

## Item 20



# Travis County Commissioners Court Agenda Request

**Meeting Date:** February 26, 2013

**Prepared By/Phone Number:** Travis R. Gatlin, 854-9065

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

**Commissioners Court Sponsor:** Judge Samuel T. Biscoe

**AGENDA LANGUAGE:** CONSIDER AND TAKE APPROPRIATE ACTION ON RECOMMENDATIONS ON THE USE OF EXISTING CERTIFICATES OF OBLIGATION BALANCES.

**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**

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

**David Salazar, 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](mailto: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**

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314 W. 11th Street  
P.O. Box 1748  
Austin, Texas 78767

**MEMORANDUM**

**TO:** Commissioners Court *Travis R. Gatlin*  
**FROM:** Travis R. Gatlin, Assistant Budget Director  
**DATE:** February 20, 2013  
**SUBJECT:** Use of Existing Certificates of Obligation for FY 13 Capital Items

PBO annually provides the Court with a list of approved capital projects that are proposed to be included in the annual debt issuance that are eligible to be funded within available existing CO balances. This process, informally known as "scrubbing", involves the review of PBO's recommendations by the County Attorney's Office and the County Auditor's Office to ensure that the recommendations are appropriate. In years prior to Fiscal Year 2012, this exercise was conducted at the very end of the fiscal year (during the budget process) and was based on estimated balances in the allocated reserves of Certificates of Obligation rather than actual balances since the fiscal year had yet to close. Beginning in FY 2012, PBO has made these recommendations after the actual balances are known but before the Court has finalized its Certificate of Obligation project list in order to maximize the benefits of this process and to ensure accuracy.

The FY 13 Adopted Budget includes a proposed Certificates of Obligation issuance of \$25,275,000. PBO's scrub related recommendations total \$2,560,576. This includes using \$2,525,434 from the Allocated Reserve of seven CO (Funds 4030, 4034, 4056, 4059, 4063, 4068 and 4072) and \$35,142 from the CAR Allocated Reserve in order to reduce the final Certificates of Obligation amount. PBO has reviewed these recommendations with the County Attorney's Office and County Auditor's Office to ensure that the projects meet the specific legal and accounting requirements for the use of existing CO funds.

PBO identified that the 700 Lavaca Renovations and HMAc and Alternative Paving Program Projects can use existing CO balance funding. However, the amounts available in existing CO balances were not able to fully fund the approved FY 13 amounts for the two identified projects. Existing CO balances were able to fund \$1,006,323, of the original budget of \$1,041,465 for the 700 Lavaca Renovation Project. The balance of \$35,142 has been recommended to be funded from the CAR Reserve rather than remain in the proposed FY 13 CO given the small size of the remaining project balance. Available balances within other existing CO balances were able to fund \$1,519,111 of the original budget of \$2,948,960 for the HMAc and Alternative Paving Program. The remaining project balance of \$1,429,849 is recommended to remain within the approved projects for the FY 13 CO issuance. The table on the next page summarizes PBO recommendations by fund.

<b>PBO's Scrub Recommendations</b>			
<b>Project</b>	<b>Department</b>	<b>Amount</b>	<b>Fund</b>
700 Lavaca Renovations	FMD	\$100,694	4030 (2000 CO)
700 Lavaca Renovations	FMD	\$41,994	4034 (2001A CO)
700 Lavaca Renovations	FMD	\$863,635	4056 (2008 CO)
700 Lavaca Renovations	FMD	\$35,142	CAR Reserve (GF)
<b>Subtotal for 700 Lavaca</b>		<b>\$1,041,465</b>	
HMAC and Alternative Paving Program	TNR	142,659	4059 (2009 CO)
HMAC and Alternative Paving Program	TNR	513,635	4063 (2010 CO)
HMAC and Alternative Paving Program	TNR	562,817	4068 (2011 CO)
HMAC and Alternative Paving Program	TNR	300,000	4072 (2012 CO)
<b>Subtotal for HMAC and Alternative Paving Program</b>		<b>\$1,519,111</b>	
<b>Total for Recommendations (700 Lavaca and HMAC)</b>		<b>\$2,560,576</b>	

PBO recommends approval of recommendations and associated budget adjustments that PBO has placed under our weekly Budget Amendments and Transfers Item. After approval of the amendments, the CAR Allocated Reserve will be reduced by \$35,142, from \$1,866,788 to \$1,831,646. In addition, PBO is currently working with the Auditor's Office and departments regarding unspent Certificates of Obligation balances for the BEFIT Project. If savings are identified and approved by Commissioners Court then PBO would recommend an early scrub process for these resources and will recommend projects that could use these savings for the FY 14 budget process.

PBO will also bring forward on March 5, 2013, the list of approved projects proposed to be included in the FY 13 debt issuance. Based on the above actions and actions previously taken by the Commissioners Court that reduced the CO eligible portion of the Fire Fighting Aircraft, the FY 13 proposed Certificates of Obligation has been reduced by \$2,725,000, from the Adopted Budget amount of \$25,275,000 to a revised total of \$22,555,000.

Please let me know if you have any questions.

cc: David Escamilla, County Attorney  
 John Hille, Tenley Aldredge, County Attorney's Office  
 Nicki Riley, County Auditor  
 Hannah York, Adrienne Yust, Sharon Martindale, County Auditor's Office  
 Leslie Browder, Jessica Rio, Diana Ramirez, PBO  
 Steven Manilla, Cynthia McDonald, Donna Williams-Jones, TNR  
 Roger El-Khoury, John Carr, Amy Draper, FMD