



Travis County Commissioners Court Agenda Request

Meeting Date: December 9, 2014

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

Elected/Appointed Official/Dept. Head: Leroy Nellis, Acting County Executive, Planning and Budget

A handwritten signature in black ink, appearing to read "Leroy Nellis", is written over the text of the "Elected/Appointed Official/Dept. Head" field.

Commissioners Court Sponsor: Judge Samuel T. Biscoe

AGENDA LANGUAGE: CONSIDER AND TAKE APPROPRIATE ACTION ON THE FOLLOWING REQUESTS:

A. REVISIONS TO CASH FLOW ASSUMPTIONS FOR 2011 VOTER AUTHORIZED PROJECTS; AND

B. A RESOLUTION EXPRESSING TRAVIS COUNTY'S INTENT TO FINANCE EXPENDITURES TO BE INCURRED FOR APPROVED CAPITAL PROJECTS AND TO REIMBURSE ITSELF FROM UNLIMITED TAX ROAD BONDS AND CERTIFICATES OF OBLIGATION.

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:

Leroy Nellis, 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 should be submitted as a pdf to the County Judge's office, agenda@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 St., Suite 1560
P.O. Box 1748
Austin, Texas 78767

MEMORANDUM

TO: Commissioners Court *Travis R. Gatlin*
FROM: Travis R. Gatlin, Assistant Budget Director
DATE: December 2, 2014
SUBJECT: Updated Cash Flow Assumptions for 2011 Voter Authorized Projects and Reimbursement Resolution for FY 2015 Projects

The Planning and Budget Office requests the approval of a revision to the cash flow schedule for 2011 Voter Authorized Projects as submitted by Transportation and Natural Resources (TNR) and a reimbursement resolution that will allow the County to reimburse itself for expenditures for approved capital projects that require resources prior to the receipt of proceeds from the proposed spring 2015 issuance. I have provided a summary of each requested action below.

A: Requested Revisions to the Cash Flow Schedule for 2011 Voter Authorized Projects

In 2011, Voters authorized the Commissioners Court to issue \$214,945,000 for road, drainage, bridge, bike/pedestrian, park and land conservation projects. To date, \$137,505,000 has been issued since FY 2012 and there is remaining authorization of \$77,440,000. The current cash flow assumptions for 2011 Voter Authorized Projects approved in March 2013, stated that \$36,005,000 was proposed to be issued in the spring of 2015 and this assumption was included in the development of the FY 2015 Adopted Budget. TNR is requesting revisions to the remaining issuance schedule to reflect updated resource timing requirements for each project. The amount proposed to be issued in FY 2015 remains the same at \$36,005,000 as included in the FY 2015 Adopted Budget. However, adjustments are being requested between Proposition 1 and Proposition 2 by year, and with a slightly higher issuance in FY 2016 and corresponding lower issuance in FY 2017 compared to the March 2013 assumptions. TNR has requested the revisions to the cash flow schedule to accommodate contractual obligations for road projects that require resources earlier than were proposed in the March 2013 assumptions. The total amounts to be issued for each proposition over the length of the bond program remain unchanged from what was approved by voters.

The Planning and Budget Office (PBO) supports the change since it is intended to maximize current market conditions that benefit Travis County taxpayers since interest rates are at historic lows, but rates will likely increase over the proposed issuance schedule. PBO also strongly recommends that TNR continue to work diligently to closeout projects from previous

authorizations in order to ensure projects are completed as timely as possible. The table below summarizes the requested revised cash flow schedule from TNR compared to the March 2013 assumptions.

Requested Revisions to Cash Flow Schedule for 2011 Voter Authorized Projects							
Description	Issued to Date FY12 to FY14	FY 15	FY 16	FY 17	FY 18	Total Outstanding Authorization FY15 to FY18	Total Authorization
Proposition 1: Roads, Drainage, Bridge and Bike/Pedestrian Projects	\$78,845,000	\$23,450,000	\$28,160,000	\$1,825,000	\$560,000	\$53,995,000	\$132,840,000
Proposition 2: Parks and Land Conservation Projects	\$58,660,000	\$12,555,000	\$4,560,000	\$3,665,000	\$2,665,000	\$23,445,000	\$82,105,000
Subtotal of Cash Flow from March 5, 2013	\$137,505,000	\$36,005,000	\$32,720,000	\$5,490,000	\$3,225,000	\$77,440,000	\$214,945,000
Proposition 1: Roads, Drainage, Bridge and Bike/Pedestrian Projects	\$78,845,000	\$27,770,000	\$25,110,000	\$555,000	\$560,000	\$53,995,000	\$132,840,000
Proposition 2: Parks and Land Conservation Projects	\$58,660,000	\$8,235,000	\$8,875,000	\$3,670,000	\$2,665,000	\$23,445,000	\$82,105,000
Subtotal of Cash Flow presented on December 9, 2014	\$137,505,000	\$36,005,000	\$33,985,000	\$4,225,000	\$3,225,000	\$77,440,000	\$214,945,000
Difference by Year (Dec 2014 less March 2013)	\$0	\$0	\$1,265,000	(\$1,265,000)	\$0	\$0	\$0

B: Reimbursement Resolution for Approved FY 2015 Capital Projects

Travis County generally issues debt in the spring for approved capital projects. Many of the approved projects require funding prior to the receipt of proceeds that are typically received in late May to meet their respective construction/implementation schedule. Therefore, the Commissioners Court has traditionally approved a reimbursement resolution and associated budget adjustments to ensure that time sensitive projects are able to move forward before the debt is issued.

The Planning and Budget Office has worked with the various departments with approved capital projects to be funded from the proposed spring issuance to identify critical time-sensitive projects, and to justify the request to be included in the reimbursement resolution. At this time, TNR and the Sheriff's Office have presented the attached requests. PBO is working with Facilities Management, the remaining County department with projects proposed to be included in the 2015 spring issuance to determine FY 2015 resource needs for their projects based on information received since the adoption of the FY 2015 budget. PBO discussed with the Commissioners Court during the debt model presentation on November 25, 2014, that any needed revisions for FMD projects would be brought forward for approval in late January/early February. An additional reimbursement resolution will likely be presented after any needed changes are approved.

The attached consolidated reimbursement resolution is the legal document necessary to ensure that Travis County is able to reimburse itself once the proceeds from the proposed spring debt issuance arrive for these projects. Please note that the document was prepared by the County Attorney's Office and reviewed by the County's Bond Counsel. The total amount of the requested reimbursement resolution is \$17,807,000 and has been rounded up

slightly per the direction of the County's bond counsel from the project totals submitted by departments. The actual amount of budget amendments related to the reimbursement resolution total \$17,806,622. PBO has placed the associated budget amendments from the Unallocated Reserve under our weekly budget amendments and transfers agenda item. It is important to note that the Unallocated Reserve will be replenished in the amounts transferred today once the proceeds from the spring issuance are available and any needed reclassifications are processed. It is estimated that this will occur in the June/July timeframe. The table below and the attached memos from departments provide additional details on each of the requests.

Reimbursement Resolution Budget Amendments from the Unallocated Reserve for Approved Capital FY 2015 Projects			
Project	Future Funding Source	Notes	Amount
Phase III of Upgrade to Perimeter Security Fencing at the Travis County Correctional Complex (TCCC)	Certificates of Obligation	Requested by TCSO to purchase materials for Phase III of the project prior to the spring issuance to avoid construction delays. The Texas Department of Criminal Justice is the on-site project manager coordinating all needed materials and construction.	\$ 500,000
Vehicles and Heavy Equipment	Certificates of Obligation	Requested by TNR to place approved vehicle orders within the Calendar Year 2014 contract to avoid anticipated increases within the Calendar Year 2015 contract. Ordering before the spring will also allow Fleet Management to replace older vehicles sooner and potentially avoid higher maintenance costs.	\$ 7,496,700
Weiss Lane Safety Improvements	Unlimited Tax Road Bonds	Requested by TNR to fund an accelerated Participation Agreement with the City of Pflugerville. The agreement was approved by the City of Pflugerville on November 18, 2014 and the design and construction management will be led by the City of Pflugerville.	\$ 6,761,700
Rowe Lane Safety Improvements	Unlimited Tax Road Bonds	Requested by TNR to fund an accelerated Participation Agreement with the City of Pflugerville. The agreement was approved by the City of Pflugerville on November 18, 2014 and the design and construction management will be led by the City of Pflugerville.	\$ 1,609,300
McNeil Lane Drainage Improvements	Unlimited Tax Road Bonds	Requested by TNR to fund the pending Professional Services Agreement for design and engineering of the project that will require funds prior to the spring issuance.	\$ 671,000
Taylor Lane	Unlimited Tax Road Bonds	Requested by TNR to fund the pending Professional Services Agreement for design and engineering of the project that will require funds prior to the spring issuance.	\$ 767,922
Total			\$ 17,806,622
Note: The total of the reimbursement resolution is \$17,807,000 and has been rounded up slightly from the project totals above.			

PBO recommends the temporary use of the Unallocated Reserve for the \$17,806,622 of budget amendments for the projects in the table above. The Unallocated Reserve for FY 2015 is currently \$59,222,124 and includes a reduction of \$12,500,000 for a previously approved reimbursement resolution for the SH 45 Southwest Project. The proceeds for this

project have already been received and the Auditor's Office and TNR are working to make all needed reclassifications against the bond proceeds so the Unallocated Reserve can be restored.

PBO recommends approval of the requested revision to the cash flow schedule for 2011 Voter Authorized Projects and Reimbursement Resolution for approved FY 2015 capital projects. PBO will incorporate the revisions to the cash flow assumptions for 2011 Voter Authorized Projects into the County's debt model.

cc: John Hille (County Attorney's Office)
Roger El-Khoury, John Carr, Amy Draper, (Facilities Management)
Steve Manilla, Cynthia McDonald, Isabelle Lopez, Mike Joyce, Sydnia Crosbie (TNR)
Leroy Nellis, Jessica Rio, Diana Ramirez, Alan Miller, Katie Gipson, Leah Henderson,
Deborah Laudermilk, Reagan Grimes (PBO)
Greg Hamilton, Travis County Sheriff
Major Wes Priddy, Paul Mathews, Maria Wedhorn, Joselyn Olney, Meg Seville,
Meredith Sansoucy, (TCSO)
Glen Opel, Bond Counsel
Ladd Pattillo, County's Financial Advisor
Nicki Riley (County Auditor)
Patti Smith, Kathryn Madden, Sabrina Bullard, (County Auditor's Office)

**RESOLUTION EXPRESSING INTENT TO
FINANCE EXPENDITURES TO BE INCURRED**

WHEREAS, Travis County, Texas (the "Issuer"), is a political subdivision of the State of Texas authorized to issue obligations to finance its activities, by various methods, including pursuant to Chapter 271, Texas Local Government Code, as amended and Chapter 1471, Texas Government Code, as amended; and the interest on which is excludable from gross income for federal income tax purposes ("tax-exempt obligations") pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Issuer will make, or has made not more than 60 days prior to the date hereof, payments with respect to the projects described in Exhibit A attached hereto (the "Projects"); and

WHEREAS, the Issuer has concluded that it does not currently desire to issue obligations to finance the costs associated with the Projects;

WHEREAS, the Issuer desires to reimburse itself for the costs associated with the Projects from the proceeds of tax-exempt obligations to be issued subsequent to the date hereof; and

WHEREAS, the Issuer reasonably expects to issue tax-exempt obligations to reimburse itself for the costs associated with the Projects listed on Exhibit A attached hereto.

NOW, THEREFORE, be it resolved that:

Section 1. The Issuer reasonably expects to reimburse itself for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof and that are to be paid in connection with the Projects from the proceeds of tax-exempt obligations to be issued subsequent to the date hereof.

Section 2. The Issuer reasonably expects that the maximum principal amount of tax-exempt obligations issued to reimburse the Issuer for the costs associated with each Project are identified in Exhibit A.

APPROVED THIS _____ day of December, 2014 by the Commissioners
Court of Travis County, Texas.

TRAVIS COUNTY, TEXAS

Samuel T. Biscoe
County Judge

Ron Davis
Commissioner, Precinct 1

Bruce Todd
Commissioner, Precinct 2

Gerald Daugherty
Commissioner, Precinct 3

Margaret Gómez
Commissioner, Precinct 4

EXHIBIT A

DESCRIPTION OF PROJECTS

<u>Project Description</u>	<u>Total Amount</u>
1. Construction of Public Works; equipping a jail with security fencing	\$ <u>500,000</u>
2. Acquisition of Vehicles and Heavy Equipment	\$ <u>7,497,000</u>
3. Constructing, purchasing, maintaining, or operating a macadamized, or paved road or aiding a purpose in doing so, for: a). Weiss Lane b). Rowe Lane c). McNeil Lane d). Taylor Lane	\$ <u>9,810,000</u>



GREG HAMILTON
TRAVIS COUNTY SHERIFF

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(512) 854-9770
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DARREN LONG
Major - Law Enforcement

WES PRIDY
Major - Corrections

MARK SAWA
Major - Administration & Support

JAMES N. SYLVESTER
Chief Deputy

Date: 11/14/14

MEMORANDUM

To: Travis Gatlin, Assistant Budget Director, Planning & Budget Office

From:  Maria Wedhorn, Financial Analyst Lead

Subject: Reimbursement Resolution – FY15 Phase III Fencing Project

The Sheriff's Office requests approval of a reimbursement resolution to allow the FY 15 Certificate of Obligation project for the Phase III Fencing proceed starting in November 2014. Funding in the amount of \$500,000 has been approved for Phase III.

Project:	Reimbursement Amt:
Phase III Fencing Upgrade	\$500,000

Justification:

Phase I and II of the Perimeter TCCC Fencing project has already been completed. Scope of Work has been awarded to Texas Dept. of Criminal Justice (Texas Correctional Industries).

Reimbursement resolution will allow for TCI to manufacture and ship all materials for Phase III. A construction period for this phase will be scheduled to coordinate material storage and staging, housing and feeding of TCI inmates who will be installing the fencing, identify underground utilities, drainage, etc., installing outer and inner perimeter fencing independently of one another, removal of old fencing and displacement of excavated materials, continual supervision and coordination between TCSO & TCI.

If you have any questions please feel free to give me a call at 854-4474.



Safety, Integrity, Tradition of Service

TRANSPORTATION AND NATURAL RESOURCES

STEVEN M. MANILLA, P.E., COUNTY EXECUTIVE



700 Lavaca Street-5th Floor
Travis County Administration Building
PO Box 1748
Austin, Texas 78767
Phone: (512) 854-9383
Fax: (512) 854-4697

11-20-2014

MEMORANDUM

TO: Travis Gatlin, Planning and Budget Office, Asst. Director

FROM: Mike Joyce, TNR Fleet Services, Division Manager

THRU: *Carol B. Joyce*
Steven Manilla, P.E. TNR County Executive *SM*

SUBJECT: Approval of Reimbursement Resolution for FY15 Vehicle & Equipment Purchases

Proposed Motion: TNR is requesting approval of the Reimbursement Resolution totaling \$7,496,700, from the unallocated reserve account 0001 1980000000 580015 to the appropriate expense accounts in 1499000001 for the purchase of FY15 vehicles.

Summary and Staff Recommendation: TNR recommends approval of the Reimbursement Resolution in the amount of \$7,496,700 from the general fund unallocated reserve account for the purchase of FY15 budgeted vehicles approved for purchase from the new FY15 Certificates of Obligations (C.O.).

TNR is requesting that these funds be made available earlier (ASAP) than the C.O. funds can be provided. This will allow TNR Fleet Services to order the FY15 approved vehicles and equipment as soon as possible. This is critical for the following reasons:

1. The sooner law enforcement vehicles and emergency equipment are ordered the sooner the vehicles can replace the older vehicles that are causing maintenance and reliability issues.
2. At the beginning of the new calendar year, there are cost increases on vehicles and equipment. By locking in price quotes early, the County will be saving money.
3. The earlier we can get orders in, the earlier we can remove older vehicles and equipment that are high maintenance units which will save money.
4. The County starts many projects (Facilities, Road Maintenance, Parks) in the spring and needs to have dependable equipment to work with at that time. If the CO funding does not become available until the middle of summer and the ordering process starts then, needed equipment will not be received until fall or later. That is too late to run an effective and dependable fleet.

Budgetary/Fiscal Impact: The temporary use of general fund reserves totaling \$7,496,700 pending receipt of C.O. proceeds. Once the Certificates of Obligation have been received, TNR will work with PBO and the Auditor's Office to ensure the funds are reimbursed.

Cc: Morgan Cotten, TNR Public Works Director
Cynthia McDonald, TNR Financial Director



TRANSPORTATION AND NATURAL RESOURCES

STEVEN M. MANILLA, P.E., EXECUTIVE MANAGER

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(512) 854-9383
FAX (512) 854-4697

December 1, 2014

MEMORANDUM

TO: Jessica Rio, Planning and Budget Director

FROM: *Steven M. Manilla*
Steven M. Manilla, P.E., County Executive

SUBJECT: Transfer from Unallocated Reserves to the Appropriate Expense Account for Projects Listed on Reimbursement Resolution

Proposed Motion: TNR is requesting approval of the Reimbursement Resolution totaling **\$9,809,922** from the unallocated reserve account 0001 1980000000 580015 to the appropriate expense accounts in 1499000001 for the following 2011 Bond Projects;

Summary and Staff Recommendation:

- **Weiss Lane Safety Improvements** - Requesting a \$6,761,700 transfer to fully fund the accelerated Participation Agreement with the City of Pflugerville. The agreement was approved by the City of Pflugerville on November 18, 2014 and the design and construction management is to be led by City of Pflugerville.
- **Rowe Lane Safety Improvements** - Requesting a \$1,609,300 transfer to fully fund the accelerated Participation Agreement with the City of Pflugerville. The agreement was approved by the City of Pflugerville on November 18, 2014 and the design and construction management is to be led by City of Pflugerville.
- **McNeil Lane Drainage Improvements** - Requesting a \$671,000 transfer to fully fund the pending Professional Services Agreement for Design/Engineering that will require additional funds prior to May 2015.
- **Taylor Lane** - Requesting a \$767,922 transfer to fully fund the pending Professional Services Agreement for Design/Engineering that will require additional funds prior to May 2015.

Budgetary/Fiscal Impact: Temporary use of general fund reserves pending receipt of 2015 bond proceeds.

Required Authorization: Planning and Budget

Exhibits: A copy of the completed budget adjustment form from the automated BAF system to transfer the funds from the allocated reserve account to the appropriate expense accounts.

IL:SMM:il

CC: Travis R. Gatlin, Planning and Budget Office
Morgan Cotton, Steve Sun, TNR Public Works
Cynthia McDonald, Isabelle Lopez, TNR Financial Services