



Travis County Commissioners Court Agenda Request

Meeting Date: August 7, 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

AGENDA LANGUAGE: Receive Presentation of Fiscal Year 2013 Preliminary Budget.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

Please see attached documentation

STAFF RECOMMENDATIONS: Please see attached documentation.

ISSUES AND OPPORTUNITIES: Please see attached documentation.

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

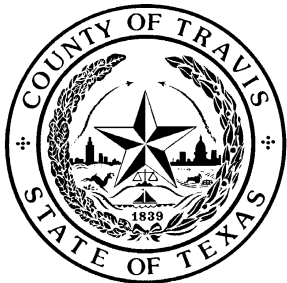
Cheryl Aker, County Judge's Office, (512) 854-9555

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.

TRAVIS COUNTY

Fiscal Year 2013 Preliminary

Budget



August 7, 2012

2013 Preliminary Budget Highlights

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- The Preliminary Budget is a sound, balanced financial plan.
 - Based on policy direction for 2013 budget development approved by the Commissioners Court in February 2012
- Maintains healthy reserve levels to address any unforeseen requirements
- Includes new funding to respond to service needs of Travis County residents
- Reflects modest growth in the property tax rate
 - 1.45 cent increase, from \$0.4855 to \$0.4979

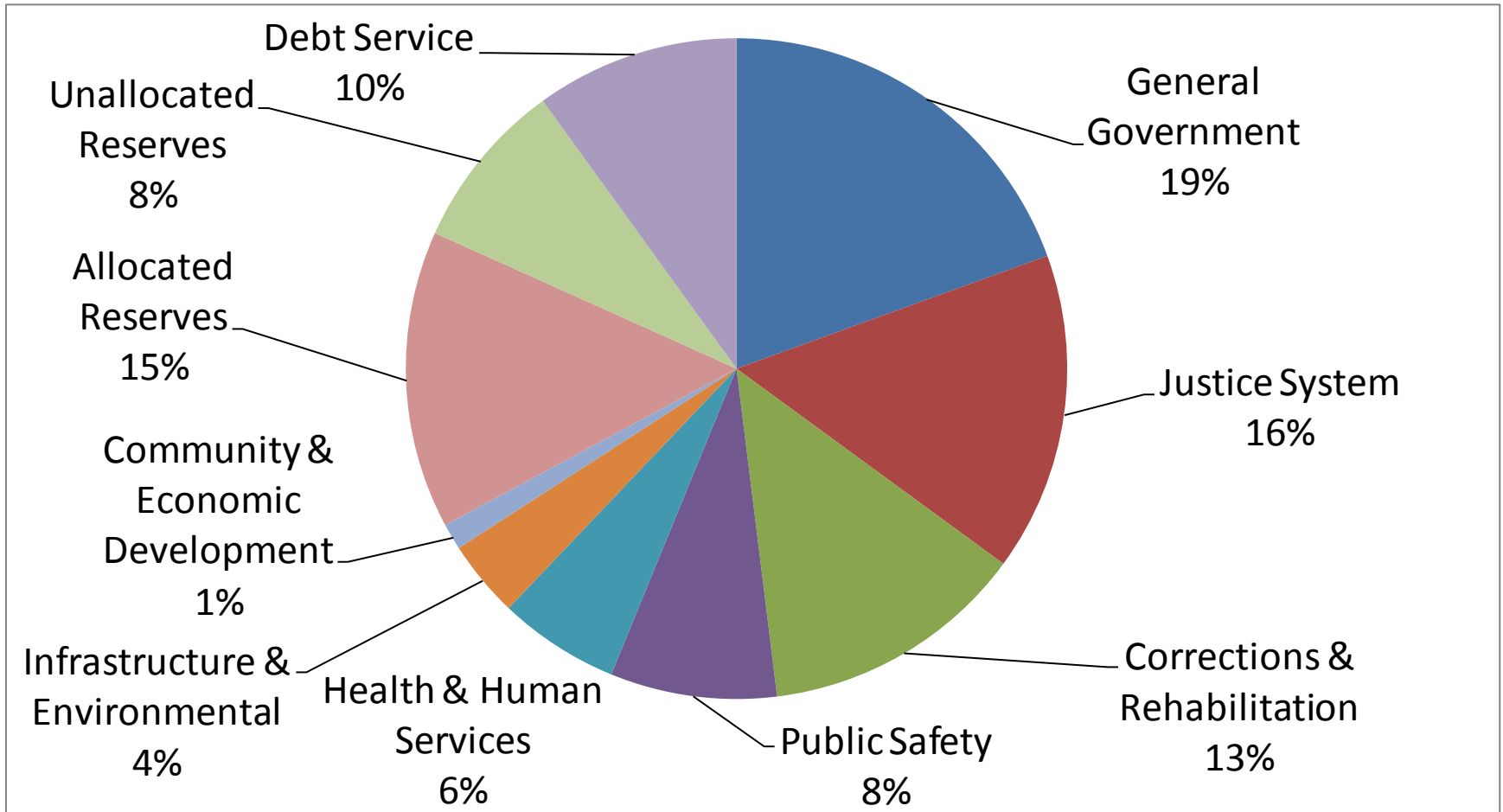
Today's Presentation

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- Summary of All County Funds
- General Fund
 - Summary and Highlights
 - Major Funding Priorities
 - Investments in the Workforce
 - Reserves
- Capital Recommendations
- Property Tax Information
- Budget Calendar and Next Steps

All Funds – \$796.6 million

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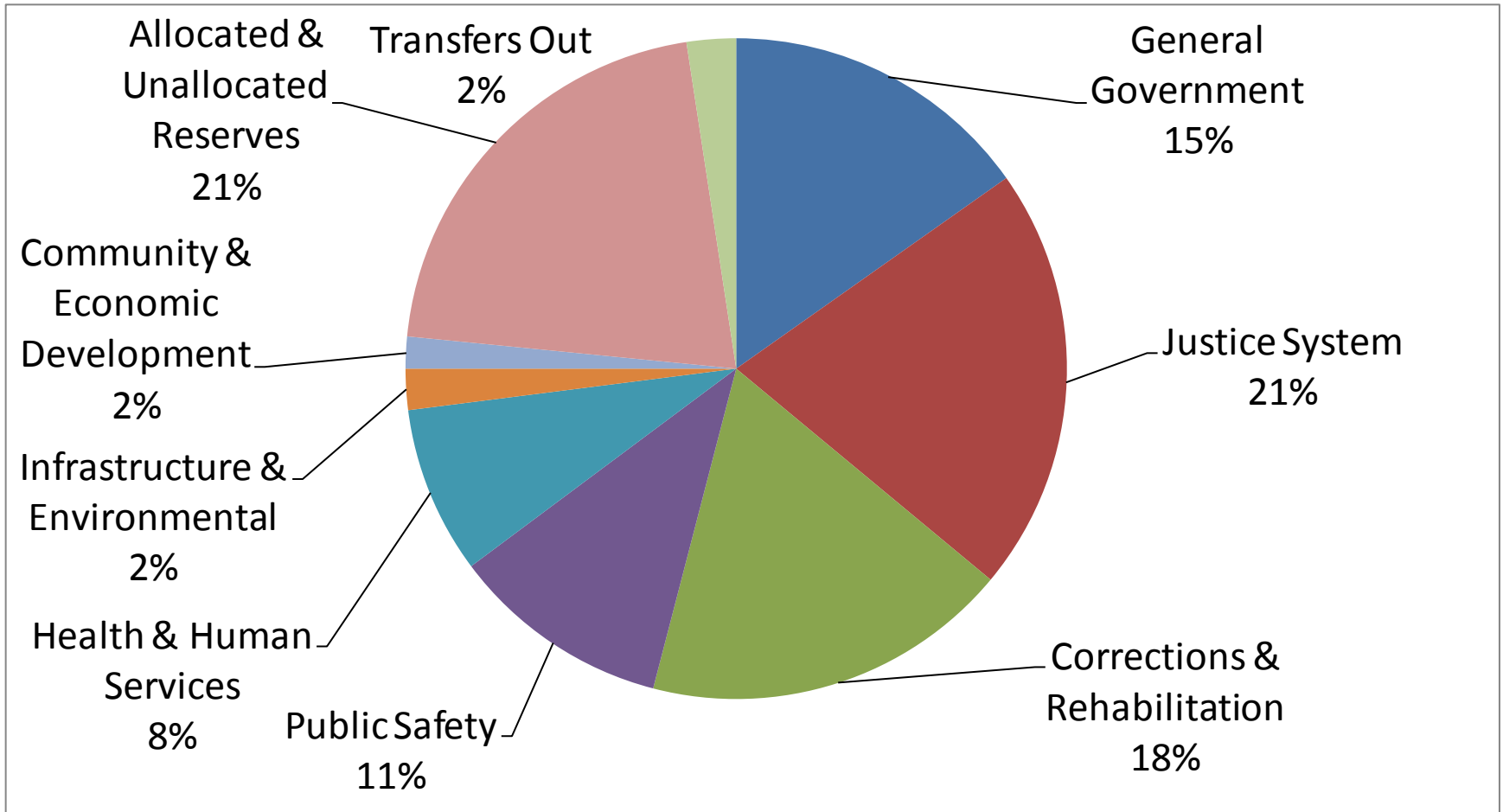
All Funds Summary (in Millions of Dollars)

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	FY 2012	FY 2013
General Fund	\$541.2	\$574.2
Road & Bridge Fund	18.9	18.7
Debt Service Funds	85.8	89.2
Risk Management	16.1	16.2
Employee Insurance	69.2	73.5
Other Funds and Transfers	25.8	24.8
Total	\$757.0	\$796.6

General Fund – \$574.2 million

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General Fund Summary

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- **Based on County Auditor's 3rd revenue estimate**
 - Property tax revenue of \$399.8 million
 - Estimated collection rate of 97.5%
 - Net of economic incentive rebates of \$11.9 million
- **Focus on maintaining current County service levels while responding to growing demand and workload**
- **Provides funding for employee compensation and benefits**
 - Full-year funding for market salary adjustments in April 2012
 - Compensation reserve for employees on Peace Officers Pay Scale
 - Reflects insurance rates and plan design changes approved in June 2012
 - Funding for pension program maintained at current benefit levels and includes retiree health care contributions

General Fund Summary (in Millions of Dollars)

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	FY 2012	FY 2013
General Government	\$ 81.1	\$ 87.4
Justice System	115.5	119.5
Corrections & Rehabilitation	99.5	103.4
Public Safety	59.1	61.8
Health & Human Services	45.5	47.0
Infrastructure & Environment	12.2	11.5
Community & Economic Dev.	7.7	9.0
Reserves	107.1	120.8
Transfers Out	13.5	13.8
Total	\$541.2	\$574.2

Major Funding Priorities

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▣ Maintenance of Current Effort	\$4,485,326
▣ Road & Bridge Shortfall	1,370,114
▣ Pilot Programs & Social Service	1,003,063
▣ Integrated Justice System Replacement	708,775
▣ Planning and Assessment Studies	690,000
▣ Balcones Canyonlands Preserve	655,322
▣ New Financial System (BEFIT)	648,361
▣ Parks	634,493
▣ Other Additions (Net)	604,041

Major Funding Priorities (continued)

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▣ Title IV-E Expense to Gen Fund	\$525,877
▣ Mid-year Court Approvals	504,065
▣ Interlocal Agreements	262,767
▣ Medical Examiner Doctor & Staff	242,610
▣ Waller Creek Project (increase)	235,112
▣ County Attorney Mental Health Team	139,552
▣ DA Family Violence Prosecutor	116,701

Summary of Personnel Changes

Proposed General Fund Position Changes	
Description	Net Change
Approved by the Commissioners Court in Mid-Year 2012	7.75
Proposed New Positions	61.08
Transfers to/from Other Funds	7.08
Other	3.10
Total General Fund Net FTE Changes	79.01

- Travis County experienced several lean years recently when the local economy slowed.
- Many of these requests for new positions are associated with built-up need that occurs when funding is constrained over a period of time.
 - Intended to respond to increased demand for services and to help manage rising workload requirements

Investments in the Workforce

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- Annualized amounts for Market Salary Survey Adjustments that were effective 4/1/2012
 - ▣ Approximate increase of 3.5%
- 3.5% for Auditor's Office and Purchasing Office
- 3.5% reserved for Elected Officials Salaries
 - ▣ Commissioners Court scheduled to take final action on 8/7/2012
- 3.5% reserved for Peace Officer Pay Scale
 - ▣ Final amount and implementation date TBD by Court

Investments in the Workforce

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- Preliminary Budget includes \$14.3 million in additional funding for the County's workforce.
- \$9.5 million is included for compensation and \$4.8 million to maintain health and retirement benefits at current levels.
- Compensation is based on the annualized costs of actions approved in 2012, as well as items that require additional action from Commissioners Court.

Investments in the Workforce

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Market Salary Survey Adjustments (MSS)	\$5,632,933
MSS Overtime, Temp & Reclassifications	240,809
3.5% Auditor's Office	284,495
3.5% Purchasing Office	96,320
Total Budgeted in Offices and Departments	\$6,254,557
3.5% Elected Officials	96,646
Associate Judges/Magistrates	65,724
3.5% for Peace Officers Pay Scale	3,115,070
Total in Compensation Reserve	\$3,277,440
Total Compensation	\$9,531,997

Investments in the Workforce

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- Increased Funding for Benefits - \$4.8 million
- Employee and Retiree Healthcare
 - ▣ \$3.6 million estimated increase in County costs
 - ▣ Only second 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.
 - Does not include COLA for retirees

General Reserves

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□ Unallocated Reserve	\$56,257,402
□ Maintained at 11% of General Fund, Road & Bridge, and Debt Service Budgets	
□ Allocated Reserve	6,743,084
□ Emergency Reserve	4,950,000
□ Capital Acquisition Resources Reserve	2,857,770

Special Purpose Reserves

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□ Civil & Family Court House Planning	\$5,496,000
□ Interlocal Agreements	2,605,866
□ IJS Replacement	2,164,795
□ Sheriff's Office Pay Cycle	1,500,000
□ StarFlight Maintenance	1,035,000
□ 1115 Waiver Participation	1,000,000
□ Fuel and Utilities	1,000,000
□ Security	903,905
□ Retirement Transition	750,000
□ Future Grants Requirements	503,193

Special Purpose Reserves (continued)

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□ Potential State Cuts	\$500,000
□ Salary Savings	500,000
□ Juvenile Justice	418,959
□ Smart Building	160,778
□ Annualization	65,768

Capital Budget Recommendations

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□ Long-Term Bonds authorized in 2011	\$41,940,000
□ Capital Acquisition Resources (CAR)	30,952,312
□ Short-Term Certificates of Obligation	20,970,000
□ Other Funds	<u>291,504</u>
Total Preliminary Capital Budget	\$94,153,816

Capital Acquisition Resources (CAR)

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□ Information Technology Projects	\$6,858,734
□ Centrally Budgeted Computers	2,859,862
□ Transportation & Natural Resources Projects	4,913,670
□ Road & Bridge Projects	2,200,000
□ Centrally Budgeted Vehicles	4,476,960
□ Facilities Management Projects	2,063,301
□ Sheriff's Office Projects	1,934,158
□ Other Offices and Departments	2,787,857
□ Reserve	<u>2,857,770</u>

Total Capital Acquisition Resources

\$30,952,312

Certificates of Obligation

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□ Granger Building Projects	\$4,489,208
□ Executive Office Building Projects	4,281,200
□ 700 Lavaca Projects	1,041,465
□ Hot Mix Asphaltic Concrete	3,900,000
□ Vehicles and Heavy Equipment	1,753,000
□ Sheriff's Office Projects	2,810,000
□ Information Technology Projects	2,591,500
□ Estimated Issuance Costs	<u>103,627</u>
Total Certificates of Obligation	\$20,970,000

2011 Voter Approved Bonds

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Proposed for Issuance in FY 2013

□ Proposition 1: Roads, Drainage, Bridge & Bike/Pedestrian Projects	\$30,520,000
□ Proposition 2: Parks & Land Conservation Projects	<u>11,420,000</u>
Total Voter Approved Bonds	\$41,940,000

Property Tax Base

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Preliminary Budget:

- Total taxable value estimated to increase from \$97.1 billion to \$100.6 billion
 - Overall increase of 3.7% compared to last year's certified roll
 - Includes \$3.56 billion in new value
- Proposed tax rate of 49.79 cents per \$100 of taxable value

Certified Tax Roll (Update):

- Total taxable value certified at \$101.3 billion
 - Overall increase of 4.4% compared to last year
 - Includes \$3.54 billion in new value

5-Year Property Tax Base History

FISCAL YEAR	TOTAL TAXABLE VALUE	NEW CONSTRUCTION VALUE	APPRECIATION VALUE	TOTAL CHANGE IN VALUE
2009	95,071,022,975	3,971,894,250	6,002,755,578	9,974,649,828
2010	98,355,097,325	2,926,977,219	357,097,131	3,284,074,350
2011	94,389,607,881	1,881,549,946	(5,847,039,390)	(3,965,489,444)
2012	97,054,517,458	3,544,836,553	(879,926,976)	2,664,909,577
2013	100,597,795,060 (Preliminary Budget)	3,563,804,964	(20,527,362)	3,543,277,602
2013	101,328,056,027 (Certified Tax Roll)	3,549,742,494	723,796,075	4,273,538,569

Property Tax Rate

Tax rate	Adopted 2012 Tax Rate	2013 Preliminary Budget Effective Tax Rate	2013 Preliminary Budget Proposed Tax Rate	2013 Preliminary Budget Minus Effective	Percent Difference
Maintenance & Operations	\$0.4085	\$0.4044	\$0.4189	\$0.0145	3.6%
Debt Service	\$0.0770	\$0.0790	\$0.0790	\$0.0000	0.0%
Total	\$0.4855	\$0.4834	\$0.4979	\$0.0145	3.0%

- Tax rate in Preliminary Budget calculated based on TCAD estimates prior to tax roll certification
 - 3% above effective tax rate included in Preliminary Budget consistent with Court direction in February 2012
- Certification of 2012 appraised values received in late July
 - Certified values will be used in Fourth Revenue Estimate and tax ads.
 - Updated information will be available for Mark-Up of 2013 Preliminary Budget.

Estimated 2013 Average Tax Bill

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<i>PRELIMINARY BUDGET</i>	FY 2012	FY 2013	Difference
Average Appraised Value of All Homesteads	\$272,931	\$270,677	(\$2,254)
Taxable Value of Average Homestead (includes only 20% homestead exemption)	\$218,345	\$216,542	(\$1,803)
Tax Rate	\$0.4855	\$0.4979	\$0.0124
Average Tax Bill	\$1,060	\$1,078	\$18

- ❑ Travis County gives a 20% homestead exemption.
- ❑ Exemption represents the difference noted above between the average appraised value of \$270,677 and \$216,542 (a difference of \$54,135).
- ❑ Travis County's Tax Office estimates that this 20% exemption represents \$57 million in foregone tax revenue for the General Fund (M&O only).
- ❑ Homestead exemption represents annual tax savings to the average homestead of \$270.

Public Hearings and Input

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- Statutory requirement to hold two public hearings on Proposed Tax Rate
 - ▣ Required if Proposed Tax Rate is above Effective Tax Rate
 - ▣ Tuesday, September 11th - first public hearing (9 AM)
 - ▣ Friday, September 14th - second public hearing (9 AM)
- Tuesday, September 25th - public hearing on the Fiscal Year 2013 Proposed Budget
- Travis County residents invited to provide input on the proposed budget each Tuesday during “Citizens Communication”

Departmental Budget Analysis

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- Each Court member has received the “Black Book” that contains analysis of departmental budget submissions by Planning & Budget Office.
- This information covers departmental base budgets, as well as requests for new funding.
 - ▣ 461 separate budget requests for 2013
- Planning & Budget Office has provided departments with analysis and current status of 2013 funding requests.
- Commissioners Court received departmental information and analysis one week prior to each scheduled hearing.

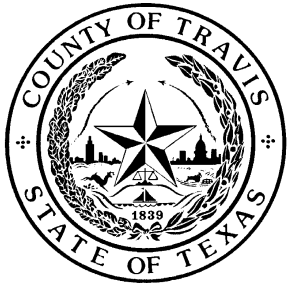
Next Steps

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- Budget hearings scheduled on August 8th, 9th, and 10th
- Commissioner Court to receive revised Budget Agenda Worksheet on Tuesday, August 14th
- Court to complete Budget Agenda Worksheet by Tuesday, August 21st
- Budget Mark-Up scheduled for Wednesday, August 29th, Thursday, August 30th, and Friday, August 31st
 - ▣ Tax rate needs to be set by noon on August 30th.
- Adopt the Budget on Tuesday, September 25th

TRAVIS COUNTY

Fiscal Year 2013 Preliminary Budget



Discussion/Questions