



Travis County Commissioners Court Agenda Request

Meeting Date: November 19, 2013

Prepared By/Phone Number: Travis R. Gatlin, 512-854-9065

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

A handwritten signature in black ink, appearing to be "JB".

Commissioners Court Sponsor: Judge Samuel T. Biscoe

AGENDA LANGUAGE: RECEIVE ANNUAL DEBT MODEL PRESENTATION AND TAKE APPROPRIATE ACTION ON FISCAL YEAR 2014 DEBT ISSUANCE PROJECT LIST.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

See attached backup.

STAFF RECOMMENDATIONS:

See attached backup.

ISSUES AND OPPORTUNITIES:

See attached backup.

FISCAL IMPACT AND SOURCE OF FUNDING:

See attached backup.

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



PLANNING AND BUDGET OFFICE
TRAVIS COUNTY, TEXAS

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: November 15, 2013
SUBJECT: FY 2014 Proposed Debt Issuance and Debt Model Information

Prior to the issuance of debt in the spring, the Planning and Budget Office customarily updates the Commissioners Court on all proposed debt issuances and associated projects, as well as the impact on the Travis County debt model. We have prepared a debt model presentation that we will review with you on Tuesday. Below is an update of all approved projects to be included in the FY 2014 spring issuance, as well as three pending projects to be discussed that were identified during the FY 2014 budget process.

The total amount of debt to be issued based on currently approved projects for FY 2014 is \$81,055,000.

I. Voter Approved and State Highway Bonds - \$45,835,000

2011 Voter Approved Bonds	FY 2014 Issuance
Proposition One (Roadway, Drainage, Bridge and Bike/Pedestrian Projects)	\$25,220,000
Proposition Two (Parks and Land Conservation Projects)	15,665,000
Total Voter Approved Debt (20-year maturity)	\$40,885,000

State Highway Bonds	FY 2014 Issuance
A. FM 1626	\$2,370,000
B. FM 969 Phase I	1,475,000
C. FM 969 Phase II	1,105,000
Total State Highway Bonds (20-year maturity)	\$4,950,000

II. Certificates of Obligation – \$35,220,000

The current FY 2014 Certificates of Obligation include projects approved by the Commissioners Court as part of the 2014 Adopted Budget, as well as the addition of the Maha Loop Project and other minor changes related to the annual scrubbing process. The amount also reflects the deletion of one project funded instead with FY 2013 savings.

A: Short-Term COs		
Department	Project	Amount
Information Technology Services (ITS)	Network Equipment End of Life Replacement	\$525,500
	Information Security Policy Compliance & Security Tools	500,000
Subtotal for ITS		\$1,025,500
Facilities Management Department (FMD)	416 W. 11 th Street Office Courts System Office Building	\$5,167,288
	Executive Office Building – Renovations for Floors 4 to 11	1,774,058
	Collier – Evidence Warehouse Expansion	512,400
	5501 Airport Blvd 2 nd Floor Remodel and Wellness Clinic Expansion	99,025
Subtotal for FMD		\$7,552,771
Travis County Sheriff's Office (TCSO)	Phase II of Upgrade to Perimeter Security Fencing at the Travis County Correctional Complex (TCCC)	\$435,000
	Kitchen Equipment Replacement	172,848
Subtotal for TCSO		\$607,848
Transportation and Natural Resources (TNR)	Centrally Budgeted Vehicles and Heavy Equipment	\$5,230,741
	HMAC and Alternative Paving Projects	4,050,000
Subtotal for TNR		\$9,280,741
Short-Term COs Projects		\$18,466,860
Issuance Costs		\$78,140
Short-Term Total		\$18,545,000
B: Long-Term COs		
Department	Project	Amount
Transportation and Natural Resources (TNR)	Maha Loop Road: Pearce Lane to State Highway 71 Project	\$16,606,000
Long-Term COs Projects		\$16,606,000
Issuance Costs		\$69,000
Long-Term Total		\$16,675,000
FY 2014 COs Total		\$35,220,000

C: Unfunded Projects		
Department	Project	Amount
ITS	TechShare Enterprise License/Source Code	\$1,095,302
FMD	Medical Examiner Facility – Design Only	2,200,000
FMD	StarFlight Hanger Phase 2 Expansion	494,404
Unfunded Projects		\$3,789,706
Issuance Costs		\$10,294
Unfunded Total		\$3,800,000
Revised FY 2014 COs if approved		\$39,020,000

The Debt Model Update includes a scenario labeled "Model B" that includes three projects, totaling \$3,800,000 (with associated issuance costs) that were identified during

the FY 2014 budget process and remain unfunded. These three projects are included here for consideration by the Court.

- Techshare Enterprise License/Source Code (\$1,095,302) – Commissioners Court gave tentative approval to the TechShare item on September 10, 2013, pending Dallas and Tarrant Counties participation. Criminal Justice Planning has confirmed this participation and requested the item be included in the FY 2014 COs issuance. Please see attached memo from the County Executive, Justice and Public Safety, for additional details.
- Design for a new Medical Examiner Facility (\$2,200,000) – Two members of the Court marked this item for discussion during the budget mark-up process; however, discussions for pending capital items were moved to the fall. The Chief Medical Examiner via the County Executive, Emergency Services, has requested the design study be included as a placeholder in the FY 2014 COs issuance pending selection of a site for the facility. Please see the attached memo from the Chief Medical Examiner for additional details. If a feasible site is not approved by the Commissioners Court prior to the deadline for finalizing the CO project list, this amount would not be included in the spring debt issuance.
- StarFlight Hanger – Phase 2 Expansion (\$494,404) – Two members of the Court marked this item for discussion during the budget mark-up process; however, discussions for pending capital items were moved to the fall. The County Executive, Emergency Services, has also requested the Star Flight Hanger – Phase 2 Expansion be included in the FY 2014 COs issuance. Please see attached memo for additional details.

The Planning and Budget Office requests direction from the Commissioners Court on these unfunded projects in order to finalize the FY 2014 debt issuance project list. This action is needed in preparation for a spring debt issuance, our goal is to receive proceeds by May 2014.

Please let me know if you have any questions.

cc: David Escamilla, County Attorney
John Hille, County Attorney's Office
Glenn Opel (Bond Counsel)
Ladd Pattillo, (Financial Advisor)
Nicki Riley, County Auditor
Melinda Grahmann, Hannah York, County Auditor's Office
Tanya Acevedo, Randy Lott, ITS
Greg Hamilton, Travis County Sheriff
Paul Mathews, Maria Wedhorn, Meredith Sansoucy, Michael Hemby, Meg Seville, TCSO
Danny Hobby, County Executive, ES
Casey Ping, EMS
David Dolinak, Chief Medical Examiner
Roger Jeffries, County Executive, JPS
Steven Manilla, Cynthia McDonald, Donna Williams-Jones, Isabelle Lopez, Mike Joyce, Christina Jensen, TNR

Roger El-Khoury, John Carr, Amy Draper, FMD
Leslie Browder, Jessica Rio, Diana Ramirez, Belinda Powell, Alan Miller, Bill
Derryberry, Katie Gipson, Debbie Laudermilk, PBO



JUSTICE & PUBLIC SAFETY DIVISION

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To: Sam Biscoe, Travis County Judge
Ron Davis, Commissioner, Precinct 1
Bruce Todd, Commissioner, Precinct 2
Gerald Daugherty, Commissioner, Precinct 3
Margaret Gomez, Commissioner, Precinct 4

Via: Planning and Budget Office

From: Roger Jefferies, County Executive, Justice and Public Safety

Date: November 13, 2013 (Updated from memo dated September 4, 2013)

SUBJECT: CONSIDER AND TAKE APPROPRIATE ACTION ON THE SOURCE OF FUNDING FOR THE PURCHASE OF SOFTWARE FOR THE TECHSHARE COURT PROJECT IN CONNECTION WITH THE PURCHASE OF AMCAD ENTERPRISE SOFTWARE LICENSE UNDER THE CONFERENCE OF URBAN COUNTIES TECHSHARE PROGRAM

As part of the contract with AMCAD, Travis, Tarrant and Dallas Counties have the option to purchase the enterprise license and software source code for the new TechShare Court Project which will permit the use of the software in any trial court in Texas through this enhanced ownership.

It was originally contemplated that the counties would exercise the option to obtain the source code and enterprise license for the courts project in FY 2015. AMCAD, the vendor supplying the software, is offering a discount if the counties would consider exercising the option earlier in the project and contract timeline, specifically in FY 2014 before the end of the calendar year 2013.

We presented AMCAD's offer to the Commissioners Court on September 10, 2013 (please see 9/4/13 backup attached) at which time the concept was approved contingent upon the other two counties agreeing to participate. But no source of funding was identified at that time.



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We presented AMCAD's offer to the Commissioners Court on September 10, 2013 (please see 9/4/13 backup attached) at which time the concept was approved contingent upon the other two counties agreeing to participate. But no source of funding was identified at that time.

Since our last presentation in September, both Tarrant and Dallas Counties have agreed to participate in this purchase of the AMCAD software and enterprise license. We have been working with PBO and the CA's office who have determined that this purchase could be completed with certificates of obligation. We have requested that PBO include for consideration and approval Travis County's portion of the AMCAD software and enterprise license purchase on the list of projects you will vote on next Tuesday, 11/19.

If approved, we will work with PBO to bring a reimbursement resolution to the Commissioners Court for their consideration on the following Tuesday, 11/26. Approval of the reimbursement resolution on 11/26 would allow us to make the payment to the vendor by their deadline to achieve the discount.

We are respectfully requesting that you consider and approve \$1,095,302 in funding for Travis County's portion of the software and enterprise license for AMCAD as part of the TechShare Courts Project. Please see the summary below of the cost and savings for each of the participating counties:

Cost Allocation – Travis, Tarrant and Dallas Counties Participating

Software and Enterprise License		\$6,576,890	\$5,576,890	\$1,000,000
Dallas	47.37%	\$3,115,473	\$2,641,772	\$473,700
Tarrant	32.99%	\$2,169,716	\$1,839,816	\$329,900
Travis	19.64%	\$1,291,701	\$1,095,302	\$196,400
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	100.00%	\$6,576,890	\$5,576,890	\$1,000,000

We will also bring to the Commissioners Court for their approval on 11/26 Amendment 1 to the TechShare Court Development Project Addendum, which amends the contract budget for the project to allow for the FY 2014 purchase of the AMCAD software and enterprise license.



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Gerald Daugherty, Commissioner, Precinct 3
Margaret Gomez, Commissioner, Precinct 4

From: Roger Jefferies, County Executive, Justice and Public Safety

Date: September 4, 2013 (Updated from memo dated August 27th)

SUBJECT: CONSIDER AND TAKE APPROPRIATE ACTION ON THE PURCHASE OF SOFTWARE FOR THE TECHSHARE COURT PROJECT IN CONNECTION WITH THE PURCHASE OF AMCAD ENTERPRISE SOFTWARE LICENSE UNDER THE CONFERENCE OF URBAN COUNTIES TECHSHARE PROGRAM

Travis County currently participates in the Texas Conference of Urban Counties' (CUC) TechShare program. TechShare allows member counties to collaborate on information technology projects and leverage resources to realize economies of scale and cost savings. Travis County is currently participating in these active TechShare projects:

- TechShare.Prosecutor Development Project;
- TechShare.Court Development Project;
- TechShare Project for Justices of the Peace;

And prospectively:

- TechShare Juvenile Case Management System

In 2012, Travis County entered into an Interlocal Agreement and participated in a planning project that resulted in a contract for the licensing and development of the TechShare.Court software using the AMCAD Court Case Management System and the ROAM business analysis software as the platform for a new criminal court case management system for the County. As part of the project,

Travis County has already secured a standard license for the AMCAD and ROAM software that allows the system to be implemented in any trial court in the County. In addition, Travis County is actively participating with Tarrant and Dallas Counties in defining, designing and developing the extensions of the software that will make it a state-of-the-art system that can be used in any trial court in Texas. The total budget for the TechShare.Court Development Project is \$16,674,180, of which Travis County's share is \$3,275,356.

As part of the contract with AMCAD, Travis, Tarrant and Dallas Counties have the option to purchase the software source code for the new TechShare.Court project and to permit the use of the software in any trial court in Texas through this enhanced ownership. This enhanced ownership will allow Travis County to recover a significant portion of their investment in the TechShare.Court software. Once the three counties have exercised the option to own the source code by expanding their license for the Texas "enterprise," all future license fees paid by any city or county in Texas will return to the three funding counties.

It was originally contemplated that the counties would exercise the option to obtain the source code and enterprise license in FY 2015. AMCAD, the vendor supplying the software, is offering a discount if the counties will consider exercising the option earlier in the project and contract timeline.

The purpose of this briefing is to request Commissioners Court to include in the Fiscal Year 2014 Budget the funds necessary to enhance ownership to include ownership of software source code and the enterprise license which will allow unlimited use of the software in any trial courts in Texas, with future license fees returning to the three participating counties.

Operational Impact

Acquisition of Source Code

With a standard license for a commercially available software product, Travis County does not have access to the source code that is used to develop, enhance and maintain the software product. Travis County can be locked into a maintenance and support contract that limits the ability of the County to "control its future destiny" while the vendor makes decisions about maintenance fees, priorities for enhancements and even costs for future upgrades on the software.

Under the provisions of the optional enterprise license that can be extended to Travis County through the Urban Counties agreement with AMCAD, the County will:

- Obtain ownership of the software source code;
- Obtain ownership of all future updates to the source code made by AMCAD as long as the County participates in the annual maintenance program;
- Have the option to certify Travis County technical staff in the technical programming of the software through a training program offered at no additional cost through the Urban Counties;
- Participate in a carefully constructed collaborative software development process that will ensure that Travis County priorities can be addressed despite AMCAD's software enhancement and maintenance priorities; and
- Secure the option to independently enhance, operate and maintain the software at any future time either through a collaborative venture with the other participating counties or independently as Travis County priorities and needs require.

License for any Trial Court in Texas

Once the optional enterprise license agreement is approved by the participating counties, the TechShare.Court software will be available for use in any trial court in any jurisdiction within the State of Texas. AMCAD will continue to market the software, respond to county procurement requests and sell the software on behalf of the funding counties; Travis, Tarrant and Dallas. License fees will continue to be paid by new cities or counties as they license the TechShare.Court software. All new license fees will return to Travis, Tarrant and Dallas Counties through the Urban Counties as specified in the optional enterprise license agreement.

The optional enterprise license agreement provides Travis, Tarrant and Dallas Counties with the opportunity to recover a major portion of their expenses in the licensing, definition, design and development of the TechShare.Court system.

Schedule for Exercising the Optional Enterprise License Agreement

According to the current contract between the Urban Counties and AMCAD, the option to exercise the enterprise license is available for up to twelve (12) months from the time TechShare.Court software development is complete. TechShare.Court software development is scheduled to be completed in October 2014. The option to obtain the enterprise license extends through County Fiscal Year 2015.

Cost for Exercising the Optional Enterprise License Agreement

According to the current contract between the Urban Counties and AMCAD, the cost for the option to exercise the enterprise license that includes both the court system and the business analysis software is \$6,576,890. The cost is to be shared among the three participating counties based on population. Travis County's share of the enterprise license is expected to cost \$1,291,701.20.

Financial Incentive Offered by AMCAD

AMCAD is a financially healthy, rapidly growing company that is privately owned. Through the agreement with the Urban Counties, AMCAD has willingly shared its audited financial statements with the Urban Counties. Travis, Tarrant and Dallas Counties have access to this information through the project governance committees, the TechShare Oversight Committee and the TechShare.Court Stakeholder Committee.

As a rapidly growing, privately held company, AMCAD is seeking ways to raise capital that do not impact the ownership structure of the firm. In an effort to expand the capital available to support the company's growth, AMCAD is offering the participating counties with an incentive to exercise the option to obtain the enterprise license earlier than described in the Urban Counties Agreement. If the counties will agree to fund the optional Enterprise license in October of 2013, AMCAD will discount the license fee by \$1 million to \$5,576,890, reducing Travis County's share of the fee to \$1,095,301.20 as savings of \$196,900. Tarrant and Dallas Counties will benefit proportionally.

Once the three counties agree to exercise the optional enterprise license, all future license fees collected from cities and counties in Texas will flow through the Urban Counties to Travis, Tarrant and Dallas Counties, in proportion to their payment amounts for the combined enterprise license fee.

Benefits to Travis County

The optional enterprise license agreement offers these benefits to the County:

- Immediate access to and ownership of the software Source Code for the TechShare.Court system for use in Texas;
- Guarantees that Travis County can control its future destiny for the TechShare.Court software by holding and retaining the source code and all updates under a collaborative maintenance program;
- Payback for Travis County's costs in participating in the TechShare.Court Development Project in way of License Fees paid by other cities and counties who want to use either the AMCAD or the TechShare.Court software in trial courts;
- Opportunity to certify Travis County Information Technology staff in the technical programming of the TechShare.Court software; and
- Savings of \$196,400 to the cost of exercising this option.

Next Steps

Including Travis County's share of the optional enterprise license fee in the Fiscal Year 2014 budget is the first step in obtaining the benefits available under the expanded license agreement. Once the counties agree to include the fee in their respective budgets, the Urban Counties can finalize the terms and conditions of the Enterprise license agreement with review and input from the participating counties. Assuming that the Urban Counties and AMCAD are able to offer terms that meet Travis, Tarrant and Dallas Counties' requirements, the Commissioners Courts will be asked to approve the exercise of the optional enterprise license in October 2013.

Fiscal Impact

The proposed amount for the optional Enterprise Software License for the TechShare.Court software based on the AMCAD Court Case Management System and ROAM Business Analysis Software is \$1,095,301.20. All three counties are expected to participate in funding the optional enterprise license, that is, Travis, Tarrant, and Dallas Counties. The cost allocation for early exercise of the option for the enterprise license is shown in the table below.

Cost Allocation – Travis, Tarrant and Dallas Counties Participating

		Contract Amount - Planned for FY 2015	Discounted Amount: Full Payment October 2013	Savings
Enterprise License		\$ 6,576,890.00	\$ 5,576,890.00	\$ 1,000,000.00
Dallas	47.37%	\$ 3,115,472.79	\$ 2,641,772.79	\$ 473,700.00
Tarrant	32.99%	\$ 2,169,716.01	\$ 1,839,816.01	\$ 329,900.00
Travis	19.64%	\$ 1,291,701.20	\$ 1,095,301.20	\$ 196,400.00
100.00%		\$ 6,576,890.00	\$ 5,576,890.00	\$ 1,000,000.00

Potential License Fee Payment to Travis, Tarrant and Dallas Counties in Fiscal Year 2014

AMCAD estimates and the Urban Counties verifies that up to \$2,740,000 in license fee payments could be collected from other cities and counties in Texas who elect to license the TechShare.Court software through AMCAD in Fiscal Year 2014. Counties and cities that are considering AMCAD's software include, but are not limited to:

- Harris County JP Courts
- El Paso Municipal Court
- Corpus Christi Municipal Court
- Webb County, TX
- Jim Wells County, TX
- Kleburg County, TX
- Maverick County, TX

Legal Impact

No legal impact related to this agenda item.

Recommendation

It is recommended that Commissioners Court approve the addition of \$1,095,301.20 to the Fiscal Year 2014 budget in anticipation that the County may elect to approve participation in the optional enterprise license agreement for the TechShare.Court software provided by the Urban Counties and AMCAD in October 2013. Please note that PBO is exploring the possibility of using Certificates of Obligation to fund the purchase of the enhanced ownership described above and other TechShare expenditures.



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OF THE MEDICAL EXAMINER**

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MEMO TO: Leslie Browder
County Executive

Jessica Rio
Budget Director
Planning and Budget Office

FROM: David Dolinak, M.D.
Chief Medical Examiner
Travis County Medical Examiner's Office

VIA: Danny Hobby
County Executive
Emergency Services

IN RE: Issuance of Certificates of Obligation for \$2.2 Million
for a Design Study for a New Medical Examiner Facility

DATE: November 12, 2013

For the past six years, planners in Travis County have recognized the need to build an expanded medical examiner's building for the Travis County Medical Examiner's Office. The primary jurisdiction of the office is Travis County. However, the office also serves 42 other counties in Texas by providing autopsies for those counties through interlocal agreements.

Because of population growth in Travis County and surrounding areas, the workload for the office has steadily increased (e.g., in calendar year 2010, 1566 autopsies were performed; in calendar year 2011, 1575 autopsies were performed; and in calendar year 2012, 1610 autopsies were performed). When the office was first opened in 1997, three forensic pathologists were employed by Travis County. Now, six pathologists are employed. Every work unit of the building has felt the impact of a gradually increasing caseload.

On days with a heavy caseload, autopsies must be carefully staged because the main autopsy suite will support no more than two ongoing autopsies at a time. An additional autopsy can be done concurrently in a suite usually reserved for

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and Jessica Rio
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November 12, 2013

decedents who have become decomposed. (The number of daily autopsies at the Travis County Medical Examiner's Office ranges from zero to twelve and beyond.)

Reserves of routine supplies for morgue functions must be stored offsite because of the lack of onsite storage. The area which accommodates the flow of bodies into and out from the office is too small.

In the area where vehicles arrive to deliver and pick up bodies, there is a high level of activity in a very limited space.

The onsite storage space for bodies is limited due to space restrictions and is need of expansion to meet potential emergency needs.

On the second floor of the current facility, the Toxicology Laboratory operates with a high degree of productivity and accuracy. However, because of the size of the necessary instrumentation, open areas are visibly cramped. The office cannot afford to ignore advances in technology which might require further instrumentation.

On the third floor, the reception area is too small to provide adequate privacy for visitors. It has been reduced in size in the past to expand work space for a larger workforce. Visitors to the building have no bathroom facilities readily available to them and must be escorted to bathrooms within secure areas.

There is one conference room for the entire facility. The conference room is also used to store autopsy files. The paucity of conference space limits the ability of the employees of the department to schedule necessary meetings. The National Association of Medical Examiners (NAME), which accredits the office, requires that five years of autopsy records be stored on site. The department can currently meet that standard, but only by creative use of very restricted space. Files that are older than five years are immediately moved offsite.

Cramped office space within the administrative suite causes unnecessary employee stress. The hiring of additional workers in the future is problematical because of the lack of space. At the time the sixth pathologist was hired in FY 2013, the office eliminated two out of three janitor's closets, the autopsy technicians' locker room, and the toxicology storage room in order to make space for the pathologist's office.

Parking for the facility is also inadequate. One small parking lot to the north of the building holds supervisors' parking spots, but has no room for visitors. There is very little street parking available. Many employees park at a rented parking lot at a distance from the facility. More parking needs to be available for vendors,

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law enforcement officials, other official visitors, county officials, the staff, and not least of all, the public.

In November of 2011, a consulting firm, Crime Lab Design (CLD), made a presentation to the Commissioners Court concerning future needs of the Travis County Medical Examiner's Office. A number of options for size and service areas were discussed.

To narrow down the options, the County Executive and the Chief Medical Examiner have explored various potential partnering opportunities with the proposed University of Texas medical school and with Williamson County. Discussions with the officials in charge of preliminary planning for the medical school resulted in the conclusion that in the first phase of construction, there would be no space for a new medical examiner's office. Although the second phase of construction of the medical school has not been completely decided, it is our understanding that the remaining space within the footprint of the proposed campus does not provide enough space for an adequate future medical examiner's office.

The potential for a partnership with Williamson County has also been explored. The officials in Williamson County have decided against a partnership to help build a new office, but have not formed firm future plans for meeting the needs of their county for the provision of autopsies for its citizens. The County Executive and the Chief Medical Examiner recommend a continued relationship based on an interlocal agreement with Williamson County as that county explores its options.

The entire region of Central Texas is growing, and it is most probable that the office will be asked to handle a consistently larger number of autopsies each year.

In light of that conclusion, it is felt that the most cost effective and prudent decision to serve future needs of Travis County and surrounding counties and to maintain the current standards of excellence at the Travis County Medical Examiner's Office would be to build a 51,274 square foot building costing an estimated \$27 million.

Although various political relationships have been explored since November of 2011, there has been little tangible progress in moving towards actual design and construction of the building. The need for a new facility remains unfilled, and every year that passes makes the situation more urgent.

The designation of the final site of the building has not been made. However, it has been concluded that the final site selection must be accomplished by the end

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of February 2014. At that time, it would be necessary to begin work on the design of the building.

To push this project forward, \$2.2 million dollars should be earmarked for a design study for the building. The money would be used as follows:

Planning and Design	\$2,075,000
Horizontal and Vertical Surveys	48,000
Geotechnical Survey	32,000
Environmental Analysis	12,000
Archeology Survey*	10,000
CAO Permits	21,000
TDLR Review	1,500
Printing	500
	<hr/>
Total	\$2,200,000

*If needed.

After discussions with the Planning and Budget Office, the best source of funding for the design study has been determined to be certificates of obligation. Failure to approve the issuance of certificates of obligation in the amount of \$2.2 million at this time would mean another period of significant delay in constructing the facility.

cc: Roger El Khoury
Jim Barr
Katie Gipson
Kim Nguyen
Jesus Angel Gomez

EMERGENCY SERVICES

DANNY HOBBY, COUNTY EXECUTIVE

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*Emergency Management
Pete Baldwin, Emergency
Mgmt. Coordinator*

*Fire Marshal
Hershel Lee*

*Chief Medical Examiner
Dr. David Dolinak*

*STAR Flight
Casey Ping, Program
Director*

MEMORANDUM

To: Travis County Commissioners Court

From: Danny Hobby, County Executive, Emergency Services

Date: November 11, 2013

Subject: *STAR Flight* Hanger- Phase 2 Expansion

This memorandum is request approval from Commissioners Court to move forward with using certificates of obligation for the purpose of planning design and construction of needed expansion of the *STAR Flight* hanger, located at 7800 Old Manor Road, Austin, Texas. In April 2013 a budget request for this expansion was submitted (see attached budget documents) for consideration in the Facilities Management Department's FY14 budget proposal. A power point presentation was given to Court during the budget hearings on August 12, 2013 that displayed the current facility and operational limitations that exist at the hanger location. It was decided at the end of the hearings by the Court to discuss projects that could be CO funded until a later date. The cost estimate for this project is \$494,404.

When the *STAR Flight* facility was originally designed in 1998, the design included two phases. The first phase was built out and turned over to the County. The second phase of the original plan was never funded and therefore not completed. Phase 2 will provide needed expansion of storage, aircraft landing space and vehicle parking. Phase 2 will add approximately 4,125 square feet of space inside the hanger and 3,400 square feet of concrete ramp surface outside the hanger.

Looking back at the 1998 design we had fewer aircraft and fewer staffing levels. The hanger infrastructure will be strengthened by doing the Phase 2 work which will assist with the risk of damage by stormy weather or high winds to the facility, aircraft, equipment or injury to personnel. Our asset value has increased since 1998 with the adding of an additional medical aircraft (\$7 million) and the addition of a refurbished aircraft (\$2 million) used specifically for wildfires.

Thank you for your consideration in this request. We stand ready to provide you any additional information or assistance you might need.



FY 2014 DEBT MODELING UPDATE

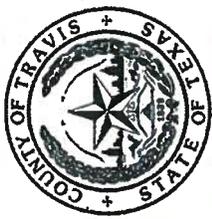


Planning and Budget Office
Presentation to Commissioners Court
November 19, 2013



Presentation Outline

- Funding History of Capital Improvements Program
- Recent Actions to Reduce Debt Service Requirements
- Capital Acquisition Resources Account
 - Derived from accumulated fund balance (cash on hand)
- Certificates of Obligation
- Voter Approved Bonds and State Highway Bonds
- Near-Term Capital Improvement Projects
 - Fiscal years 2014 to 2017
- Long-Term Outlook
 - Fiscal years 2018 to 2022
- Debt Policy and Debt Modeling Scenarios

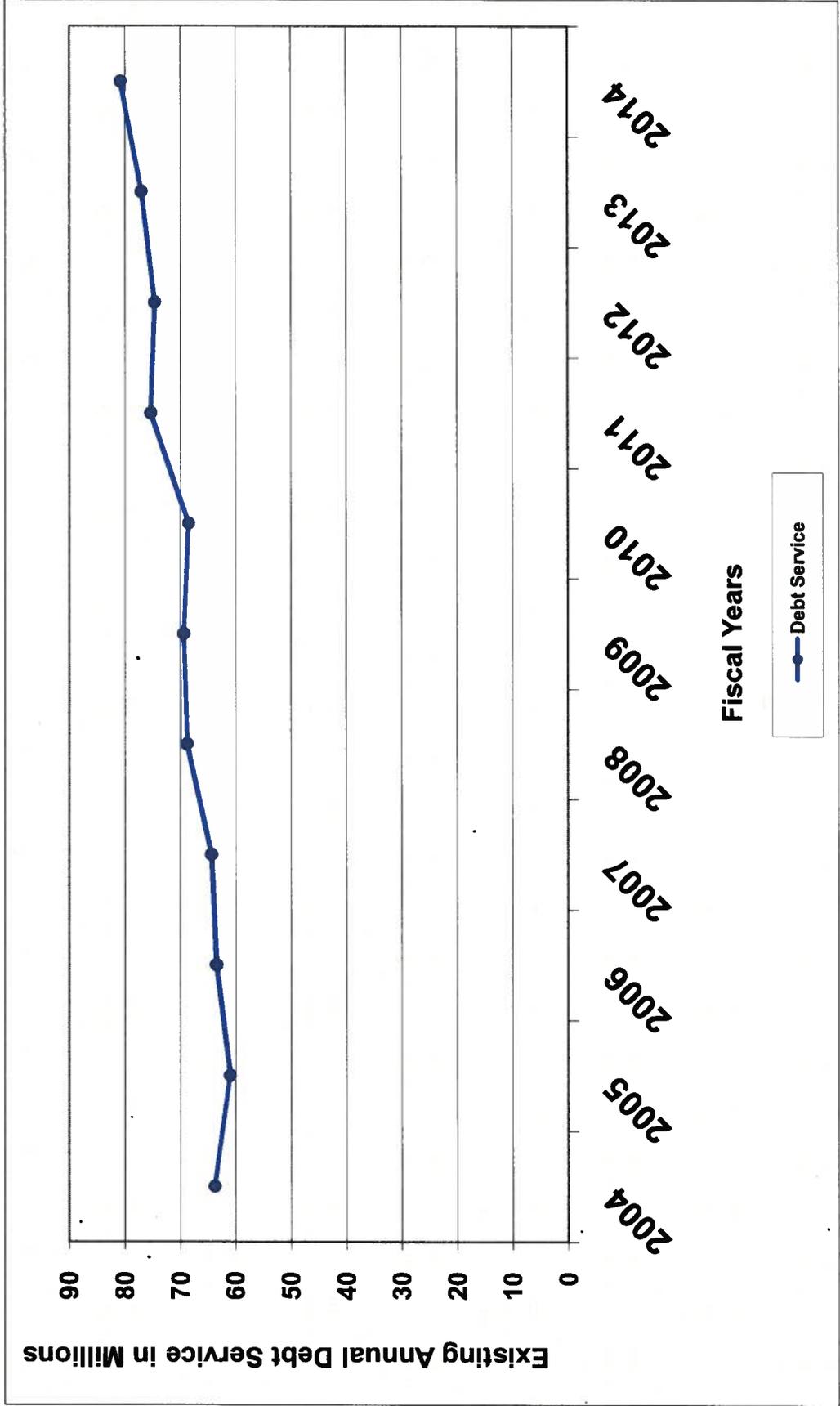


Capital Improvements Program Funding History (Dollars in Millions)

Fiscal Year	Capital Acquisition Resources (Cash)	Certificates of Obligation	Voter Approved Bonds	State Highway Bonds
2014	\$18.1	\$36.3	\$40.9	\$ 5.0
2013	35.3	22.5	44.0	-0-
2012	20.4	29.2	54.2	3.5
2011	10.2	43.9	5.6	-0-
2010	8.2	122.5	14.9	-0-
2009	13.5	17.7	13.7	-0-
2008	23.0	23.2	27.0	-0-
2007	16.6	51.2	56.7	-0-
2006	8.9	23.9	60.1	-0-
2005	9.1	12.4	5.1	-0-



Historical Debt Service





Recent Actions to Reduce Debt Service Requirements

- Refunding completed in early fiscal year 2013 yielded over \$4 million in future interest payment savings.
- Defeasance of debt completed in January 2013 reduced debt service requirements by over \$26 million between 2013 and 2023.
- Staff will continue to explore refunding opportunities to minimize debt requirements on Travis County taxpayers, working with the County's financial advisor.



Capital Acquisition Resources

- General Fund Capital Acquisition Resources (CAR) account is used to fund capital equipment and facilities.
 - Includes a reserve each year to help fund unexpected capital needs or cost overruns should they occur.
 - Reflects projects that are “re-budgeted” each year to account for timing of expenditures.
- Underlying funding for the CAR account comes from accumulated General Fund cash balances that result from favorable financial performance.
 - Revenue in excess of estimates, spending less than budgeted.
- CAR account funding varies over the years, driven primarily by economic conditions and capital needs.
 - Over last 10 years, cash funding has ranged from a low of \$8.2 million in 2010 to a high of \$35.3 million in 2013.
 - FY 2014 budget is \$18.1 million.



Certificates of Obligation (COs)

- COs are generally issued as short-term debt (5 year debt maturity).
- COs can be used to fund longer term capital projects with Commissioners Court approval, but debt maturity cannot exceed 20 years per debt policy.
- The County forecasts debt annually to monitor financial impact of capital improvements program.
- Debt modeling assumes a rolling average of capital needs for annual routine equipment and projects.
 - Routine needs do not include significant acquisitions or capital investments, such as the purchase of 700 Lavaca in 2010.
- Annual routine capital needs (not funded with voter approved bonds) to be funded with combination of cash available in CAR account and issuance of short-term COs.
- Current modeling assumes average funding levels of \$20.8 million annually in CO funding and \$10.2 million in the CAR account (cash).



Voter Approved Bonds

- Issued as long-term debt (20-year debt maturity).
- Bond elections for local projects follow a 5-year cycle on average.
- November 2011 was the most recent bond election.
- Voters approved \$214,945,000 for road, drainage, bridge and bike/pedestrian projects, as well as park and land conservation projects.



State Highway Bonds

- The County has authority to issue bonds for state highway pass-through financing projects.
- The Commissioners Court entered into an agreement with the State of Texas in January 2012 for two projects totaling \$30.4 million. State will reimburse a portion of expenses. FY 2014 issuance is \$4.95 million.
- FM 1626 – will widen shoulders from west of Brodie Lane to FM 2304.
- FM 969 Phase I & II – will widen and reconstruct FM 969 from FM 3177 to Hunter’s Bend Road.
- Issued as long-term debt (20-year maturity).



Major Capital Projects on Near-Term Horizon Projected Cash Flow Needs (Dollars in Millions)

	416 W. 11th Street Courts System Office Building	New Medical Examiner Facility	New Civil and Family Court House
2014	5.2	2.2	-0-
2015	26.5	8.1	58.0
2016	7.0	8.1	99.5
2017	-0-	8.5	119.0
Total	\$38.7	\$26.9	\$276.5

Note: Timing of court house cash flow is pending future voter approval. A dedicated cash reserve of \$5.5 million is available to pay for planning costs prior to election. Future project costs will depend on decisions made by the Commissioners Court regarding phasing.



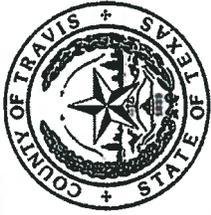
Civil and Family Court House

- Estimated cost of \$276.5 million used for debt modeling
 - Based on 2025 buildout.
 - Includes \$19.4 million for furniture, fixtures, equipment and technology.
 - Includes \$18.2 million for parking structure.
- Commissioners Court has directed staff to compare estimated costs that emerged from the master planning process with other Court House projects across the country.
 - Master planning estimates totaled approximately \$340 million.
 - Based on full 2035 buildout, including parking structure.



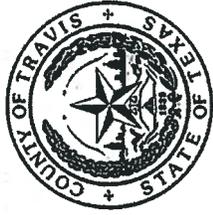
Civil and Family Court House

- Staff anticipates presenting Court House Benchmarking Analysis to the Commissioners Court in December.
- To compare estimated construction costs with other similar Court House projects, staff updated master planning estimates to reflect:
 - Only secured parking related to judiciary and inmate transport
 - No public parking
 - Shelled space only for offices and court rooms beyond 2025
- Additional work to refine estimates will continue in upcoming months as the project is further defined by the Commissioners Court, working with URS Corporation.



Other Potential Capital Projects Longer-Term Outlook (2018-2022)

Other Downtown Projects could include: San Antonio Garage Demolition New Central Booking Facility	\$130 – \$160 million
Transportation and Natural Resources Projects: Future Bond Election (Local Roads and Parks) (Last election in 2011 totaled \$215 million)	\$100 – \$200 million
Total:	\$230 - \$360 million



Debt Policy Under Review

- Commissioners Court adopted financial and budgeting guidelines on January 30, 2001.
 - Included a debt policy, mostly intact today.
- Primary and Secondary Financial Ratios are provided as supplemental information in the back of the presentation.
- Commissioners Court adopted revisions to Debt Policy on March 18, 2008.
 - Purpose of revision = to update allowable debt per capita.
 - Previous debt per capita measure was \$500.
 - Current debt per capita measure is \$800.



Debt Policy Under Review

- Commissioners Court directed staff to assess current Debt Policy, and recommend update(s) if needed.
 - Comparison to urban Texas counties and cities
 - Comparison to best practices recommended by Government Finance Officers of America (GFOA)
- Review status with Court's Planning and Budget Office Subcommittee
 - Subcommittee members:
 - Judge Biscoe and Commissioner Gomez
 - Subcommittee responsible for discussing financial status with credit rating agencies annually prior to issuance of debt.
- Review results with Commissioners Court in December



DEBT MODELING SCENARIOS

Planning and Budget Office
Presentation to Commissioners Court
November 19, 2013



Base Model A : Debt Already Approved + COs for Routine Capital Needs

- Remaining authorization of 2011 Voter Approved Bonds, approved State Highway Pass-through Financing
- Projects and annual COs for routine capital needs
- Reflects reductions resulting from “scrubbing” process
- Maha Loop Road: Pearce Lane to State Highway 71 Project approved by Court on November 12, 2013
- Remaining project requirements for 416 W. 11th Street Courts System Office Building
 - Court approved construction method on May 7, 2013. Design services awarded on October 22, 2013.



Base Model A : Debt Already Approved + COs for Routine Capital Needs

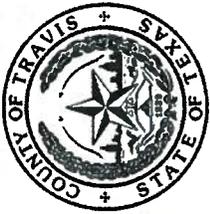
Table below shows required debt service from 2014 to 2019, in millions of dollars. Ratios are in absolute dollars.

	2014	2015	2016	2017	2018	2019
COs for routine needs + approved projects	\$35	\$47	\$28	\$21	\$21	\$21
2011 Bonds	41	36	33	5	3	0
State Highway Bonds	5	8	14	0	0	0
Total Issued	\$81	\$91	\$75	\$26	\$24	\$21
Debt Service	\$81	\$86	\$95	\$100	\$96	\$89
Primary Debt Ratios						
Net Bonded Debt/Tax Value	0.6%	0.6%	0.6%	0.6%	0.5%	0.4%
Net Bonded Debt/Capita	\$608	\$623	\$611	\$555	\$498	\$446
Debt Service/Expenditures	12.8%	12.8%	13.2%	13.2%	12.1%	10.8%
ST Debt Service/Total DS	25.7%	23.7%	22.7%	23.1%	22.4%	24.7%



Model B: Base Model A + Unfunded Projects

- **\$1,100,000 – TechShare Enterprise License/Source Code**
 - Court approved item on Sept 10, 2013, contingent upon Dallas and Tarrant Counties signing on to project.
 - Partner participation confirmed.
- **\$2,205,000 - Design Study for New Medical Examiner Facility**
 - Site of new facility has not yet been determined.
 - Design study added to 2014 COs project list as a placeholder only, pending Court approval of project site selection prior to beginning design.
- **\$495,000 – Star Flight Hanger Phase 2 Expansion**
 - 4,125 square feet of additional hanger space and 3,400 square feet of concrete ramp surface outside of hanger.
 - Project not approved during budget mark-up process and StarFlight requested consideration of the project again.



Model B: Base Model A + Unfunded Projects

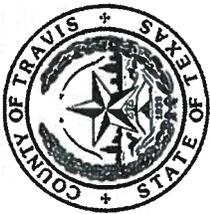
Table below shows required debt service from 2014 to 2019, in millions of dollars. Ratios are in absolute dollars.

	2014	2015	2016	2017	2018	2019
COs for routine needs + approved projects	\$36	\$47	\$27	\$21	\$21	\$21
TechShare Enterprise License/Source Code	1	0	0	0	0	0
New ME Facility	2	8	8	9	0	0
Star Flight Expansion	0.5	0	0	0	0	0
2011 Bonds	41	36	33	5	3	0
State Highway Bonds	5	8	14	0	0	0
Total Issued	\$86	\$99	\$82	\$35	\$24	\$21
Debt Service	\$81	\$87	\$96	\$102	\$99	\$92
Primary Debt Ratios						
Net Bonded Debt/Tax Value	0.6%	0.7%	0.6%	0.6%	0.5%	0.5%
Net Bonded Debt/Capita	\$611	\$633	\$627	\$576	\$517	\$463
Debt Service/Expenditures	12.8%	12.9%	13.4%	13.4%	12.4%	11.1%
ST Debt Service/Total DS	25.7%	24.3%	23.2%	23.4%	22.5%	24.8%



Model C: Model B + Court House

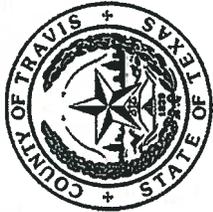
- Estimated cost of \$276.5 million based on 2025 buildout
 - Includes \$19.4 million for FFE, technology
 - Includes \$18.2 million for parking
- Additional discussion with the Commissioners Court is targeted in December that will include these costs compared to other court house projects in the U.S.
- Timing of court house funding is pending future voter approval. A dedicated cash reserve of \$5.5 million is available to pay for planning costs prior to election. Future project costs will depend on decisions made by the Commissioners Court regarding phasing.



Model C: Model B + Court House

Table below shows required debt service from 2014 to 2019, in millions of dollars. Ratios are in absolute dollars.

	2014	2015	2016	2017	2018	2019
COs for routine needs + approved projects+						
Model B	\$39	\$55	\$36	\$29	\$21	\$21
New Civil Court House	0	58	100	119	0	0
2011 Bonds	41	36	33	5	3	0
State Highway Bonds	5	8	14	0	0	0
Total Issued	\$85	\$157	\$183	\$153	\$24	\$21
Debt Service	\$81	\$87	\$101	\$115	\$125	\$116
Primary Debt Ratios						
Net Bonded Debt/Tax Value	0.6%	0.7%	0.8%	0.8%	0.7%	0.7%
Net Bonded Debt/Capita	\$611	\$683	\$760	\$800	\$724	\$653
Debt Service/Expenditures	12.8%	12.9%	13.5%	14.0%	14.9%	15.2%
ST Debt Service/Total DS	25.7%	24.3%	22.1%	20.8%	21.2%	23.1%



Summary of Debt Service Models (Dollars in Millions)

Table below shows annual debt service requirements.

	2014	2015	2016	2017	2018	2019
Base Model A : Debt Already Approved + Annual COs for Routine Needs	\$81	\$86	\$95	\$100	\$96	\$89
Model B: Base Model A + Unfunded Projects	81	87	96	102	99	92
Model C: Model B + Court House	81	87	101	115	125	116



Estimated Impact of Additional Debt Service on Annual Tax Bill

Annual Debt Service per \$1 Million of Additional Debt	\$70,000
Annual Debt Service per \$100 Million of Additional Debt	\$7,000,000
FY 2014 Average Taxable Homestead Value	\$222,631
Approximate Increase in Annual Tax Bill on Average Homestead if \$100 million in New Debt Issued	\$14
FY 2014 Median Taxable Homestead Value	\$165,642
Approximate Increase in Annual Tax Bill on Average Homestead if \$100 million in New Debt Issued	\$11



2014 Tentative Debt Issuance Schedule

- February – Final 2014 CO and Bond Issuance list submitted to the Commissioners Court for approval.
- March – Approval of Notice of Intent to Issue Certificates of Obligation.
- April – Sale of Bonds/COs.
- May – Closing and receipt of proceeds.
- Dates estimated based on 2013 schedule.



Concluding Thoughts

- Timing of debt issuance and projects assumed in modeling may change.
- Assumptions, such as interest rates, provide guidance, but could vary depending on market conditions or other factors.
- Debt service expected to increase over time to fund critical project needs.
 - Consistent with Court discussions in 2011, and thereafter as part of annual planning process.
 - Ultimately dependent on size and scope of projects approved for funding.
 - Planning and Budget Office to continue monitoring debt service requirements and projected debt service tax rate relative to overall tax rate parameters established by Commissioners Court.
- Debt scenarios are within debt policy ratios or exceeded only for short time.
 - Cash flows could be adjusted to accommodate debt policy.
- Many new capital projects require additional annual funds for maintenance and operations, including staffing.

SUPPLEMENTAL INFORMATION





Debt Policy – Primary Debt Ratios

- **Net Bonded Debt as a Ratio of Taxable Value – Measures debt burden on County's tax base**
 - Current policy goal between 1% and 1.5%
- **Net Bonded Debt per Capita – Measures average debt burden per County resident**
 - Current policy goal of \$800 or less
- **Annual Debt Service Payment to Total General Fund and Debt Service Expenditures – Also measures debt burden**
 - Current policy goal of 20% or less
- **Short-Term Debt Service Ratio – Measures short-term debt relative to total debt service**
 - Current policy goal of less than 25%



Debt Policy – Secondary Debt Ratios

- **Overlapping Debt to Taxable Value** – Measures overlapping debt burden on community's property values.
 - Current policy goal to keep measure below 5%.
- **Overlapping Debt Per Capita** – Measures average overlapping debt burden per resident.
- **Travis County has no control over level of overlapping debt, other than its own.**
- As of September 30, 2012, overlapping debt as percentage of net taxable property values = 5.27%.
 - Travis County represented 13% of overlapping debt.
 - Area school districts represented 32% of overlapping debt.
 - Cities represented 27% of overlapping debt.
 - Special Districts & Community Colleges represent remaining 28%.



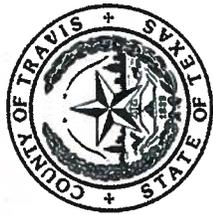
Debt Modeling – Assumptions

- **County Population** – Information comes from City of Austin’s demographer and is lagged one year.
- **Total Taxable Property Values** – Values prior to 2013 are reported in the Comprehensive Annual Financial Report (CAFR). Values in 2014 are based on the certified tax roll. All other figures are estimates made after consultation with the Travis Central Appraisal District.
- **Travis County Gross Bonded Debt** – Amounts in 2012 are reported in the 2012 CAFR. Amounts in 2013 were calculated from the 2012 amount plus new debt issued in 2013 less debt paid off in 2013.
- **Debt Service Reserve Balance** - Years before 2013 are reported in the CAFR. Amounts in 2013 and 2014 can be found in the respective Adopted Budgets.

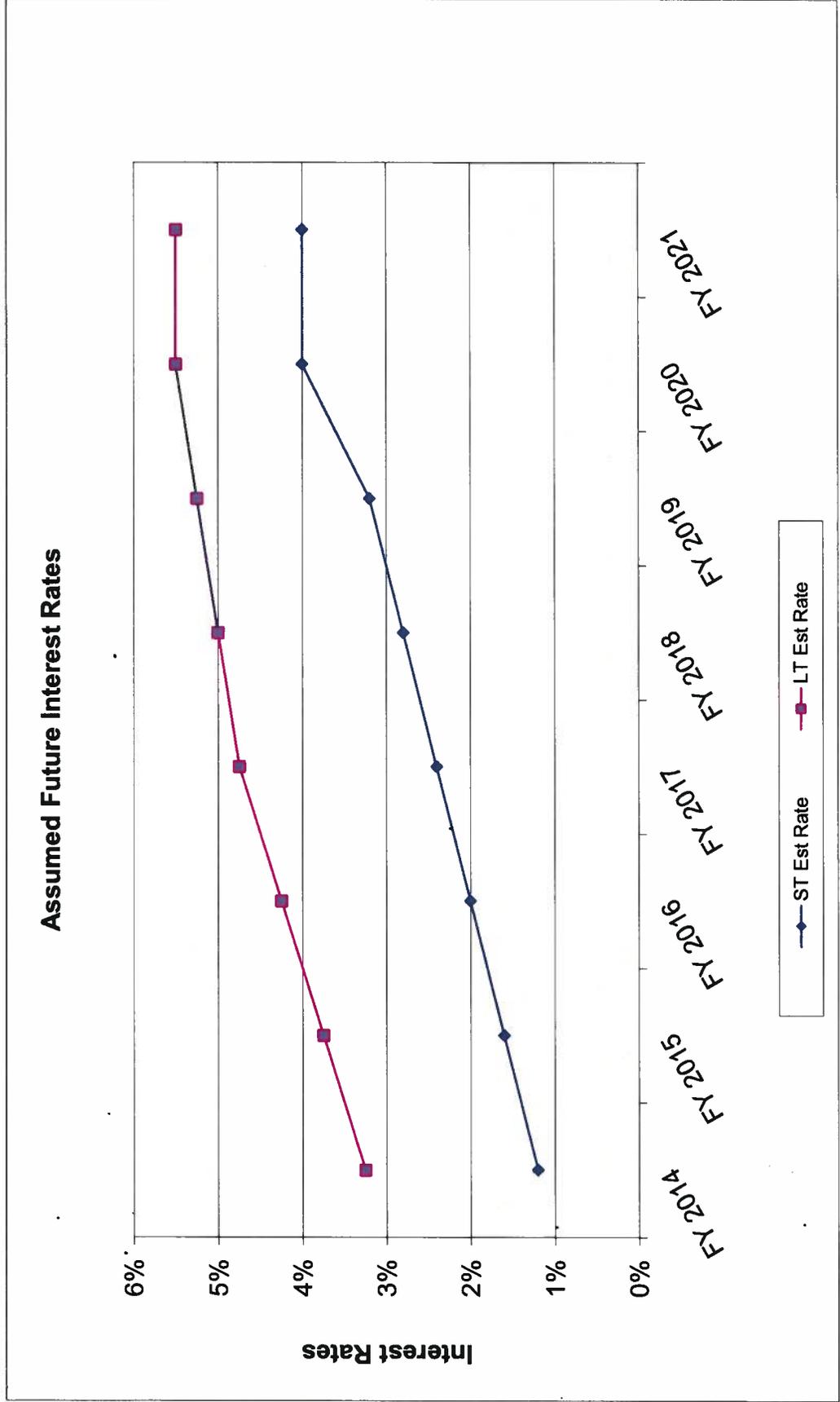


Debt Modeling – Assumptions

- **Travis County Net Bonded Debt** – Gross Bonded Debt minus Debt Service Reserve Balance.
- **General Fund Expenditures** – Total 2014 General Fund and Road and Bridge Fund expenditures
 - Later years in the analysis reflect increased expenditures constrained by the following assumptions:
 - Growth in assessed property values and new construction (in consultation with TCAD)
 - For planning purposes, model assumes General Fund growth based on historical trends.
 - Unallocated reserves at 12%
- **Debt Service Expenditures (Short and Long Term Debt Service)** – These figures are estimated by the Planning and Budget Office.
- **Interest Rates** – 1.2% in 2014 for 5-year maturities; 3.25% for 20-year maturities. Subsequent years step up interest rates moderately. Starting in 2020, debt modeling assumes 4.0% for 5-year debt maturities and 5.50% for 20-year maturities.
 - Interest rate assumptions were developed in consultation with the County's Financial Advisor and City of Austin Treasurer.



Interest Rate Assumptions





Impact on Debt Service Per \$1 Million in Proceeds

Average Annual Debt Service (5-Year Term, 1.2% Interest Rate)	\$210,000
Example: Travis County issues \$20 million in short-term COs	Debt Service: ↑ \$4.2 million for 5 years
Average Annual Debt Service (20-Year Term, 3.25% Interest Rate)	\$ 70,000
Example: Travis County issues \$20 million in long-term debt	Debt Service ↑\$1.4 million for 20 years