

**2018-2019 BUDGET QUESTION**  
***Response to Request for Information***

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**DEPARTMENT:** Convention Center

**REQUEST NO.:** 122

**REQUESTED BY:** Alter

**DATE REQUESTED:** 8/30/18

**DATE POSTED:** 9/5/18

**REQUEST:** Concerning the performance measure “Number of days of operating and maintenance expense sustained with combined operating ending balances”, please explain why the FY 2019 Goal is lower than the previous years listed on page 202 of the FY 2019 proposed budget.

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**RESPONSE:**

This goal is first and foremost predicated on ACCD's financial policies related to reserves, including the 180-day operating reserve requirement. The long-term 180-day goal on page 202 is set to meet the minimum Austin Convention Center Department's (ACCD) operating and maintenance expense reserve requirements per ACCD's Financial policies and bond covenants.

For financial and strategic planning purposes, ACCD will always try to have actual results be as close to the 180-day goal as possible. However, actual results will always differ from budgeted amounts, and the FY 2018-2019 Goal is formula-driven based on projected budgeted amounts.

The number of days sustained calculation is dependent on the amount of operating expense, the beginning balance, and revenue and expenditures of the combined facilities. The largest variance to the 180-day goal occurred in FY 2016-17 when actual combined ending balances were above expectations due to additional revenue received and operational savings.

It is also important to note that ACCD's ending balance also includes the working capital reserve requirement, as per financial policies and certain bond covenants. Funds associated with this reserve component are currently included in the calculation for this measure's actual results. However, ACCD will evaluate whether that is most appropriate and will make any adjustments in future years deemed necessary.

