

2018-2019 BUDGET QUESTION

Response to Request for Information

DEPARTMENT: Multiple Departments

REQUEST NO.: 139

REQUESTED BY: Alter

DATE REQUESTED: 8/30/18

DATE POSTED: 9/10/18

REQUEST: Concerning 2012 bond funding on page 153 of the proposed budget, please explain why 31% of the \$306.6 million of the total voter approved funding remains unobligated to date.

RESPONSE:

Below is an updated table showing the amount of funds obligated from the 2012 bond. As of September 7th, 27% of 2012 bond program funds are unobligated. Staff is working diligently to continue progress on projects funded under the 2012 bond. Some projects have encountered unforeseen delays, including:

- There have been land acquisition delays due to a competitive real estate market, eminent domain processes, and successfully completing negotiation of purchases consistent with City policies. For example, obligations on the \$5.8 allocation for the land purchase for a Northwest Substation was delayed due to the difficulty of finding a site meeting department requirements at a suitable market value. In August, Council approved contracts to purchase land for this project, and APD anticipates obligating necessary funds before the end of FY 2018.
- Projects timelines have been expanded to accommodate extended community engagement processes. One example is the extensive public engagement process for the Montopolis Recreation and Community Center, which is the largest project under Proposition 14 and 17. This project recently received Council approval to negotiate and execute its construction contract and, since publication of the Proposed Budget, has encumbered an additional \$10.7 million.
- There have been delays on major projects due to coordination related to the 2016 Mobility bond. For example, \$13.2 million in unobligated funds from Proposition 12 are dedicated to the North Lamar Blvd and Burnet Rd Corridor Improvements project. This project was placed on temporary hold so that it could be coordinated with the 2016 Mobility Bond.
- Several projects have been re-scoped to fit available funding. The following projects received funding in the 2012 bond, but required re-scoping to bring the projects within budget: Austin Film Studios with \$4.6 million unobligated; the Mounted Patrol Facility with \$2.8 million unobligated; and several Public Works building facility improvement projects with \$8.5 unobligated.
- Individual projects going through multiple contract solicitation processes due to unresponsive or higher-than-expected bids.

There are general other delays that projects have encountered, such as complex site permitting requirements and the need to go through multiple contract solicitations due to unresponsive or higher-than-expected bids. Finally, some of the unobligated funds are related to contingencies or projects completed or in warranty phase, which are awaiting final invoicing. For example, this accounts for \$4.1 million of the unobligated funds within Proposition 12.

2012 Bond Program (9/7/18 data)

| Proposition | Voter Approved | Obligated | %Obligated |
|---|-----------------------|--------------------|-------------------|
| Prop 12: Transportation and Mobility | 143,295,000 | 102,850,900 | 71.8% |
| Prop 13: Open Space and Watershed Protection | 30,000,000 | 29,804,226 | 99.3% |
| Prop 14: Parks and Recreation | 77,680,000 | 55,651,542 | 71.6% |
| Prop 16: Public Safety | 31,075,000 | 19,780,022 | 63.7% |
| Prop 17: Health and Human Services | 11,145,000 | 10,341,708 | 92.8% |
| Prop 18: Library, Museums, and Cultural Arts Facilities | 13,440,000 | 5,725,009 | 42.6% |
| | 306,635,000 | 224,153,407 | 73.1% |