

FY 06 Travis County Preliminary Budget

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- The Preliminary Budget is the Planning and Budget Office's best recommendations for a sound financial plan next year.
- It is based on principles, guidelines, and instructions provided by the Commissioners Court.
- It provides a platform for the Court to receive comments from the public and County departments on FY 06 funding priorities

The County is in Reasonably Good Financial Shape

- County finances are relatively stable.
- The AAA bond rating was recently reconfirmed.
- Resources have been managed carefully to navigate through some difficult economic times.
- Financial health is due to preparations made by Commissioners Court to increase reserves and fund balance in prior years.
 - Careful adherence to adopted guidelines.
 - Avoiding the use of one-time revenue for ongoing costs.
 - Historically careful spending.
 - Low reliance on fluctuating income.

Changed Expectations

- Expected resources for critical priorities earlier in the year:
 - Substance abuse
 - Mentally ill inmates
 - Workforce development
- But unexpected rise in inmates made these expectations unrealistic.
- Have a statutory requirement to house the inmates that are sent by the judiciary.
- Jail population increase a dominant theme.

Changed Expectations (Cont.)

- Stringent state requirements on the jail operations.
- FY 06 budget must first find resources needed by the Sheriff.
- Then meet existing contractual and program commitments, health benefits, compensation increases and reserves.
- Little left over for anything else.

Property Tax Base

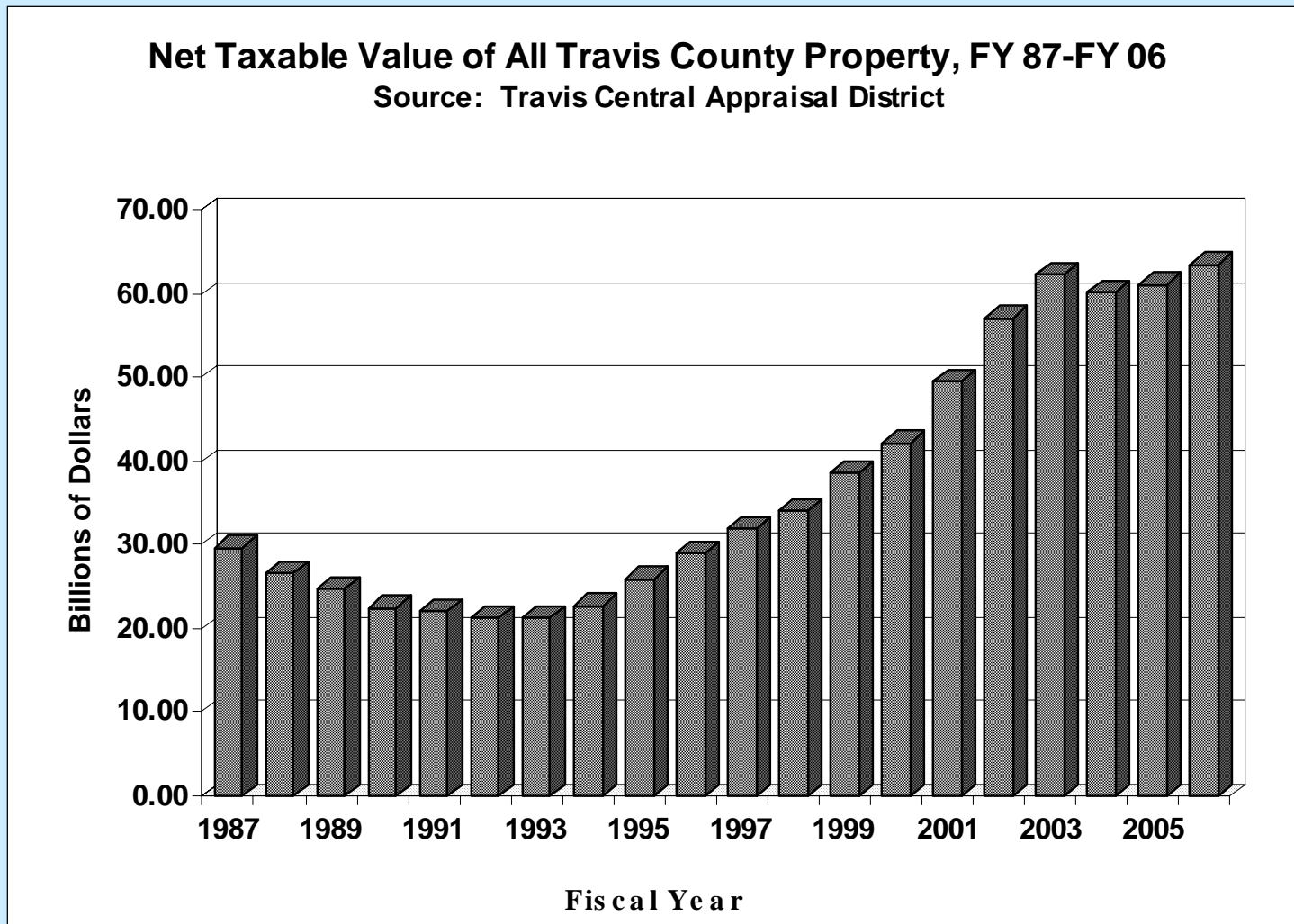


- Total value will increase from \$61 billion to \$63.5 billion.
- New property values will stay fairly stable - from \$1.875 billion to \$1.930 billion.
- Looks like we are coming slowly “out of the woods” on overall property value

Decreased Tax Rate

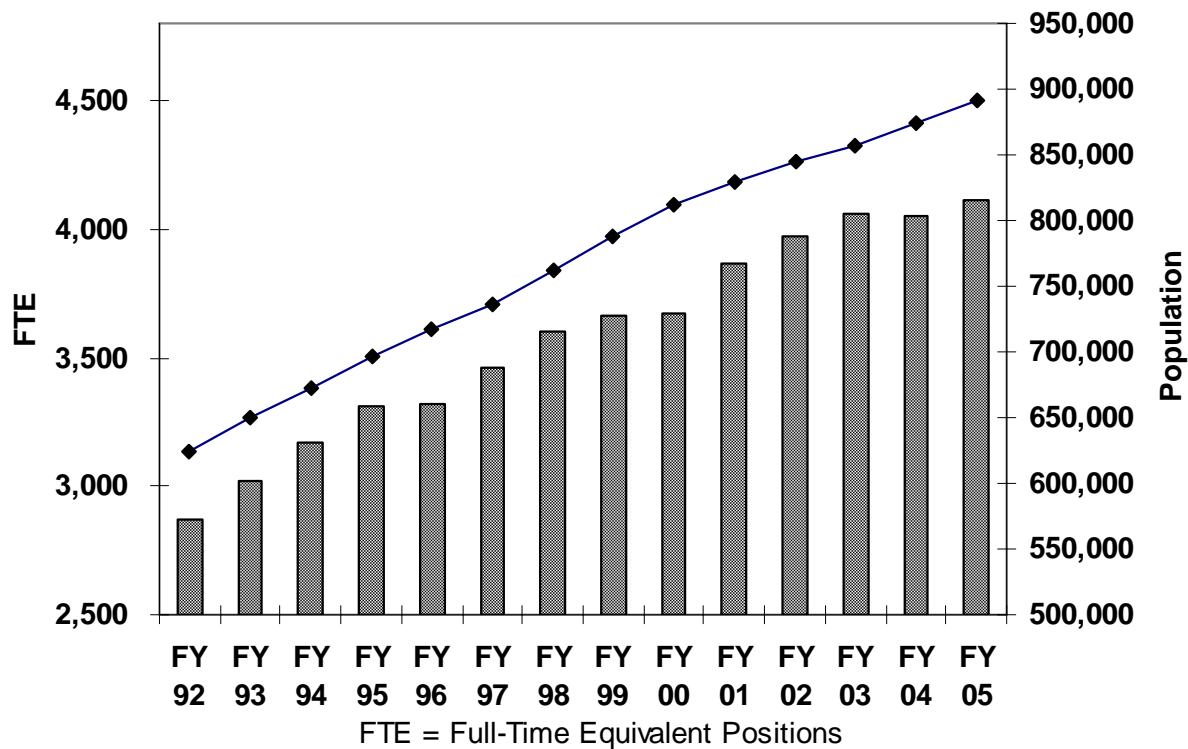
- A \$.0008 cent decrease in the tax rate, from \$.4872 to \$.4864 per \$100 of value.
- Equals the Effective Tax Rate + 2%
- Home values increased from \$197,874 to \$203,526 for all homesteads.
- Average tax on all homesteads would increase \$21 per year, from \$771 to \$792.
- The 2% increase is all directly related to public safety.

Coming "Out of the Woods"



County FTE Tracks Closely to County Population

General Fund and Special Funds FTE vs. Total County Population, FY 92 - FY 05



Sources: 92-99 Population - Texas A&M Real Estate Ctr.; 00-05 Pop. - COA Demographer

County FTE — Population

All Funds – (All Numbers in Millions)

	FY 05	FY 06
General Fund	\$336.9	\$344.5
Road & Bridge Fund	24.3	22.1
Debt Service Funds	68.7	69.5
Other Funds & Transfers	64.5	87.9
Total	\$494.4	\$524.0

Public Safety Increases


- 2% increase beyond Effective Tax Rate (\$5.9 million in revenue) in tax rate only partially funds public safety increases.

Sheriff's Office	\$3,730,633
EMS Interlocal	1,195,288
Peace Officer Health Benefits	575,326
Juvenile Court Replacement Grants	359,700
DA Prosecution Intake Team	322,289
Fuel Increases related to Law Enforcement	<u>175,159</u>
TOTAL PUBLIC SAFETY	\$6,358,395

Personnel Changes

- 134.1 FTE added to the General Fund, offset by a 52.5 FTE reduction.
- Net increase is 81.6 FTE.
- Sheriff's Office is 42 FTE, while DA Intake Prosecution Team and new Civil District Court is another 10 FTE.
- 15 net new positions have either new revenue associated with them or are internally funded.
- 13 FTE were added mid-year for FACTS (and another 18 have been requested for '06).

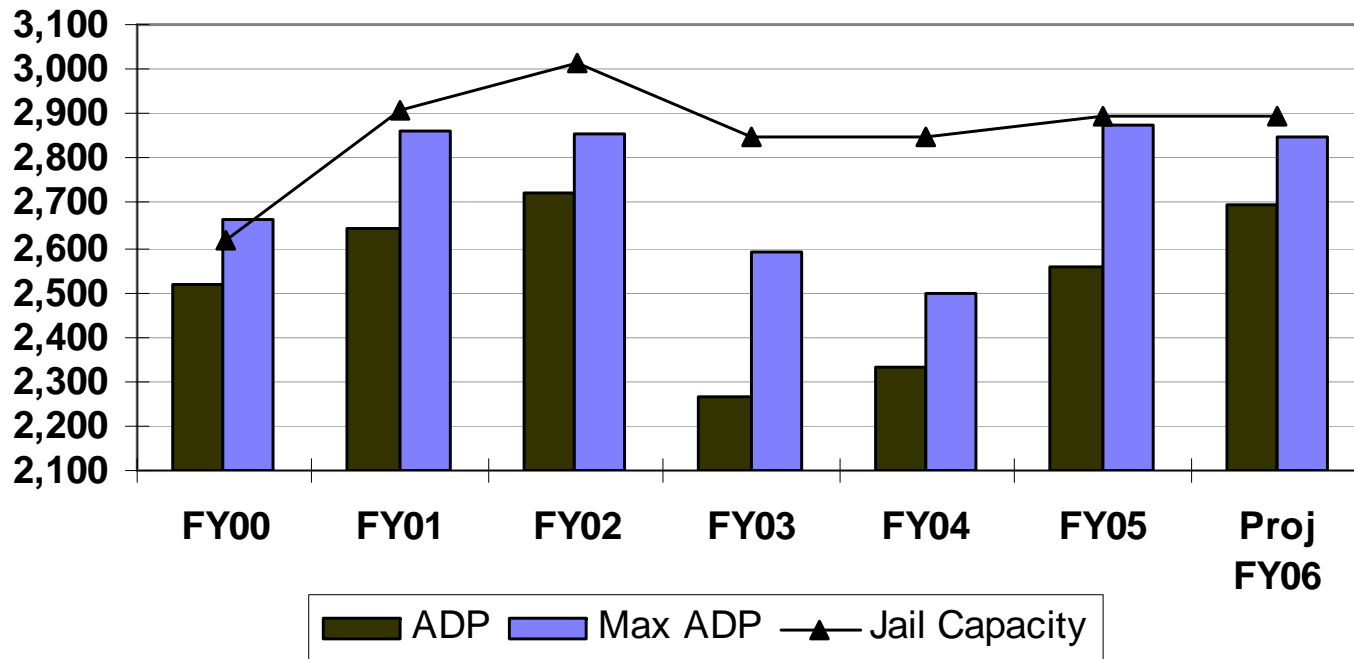
Sheriff's Office Increases - \$3,730,633



- 227 more Average Daily Inmates in '05 compared to '04. 438 more inmates from June '04 to June '05.
- Projected Average Daily Population in FY 06 is 2,695. The Sheriff is currently budgeted to handle 2,400 without stringent limitations on operations.

Inmate Count Increasing

Travis County Inmate Population, FY 00 - 06, Annual ADP, Maximum Monthly ADP, Total Jail Capacity
Source: Travis County Sheriff's Office



ADP = Average Daily Population custody totals. Aug-Sep 05 figures are projected.

Sheriff's Corrections Bureau - More Inmates



- 42 new staff costing \$1,809,908 net.
- Assume an average of 74 inmates sent out of county for 153 days.
- \$53,320 in Sheriff's Office and \$399,560 Jail Overcrowding Reserve for out of county inmates.
- Corrections operating expenditure increase of \$829,669 (food, utilities, pharmaceuticals, and medical).

Sheriff's Office Nurses



- Vacancy rate for nurses averaged 32% throughout 2005.
- 11 vacancies out of 34 positions.
- Still must provide nursing support and must do so through a private contract.
- Much less expensive to pay nurses to be on staff than a more expensive private service.
- \$426,887 net added for nurses salary increases.

Other Sheriff's Office Increases



- Security Officer for Combined Transportation Emergency Communication Center - \$54,563.
- Increased transfer to Courthouse Security Fund to support all courthouse security - \$156,726.

Other Major Funding Issues

■ EMS Interlocal	\$1,195,288
■ Balcones Canyonland TIF	898,996
■ FACTS/IJS computer system (reserve)	700,000
■ Hospital District Reserves Commitment	771,769
■ Information Systems maintenance	690,214
■ Juvenile Probation increases	359,700
■ DA Intake Prosecution Team	322,289
■ Indigent Attorney Fees	300,000
■ New Civil District Court	273,333
■ Countywide Fuel Increases	266,908
• Postage	193,000

Also Have Budget Reductions

- Increased Salary Savings (\$384,685)
- Offset from Fire Code Fund (145,724)
- Bank Contract (67,870)

Health Benefits

- Employee Health Insurance Fund increased from \$38.3 million in 05 to \$48.4 million in 06.
- Employee health benefits will cost \$1.9 million more in General Fund, and employees will be asked to contribute more.
- Basic benefits levels of the various employee health plans not modified.
- Three option plan continues in FY 06, allowing employees to choose option that best meets their needs.

Compensation

- Since '97, have had three years of comp increases in 3% - 4% range, three years in the 5% to 6% range, two years at 0%, and one year at 1.5%.
- For FY 06, have \$2.2 million for a 2% increase for rank and file.
- 2% for elected officials salaries - \$41,165
- Extensive expert study of Peace Officer Pay Scale (POPS) during much of '05..... no action taken. Preliminary Budget keeps POPS at the current level.

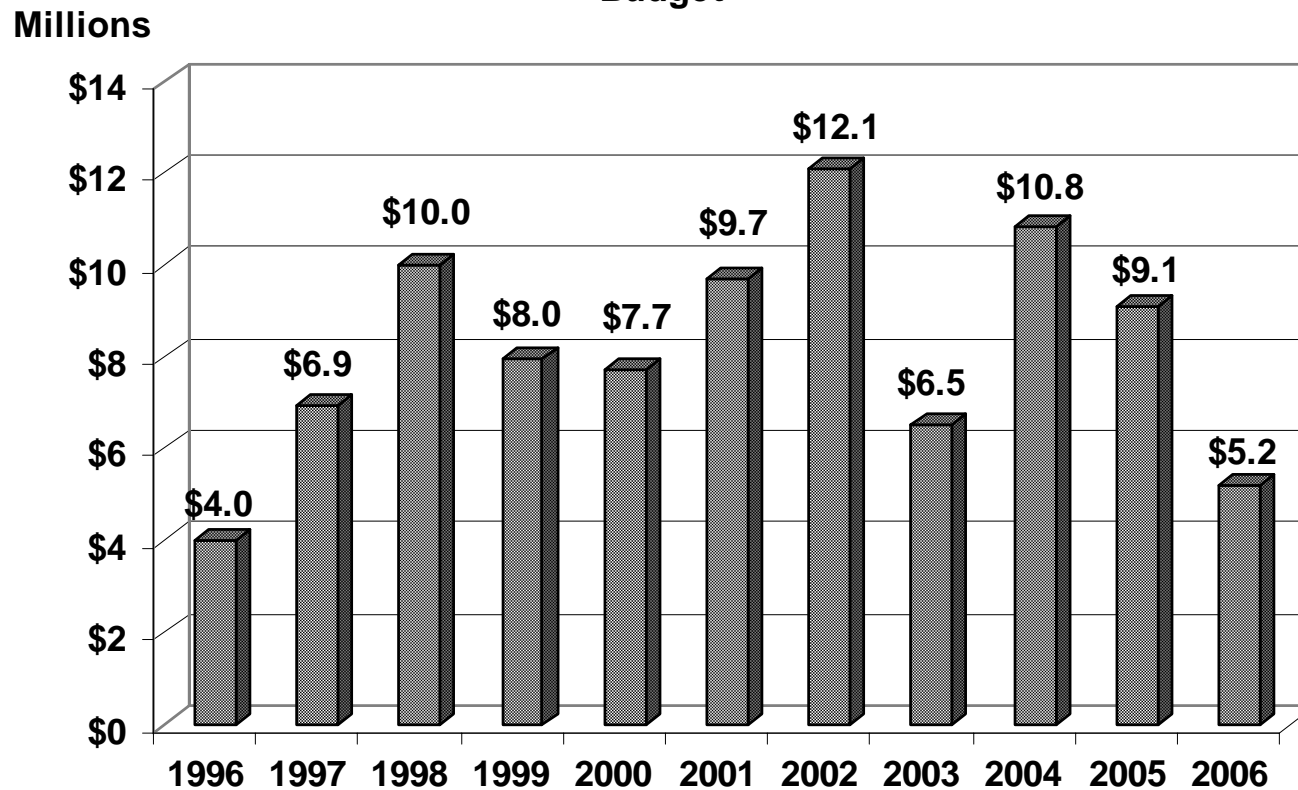
Capital Recommendations

• Capital Acquisition Resources (CAR)	\$5,286,967
• Short Term Certificates of Obligation	5,775,000
• Other Funds (mostly Rd. & Bridge)	2,684,905
• Long Term Bonds authorized in '01	<u>7,230,000</u>
• Total Capital	\$20,976,872

Ten Years of Capital Acquisition Resources Account - '96 to '06

Capital Acquisition Resources Account FY 1996 - FY 2006

Source: Travis County Adopted Budgets & FY 06 Preliminary Budget



Capital Acquisition Resources (CAR)

■ Vehicles (Sheriff's Patrol Cars)	\$1,023,000
■ Technology and Computers	1,825,706
■ Facilities Modifications	983,626
■ Sheriff's Office projects	693,647
■ Other	322,085
■ CAR Reserve	<u>438,903</u>
Total	\$5,286,967

Other Funds (Mostly Rd. & Bridge)

■ Road and Bridge	
■ Vehicles and heavy equipment	\$1,439,250
■ HMAC and F-mix (+ \$1.6 M in CO)	704,333
■ Traffic Signals	<u>300,000</u>
■ TOTAL RD./BRIDGE	\$2,443,583
■ LCRA – Travis CIP Fund	200,000
■ Law Library Fund	11,290
■ Justice Court Technology Fund	<u>30,032</u>
TOTAL OTHER FUNDS	\$2,684,905

Certificates of Obligation

■ Information Systems upgrades	\$2,099,000
■ HMAC and F-Mix (+ \$704K in CAR)	1,651,463
■ Centrally budgeted Countywide vehicles	700,750
■ Sheriff's Office projects	525,000
■ Ambulances	518,340
■ Facilities Mgt/ ADA corrections	114,237
■ Medical Examiner equipment	50,000
■ Voting equipment	39,000
■ Issuance Cost	<u>77,210</u>
Total CO	\$5,775,000

'01 Voter Approved Bonds

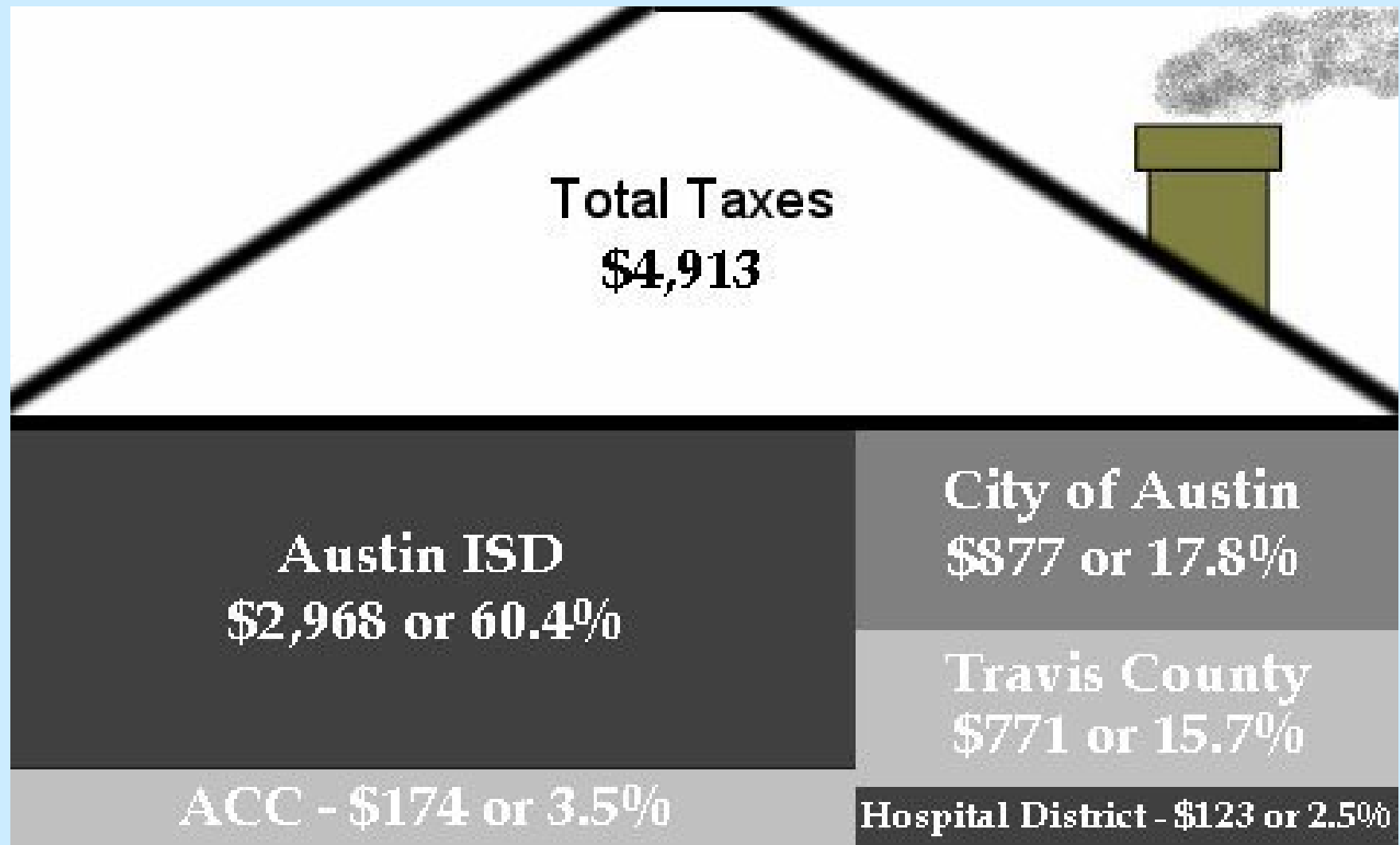
■ <u>Proposition 1</u> : Local roads, drainage, bridges and pedestrian access	\$3,995,000
■ <u>Proposition 2</u> : County park projects*	<u>3,235,000</u>
Total	\$7,230,000

* Note: Park Project related to possible purchase of parkland in Southwest Travis County.

Central Reserves

■ Unallocated Reserve (11%)	\$35,933,869
■ Allocated Reserve (Similar to FY 05)	2,117,893
■ Capital Acquisition Resources (CAR)	438,903
■ <u>Special Purpose Reserves</u>	
■ Jail Overcrowding	\$399,560
■ FACTS/IJS reserve	700,000
■ Southwest Metro Park operations	233,738
■ Lease Reserve	115,000

FY 05 Property Tax on Avg. Homestead of \$197,874



Individual Budget Write-ups

- Each Court member has “Black Book” of departmental budget write-ups.
- These contain review of all base budgets & 326 separate budget requests.
- All the departments have their write-ups.
- Developed through discussions between PBO and departments in June and July.
- They form the foundation for all departmental budget recommendations.

Public Hearings and Input



- Wednesday, August 10 hearing on the Preliminary Budget – 6 PM.
- New statutory requirements will require two public hearings if go above Effective Tax Rate.
- Tuesday, Sept. 13 first public hearing (9 AM).
- Tuesday, Sept. 20 second public hearing (9 AM).
- Tuesday, Sept. 27 public hearing on the proposed budget.
- Plus, every Tuesday during “Citizens Communication”.

What Comes Next?



- Budget Hearings begin on Wednesday August 10 and end on Monday, August 22 (held as contingency).
- Hearings to be scheduled every afternoon on Monday, Wednesday and Thursday and mornings on Fridays.
- Budget Mark-up on September 7, 8, and 9.
- Adopt the Budget on Tuesday, Sept. 27.