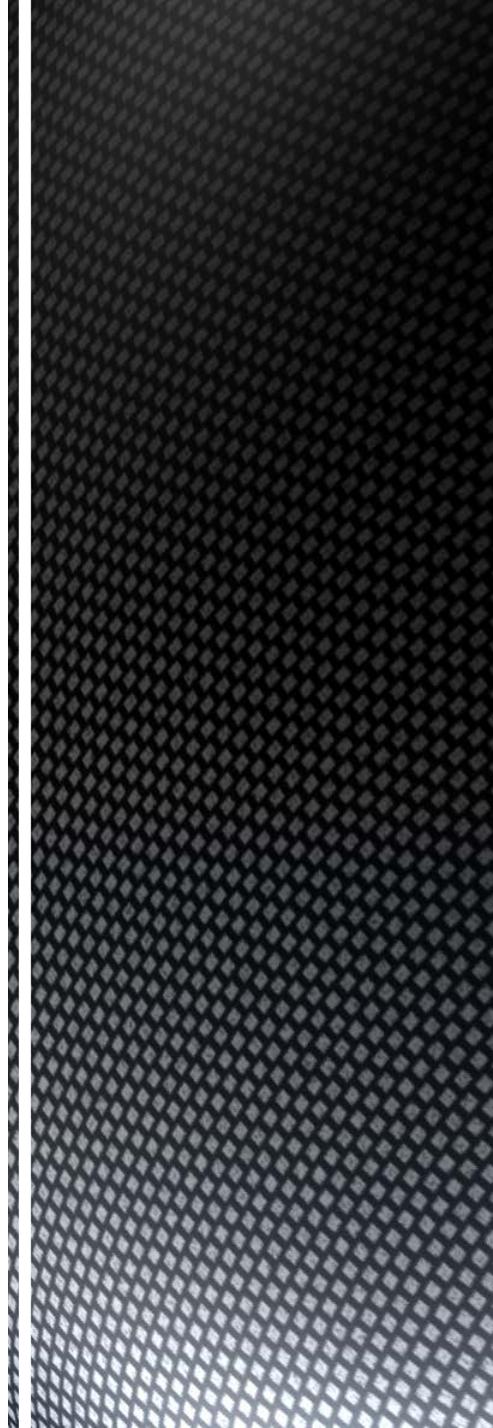


Travis County FY 2016 Preliminary Budget

August 4, 2015



Introduction

FY 2016 Preliminary Budget was published on July 27, 2015

- Recommended budget is a sound financial plan that is balanced against available resources estimated in the third revenue estimate and developed within the guidelines approved by Commissioners Court in March of 2015.
- Black Book analyses include comprehensive background and PBO recommendations on all departmental budget submissions including over 300 budget requests.
- This “draft” budget will serve as a baseline for Commissioners Court to change and mold into a final proposed and subsequent Adopted Budget for Fiscal Year 2016 (October 1, 2015 to September 30, 2016).

Today's Presentation

- County Auditor's Third Revenue Estimate
- Budget Development Process
- Preliminary Budget Highlights
 - General Fund Overview – Program Funding Priorities
 - Capital Improvements and Outlays
 - Reserves
- Investments in the County Workforce
 - Benefits
 - Compensation
- Budget Calendar – August and September

All Funds

Estimate of Available Resources

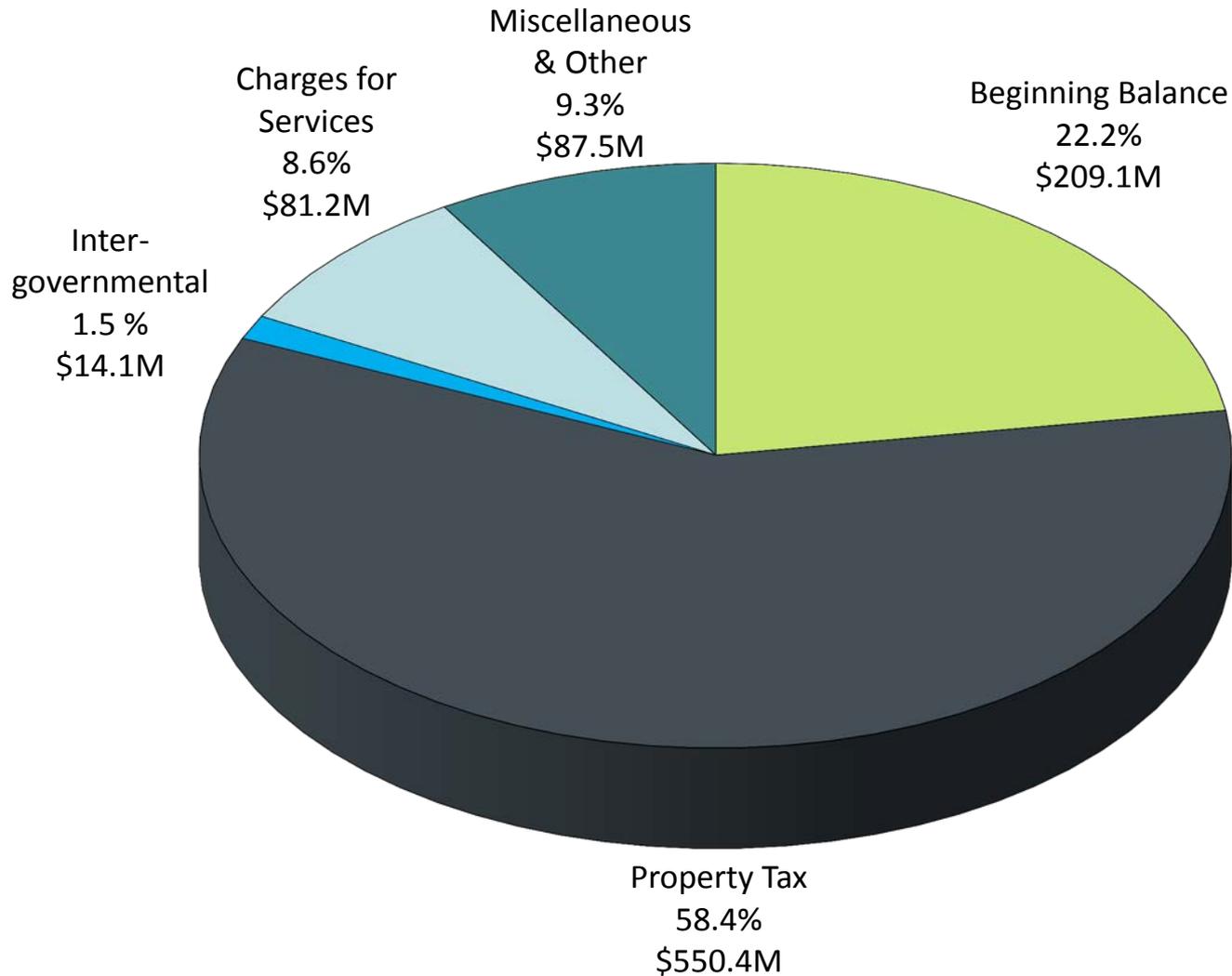
(in millions of dollars)

| | 2015 Adopted Budget | 2016 Preliminary Budget | Change |
|--------------------------------|------------------------------------|----------------------------------------|---------------|
| Beginning Balance | \$211.2 | \$209.1 | -\$2.1 |
| Taxes | 528.2 | 550.4 | 22.2 |
| Intergovernmental | 12.4 | 14.1 | 1.7 |
| Charges for Services | 77.6 | 81.2 | 3.6 |
| Miscellaneous | 81.6 | 87.0 | 5.4 |
| Other Financing Sources | 0.0 | 0.5 | 0.5 |
| Total | \$911.0 | \$942.3 | \$31.3 |

All Funds

FY 2016 Estimate of Available Resources

\$942.3 Million



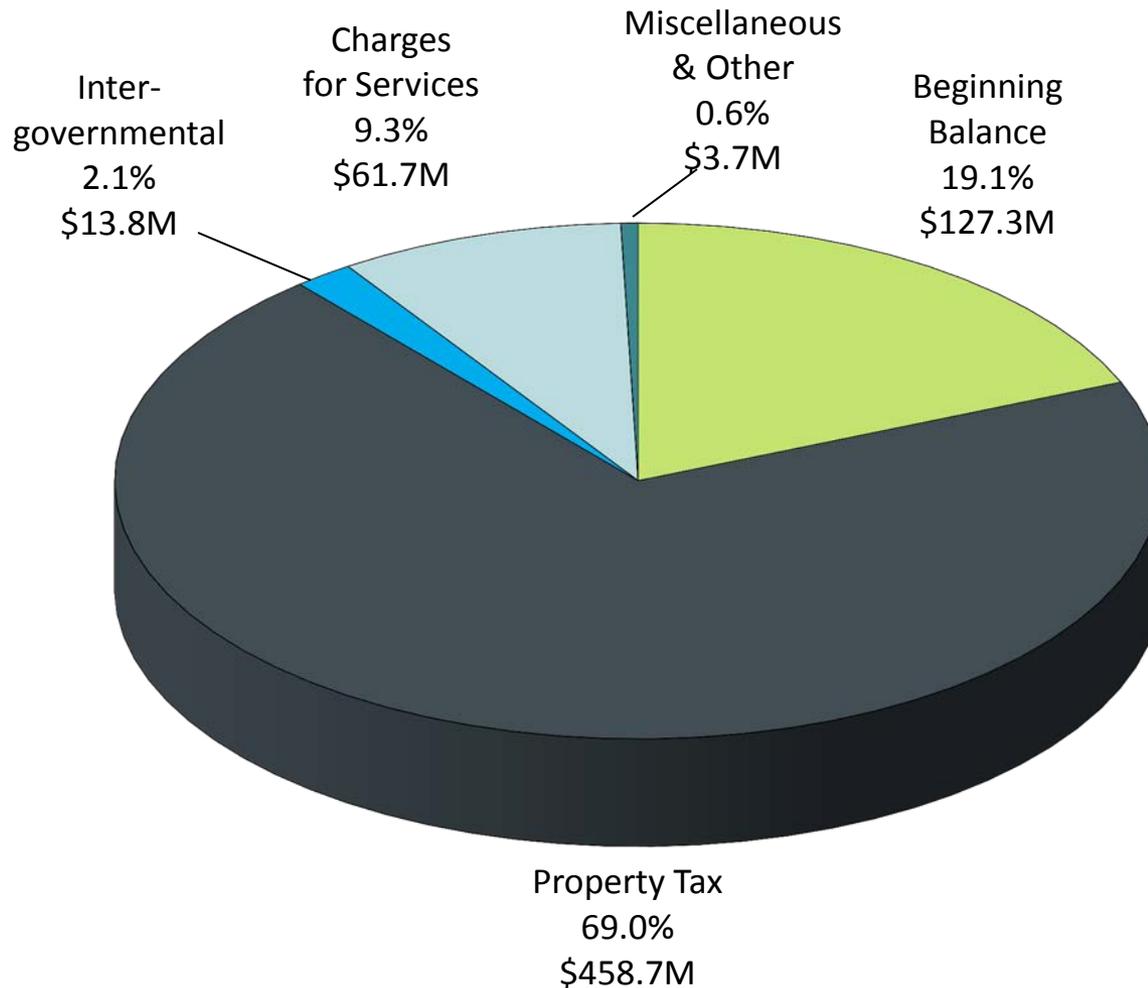
General Fund

Estimate of Available Resources

(in millions of dollars)

| | 2015 Adopted Budget | 2016 Preliminary Budget | Change |
|--------------------------------|------------------------------------|----------------------------------------|---------------|
| Beginning Balance | \$131.2 | \$127.3 | -\$3.9 |
| Taxes | 444.3 | 458.7 | 14.4 |
| Intergovernmental | 12.1 | 13.8 | 1.7 |
| Charges for Services | 58.1 | 61.7 | 3.6 |
| Miscellaneous | 4.9 | 3.2 | -1.7 |
| Other Financing Sources | 0.3 | 0.5 | 0.2 |
| Total | \$650.9 | \$665.2 | \$14.3 |

General Fund FY 2016 Estimate of Available Resources \$665.2 Million



Budget Development Process

- Commissioners Court provides direction annually to guide development of PBO's Preliminary Budget recommendation.
- FY 2016 budget process began with a focus on improving base performance measures in effort to move towards performance based budgeting in coming years.
- FY 2016 priorities included formulating a Preliminary Budget that provides tax revenue sufficient to pay for identified cost drivers.
- Cost drivers were estimated to total between \$11.5 million to \$15.1 million. Now closer to \$20 million due mainly to greater than anticipated health insurance costs and increased tax relief for homeowners 65 or older/disabled.

Preliminary Budget Highlights

Program Funding Priorities

- Maintaining current service levels - \$9.5 M
 - New Criminal Courts - \$2.7 M
 - 450th District Court - \$1.5 M and 14 FTE in 6 departments.
 - County Court at Law #9 - \$1.2 M and 13 FTE in 6 departments.
 - Elections Funding - \$1.8 M in one time funding
 - Critical Information Technology Systems Support - \$1.7 M
 - Maintenance of Emergency Aircraft - \$1 M
 - Other highlights - \$2.3 M
 - Jail Inmate Costs
 - Indigent Attorney Fees
 - Waller Creek TIF
 - Public Integrity Unit

Preliminary Budget Highlights

Program Funding Priorities (continued)

- Midyear Changes – \$350 K
 - IJS Replacement staffing in Civil Courts
 - HIPAA Compliance Officer in Auditor's Office
 - Purchasing Office one-time staffing
- Transfers between Departments and Funds - \$4 M
 - BCP
 - Road and Bridge
 - Courthouse Security Fund
 - Employee Health Fund

Preliminary Budget Highlights

Program Funding Priorities (continued)

- Pilot Programs – \$1.5 M
 - Successful pilots transitioning to ongoing funding
 - New Pilot programs - Mental Health Program in Pretrial Services
 - Other pilots – include the ongoing evaluation of recent program additions. Examples include the PIR program, CAPDS program, and the bus pass program.
- Other Funding Priorities - \$2.6 M
 - IJS replacement – DMS licenses for the County and District Attorneys
 - Central Booking Counselors
 - Parks Maintenance
 - Tax Office Staff
 - Medical Examiner Case Management System
 - Revenue Related Increases
 - Employee Performance Management System

Preliminary Budget Highlights

Capital Outlay and Capital Improvements

- Pay-as-you-go Financing used to fund capital items and projects. This year CAR was \$5.5 million higher than it would have been otherwise due to the re-establishment of the 11% Unallocated Reserve.
- Capital Acquisition Resources (CAR) - \$22.7 M plus reserve
 - Chiller replacement and other energy efficiency measures
 - IT, Security & FFE for Purchasing Warehouse
 - Replacement computers and IT equipment
 - Maintenance projects at Travis County Correctional Complex
 - Road maintenance materials
 - Second Payment to LCRA for Westside Service Center

Preliminary Budget Highlights

Capital Outlay and Capital Improvements

- Debt Financed Capital - \$95.9 M
 - Certificates of Obligation - \$47.9 M
 - Phase II of Purchasing Warehouse
 - New South Community Center (Phase I)
 - Replacement vehicles and heavy equipment
 - Road maintenance and alternative paving projects
 - Ronald Earle Building (20 Year)
 - Medical Examiner's Office Building (20 Year)
 - 2011 Voter Authorized Bonds - \$34 M
 - State Highway Bonds - \$14 M
- Other Funds – \$0.5 M

Preliminary Budget Highlights

General Purpose Reserves

- Unallocated Reserve: \$67.7 M
 - Re-established at historic 11%

- Allocated Reserve: \$10.5 M
 - Constructed with 1% goal in mind, plus earmarks
 - Proposed earmarks total \$2.3 M
 - Funding reserved for third payment of West Service Center

- Reserve for Emergencies and Contingencies: \$5 M
 - Maintain at \$5 million to ensure strong financial position

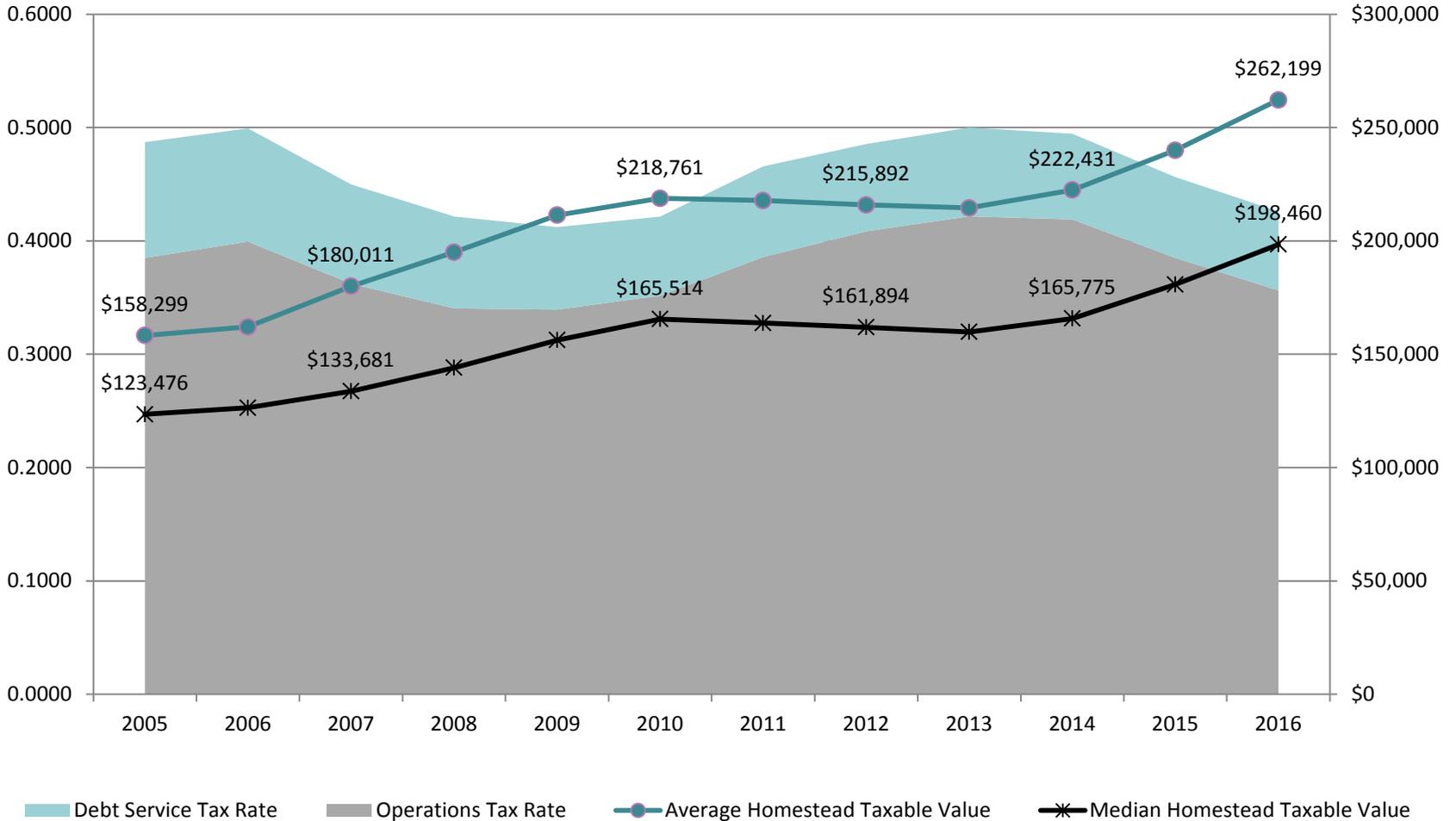
- Capital Acquisition Resources (CAR) Reserve \$5.2 M
 - Proposed earmarks total \$2.5 M

Preliminary Budget Highlights

Special Purpose Reserves

| Item | Amount |
|------------------------------------------|-------------|
| Compensation Reserve | \$7,835,281 |
| Replacement of Integrated Justice System | 3,225,204 |
| Interlocal Agreements | 3,128,611 |
| Sheriff's Office Overtime | 1,715,000 |
| Security | 1,017,372 |
| State Cuts | 1,000,000 |
| STAR Flight Maintenance | 849,915 |
| Future Grant Requirements | 550,000 |
| Annualization | 476,361 |
| SMART Building Maintenance | 428,959 |
| Civil and Family Courts Complex Planning | 198,862 |

Tax Rate to Average & Median Homestead Taxable Values



Tax Rate Impact on Average and Median Valued Homesteads

| | FY 2015 Adopted Tax Rate | FY 2016 Preliminary Tax Rate | \$ Diff | % Diff |
|------------------------------|-----------------------------------------|---------------------------------------------|----------------|---------------|
| Average Taxable Value | \$240,026 | \$262,199 | \$22,173 | 9.24% |
| Median Taxable Value | \$180,760 | \$198,460 | \$17,700 | 9.79% |
| Tax Rate/\$100 Taxable Value | 45.63¢ | 42.61¢ | (3.02¢) | (6.62%) |
| Taxes on Average | \$1,095 | \$1,117 | \$22 | 2.01% |
| Taxes on Median | \$825 | \$846 | \$21 | 2.55% |

Travis County Homestead Exemptions

| Jurisdiction | Homestead | Over 65 | Disabled Person |
|---------------------------|-----------|-----------|-----------------|
| Travis County* | 20% | \$75,000 | \$75,000 |
| City of Austin* | 6% | \$70,000 | \$70,000 |
| Austin ISD | \$15,000 | \$35,000 | \$25,000 |
| Austin Community College* | 1% | \$115,000 | \$115,000 |
| Central Health* | 20% | \$75,000 | \$75,000 |

* Minimum exemption is \$5,000

The five jurisdictions all provide the following exemptions for veterans:

- ❖ 100% for 100% disabled
- ❖ \$12,000 for 70%-99% disabled
- ❖ \$10,000 for 50%-69% disabled
- ❖ \$7,500 for 30%-49% disabled
- ❖ \$5,000 for 10%-29% disabled

Investments in County Workforce

- Health Benefits
 - Listed as primary cost driver in March.
 - Estimated at \$1.8 M to \$3.5 M; Preliminary Budget includes \$6.2 M.
 - Benefits Committee recommended plan design changes resulting in 10.5% increase (instead of original 13.1% increase).
 - Commissioners Court approved plan changes along with lower than recommended Employee Only monthly contribution for PPO plan.
 - Open Enrollment is happening *NOW* through August 28th.

Investments in County Workforce

- Compensation
 - Cost Drivers did not specifically list compensation with the exception of a one step increase for employees on the Peace Officer Pay Scale.
 - Preliminary Budget includes funding to address Market Salary Study presented by Human Resources this summer.
 - August 27th Compensation Work Session will provide additional costing information and options for the Commissioners Court to consider for FY 2016.

Budget Calendar Highlights

- Budget Hearings August 6 (Thursday)
- Budget Agenda Worksheet Distributed August 18 (Tuesday)
- Budget Agenda Worksheet Due August 26 (Wednesday)
- Budget Mark-Up September 9 (Wednesday)
- 1st Public Hearing on Tax Rate September 22 (Tuesday)
- 2nd Public Hearing on Tax Rate September 25 (Friday)
- Proposed Budget Filed September 25 (Friday)
- FY 2016 Budget Adopted September 29 (Tuesday)

Travis County Fiscal Year 2016 Preliminary Budget



Travis County Planning
and Budget Office
[www.traviscountytx.gov/
planning-budget](http://www.traviscountytx.gov/planning-budget)

Travis County Commissioners Court

County Judge
Sarah Eckhardt

Commissioners
Precinct 1 Ron Davis
Precinct 2 Brigid Shea
Precinct 3 Gerald Daugherty
Precinct 4 Margaret Gómez



Copies available at:

- Planning and Budget Office, 700 Lavaca Street, Suite 1560
- Online at <https://www.traviscountytx.gov/planning-budget/budget-development>