



Travis County Commissioners Court Agenda Request

Meeting Date: June 12, 2012

Prepared By/Phone Number: Yolanda Reyes, 854-9106

Elected/Appointed Official/Dept. Head: Leslie Browder, County Executive, Planning and Budget

Commissioners Court Sponsor: Judge Samuel T. Biscoe

Signature for Leslie Browder

AGENDA LANGUAGE: RECEIVE UPDATE AND DISCUSS STATUS OF FISCAL YEAR 2013 PRELIMINARY BUDGET DEVELOPMENT.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

Please see attached documentation.

STAFF RECOMMENDATIONS: No action required.

ISSUES AND OPPORTUNITIES: The Planning and Budget Office would like to update the Commissioners Court on the status of FY 2013 Preliminary Budget Development. Attached is a copy of the presentation that will be reviewed with the Court, as well as a copy of the memorandum that will be sent to elected officials and directors in conjunction with draft recommendations to departments. The Planning and Budget Office is scheduled to begin budget meetings with departments on June 8th and these will continue through the end of the month. A prudent and balanced Preliminary Budget will be presented to the Court on July 23rd.

FISCAL IMPACT AND SOURCE OF FUNDING: Please see attached documentation.

REQUIRED AUTHORIZATIONS:

Leslie Browder, Planning and Budget Office (512) 854-9106

Leroy Nellis, Planning and Budget Office, (512) 854-9106

Jessica Rio, Planning and Budget Office, (512) 854-9106

Cheryl Aker, County Judge's Office, (512) 854-9555

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, Cheryl.Aker@co.travis.tx.us by Tuesdays at 5:00 p.m. for the next week's meeting.



PLANNING AND BUDGET OFFICE
TRAVIS COUNTY, TEXAS

700 Lavaca Street, Suite 1560
P.O. Box 1748
Austin, Texas 78767

MEMORANDUM

TO: Elected and Appointed Officials

FROM: Leslie Browder, County Executive, Planning & Budget *LB*
Jessica Rio, Budget Director *JR*

DATE: June 1, 2012

SUBJECT: Draft Recommendation – FY 2013 Preliminary Budget

The Planning and Budget Office has completed a review of your FY 2013 budget submission. Attached you will find our draft analyses and recommendations for your review. The FY 2013 budget process began on February 14th with the Commissioners Court's approval of this year's Budget Guidelines. These guidelines were written in the context of improving yet still challenging and uncertain economic circumstances. As you are probably aware, new construction value is the only element of taxable assessed valuation that generates "new" property tax revenue given the effective tax rate. This new revenue has often been counted on to assist in supporting the substantial growth that we have seen over time in our County population and corresponding demand for County services. Based on preliminary projections from the County Auditor's Office, we expect to see some additional revenue from new construction in FY 13. However, this increase is limited relative to the increased costs of maintaining funding for current programs and services. Preliminary projections from the Travis Central Appraisal District for new construction in FY 2013 are \$1.2 billion (not counting the portion related to Samsung Austin Semiconductor, which is 80% rebated back to the company). This estimate is slightly above FY 2012 new construction levels, and well below FY 2009 new construction of \$3.97 billion.

We are pleased to confirm that we do not foresee the need to recommend wholesale or widespread budget reductions to balance the FY 2013 Preliminary Budget. In addition, we have been able to include funds in your budgets to annualize the market salary adjustments that were approved by the Commissioners Court in the spring of 2012. Further, the Preliminary Budget will include approximately \$3.5 million for employee and retiree healthcare and approximately \$1.5 to maintain the County's retirement contributions for the

Texas County and District Retirement System. This supplemental funding continues to illustrate the strong commitment of the Commissioners Court to our workforce.

We have received and evaluated over 420 requests from 39 departments, which totaled more than \$30 million in the General Fund; \$70 million for capital funding; and 150 new FTEs. These figures will change as budget requests are reviewed by PBO. In our analysis, we have tried to balance the criticality of need documented in your budget requests with the available revenue that has been certified in the County Auditor's first revenue estimate. The FY 2013 Preliminary Budget will reflect the third revenue estimate, which is expected to be available in July.

We would like to emphasize that the attached recommendations are in draft form and we have always endeavored to formulate our recommendations thoughtfully and prudently given all available information. We look forward to discussing these recommendations with you, if you desire, to better understand your operational needs in the upcoming year. The FY 2013 Preliminary Budget will be filed on July 23rd.



Update on Travis County FY 2013 Budget Process

Commissioners Court Voting Session
June 12, 2012



Budget Guidelines:

- Approved on February 14, 2012
- Provide Guidance for FY 13 Preliminary Budget
 - Tax rate at or near the effective tax rate
 - Departments not asked to submit potential 5% reductions
 - Compensation to include annualized cost of FY 12 actions
 - Departments to live within their target budgets for Maintenance of Current Effort or new needs



Budget Guidelines (Continued):

- Non-County requests should be prioritized by the County department in charge of the service.
- Departments are encouraged to identify options for increasing non-property tax revenue.
- Pilot and revenue-supported programs will be carefully evaluated each year.
- Efficiencies across County operations should continue to be sought and improvements made.

Comparing FY 2013 & FY 2012 Budget Requests:

Requests	FY 2012	FY 2013
General Fund	\$49 M	\$38 M
Other Funds	1 M	1 M
Capital	84 M	93 M
FTE	230 FTEs	180 FTEs

- Over 430 budget requests for new funding in 2013
- Over 320 budget requests for new funding in 2012

* figures as of June 5, 2012



Potential Topics for Discussion at Budget Hearings:

- **Additional Staffing to Support the Court System**
- **External Requests for Funding**
- **Mental Health Funding**
- **New Emergency Services Stations**
- **New Voting System**
- **Space Issues, such as:**
 - **Current critical needs**
 - **Future Crime Lab**
 - **Planning for a new Medical Examiner's Facility**



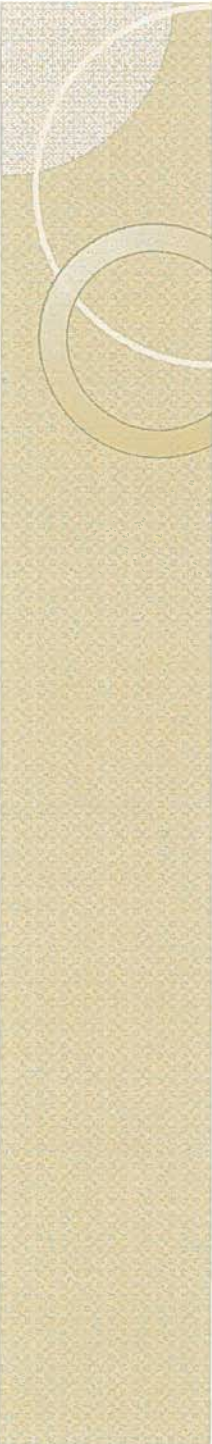
Potential Topics for Discussion at Budget Hearings:

- Outstanding Travis County Sheriff's Office Staffing
- Transportation & Natural Resources Projects and Road & Bridge Fund
- Variety of Information Technology Requests
 - Including End of Life for Networks, Unified Communications Phase III, Servers and Storage, Virtual Tape Library
- Wildland Fire Fighting Aircraft



Compensation and Benefits:

- Funding for compensation in FY 2013 will include annualized costs of FY 2012 actions.
 - Market Salary Survey adjustments effective 4/1/2012
 - Commissioners Court reserved funds equivalent to a 3.5% increase for Elected Officials, POPS, and for the Auditor and Purchasing Offices.
- Elected Officials Salaries:
 - Recommendations to be presented in July;
 - Ad in Austin Chronicle and Public Hearing to follow.
- Peace Officer Pay Scale:
 - HRMD is in discussions with the associations and reviewing proposals;
 - \$3.14 million reserved based on Court action. Requests from associations could be above reserve amount.



Compensation and Benefits (continued):

- **Employee and Retiree Healthcare**
 - \$3.55 million estimated increase in County costs
 - Only 2nd increase in last six years
 - Recommendations include minor plan design changes to limit cost increases to the County, employees and retirees.
- **Texas County and District Retirement System**
 - Additional \$1.5 million needed to maintain required funding without retiree COLA



First Revenue Estimate:

- County Auditor has delivered first revenue estimate.
- FY 2013 Beginning Fund Balance estimated at \$107 million
- Property tax revenue estimated at \$391 million, reflecting:
 - New construction value of \$3.2 billion (including Samsung)
 - \$1.2 billion without Samsung
 - \$7 million in total property tax rebates
- Other Revenue estimated at \$73.5 million
- First revenue estimate includes total General Fund available resources of \$571.5 million.



Impact of SAP on FY 2013 Budget Process:

- SAP went live on June 4th.
- Planning and Budget Office will work with the SAP team to upload budget information.
- FY 2013 Preliminary Budget will be entered into the legacy system, with concurrent loading of budget information into SAP.



Budget Schedule Highlights:

- June – Departmental meetings.
- July – Finalize and balance Preliminary Budget recommendations against Third Revenue Estimate.
- File FY 2013 Preliminary Budget July 23rd.
- August – Commissioners Court may hold budget hearings.
- September 5th, 6th, & 7th – Budget Mark-Up.
- Commissioners Court adoption of FY 2013 Budget scheduled on September 25, 2012.

Other Important Dates:

- June 13th – Employee Public Hearing (4:30 PM)
- July – Advertisement appears in Chronicle re: Proposed Elected Officials Salaries.
Public Hearing on FY 2013 Proposed Elected Officials Salaries
- Sept. 6th – Advertisement appears in Chronicle, “Public Hearing on the Proposed FY 13 Travis County Budget”.
 - Public Hearing on Sept. 25th
- Sept. 10th – Advertisement appears in AAS, “Notice of Public Hearing on Tax Increase”.
 - Public Hearings on Sept. 18th & Sept. 21st
- Sept. 19th & 22nd – Advertisement appears in AAS, “Notice of Tax Revenue Increase”.
- September 25th – Tax Rate adopted



Questions/Comments/ Discussion

Commissioners Court Voting Session
June 12, 2012