

2018-2019 BUDGET QUESTION
Response to Request for Information

DEPARTMENT: Convention Center

REQUEST NO.: 114

REQUESTED BY: Alter

DATE REQUESTED: 8/29/18

DATE POSTED: 8/30/18

REQUEST: What is the Convention Center Capital Fund and why was it created? Does this new fund make assumptions about expanding the Convention Center?

RESPONSE:

The Convention Center Capital Fund is a new fund in the FY 2018-2019 Proposed Budget, created to increase transparency.

There are two main funding sources: (1) a one-time transfer in from the Capital Improvement Project (CIP) Budget, representing available balances accumulated in the CIP, and (2) annual transfers from the Austin Convention Center Department (ACCD) Operating Funds, (shown as 'Other Funds' for the Convention Center Venue Project Fund and 'Convention Center' for the Convention Center Operating Fund and Palmer Events Center Fund). These transfers represent operational available funds over total requirements, less Financial Policy reserve requirements. Historically, these funds were transferred directly to the CIP.

Regarding expansion of the Convention Center, neither ACCD's 5-Year CIP Plan nor the Convention Center Capital Fund contain pre-determined funds for expansion. ACCD's strategic transfer of funds from the department's operating funds, previously to the CIP, and now this Capital Fund is in order to prepare for any future dollar-intensive endeavors and provides for ongoing capital requirements of the aging existing facilities.

It is important to note that any fund expenditures will be subject to the governing instruments applicable for each of the distinct funding streams, including the Texas Tax Code, bond covenants, and City Ordinances. Any Convention Center Capital Funds approved by the City Council for utilization, adhering to those defined parameters, will be transferred out of the Convention Center Capital Fund into the fund from which they ultimately will be expended.