



Travis County Commissioners Court Agenda Request

Meeting Date: August 6, 2013
Prepared By/Phone Number: David Salazar, 854-9555
Elected/Appointed Official/Dept. Head: Samuel T. Biscoe
Travis County Judge
Commissioners Court Sponsor: Judge Biscoe

AGENDA LANGUAGE:

RECEIVE PRESENTATION ON FISCAL YEAR 2014 PRELIMINARY BUDGET.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

STAFF RECOMMENDATIONS:

ISSUES AND OPPORTUNITIES:

FISCAL IMPACT AND SOURCE OF FUNDING:

REQUIRED AUTHORIZATIONS:



TRAVIS COUNTY Fiscal Year 2014 Preliminary Budget

August 6, 2013

Introduction

- The Preliminary Budget serves as the foundation for budget deliberations by Travis County Commissioners Court.
 - Helps identify key funding issues before mark-up and adoption
 - Analyzes requests for new funding in preparation for Court discussions with departments and offices
 - Provides the public with information about the County's budget
- The Preliminary Budget is based on policy direction provided in February 2013.
- Executive Summary and Line Item Budget
 - Copies available at:
 - County Clerk's Offices
 - Planning and Budget Office at 700 Lavaca, Suite 1560
 - Online at: www.co.travis.tx.us/planning_budget

Presentation Outline

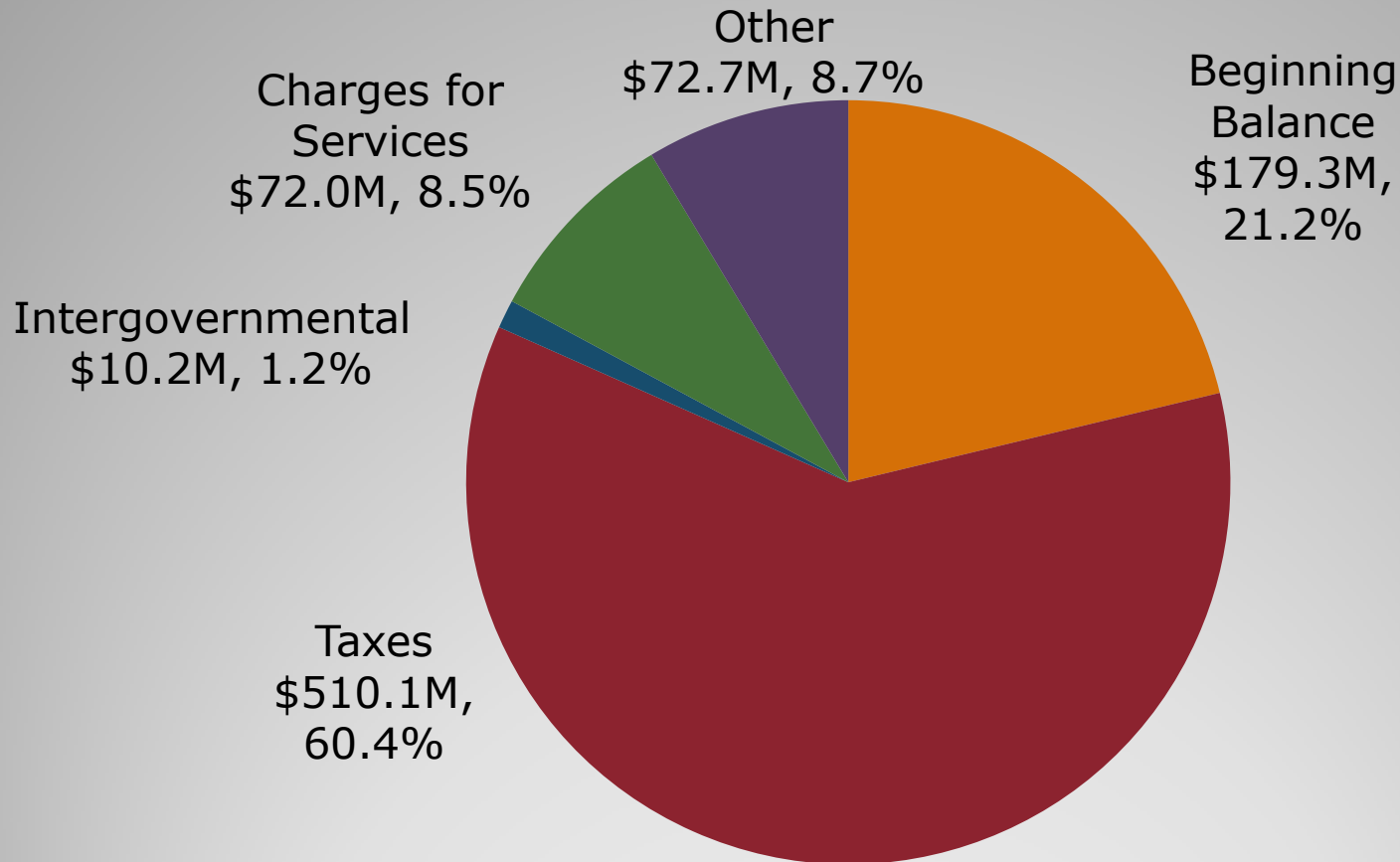
- 2014 Budget Highlights
 - Focus on the General Fund
- Funding Sources
 - Certified tax roll update
- Proposed Spending Plan
 - Operating Expenditures
 - Capital Outlay and Capital Improvements
 - Pay-as-you-go and debt financing
 - Reserves
 - Designated for special purposes or projects
 - General reserves to help ensure for financial stability
- Budget Calendar and Next Steps

2014 Preliminary Budget Highlights

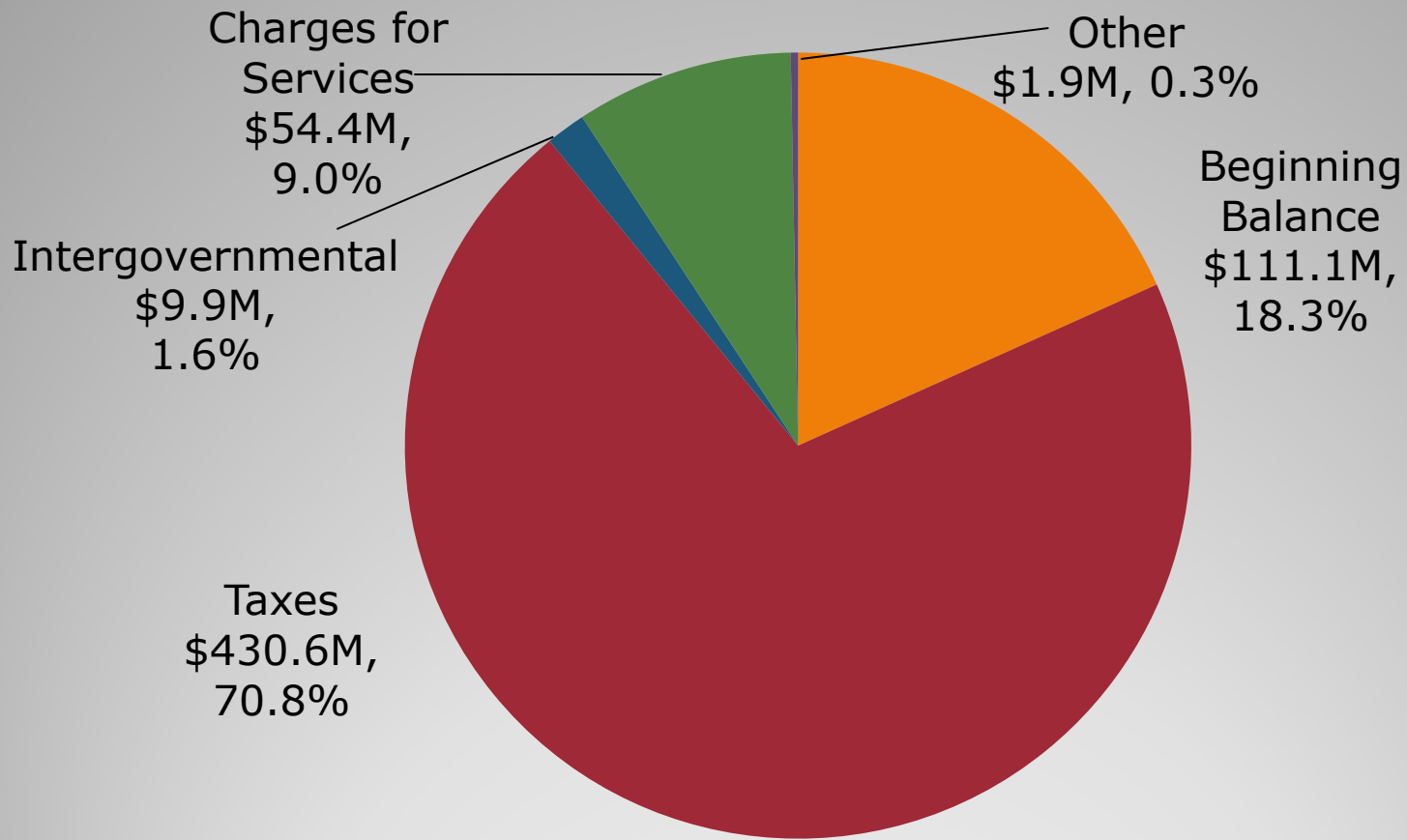
- Property Tax Rate estimated at 49.46 cents
 - Assessed per \$100 of taxable value
 - Slightly below the current tax rate of 50.01 cents
 - 3% above the 2014 effective tax rate of 48.02 cents
- Estimated annual impact on Median Homestead
 - \$819 per year, or \$20 more than 2013 tax bill of \$799
- Travis County continues to offer 20% Homestead Exemption.
 - Other exemptions offered to qualifying property owner include \$70,000 for persons over 65 or disabled.
- Tax Rate to be updated based on Certified Tax Roll recently received from Travis Central Appraisal District
 - Prior to beginning budget mark-up process

2014 Preliminary Budget Highlights

- Preliminary Operating Plan includes funding for:
 - Resources specific to County departments and offices to address growing workloads and demand for services
 - Contractual obligations and mandated services
 - Roads and parks maintenance, social services, security enhancements, and replacement of Integrated Justice system
 - Investments in the Workforce
 - 3% wage adjustment for classified employees
 - Increased healthcare costs shared between County and employees/retirees
 - Potential 3% COLA for retirees
- Planned Capital Spending maintains assets in good working condition, addresses growth.
- Maintenance of Healthy Reserve Levels



2014 Summary of All County Funds – \$844.3 Million



2014 General Fund Resources – \$607.9 Million

Property Taxes

| | 2013 | 2014 Preliminary Budget | | | |
|--------------|-------------------|-------------------------|-------------------|--------------------------|--------------------------|
| | Approved Tax Rate | Effective Tax Rate | Proposed Tax Rate | Increase above Effective | Increase above Effective |
| Operations | 42.17¢ | 40.46¢ | 41.90¢ | 1.44¢ | 3.6% |
| Debt Service | 7.84¢ | 7.56¢ | 7.56¢ | 0.00¢ | 0.0% |
| Total | 50.01¢ | 48.02¢ | 49.46¢ | 1.44¢ | 3.0% |

- Proposed Tax Rate in Preliminary Budget calculated based on TCAD estimates prior to tax roll certification
 - 3% above effective tax rate consistent with Commissioners Court direction in February 2013
- Certification of property values was completed by TCAD in late July.
 - Certified property values will be reflected in next revenue estimate, tax advertisements, and will be available prior to beginning the budget mark-up process.

5-Year Property Tax Base History

| YEAR | TOTAL TAXABLE VALUE | NEW CONSTRUCTION | APPRECIATION | CHANGE IN VALUE |
|------|-------------------------|------------------|--------------|-----------------|
| 2010 | \$98.4B | \$2.9B | \$0.4B | \$3.3B |
| 2011 | \$94.4B | \$1.9B | -\$5.8B | -\$3.9B |
| 2012 | \$97.1B | \$2.3B | \$0.4B | \$2.7B |
| 2013 | \$101.3B | \$3.5B | \$0.7B | \$4.2B |
| 2014 | \$107.1B Preliminary | \$2.0B | \$3.7B | \$5.7B |
| 2014 | \$107.1B Certified | \$2.3B | \$3.4B | \$5.7B |

General Fund Operating Budget (in millions of dollars)

| | 2013 | 2014 |
|---------------------------------------|----------------|----------------|
| General Government | \$89.4 | \$94.0 |
| Justice System | 121.4 | 122.8 |
| Corrections and Rehabilitation | 108.4 | 103.6 |
| Health and Human Services | 66.5 | 75.4 |
| Public Safety | 51.0 | 50.9 |
| Infrastructure and Environment | 12.5 | 14.2 |
| Community and Economic Development | 9.1 | 9.6 |
| Capital Expenditures (cash financing) | 32.5 | 12.6 |
| Reserves | 83.2 | 110.1 |
| Transfers to Other Funds | 14.1 | 14.7 |
| Total | \$588.1 | \$607.9 |

General Fund Operating Budget

Major Program Elements

- Maintaining Current Services and Programs, \$4.1 million
 - Information technology critical systems support
 - County-wide fuel funding
 - Jail inmate services
 - Fees for court-appointed attorneys for indigent defendants
 - Emergency aircraft maintenance
- Replacement of Integrated Justice System, \$6.0 million
- Cooperative Public Safety/Service Agreements, \$3.8 million
- Social Services, including 1115 Waiver Program, \$3.5 million
- Road and Bridge Maintenance, \$2.9 million
- Elections and Voter Registration, \$1.7 million
- Enhanced Security Services, \$1.7 million

Summary of Personnel Changes

| | Net Change |
|--|------------|
| Full-Time Equivalents (FTEs) – All Funds | 4,925.20 |
| Adopted 2013 Budget | |
| Changes Approved in Mid-Year 2013 | 14.50 |
| Proposed New Positions | 23.45 |
| Other Changes | -3.03 |
| Subtotal - General Fund Changes | 34.92 |
| Changes in Other Funds | -1.01 |
| Preliminary 2014 Budget – Total FTEs | 4,959.11 |

- New employees are recommended primarily to respond to increasing workload and demand for County services in a growing community.
- 11 FTEs are associated with the TechShare project currently underway to replace the County's integrated justice system.

Investments in the Workforce

- Compensation
 - Approximately 25 % of classified employees have not had an increase in pay since October 2010.
 - Preliminary Budget includes \$5.6 million for 3% wage adjustments for classified employees.
 - Similar funding is included for elected officials
 - Commissioners Court scheduled to hear public feedback and consider salary levels on August 6th
- Employee and Retiree Healthcare
 - \$3.4 million estimated increase in County costs
 - Employees and retirees bearing a portion of increased costs
 - Monthly premiums for active employees are expected to increase by 4%.
 - Minor plan design changes will help limit premium increases to the County, employees and retirees.
 - Plan design changes will cause more out-of-pocket costs to be borne by workforce.
- Texas County and District Retirement System
 - Additional \$1.3 million needed to maintain required funding
 - Potential 3% COLA for retirees included at cost of \$943,000
 - Last COLA for retirees was effective October 2010.

Reserves (in Millions of Dollars)

Focus/Purpose: Financial and Budget Stability

| | |
|---------------------------------------|--------|
| Unallocated Reserve | \$66.8 |
| Allocated Reserve | 7.4 |
| Emergencies and Contingencies | 5.0 |
| Capital Acquisition Resources Reserve | 2.4 |
| Sheriff's Office Overtime Contingency | 1.0 |
| Other | 0.5 |
| Subtotal | \$83.1 |

Focus/Purpose: Set Aside for Programs/Projects

| | |
|--|--------|
| Civil and Family Justice Center | \$5.4 |
| Replacement of Integrated Justice System | 5.2 |
| Social Services, including 1115 Waiver Program | 3.5 |
| Other special purpose reserves | 6.0 |
| Subtotal | \$20.1 |

Total **\$103.2**

Capital Budget Recommendations (in Millions of Dollars)

| | |
|--------------------------------------|---------------|
| Long-Term Bonds (authorized in 2011) | \$40.9 |
| Pay-as-you-go Funding (General Fund) | 12.6 |
| Certificates of Obligation | 19.6 |
| State Highway Bonds | 4.9 |
| Other Funds | 0.1 |
| Total Capital Budget | \$78.1 |

Capital Project Highlights – Certificates of Obligation

- \$ 6.5 M – Vehicles and Heavy Equipment
- \$ 5.2 M – New Building Design (416 W 11th)
- \$ 4.1 M – Road Improvements (HMAC)
- \$ 1.8 M – Executive Office Building Renovation
- \$ 1.2 M – Jail Equipment and Improvements
- \$ 0.8 M – Other Renovations & Issuance

- \$19.6 M – Total Projects

Capital Project Highlights – General Fund

\$ 4.0 M – Information Technology

\$ 2.2 M – Facilities Management Projects

\$ 2.0 M – Public Safety/Corrections Projects

\$ 2.5 M – Roads and Parks Improvements

\$ 1.9 M – Other Projects

\$12.6 M – Total Projects

Concluding Remarks

- 2014 Preliminary Budget is a structurally balanced financial plan
- Addresses some of the pressing service needs of residents
- Invests in the County's workforce
- Helps position the County financially for uncertainties and challenges that might unfold in the future

Calendar and Next Steps

- Budget hearings:
 - August 7th – August 12th
- Commissioners Court to receive revised Budget Agenda Worksheet:
 - Tuesday, August 20th
- Court to complete Budget Agenda Worksheet:
 - Wednesday, August 28th
- Budget mark-up process:
 - September 4th – September 6th

Calendar and Next Steps

- Tax rate:
 - Must be finalized by noon September 5th
- Two public hearings on tax rate:
 - September 17th (Tuesday)
 - September 20th (Friday)
- Proposed Budget:
 - Filed on September 20th
- Budget Adoption:
 - September 24th (Tuesday)

Questions / Discussion