.12% primarily due to decreased fuel costs of \$14.6 million, a \$8.3 million increase in operating requirements, a \$3.9 million increase in the General Fund transfer, a \$5.5 million increase in debt service, a \$17.2 million reduction in the CIP transfer, a \$7.6 million reduction in the debt management fund transfer and a \$3.7 million increase in other transfers.

Austin Energy Utility Fund

| | Actual 2000-2001 | Amended 2001-2002 | Estimate 2001-2002 | Proposed 2002-2003 | Approved 2002-2003 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| BEGINNING BALANCE | \$ 106,577,203 | \$ 107,998,061 | \$ 107,998,061 | \$ 101,536,511 | \$ 101,536,511 |
| REVENUE | | | | | |
| Service Area Revenue | 756,187,306 | 726,284,400 | 673,429,432 | 721,369,207 | 721,369,207 |
| Other Revenue | 78,849,005 | 95,802,435 | 89,561,921 | 94,040,264 | 94,040,264 |
| REVENUE TOTAL | 835,036,311 | 822,086,835 | 762,991,353 | 815,409,471 | 815,409,471 |
| TRANSFERS IN | | | | | |
| Utility Debt Management Fund | 36,800,212 | 0 | 0 | 0 | 0 |
| Electric Capital Improvement Program Fund | 0 | 15,659,592 | 15,659,592 | 0 | 0 |
| TRANSFERS IN TOTAL | 36,800,212 | 15,659,592 | 15,659,592 | 0 | 0 |
| AVAILABLE FUNDS TOTAL | \$871,836,523 | \$837,746,427 | \$778,650,945 | \$815,409,471 | \$815,409,471 |
| REQUIREMENTS | | | | | |
| OPERATING REQUIREMENTS | | | | | |
| Operations and Maintenance, including Joint Projects | 383,003,912 | 374,123,563 | 316,725,418 | 370,275,661 | 370,275,661 |
| Conservation-Energy | 4,645,268 | 6,755,042 | 6,111,027 | 5,566,816 | 5,566,816 |
| Conservation-Load Management Program | 3,579,789 | 7,488,356 | 3,230,000 | 3,031,856 | 3,761,856 |
| Conservation-Rebates & Incentives | 7,452,500 | 7,984,500 | 4,706,972 | 6,925,325 | 6,925,325 |
| Conservation-Chillers | 409,760 | 6,451,151 | 5,248,047 | 6,658,541 | 6,658,541 |
| Other Operating Expenses | 41,035,486 | 41,027,724 | 47,336,724 | 44,324,736 | 44,324,736 |
| OPERATING REQUIREMENTS TOTAL | 440,126,715 | 443,830,336 | 383,358,188 | 436,782,935 | 437,512,935 |
| OTHER REQUIREMENTS | | | | | |
| Workers' Compensation | 792,311 | 653,233 | 653,233 | 673,411 | 673,411 |
| Liability Reserve | 600,000 | 300,000 | 300,000 | 566,000 | 566,000 |
| Administrative Support | 6,855,853 | 7,972,468 | 7,972,468 | 10,081,357 | 10,081,357 |
| Accrued Payroll | 328,895 | 289,000 | 444,000 | 555,000 | 555,000 |
| OTHER REQUIREMENTS TOTAL | 8,577,059 | 9,214,701 | 9,369,701 | 11,875,768 | 11,875,768 |
| SUBTOTAL BEFORE TRANSFERS OUT | 448,703,774 | 453,045,037 | 392,727,889 | 448,658,703 | 449,388,703 |
| TRANSFERS OUT | | | | | |
| General Fund | 67,283,000 | 68,933,000 | 68,933,000 | 72,864,000 | 72,864,000 |
| Debt Management | 0 | 7,609,000 | 7,609,000 | 0 | 0 |
| Electric Capital Improvement Program | 150,215,626 | 134,266,816 | 132,975,816 | 117,033,000 | 117,033,000 |
| Economic Development Fund | 4,239,000 | 3,512,000 | 3,512,000 | 3,500,000 | 3,500,000 |
| Trunked Radio | 0 | 93,665 | 93,665 | 49,330 | 49,330 |
| Support Services ISF | 133,333 | 490,333 | 490,333 | 633,333 | 633,333 |
| General Obligation Debt Service | 469,047 | 482,081 | 482,081 | 493,793 | 493,793 |
| Debt Service (Principal and Interest) | 187,943,662 | 180,406,254 | 178,288,711 | 185,907,281 | 185,907,281 |
| PARD Capital Improvement Program | 0 | 0 | 0 | 0 | 1,000,000 |
| TRANSFERS OUT TOTAL | 410,283,668 | 395,793,149 | 392,384,606 | 380,480,737 | 381,480,737 |
| TOTAL REQUIREMENTS | \$858,987,442 | \$848,838,186 | \$785,112,495 | \$829,139,440 | \$830,869,440 |
| Excess (Deficiency) of Revenue over Requirements | \$12,849,081 | (\$11,091,759) | (\$6,461,550) | (\$13,729,969) | (\$15,459,969) |
| Adjustment to GAAP | (11,428,223) | 0 | 0 | 0 | 0 |
| ENDING BALANCE | \$ 107,998,061 | \$ 96,906,302 | \$ 101,536,511 | \$ 87,806,542 | \$ 86,076,542 |

Austin Energy — 2002–2003

Mission

Austin Energy provides extraordinary customer service, affordable and reliable energy, environmental leadership and exceptional value for our community.

Goals

Austin Energy has developed the following department-wide goals for 2003 in order to respond more effectively to the changing electric utility industry.

Demonstrate Relentless Commitment to Our Customers

Austin Energy will be proactive in developing an understanding of our customer base by monitoring indicators and conducting customer surveys.

Enhance and Communicate the Value of Austin Energy to our Community

In response to deregulation, Austin Energy will provide products and services that are comparable to its competitors.

Produce Affordable Energy Services

Austin Energy will prepare its core business processes for competition by selecting candidate processes for reengineering or continuous improvement efforts.

Deliver Reliable Energy Services

Austin Energy will pursue best operating and maintenance practices for its power plants to ensure unit availability and reliability.

Lead Industry in Environmental Stewardship and Conservation Programs

Austin Energy will develop the maximum amount of renewable resources that are affordable.

Invest in Workforce by Enhanced Communication and Training Opportunities

Austin Energy will prepare all employees to work successfully in a competitive environment by providing the skill development and information necessary to make informed business decisions.

Key Initiatives

Austin Energy is committed to accomplishing its overall and ongoing strategic priorities:

- Annual competitive price and rate analysis; review of operations and competitive position.
- Austin Energy's base rates have not increased since 1994.
- Austin Energy's General Fund Transfer will remain within the range of 6.6% to 9.1%.
- Austin Energy will strategically manage the Debt Management Fund to improve its competitive position.

Austin Energy — 2002–2003

Business Plan

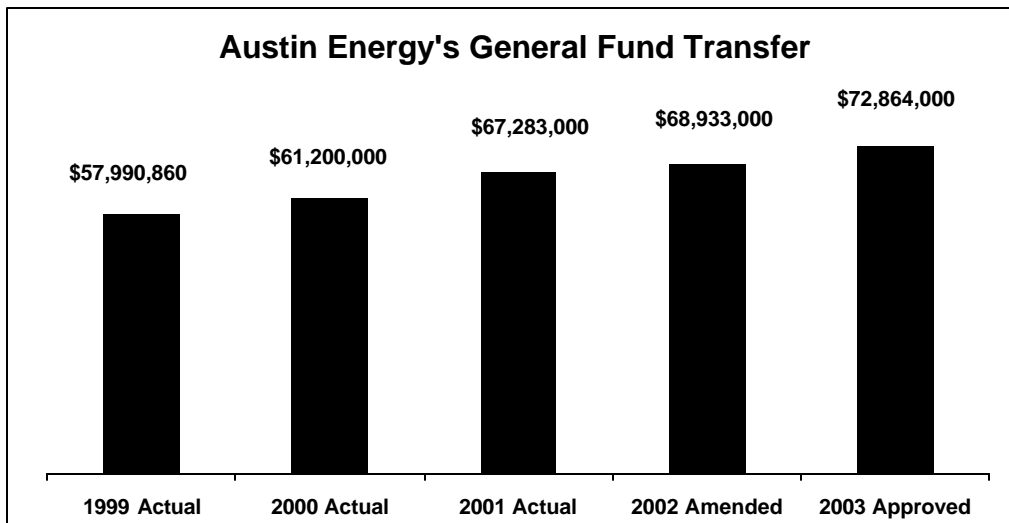
The approved budget contains a number of proposals that support the goals of the department.

Demonstrate relentless commitment to our customers.

- Continue to emphasize exceptional customer service. Operating costs for the Customer Care and Marketing programs are \$20.9 million.
- The capital budget includes \$8.2 million to support customer service related projects such as the automated meter reading program and customer care information technology management applications.

Enhance and communicate the value of Austin Energy to our community

- In 2003, Austin Energy will provide a return to its citizen owners in the form of a Transfer to the General Fund (GFT) amounting to \$72.9 million.



Austin Energy's General Fund Transfer is based on the target established by the City Council in its resolution on competition. The amount is calculated based on the actual revenues for two prior years plus the current year estimate. Actual transfers have increased as a result of revenue increases due to customer and load growth as well as fluctuations in fuel revenue.

- The operating budget also includes \$1.9 million for Austin Energy's Communications and Corporate Relations program that promotes our community owned utility during this transition into a deregulated industry.
- The capital budget includes \$6.6 million to support community related projects such as the relocation of overhead lines to underground, downtown renovations and streetlights for newly annexed areas.

Austin Energy — 2002–2003

Provide affordable energy services and deliver reliable energy services

- No base rate increase is approved for 2002-2003. There has been no change since 1994.
- Total operations and maintenance requirements for the production and delivery of energy services are approved at \$382.2 million. This amount includes items such as:
 - \$14.6 million reduction in fuel costs,
 - \$1.7 million increase in boiler insurance and,
 - \$3.7 million for Electric Reliability Council of Texas (ERCOT) fees.
- The capital budget includes \$173.3M to support both services:
 - \$72.1 million to support projects related to the production of energy services such as the Combined Cycle Plant, and other plant improvements.
 - \$101.2 million for projects related to the delivery of energy services. This includes transmission and distribution projects for meeting load requirements, system improvements and ERCOT requirements.

Lead industry in environmental stewardship and conservation programs

- Aggressively pursue conservation programs and emerging technology. Monitor and explore technological developments, such as distributed generation, renewable resources and energy efficiency improvements.
- MW savings for Austin Energy's Conservation and Energy Efficiency Program are estimated to be 39.4MW.
- The operating budget includes a total of \$22.9 million for conservation programs. They are:
 - \$3.7 million for the load management program,
 - \$6.9 million for rebates and incentives,
 - \$6.7 for chilled water operations,
 - \$4.9 million for the management and operations of the conservation programs, and
 - \$0.7 million for a Heat Island Mitigation program.
- The capital budget includes \$16.2 million to support environmental related projects such as the chilled water plants, thermal storage, and NOX reduction projects at the Holly and Decker plants.

Invest in workforce by enhanced communication and training opportunities

- The operating budget includes \$2.1 million to support workforce programs such as Organizational Development, Corporate Safety and Human Resources.
- Also included in support of the workforce is \$7.5 million for employee medical insurance cost, which represents an increase of \$0.6 million over last year's budget.

Austin Energy — 2002-2003

Significant Revenue and Expenditure Changes by Program

| <u>Revenue Changes</u> | Dollars | FTEs |
|--|--------------|------|
| 1. Service Area Revenue decrease primarily due to lower fuel revenues. | (4,915,193) | |
| 2. Other Revenue decreased primarily due to a reduction in off-system sales. | (1,762,171) | |
| 3. There are no approved deappropriations in Electric Capital Improvement Program funds for 2002-2003. | (15,659,592) | |

| <u>Expenditure Changes</u> | Dollars | FTEs |
|---|--------------|------|
| 1. <u>Operating Requirements</u> | | |
| Reduction in Fuel Expense | (14,559,613) | |
| Reduction in the transfer for conservation rebates and incentives by utilizing the Conservation Rebates and Incentive fund balance. The 2002-2003 approved transfer amount changes from \$7,984,500 to \$6,925,325. | (1,059,175) | |
| Increase in Operating Requirements | 8,669,275 | |
| Increase in health insurance | 632,112 | |
| 2. <u>Transfers/Other Requirements</u> | | |
| Increase in Workers' Compensation | 20,178 | |
| Increase in Liability Reserve | 266,000 | |
| Increase in Administrative Support | 2,108,889 | |
| Increase in the transfer to the General Fund | 3,931,000 | |
| No transfer to the Debt Management Fund | (7,609,000) | |
| Reduction in the transfer to the Electric CIP Fund | (17,233,816) | |
| Increase in the transfer to Debt Service | 5,512,739 | |
| Transfer to PARD CIP for Metz Recreation Center located in Holly Neighborhood | 1,000,000 | |
| Increase in other Transfers | 352,665 | |

The following change was approved by Council at Budget Adoption

| | | |
|---|-----|--------|
| 3. <u>Operating Requirements</u> | | |
| One FTE transferred to Economic Development Services which Austin Energy will continue to fund. | \$0 | (1.00) |

Debt Management Fund — 2002-2003

Purpose and Nature of Fund

Austin Energy directs all excess electric utility cash to a debt management fund. The debt management fund will be used to improve the competitive position of its electric utility including, but not limited to, funding capital needs in lieu of debt issuance, reduction of outstanding debt, improving the debt to capital ratio and other competitive strategies such as rate reductions allocated in a fair and equitable manner across all classes of customers, and new technology.

Factors Affecting Revenue

Sources of revenue include:

- Austin Energy transfers from current revenue
- Interest earnings on the Debt Management Fund

Factors Affecting Requirements

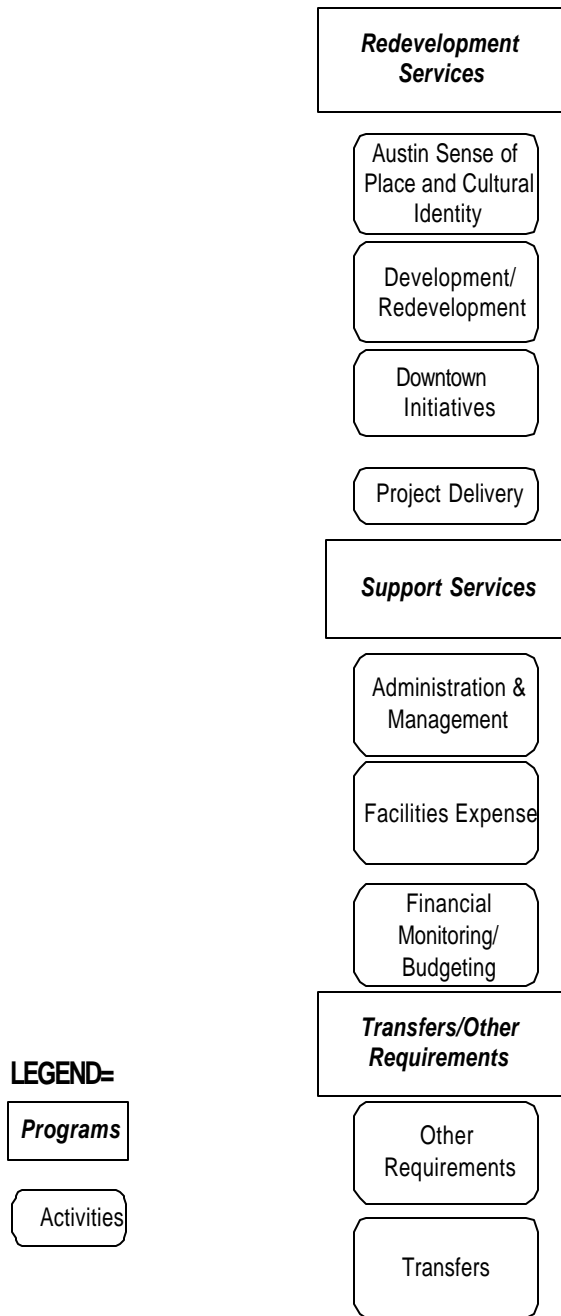
Requirements may include, but are not limited to, funding capital needs in lieu of debt issuance, reduction of outstanding debt, improving the debt to capital ratio and competitive strategies such as rate reductions and new technology.

The 2002-2003 approved requirements for the Debt Management Fund includes a transfer of \$10 million to the Repair and Replacement Fund.

AUSTIN ENERGY
DEBT MANAGEMENT FUND

| | <u>2000-2001</u> <u>ACTUAL</u> | <u>2001-2002</u> <u>AMENDED</u> | <u>2001-2002</u> <u>ESTIMATE</u> | <u>2002-2003</u> <u>PROPOSED</u> | <u>2002-2003</u> <u>APPROVED</u> |
|--|-----------------------------------|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| BEGINNING BALANCE | 221,753,105 | 185,513,962 | 185,513,962 | 181,073,169 | 181,073,169 |
| REVENUE | | | | | |
| Transfers from Utility Funds | 0 | 7,609,000 | 7,609,000 | 0 | 0 |
| Interest Income | 0 | 0 | 0 | 0 | 0 |
| TOTAL REVENUE | 0 | 7,609,000 | 7,609,000 | 0 | 0 |
| REQUIREMENTS | | | | | |
| Debt Defeasance | 0 | 2,200,000 | 2,049,793 | 0 | 0 |
| Transfer to CIP | 36,800,212 | 0 | 0 | 0 | 0 |
| Transfer to Repair and Replacement Fund | 0 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| TOTAL REQUIREMENTS | 36,800,212 | 12,200,000 | 12,049,793 | 10,000,000 | 10,000,000 |
| Excess (Deficiency) of Revenue over Requirements | (36,800,212) | (4,591,000) | (4,440,793) | (10,000,000) | (10,000,000) |
| Adjustment to GAAP | 561,069 | 0 | 0 | 0 | 0 |
| ENDING BALANCE | 185,513,962 | 180,922,962 | 181,073,169 | 171,073,169 | 171,073,169 |

Economic Growth and Redevelopment Services — 2002–2003



| | 2000-2001 Actual | 2001-2002 Amended | 2001-2002 Estimated | 2002-2003 Approved |
|-------------------------------|---------------------|----------------------|------------------------|-----------------------|
| Revenue | \$4,311,661 | \$3,582,000 | \$3,572,000 | \$3,560,000 |
| Requirements | \$3,104,610 | \$4,824,151 | \$4,445,918 | \$3,775,129 |
| Full-time Equivalents (FTE's) | 12.00 | 13.00 | 13.00 | 17.00 |

Economic Growth and Redevelopment Services — 2002-2003

Purpose and Nature of Fund

The Economic Development Fund was created to manage the City's economic development policies and programs as well as give the City the ability to plan and implement growth and redevelopment strategies on a timely basis. The fund provides redevelopment and project delivery services for the City, corporate clients, and developers to encourage employment opportunities and expansion of primary employers in the Desired Development Zone, as well as the redevelopment and reuse of sites consistent with adopted plans to enhance the economic, social and environmental health of the City. The Fund also allows the City to leverage resources and to partner with other public and private entities to promote economic growth and enhance the short-term and long-term economic viability of the City.

Factors Affecting Revenue

Austin Energy funds the Economic Development Fund, as it allows Austin Energy to increase the density in growth of the existing infrastructure and shorten the time it takes to bring new customers on line. The approved 2002-03 revenue total is \$3.6 million. Austin Energy will fund \$3.5 million.

Factors Affecting Requirements

The approved requirements for 2002-03 are \$3.8 million, a decrease of \$1.0 million from the current year's amended requirements. The Approved Budget includes the elimination of a one-time transfer to the CIP. In the Approved Budget the Master Developer for Robert Mueller Municipal Airport redevelopment, Catellus Development Corporation, will reimburse the City's expenses related to negotiating the Development Agreement; these reimbursements are included in the Approved Budget.

The Approved Budget includes the transfer of a position from the Parks and Recreation General Fund to coordinate a new activity related to the redevelopment of downtown. The Austin Sense of Place and Cultural Identity activity responds to a community concern that redevelopment efforts are causing a "loss" in Austin's nature and character. Austin's distinctive nature and character is an important identifying quality that can add a competitive advantage in attracting people who want to live in, work in, or visit a particular city. The purpose of this activity is to enrich and enliven public spaces in the downtown area in order to attract new residents, businesses and visitors. This individual has been working with the Economic Growth and Redevelopment Services Office on these efforts.

The Approved Budget includes the cost of operations for the Dispute Resolution Office, including the transfer of one position from Management Services for this function.

The Approved Budget includes the reallocation of a position from the Infrastructure Support Services Fund to assist with financial and budgetary information and reports.

ECONOMIC DEVELOPMENT FUND

| | 2000-2001 <u>ACTUAL</u> | 2001-2002 <u>AMENDED</u> | 2001-2002 <u>ESTIMATED</u> | 2002-2003 <u>PROPOSED</u> | 2002-2003 <u>APPROVED</u> |
|--|----------------------------|-----------------------------|-------------------------------|------------------------------|------------------------------|
| BEGINNING BALANCE | 0 | 1,318,866 | 1,223,423 | 349,505 | 349,505 |
| FUNDING SOURCES | | | | | |
| Interest Income | 72,661 | 70,000 | 60,000 | 60,000 | 60,000 |
| Austin Energy | 4,239,000 | 3,512,000 | 3,512,000 | 3,500,000 | 3,500,000 |
| TOTAL FUNDING SOURCES | <u>4,311,661</u> | <u>3,582,000</u> | <u>3,572,000</u> | <u>3,560,000</u> | <u>3,560,000</u> |
| OPERATING REQUIREMENTS | | | | | |
| Redevelopment Services | 2,483,176 | 3,302,070 | 2,955,166 | 2,718,035 | 2,718,035 |
| Support Services | | 100,739 | 105,046 | 279,094 | 279,094 |
| TOTAL OPERATING REQUIREMENTS | <u>2,483,176</u> | <u>3,402,809</u> | <u>3,060,212</u> | <u>2,997,129</u> | <u>2,997,129</u> |
| TRANSFERS/OTHER REQUIREMENTS | | | | | |
| Transfer to CIP | 0 | 539,000 | 539,000 | 0 | 0 |
| Smart Development Review Project | 0 | 62,000 | 51,800 | 62,000 | 62,000 |
| Legal Services | 603,229 | 704,617 | 693,181 | 710,000 | 710,000 |
| Infrastructure Support Services | 0 | 96,725 | 96,725 | 0 | 0 |
| Accrued Payroll | 18,205 | 19,000 | 5,000 | 6,000 | 6,000 |
| TOTAL TRANSFERS/OTHER REQUIREMENTS | <u>621,434</u> | <u>1,421,342</u> | <u>1,385,706</u> | <u>778,000</u> | <u>778,000</u> |
| TOTAL REQUIREMENTS | <u>3,104,610</u> | <u>4,824,151</u> | <u>4,445,918</u> | <u>3,775,129</u> | <u>3,775,129</u> |
| EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER REQUIREMENTS | <u>1,207,051</u> | <u>(1,242,151)</u> | <u>(873,918)</u> | <u>(215,129)</u> | <u>(215,129)</u> |
| Adjustment to GAAP | 16,372 | | | | |
| ENDING BALANCE | <u>1,223,423</u> | <u>76,715</u> | <u>349,505</u> | <u>134,376</u> | <u>134,376</u> |

Economic Growth and Redevelopment Services — 2002-2003

Mission

The purpose of the Economic Growth and Redevelopment Services Office is to manage the City's economic development policies and programs and promote and facilitate sustainable growth in the Desired Development Zone, in partnership with the community, project developers and the City of Austin organization in order to enhance livability and economic viability in a manner that preserves the character of Austin and its environment.

Goals

- Manage the City's economic development policies and programs.
 - Provide assistance to the City Manager and City Council to develop and implement the City's economic development policies and programs.
- Complete project deliverables on time.
 - Provide project management and implementation services to project owners and stakeholders in order to successfully complete projects on time.
- Increase property tax from relocations/expansions in the Desired Development Zone.
 - Form public/private partnerships with primary employers and key project developers in order to encourage location/expansion in the Desired Development Zone.
- Increase the number of residential units and retail square footage in the downtown area.
 - Provide information to and coordinate projects and studies that encourage a mixed use downtown.
- Provide up-to-date information about development in the downtown area.
 - Collect and distribute information about development to stakeholder groups and interested parties in order to promote Smart Growth and sustainability in the Desired Development Zone.
- Enrich and enliven public spaces in the downtown area.
 - Enrich and enliven public spaces in the downtown area in order to attract residents, businesses and visitors.

Key Indicators

The key indicators used by the Economic Growth and Redevelopment Services Office to measure the impact of our work include:

- The amount of property tax from relocations/expansions in the Desired Development Zone.
- The number of residential units and retail square footage in the downtown area.

Economic Growth and Redevelopment Services — 2002-2003

Business Plan

The Approved Budget contains the following proposals that support the goals of Redevelopment Services.

Robert Mueller Municipal Airport Site Redevelopment

The Robert Mueller Municipal Airport (RMMA) was closed in May of 1999, when the new Austin-Bergstrom International Airport opened. For the past four years, the City, with the assistance of the ROMA Design Group, the RMMA Advisory Council, the RMMA Plan Implementation Advisory Commission and a variety of interested citizens, has worked to prepare the RMMA/Redevelopment/Reuse Plan. This plan was completed and accepted by Council in 2000. In April 2002, Council authorized the City Manager to negotiate and execute an Exclusive Negotiation Agreement with Catellus Development Corporation, for the purpose of negotiating the terms and conditions of a Development Agreement for redevelopment of the former Robert Mueller Municipal Airport (RMMA) site. Negotiations between the City and Catellus are expected to continue throughout 2002-03.

Downtown Redevelopment and Economic Growth

The Approved Budget contains resources for the Redevelopment Services Office to continue project management of the New City Hall construction, Second Street Retail Project and to continue to assist primary employers and key project developers locate in the Desired Development Zone (DDZ). This assistance includes serving as a liaison between developers and City staff, and negotiating incentive packages. The office will continue to work to attract more residential housing to the downtown area and provide development assistance for special projects outside the downtown area.

Austin Sense of Place and Cultural Identity

The Approved Budget includes the transfer of one position from the Parks and Recreation General Fund to coordinate a new activity related to the redevelopment of downtown. The Austin Sense of Place and Cultural Identity activity responds to a community concern that redevelopment efforts are causing a “loss” in Austin’s nature and character. Austin’s distinctive nature and character is an important identifying quality that can add a competitive advantage when people want to live in, work in, or visit a particular city. The purpose of this activity is to enrich and enliven public spaces in the downtown area in order to attract new residents, businesses and visitors. This FTE is already working in the Economic Growth and Redevelopment Services.

Dispute Resolution Office

The Approved Budget includes the cost of operations of the new Dispute Resolution Office implemented in 2001-02. This includes the transfer of one position from Management Services to assist in various mediation efforts citywide.

Economic Growth and Redevelopment Services —2002-2003

Significant Revenue and Expenditure Changes by Program

| <u>Revenue Changes</u> | Dollars | FTEs |
|---|---------------|------|
| 1. The Approved Budget includes a decrease in funding from Austin Energy of \$12,000. | (\$12,000) | |
| 2. A decrease in interest income of \$10,000 is proposed. | (\$10,000) | |
| <u>Expenditure Changes</u> | | |
| 1. <u>City-wide</u> The Approved Budget includes \$8,642 for incremental costs of Pay for Performance implemented in 2001-02. An additional \$5,772 has been included in the Approved Budget for anticipated changes in health benefit contributions. | \$14,414 | |
| 2. <u>Redevelopment Services</u> An Arts in Public Places Coordinator (1 FTE) is transferred from the Parks and Recreation Department to continue implementation of the Austin Sense of Place and Cultural Identity activity. | \$52,871 | 1.00 |
| The transfer of one FTE and \$116,539 from Management Services is included in the Approved Budget to operate the new Dispute Resolution Office. | \$116,263 | 1.00 |
| Consultant services related to the redevelopment of Robert Mueller Municipal Airport and other redevelopment projects are increased in the Approved Budget by \$375,000 | \$375,000 | |
| Approved Master Developer for RMMA is required to reimburse the City of Austin for costs associated with the negotiation and development of the agreement. This reimbursement is estimated to be \$1,483,000 in FY 2002-03. | (\$1,483,000) | |
| The Approved Budget includes additional charges for mapping services and financial services from other City Departments; engineering for redevelopment efforts. | \$42,400 | |
| The Approved Budget assumes payment of Robert Mueller Municipal Airport drainage fees and maintenance costs of \$280,000. | \$280,000 | |
| 3. <u>Support Services</u> Rent for office space at One Texas Center is included in the 2002-03 Approved Budget. | \$60,357 | |
| The reallocation of one FTE and \$35,795 from Infrastructure Support Services to assist in Financial Monitoring and Budgeting. | \$35,795 | 1.00 |
| The Approved Budget includes \$ 61,625 for Temporary Employees to provide assistance in project analysis, financial monitoring and budgeting, special project needs, and other support functions. | \$61,625 | |

Transfers/Other Requirements

| | | | |
|----|--|-------------|------|
| 4. | The transfer to Infrastructure Support Services Department is eliminated from the 2002-03 Approved Budget. | (\$96,725) | |
| | One time transfer of \$539,000 to the CIP is eliminated from the 2002-03 Approved Budget. | (\$539,000) | |
| | The following change was approved by Council at budget adoption | | |
| | Council approved the transfer of one FTE from Austin Energy. This position will be backcharged to Austin Energy. | \$0 | 1.00 |

Programs and Activites

Economic Growth and Redevelopment Services-2002-03

Economic Development Fund

| | 2000 -01 Actual | 2000 -01 FTE | 2001 -2002 Amended | 2001 -2002 FTE | 2001 -2002 Estimate | 2001 -2002 FTE | 2002 -03 Proposed | 2002 -03 FTE | 2002 -03 Approved | 2002 -03 FTE |
|---|--------------------|-----------------|-----------------------|-------------------|------------------------|-------------------|----------------------|-----------------|----------------------|-----------------|
| ECONOMIC GROWTH AND REDEVELOPMENT SERVICES | | | | | | | | | | |
| Austin Sense of Place and Cultural Identity | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$170,005 | 1.65 | \$170,005 | 1.65 |
| Development and Redevelopment | \$0 | 0.00 | \$386,018 | 2.95 | \$175,872 | 2.95 | \$748,711 | 4.15 | \$748,711 | 5.15 |
| Downtown Initiatives | \$0 | 0.00 | \$168,559 | 2.20 | \$166,626 | 2.20 | \$166,730 | 1.25 | \$166,730 | 1.25 |
| Project Delivery | \$2,483,176 | 12.00 | \$2,747,493 | 6.55 | \$2,612,668 | 6.55 | \$1,632,589 | 6.30 | \$1,632,589 | 6.30 |
| SUPPORT SERVICES | | | | | | | | | | |
| Administration and Management | \$0 | 0.00 | \$100,739 | 1.30 | \$105,046 | 1.30 | \$112,837 | 1.65 | \$112,837 | 1.65 |
| Facility Expenses | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$68,837 | 0.00 | \$68,837 | 0.00 |
| Financial Monitoring / Budgeting | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$97,420 | 1.00 | \$97,420 | 1.00 |
| TRANSFERS AND OTHER REQUIREMENTS | | | | | | | | | | |
| Other Requirements | \$621,434 | 0.00 | \$785,617 | 0.00 | \$749,981 | 0.00 | \$778,000 | 0.00 | \$778,000 | 0.00 |
| Transfers | \$0 | 0.00 | \$635,725 | 0.00 | \$635,725 | 0.00 | \$0 | 0.00 | \$0 | 0.00 |
| Total | \$3,104,610 | 12.00 | \$4,824,151 | 13.00 | \$4,445,918 | 13.00 | \$3,775,129 | 16.00 | \$3,775,129 | 17.00 |

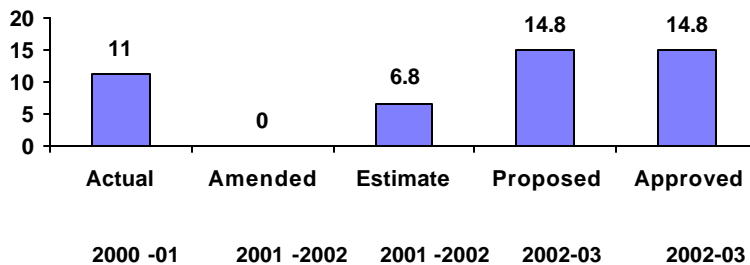
Economic Growth and Redevelopment Services-2002-0

Program: **ECONOMIC GROWTH AND REDEVELOPMENT SERVICES**

Program Objective: The purpose of the Economic Growth and Redevelopment Services Program is to manage the City's economic development policies and programs and promote and facilitate sustainable growth in the Desired Development Zone, in partnership with the community, project developers and the City of Austin organization in order to enhance livability and economic viability in a manner that preserves the character of Austin and its environment.

Program Results Measures:

Percent increase of residential units downtown



Performance Measures:

| | 2000 -01 Actual | 2001 -2002 Amended | 2001 -2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|--|--------------------|-----------------------|------------------------|---------------------|---------------------|
| Average cost per project | N/A | N/A | N/A | \$21,304 | \$21,304 |
| Cost per Emerging Projects map provided | N/A | N/A | N/A | \$.50 | \$.50 |
| Number of projects and partnerships in development | N/A | N/A | 5 | 8 | 8 |
| Number of projects that have a positive economic impact | N/A | N/A | 12 | 14 | 14 |
| Percent increase in property tax from locations/expansions | N/A | N/A | N/A | 51% | 51% |
| Percent increase of residential units downtown | 11% | 0% | 6.8% | 14.8% | 14.8% |
| Percent increase of retail square footage available downtown | N/A | N/A | 1.5% | 0% | 0% |
| Percent of project deliverables on time | N/A | N/A | N/A | 100% | 100% |

Economic Growth and Redevelopment Services-2002-0

Program: *ECONOMIC GROWTH AND REDEVELOPMENT SERVICES*

List of Activities (Includes all Funding Sources)

| Activity Name | 2000 -01 Actual | 2000 -01 FTE | 2001 -2002 Amende | 2001 -2002 FTE | 2001 -2002 Estimate | 2001 -2002 FTE | 2002-03 Proposed | 2002-03 FTE | 2002-03 Approved | 2002-03 FTE |
|---|--------------------|-----------------|----------------------|-------------------|------------------------|-------------------|---------------------|----------------|---------------------|----------------|
| Austin Sense of Place and Cultural Identity | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$170,005 | 1.65 | \$170,005 | 1.65 |
| Development and Redevelopment | \$0 | 0.00 | \$386,018 | 2.95 | \$175,872 | 2.95 | \$748,711 | 4.15 | \$819,123 | 5.15 |
| Downtown Initiatives | \$0 | 0.00 | \$168,559 | 2.20 | \$166,626 | 2.20 | \$166,730 | 1.25 | \$166,730 | 1.25 |
| Project Delivery | \$2,483,176 | 12.00 | \$2,747,493 | 6.55 | \$3,007,668 | 6.55 | \$3,115,589 | 6.30 | \$3,115,589 | 6.30 |
| Total | \$2,483,176 | 12.00 | \$3,302,070 | 11.70 | \$3,350,166 | 11.70 | \$4,201,035 | 13.35 | \$4,271,447 | 14.35 |

Economic Growth and Redevelopment Services-2002-03

Activity: *Austin Sense of Place and Cultural Identity*

Activity Code: 2ASP

Program Name: *ECONOMIC GROWTH AND REDEVELOPMENT SERVICES*

| Requirements and FTE | 2000 -01 Actual | 2001-2002 Amended | 2001-2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|------------------------------|--------------------|----------------------|-----------------------|---------------------|---------------------|
| Economic Development Fund | \$0 | \$0 | \$0 | \$170,005 | \$170,005 |
| Total Requirements | \$0 | \$0 | \$0 | \$170,005 | \$170,005 |
| Full-Time Equivalents | 0.00 | 0.00 | 0.00 | 1.65 | 1.65 |

Activity Performance Measures:

| Performance Measures: | Type | 2000-01 Actual | 2001 -2002 Amended | 2001 -2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|--|------------|-------------------|-----------------------|------------------------|---------------------|---------------------|
| Average cost per project | Efficiency | N/A | N/A | N/A | \$21,304 | \$21,304 |
| Number of projects and partnerships in development | Result | N/A | N/A | 5 | 8 | 8 |

Activity History and Description: This activity is Non-Core. No legal mandate.

Activity Objective: The purpose of the Austin Sense of Place and Cultural Identity activity is to enrich and enliven public spaces in the downtown area in order to attract residents, businesses and visitors.

Services of the Activity:

Core Services

Semi Core Services

Service Enhancements

- Perform as resource regarding Austin's sense of place and cultural identity.
- Educate private and public entities on the value of the arts in economic development.
- Identify and implement strategies on how Austin's sense of place and cultural identity can be used as a tool for economic development.
- Encourage and build partnerships between the arts and private and public entities.
- Identify and nurture Austin's cultural traditions and artists.
- Participate in models of the creation of vibrant public spaces to showcase urban amenities.
- Perform as liaison to developers &

Economic Growth and Redevelopment Services-2002-03

Activity: *Austin Sense of Place and Cultural Identity*

Activity Code: 2ASP

Program Name: *ECONOMIC GROWTH AND REDEVELOPMENT SERVICES*

architects on civic art and design matters.

·Identify and seek additional funds for art (write grants, and others).

Changes in Requirements and Performance Measures:

All measures for Economic Growth and Redevelopment Services Office are new for 2002-03, however historical data are presented where available. Estimates are based on 5 current projects with one complete by September 30,2002. Approved costs for 2003 include the transfer of 1.00 FTE from Parks and Recreation Department General Fund and \$52,871 to coordinate this new program. \$75,000 is included in the Approved Budget for services to assist in locating more art downtown. \$42,266 and 0.65 FTE have been internally reallocated to support this activity for 2002-03.

Responsible Employee:

Janet Seibert

512-974-7860

Economic Growth and Redevelopment Services-2002-03

Activity: *Development and Redevelopment*

Activity Code: *2DRV*

Program Name: *ECONOMIC GROWTH AND REDEVELOPMENT SERVICES*

| Requirements and FTE | 2000 -01 Actual | 2001-2002 Amended | 2001-2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|------------------------------|--------------------|----------------------|-----------------------|---------------------|---------------------|
| Economic Development Fund | \$0 | \$386,018 | \$175,872 | \$748,711 | \$748,711 |
| Expense Refunds | \$0 | \$0 | \$0 | \$0 | \$70,412 |
| Total Requirements | \$0 | \$386,018 | \$175,872 | \$748,711 | \$819,123 |
| Full-Time Equivalents | 0.00 | 2.95 | 2.95 | 4.15 | 5.15 |

Activity Performance Measures:

| Performance Measures: | Type | 2000-01 Actual | 2001 -2002 Amended | 2001 -2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|--|------------|-------------------|-----------------------|------------------------|---------------------|---------------------|
| Real estate cost per transaction | Efficiency | N/A | N/A | N/A | \$2,000 | \$2,000 |
| Redevelopment cost per agreement | Efficiency | N/A | N/A | \$12,562 | \$39,155 | \$39,155 |
| Number of projects that have a positive economic impact | Result | N/A | N/A | 12 | 14 | 14 |
| Percent increase in property tax from locations/expansions | Result | N/A | N/A | N/A | 51% | 51% |

Activity History and Description: This activity is Non-Core. No legal mandate.

Activity Objective: The purpose of the Development/Redevelopment activity is to form public/private partnerships with primary employers and key project developers in order to encourage location/expansion in the Desired Development Zone.

Services of the Activity:

Core Services

- Provide assistance to the City Manager and City Council to develop and implement the City's economic development policies and programs.

Semi Core Services

- Primary employer encouragement to develop, locate or expand in the Desired Development Zone.
- Incentive package and other redevelopment agreements negotiation.
- Liaison between developers and City organization. .
- Facilitate developer's assessment of the feasibility of developing in the Desired Development Zone.
- Develop and distribute information on Redevelopment in the Desired Development Zone.

Service Enhancements

Economic Growth and Redevelopment Services-2002-03

Activity: *Development and Redevelopment*

Activity Code: *2DRV*

Program Name: *ECONOMIC GROWTH AND REDEVELOPMENT SERVICES*

Changes in Requirements and Performance Measures:

All measures for Economic Growth and Redevelopment Services Office are new for 2002-03, however historical data is presented where available; Estimates are based on 20 Real Estate Transactions. The Approved Budget contains an internal reallocation of 1.00 vacant Planner Principal position from Project Delivery to provide redevelopment assistance of Robert Mueller Municipal Airport at \$69,749. Approved is the internal reallocation of 0.20 FTE of the Directors and support time for the time spent on RMMA Developer Agreement and related negotiations in 2002-03 at a cost of \$26,160. The Approved Budget assumes payment of the drainage fee of \$164,000 and maintenance costs of \$116,000 at the RMMA site. A decrease in Public Works – Real Estate assistance is anticipated in the upcoming year of \$25,000. At budget adoption, Council approved the transfer of one FTE from Austin Energy. This position will be back charged to Austin Energy.

Responsible Employee:

Mona Sanchez

512-974-7864

Economic Growth and Redevelopment Services-2002-03

Activity: *Downtown Initiatives*

Activity Code: 2DTN

Program Name: *ECONOMIC GROWTH AND REDEVELOPMENT SERVICES*

| Requirements and FTE | 2000 -01 Actual | 2001-2002 Amended | 2001-2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|------------------------------|--------------------|----------------------|-----------------------|---------------------|---------------------|
| Economic Development Fund | \$0 | \$168,559 | \$166,626 | \$166,730 | \$166,730 |
| Total Requirements | \$0 | \$168,559 | \$166,626 | \$166,730 | \$166,730 |
| Full-Time Equivalents | 0.00 | 2.20 | 2.20 | 1.25 | 1.25 |

Activity Performance Measures:

| Performance Measures: | Type | 2000-01 Actual | 2001 -2002 Amended | 2001 -2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|--|------------|-------------------|-----------------------|------------------------|---------------------|---------------------|
| Cost per Emerging Projects map provided | Efficiency | N/A | N/A | N/A | \$.50 | \$.50 |
| Percent increase of residential units downtown | Result | 11% | 0% | 6.8% | 14.8% | 14.8% |
| Percent increase of retail square footage available downtown | Result | N/A | N/A | 1.5% | 0% | 0% |

Activity History and Description: This activity is Non-Core. City Ordinance (#961010-D) mandates.

Activity Objective: The purpose of the Downtown Initiatives activity is to provide information to and coordinate projects and studies for the community that encourages a mixed used downtown.

Services of the Activity:

Core Services

Semi Core Services

Service Enhancements

· Annual and 5 year reauthorization of the PID.

· Act as liaison to downtown groups (Downtown Austin Alliance and Downtown Austin Neighborhood Associations).
 · Act as Staff Liaison to Downtown Commission (Ordinance 961010-D).
 · Coordinate annual and 5 year reauthorization of the PID.
 · Participate in studies affecting the downtown area.
 · Administer Downtown Austin Alliance contract.
 · Perform Central Business District ordinance review.
 · Produce and distribute Emerging Projects Map and Database.

Economic Growth and Redevelopment Services-2002-03

Activity: *Downtown Initiatives*

Activity Code: 2DTN

Program Name: *ECONOMIC GROWTH AND REDEVELOPMENT SERVICES*

- Maintain and expand Downtown Redevelopment web page.
- Develop and communicate information regarding development in the Downtown area.
- Produce and distribute the Downtown Report.

Changes in Requirements and Performance Measures:

All measures for Economic Growth and Redevelopment Services Office are new for 2002-03, however historical data are presented where available. Estimates are based on downloads of project maps, as well as, maps printed in-house. Estimated and Approved downtown residential units and commercial square footage are based on currently known projects and those projects estimated completions. The Approved Budget includes an internal reallocation of 0.95 FTE and \$63,400 to other activities. The funding for consultant services in the amount of \$50,000 is approved to provide for a Downtown Retail Master Plan. Map services and document printing is approved at \$12,000.

Responsible Employee:

Michael Knox

512-974-6415

Economic Growth and Redevelopment Services-2002-03

Activity: Project Delivery

Activity Code: 2PJD

Program Name: ECONOMIC GROWTH AND REDEVELOPMENT SERVICES

| Requirements and FTE | 2000 -01 Actual | 2001-2002 Amended | 2001-2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|------------------------------|--------------------|----------------------|-----------------------|---------------------|---------------------|
| Economic Development Fund | \$2,483,176 | \$2,747,493 | \$2,612,668 | \$1,632,589 | \$1,632,589 |
| Expense Refunds | \$0 | \$0 | \$395,000 | \$1,483,000 | \$1,483,000 |
| Total Requirements | \$2,483,176 | \$2,747,493 | \$3,007,668 | \$3,115,589 | \$3,115,589 |
| Full-Time Equivalents | 12.00 | 6.55 | 6.55 | 6.30 | 6.30 |

Activity Performance Measures:

| Performance Measures: | Type | 2000-01 Actual | 2001 -2002 Amended | 2001 -2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|--|------------|-------------------|-----------------------|------------------------|---------------------|---------------------|
| Activity cost per number of projects managed | Efficiency | N/A | N/A | \$103,713 | \$98,879 | \$98,879 |
| Percent of project deliverables on time | Result | N/A | N/A | N/A | 100% | 100% |

Activity History and Description: This activity is Semi-Core. No legal mandate.

Activity Objective: The purpose of the Project Delivery activity is to provide project management and implementation services to project owners and stakeholders in order to successfully complete projects on time.

Services of the Activity:

Core Services

Semi Core Services

Service Enhancements

- Contract administration.
- Conflict resolution.
- Ancillary project completion.
- Develop and manages related RFPs, RFQs etc.
- Plan and monitors critical path items
- Council actions coordination.
- Facilitate the land development/permitting process.
- Assist with meeting special project needs.
- Coordinate City Hall and Public Plaza web page.
- Coordinate RMMA web page.

Changes in Requirements and Performance Measures:

All measures for Economic Growth and Redevelopment Services Office are new for 2002-03, however historical data are presented where available. Estimates are based on projects such as, CSC retail, New City Hall, RMMA Developer Agreement negotiation, Austin Film Society, and the Triangle.

The Approved Budget includes the internal reallocation of 1.25 FTE and

Economic Growth and Redevelopment Services-2002-03

Activity: *Project Delivery*

Activity Code: *2PJD*

Program Name: *ECONOMIC GROWTH AND REDEVELOPMENT SERVICES*

\$110,746, including the Planner Principal to the Development/Redevelopment activity for Robert Mueller Municipal Airport (RMMA) redevelopment. Legal services related to the RMMA Master Developer Agreement are approved to increase by \$375,000, while other services are approved to be reduced by \$415,000. The ROMA contract is approved to be extended during the negotiation and execution of the RMMA Developer Agreements at an increase of \$150,000. Costs for legal services and the ROMA contract at RMMA are expected to be reimbursed by the Master Developer in 2003 at \$1,483,000. The Approved Budget includes payment of full costs for the project management of the New City Hall, an increase of \$190,000. The Approved Budget transfers one FTE and \$116,539 from Management Services for dispute resolution.

Responsible Employee:

Mona Sanchez

512-974-7864

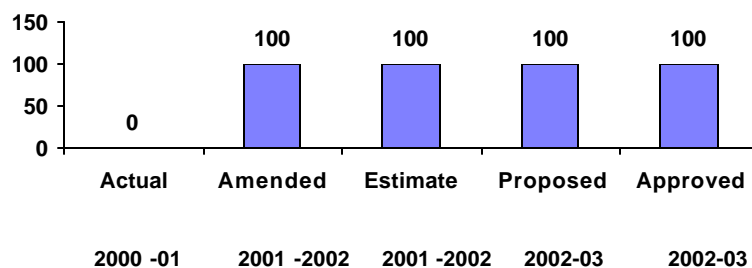
Economic Growth and Redevelopment Services-2002-0

Program: **SUPPORT SERVICES**

Program Objective: The purpose of the Support Services Program is to provide operational support to the Redevelopment Services Office so that its employees have the necessary tools to perform their jobs.

Program Results Measures:

Percent of CAFs submitted within deadline



Performance Measures:

| | 2000 -01 Actual | 2001 -2002 Amended | 2001 -2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|---|--------------------|-----------------------|------------------------|---------------------|---------------------|
| Customer Satisfaction with Custodial Services | N/A | N/A | N/A | N/A | N/A |
| Percent of CAFs submitted within deadline | 0% | 100% | 100% | 100% | 100% |
| Percent Variance of CYEs to Actual Expenditures | N/A | N/A | N/A | 100% | 100% |
| Percent Variance of CYEs to Actual Revenue | N/A | N/A | N/A | 100% | 100% |

List of Activities (Includes all Funding Sources)

| Activity Name | 2000 -01 Actual | 2000 -01 FTE | 2001 -2002 Amende | 2001 -2002 FTE | 2001 -2002 Estimate | 2001 -2002 FTE | 2002-03 Proposed | 2002-03 FTE | 2002-03 Approved | 2002-03 FTE |
|----------------------------------|--------------------|-----------------|----------------------|-------------------|------------------------|-------------------|---------------------|----------------|---------------------|----------------|
| Administration and Management | \$0 | 0.00 | \$100,739 | 1.30 | \$105,046 | 1.30 | \$112,837 | 1.65 | \$112,837 | 1.65 |
| Facility Expenses | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$68,837 | 0.00 | \$68,837 | 0.00 |
| Financial Monitoring / Budgeting | \$0 | 0.00 | \$0 | 0.00 | \$0 | 0.00 | \$97,420 | 1.00 | \$97,420 | 1.00 |
| Total | \$0 | 0.00 | \$100,739 | 1.30 | \$105,046 | 1.30 | \$279,094 | 2.65 | \$279,094 | 2.65 |

Economic Growth and Redevelopment Services-2002-03

Activity: Administration and Management

Activity Code: 9ADM

Program Name: SUPPORT SERVICES

| Requirements and FTE | 2000 -01 Actual | 2001-2002 Amended | 2001-2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|------------------------------|--------------------|----------------------|-----------------------|---------------------|---------------------|
| Economic Development Fund | \$0 | \$100,739 | \$105,046 | \$112,837 | \$112,837 |
| Total Requirements | \$0 | \$100,739 | \$105,046 | \$112,837 | \$112,837 |
| Full-Time Equivalents | 0.00 | 1.30 | 1.30 | 1.65 | 1.65 |

Activity Performance Measures:

| Performance Measures: | Type | 2000-01 Actual | 2001 -2002 Amended | 2001 -2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|--|------------|-------------------|-----------------------|------------------------|---------------------|---------------------|
| Administrative Cost as a percentage of Total Department Budget | Efficiency | N/A | 2.1% | 2.4% | 4.8% | 4.8% |
| Percent of CAFs submitted within deadline | Result | 0% | 100% | 100% | 100% | 100% |

Activity History and Description: None.

Activity Objective: The purpose of the Administration and Management activity is to provide administrative and managerial support in order to produce more effective services.

Services of the Activity:

Core Services

Semi Core Services

Service Enhancements

Changes in Requirements and Performance Measures:

All measures for Economic Growth and Redevelopment Services Office are new for 2002-03, however historical data is presented where available; measure administrative costs as percentage of Total Department Budget is the efficiency measure designed to show the level of administration vs. operational costs. The formula is total activity costs (\$113,292) divided by total requirements (\$3,775,129). Substantially the same.

Responsible Employee: Jan Hilton

512-974-7852

Economic Growth and Redevelopment Services-2002-03

Activity: Facility Expenses

Activity Code: 9FAC

Program Name: SUPPORT SERVICES

| Requirements and FTE | 2000 -01 Actual | 2001-2002 Amended | 2001-2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|------------------------------|--------------------|----------------------|-----------------------|---------------------|---------------------|
| Economic Development Fund | \$0 | \$0 | \$0 | \$68,837 | \$68,837 |
| Total Requirements | \$0 | \$0 | \$0 | \$68,837 | \$68,837 |
| Full-Time Equivalents | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Activity Performance Measures:

| Performance Measures: | Type | 2000-01 Actual | 2001 -2002 Amended | 2001 -2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|---|------------|-------------------|-----------------------|------------------------|---------------------|---------------------|
| Facility expense per square foot (exclude security and custodial) | Efficiency | N/A | N/A | N/A | \$18.32 | \$18.32 |
| Total square feet of facilities | Output | N/A | N/A | N/A | 3,756 | 3,756 |

Activity History and Description: None.

Activity Objective: The purpose of the Facility Expenses activity is to provide maintenance, custodial and security of all facilities to ensure and operational, clean and safe facility.

Services of the Activity:

Core Services

Semi Core Services

Service Enhancements

Changes in Requirements and Performance Measures: All measures for Economic Growth and Redevelopment Services Office are new for 2002-03, however historical data are presented where available. The Approved Budget includes \$60,357 for rent at One Texas Center and cost for phones currently paid from Project Delivery activity.

Responsible Employee: Jan Hilton

512-974-7852

Economic Growth and Redevelopment Services-2002-03

Activity: Financial Monitoring / Budgeting

Activity Code: 9BUD

Program Name: SUPPORT SERVICES

| Requirements and FTE | 2000 -01 Actual | 2001-2002 Amended | 2001-2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|------------------------------|--------------------|----------------------|-----------------------|---------------------|---------------------|
| Economic Development Fund | \$0 | \$0 | \$0 | \$97,420 | \$97,420 |
| Total Requirements | \$0 | \$0 | \$0 | \$97,420 | \$97,420 |
| Full-Time Equivalents | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 |

Activity Performance Measures:

| Performance Measures: | Type | 2000-01 Actual | 2001 -2002 Amended | 2001 -2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|--|------------|-------------------|-----------------------|------------------------|---------------------|---------------------|
| Cost of Financial Management as a Percent of Total Department Budget | Efficiency | N/A | N/A | N/A | 2.6% | 2.6% |
| Percent Variance of CYEs to Actual Expenditures | Result | N/A | N/A | N/A | 100% | 100% |
| Percent Variance of CYEs to Actual Revenue | Result | N/A | N/A | N/A | 100% | 100% |

Activity History and Description: None.

Activity Objective: The purpose of the Financial Monitoring/Budgeting activity is to produce financial and budgetary information and reports to ensure appropriate allocation, utilization and control of City resources in compliance with City and other financial policies.

Services of the Activity:

Core Services

Semi Core Services

Service Enhancements

Changes in Requirements and Performance Measures:

All measures for Economic Growth and Redevelopment Services Office are new for 2002-03. Approved costs for 2003 include the transfer of 1.00 FTE from Infrastructure Support Services and \$35,795 to assist in financial monitoring and budgeting. \$61,625 is included in the Approved Budget for temporary employees to assist in financial monitoring and budgeting.

Responsible Employee:

Jan Hilton

512-974-7852

Economic Growth and Redevelopment Services-2002-03

Activity: Other Requirements

Activity Code: 9REQ

Program Name: TRANSFERS AND OTHER REQUIREMENTS

| Requirements and FTE | 2000 -01 Actual | 2001-2002 Amended | 2001-2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|------------------------------|--------------------|----------------------|-----------------------|---------------------|---------------------|
| Economic Development Fund | \$621,434 | \$785,617 | \$749,981 | \$778,000 | \$778,000 |
| Total Requirements | \$621,434 | \$785,617 | \$749,981 | \$778,000 | \$778,000 |
| Full-Time Equivalents | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Activity Performance Measures:

| Performance Measures: | Type | 2000-01 Actual | 2001 -2002 Amended | 2001 -2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|-----------------------|------|-------------------|-----------------------|------------------------|---------------------|---------------------|
| | | | | | | |

Activity History and Description: None.

Activity Objective: The purpose of the Other Requirements activity is to account for other departmental requirements that occur at the fund level, such as Smart Development Review Project and Legal Services.

Services of the Activity:

Core Services

Semi Core Services

Service Enhancements

Changes in Requirements and Performance Measures: Substantially the same.
None.

Responsible Employee: Jan Hilton

512-974-7852

Economic Growth and Redevelopment Services-2002-03

Activity: Transfers

Activity Code: 9XFR

Program Name: TRANSFERS AND OTHER REQUIREMENTS

| Requirements and FTE | 2000 -01 Actual | 2001-2002 Amended | 2001-2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|------------------------------|--------------------|----------------------|-----------------------|---------------------|---------------------|
| Economic Development Fund | \$0 | \$635,725 | \$635,725 | \$0 | \$0 |
| Total Requirements | \$0 | \$635,725 | \$635,725 | \$0 | \$0 |
| Full-Time Equivalents | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Activity Performance Measures:

| Performance Measures: | Type | 2000-01 Actual | 2001 -2002 Amended | 2001 -2002 Estimate | 2002-03 Proposed | 2002-03 Approved |
|-----------------------|------|-------------------|-----------------------|------------------------|---------------------|---------------------|
|-----------------------|------|-------------------|-----------------------|------------------------|---------------------|---------------------|

Activity History and Description: None.

Activity Objective: The purpose of the Transfers activity is to account for departmental transfers that occur at the fund level, for example the administrative transfer to Infrastructure Support Services Fund.

Services of the Activity:

Core Services

Semi Core Services

Service Enhancements

Changes in Requirements and Performance Measures: The Approved Budget eliminates a \$539,000 transfer to the Capital Budget and \$97,420 to Infrastructure Support Services.

Responsible Employee: Jan Hilton

512-974-7852

Repair and Replacement Fund — 2002-2003

Purpose and Nature of Fund

The Repair and Replacement Fund shall be used for providing extensions, additions, and improvements to the Electric System. Net revenues available after meeting the General Fund Transfer, capital investment (equity contributions from current revenues) and 45 days of working capital may be deposited in the Repair and Replacement Account.

Factors Affecting Revenue

Sources of revenue include:

- Austin Energy transfers from current revenue
- Austin Energy transfers from other funds

The 2002-2003 approved sources of revenue for the Repair & Replacement Fund includes a transfer of \$10 million from the Debt Management Fund.

Factors Affecting Requirements

Expenditure requirements in the Repair and Replacement Fund are related to extensions, additions, and improvements to the Electric System.

AUSTIN ENERGY
REPAIR AND REPLACEMENT FUND

| | <u>2000-2001 ACTUAL</u> | <u>2001-2002 AMENDED</u> | <u>2001-2002 ESTIMATE</u> | <u>2002-2003 PROPOSED</u> | <u>2002-2003 APPROVED</u> |
|--|-----------------------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|
| BEGINNING BALANCE | 0 | 0 | 0 | 10,000,000 | 10,000,000 |
| REVENUE | | | | | |
| Transfers from Debt Management Fund | 0 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| Interest Income | 0 | 0 | 0 | 0 | 0 |
| TOTAL REVENUE | 0 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| REQUIREMENTS | 0 | 0 | 0 | 0 | 0 |
| TOTAL REQUIREMENTS | 0 | 0 | 0 | 0 | 0 |
| Excess (Deficiency) of Revenue over Requirements | 0 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| Adjustment to GAAP | 0 | 0 | 0 | 0 | 0 |
| ENDING BALANCE | 0 | 10,000,000 | 10,000,000 | 20,000,000 | 20,000,000 |