Austin Convention Center Department
Responses to VITF Questions related to April 11, 2017 Financial Presentation

VITF Member Questions:

1) Page 12 shows combined operating Revenue (Convention center and PEC) to be $33.2M, on pages 16 and 17 it would be $22M for convention center + $15M for PEC + $37M for 2015-2016
Need to understand the difference

ACCD Response:

The amounts on slides 16 and 17, of $22M for ACC and only $15k (thousand, not million) for Palmer Events Center (PEC), are amounts budgeted in those funds at the beginning of the fiscal year (FY). The majority of PEC revenue is actually budgeted in a separate fund (the Convention Center Palmer Events Center Revenue Fund) and transferred into the PEC operating fund depicted on slide 17 (included in the $8M on the "Transfers In" line). The amounts on slide 12 represent the accounting revenue as of the end of FY16. The final amounts for FY16 will not appear in the budget document until FY18 due to the timing differences. The FY18 Proposed Budget will be posted online in August 2017. The actual amounts that will appear in the FY18 budget documents for FY16 "actuals" will be $26,914,974 for ACC and $4,129,932 for PEC Operating, totaling $31,044,906. This is still different from what was reported on slide 12 as ACCD's accounting revenue of $33,221,000, in part, because of the differences in the basis of reporting: budget-basis (on slides 16 & 17) versus accounting-basis (on slide 12).

Slide 12:

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the year ended September 30, 2016
(In thousands)

	Austin Resource Recovery	Convention Center	Drainage
OPERATING REVENUES			
User fees and rentals	$ 103,420	33,221	83,997
Total operating revenues	103,420	33,221	83,997

Slide 16:

Convention Center Operating Fund

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ESTIMATED	2015-16 AMENDED	2016-17 APPROVED
BEGINNING BALANCE	21,595,649	34,884,021	27,826,000	23,102,692	19,789,524
REVENUE					
Contractor Revenue	10,556,903	12,064,505	13,448,455	11,358,057	13,231,656
Facility Revenue	6,238,077	6,823,167	6,678,403	6,678,403	6,798,692
Parking Fees	2,984,095	3,730,723	4,050,000	3,699,822	3,963,759
Building Rental/Lease	113,770	135,800	221,040	211,860	266,410
Other Revenue	91,669	317,065	110,300	110,300	117,600
Interest	18,093	73,149	84,578	50,500	90,921
Scrap Sales	4,112	17,699	0	0	0
Total Revenue	**20,006,719**	**23,162,107**	**24,592,776**	**22,108,942**	**24,469,038**

Slide 17:

Convention Center Palmer Events Center Operating Fund

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ESTIMATED	2015-16 AMENDED	2016-17 APPROVED
BEGINNING BALANCE	9,387,963	12,228,267	9,661,057	8,863,805	4,306,063
REVENUE					
Interest	8,684	18,319	21,703	15,150	23,331
Total Revenue	8,684	18,319	21,703	15,150	23,331

Amounts that will be reported in FY18 budget documents:

Convention Center Operating Fund

	AMENDED	ESTIMATED	ACTUALS
BEGINNING BALANCE	23,102,692	27,826,000	27,826,000
REVENUE			
Building Rental/Lease	211,860	221,040	205,507 ✓
Contractor Revenue	11,358,057	13,448,455	14,689,420 ✓
Facility Revenue	6,678,403	6,678,403	7,801,689 ✓
Interest	50,500	84,578	164,425 ✓
Other Revenue	110,300	110,300	102,881 ✓
Parking Fees	3,699,822	4,050,000	3,946,153 ✓
Scrap Sales	0	0	4,898 ✓
Total Revenue	22,108,942	24,592,776	26,914,974

Convention Center Palmer Events Center Revenue Fund

	AMENDED	ESTIMATED	ACTUALS
BEGINNING BALANCE	0	0	0
REVENUE			
Contractor Revenue	1,684,255	2,147,511	2,211,470 ✓
Facility Revenue	1,760,389	1,760,389	1,899,838 ✓
Other Revenue	0	0	18,624 ✓
Total Revenue	3,444,644	3,907,900	4,129,932

2) On page 16 the ending balance for one year and starting balance for next year is same for some years but not for other years for convention center however on page 17 the PEC data is consistent.

Need explanation

ACCD Response:

There are actually 2 columns on slides 16 and 17 for FY16 – one "Estimated" column and one "Amended" column. The "Amended" column represents the amounts that were approved by Council the previous September 2015, before the previous year (FY15) was even over.

Therefore, the actual beginning balance used at that point is only an estimate and will change once the previous year is final and all amounts have been determined. Differences are adjusted for/handled in subsequent years' budgets. The "Amended" numbers are approved by City Council and will only change if Council Approves a budget amendment. The "Estimated" column represents our best guess as to what FY16 will end up being while we are preparing for FY17, but again, is reported before FY16 is even finished. Therefore, due to the timing of the budget process, the actual ending balance of FY15 agrees to the beginning balance of FY16's "Estimated" column, but not the "Amended" column.

Slide 16:

Convention Center Operating Fund

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ESTIMATED	2015-16 AMENDED	2016-17 APPROVED
BEGINNING BALANCE	21,595,649	34,884,021	27,826,000	23,102,692	19,789,524
REVENUE					
Contractor Revenue	10,556,903	12,064,505	13,448,455	11,358,057	13,231,656
Facility Revenue	6,238,077	6,823,167	6,678,403	6,678,403	6,798,692
Parking Fees	2,984,095	3,730,723	4,050,000	3,699,822	3,963,759
Building Rental/Lease	113,770	135,800	221,040	211,860	266,410
Other Revenue	91,669	317,065	110,300	110,300	117,600
Interest	18,093	73,149	84,578	50,500	90,921
Scrap Sales	4,112	17,699	0	0	0
Total Revenue	**20,006,719**	**23,162,107**	**24,592,776**	**22,108,942**	**24,469,038**
TRANSFERS IN					
Other Funds	28,689,696	34,732,927	38,779,475	34,530,378	40,083,281
Total Transfers In	**28,689,696**	**34,732,927**	**38,779,475**	**34,530,378**	**40,083,281**
TOTAL AVAILABLE FUNDS	**48,696,415**	**57,895,034**	**63,372,251**	**56,639,320**	**64,552,319**
PROGRAM REQUIREMENTS					
Event Operations	26,598,854	30,278,659	31,714,429	31,714,429	34,236,625
Support Services	4,140,248	4,960,871	6,331,361	6,384,627	6,978,633
Total Program Requirements	**30,739,102**	**35,239,529**	**38,045,790**	**38,099,056**	**41,215,258**
OTHER REQUIREMENTS					
Compensation Adjustment	0	0	0	0	336,601
Market Study Adjustment	0	0	41,629	41,629	178,817
Accrued Payroll	54,005	105,218	137,184	128,008	75,156
Awards and Recognition	13,184	0	0	0	0
Compromise settlement agrmts	0	2,810,282	0	0	0
Total Other Requirements	**67,189**	**2,915,500**	**178,813**	**169,637**	**590,574**
TRANSFERS OUT					
Trf to Conv Ctr CIP Fund	0	22,436,282	28,413,954	9,000,000	16,427,936
Trf to GO Debt Service	2,332,301	2,173,040	2,202,340	2,202,341	1,495,640
Administrative Support	1,037,001	0	1,133,838	1,133,838	1,440,520
CTM Support	897,899	835,000	905,275	905,275	1,047,724
Trf to PID Fund	75,000	75,000	75,000	75,000	285,000
Workers' Compensation	260,486	284,541	226,728	226,728	223,686
Regional Radio System	0	0	95,127	95,127	115,787
Trf to CIP Mgm - CPM (5460)	0	0	0	0	91,702
Liability Reserve	6,480	6,480	6,480	6,480	40,080
Trf to Support Services Fund	0	984,565	0	0	0
Trf to Tourism & Promotion Fnd	125,382	125,382	125,382	125,382	0
Trf to Wireless Communication	89,408	88,654	0	0	0
Total Transfers Out	**4,823,957**	**27,008,944**	**33,184,124**	**14,270,171**	**21,168,075**
TOTAL REQUIREMENTS	**35,630,248**	**65,163,974**	**71,408,727**	**52,538,864**	**62,973,907**
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	13,066,166	(7,268,939)	(8,036,476)	4,100,456	1,578,412
ADJUSTMENT TO GAAP	222,206	210,918	0	0	0
ENDING BALANCE	**34,884,021**	**27,826,000**	**19,789,524**	**27,203,148**	**21,367,936**

Slide 17:

Convention Center Palmer Events Center Operating Fund

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ESTIMATED	2015-16 AMENDED	2016-17 APPROVED
BEGINNING BALANCE	9,387,963	12,228,267	9,661,057	8,863,805	4,306,063
REVENUE					
Interest	8,684	18,319	21,703	15,150	23,331
Total Revenue	**8,684**	**18,319**	**21,703**	**15,150**	**23,331**
TRANSFERS IN					
Other Funds	8,056,388	8,285,794	8,864,369	7,972,208	8,674,186
Total Transfers In	**8,056,388**	**8,285,794**	**8,864,369**	**7,972,208**	**8,674,186**
TOTAL AVAILABLE FUNDS	**8,065,072**	**8,304,113**	**8,886,072**	**7,987,358**	**8,697,517**
PROGRAM REQUIREMENTS					
Event Operations	3,766,160	4,473,732	4,852,786	5,087,38[illegible]	5,383,966
Support Services	647,491	732,786	847,558	919,77[illegible]	1,144,440
Total Program Requirements	**4,413,651**	**5,206,518**	**5,700,344**	**6,007,15[illegible]**	**6,528,406**
OTHER REQUIREMENTS					
Compensation Adjustment	0	0	0	0	47,006
Market Study Adjustment	0	0	430	430	41,895
Accrued Payroll	6,080	16,648	35,613	21,515	8,403
Awards and Recognition	2,015	0	0	0	0
Total Other Requirements	**8,095**	**16,648**	**36,043**	**21,945**	**97,304**
TRANSFERS OUT					
Trf to Conv Ctr CIP Fund	0	4,839,499	2,650,504	341,376	675,520
Trf to PARD CIP Fund	500,000	500,000	5,500,000	5,500,000	500,000
Administrative Support	157,519	0	171,862	171,862	244,699
CTM Support	136,390	126,836	137,377	137,377	171,208
Workers' Compensation	43,524	54,531	43,720	43,720	46,744
Liability Reserve	1,216	1,216	1,216	1,216	9,196
Trf to Support Services Fund	0	149,554	0	0	0
Total Transfers Out	**838,649**	**5,671,636**	**8,504,679**	**6,195,551**	**1,647,367**
TOTAL REQUIREMENTS	**5,260,395**	**10,894,802**	**14,241,066**	**12,224,655**	**8,273,077**
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	2,804,677	(2,590,689)	(5,354,994)	(4,237,297)	424,440
ADJUSTMENT TO GAAP	35,627	23,479	0	0	0
ENDING BALANCE	**12,228,267**	**9,661,057**	**4,306,063**	**4,626,508**	**4,730,503**

3) On page 20 CIP appropriation through 2020 is $153M. It is described as debt - what is the source of appropriation?

ACCD Response:

The $153M on slide 20 is a total, which is a combination of debt and cash. The total debt on that slide only totals $2.7M, and is related to ACCD's GO Debt issuance from 2010. Cash funding totals $150.1 on that slide.

	Thru 2015	2016	2017	2018	2019	2020	Future	Total
Spending Plan	$12,011,897	$11,685,035	$6,171,000	$1,182,000	$60,000	$7,060,000	$115,367,751	$153,537,683
Appropriation Plan	$37,955,133	$26,185,028	$19,961,942	$20,698,401	$21,465,999	$27,271,179	$0	$153,537,682
Funding Plan								
Debt	$2,724,752	$0	$0	$0	$0	$0	$0	$2,724,752
Cash	$35,230,381	$26,185,028	$19,961,942	$20,698,401	$21,465,999	$27,271,179	$0	$150,812,930
Total	$37,955,133	$26,185,028	$19,961,942	$20,698,401	$21,465,999	$27,271,179	$0	$153,537,682

4) Between 2015 and 2020 some $38M will be spent for CIP 1$115M - please explain the rationale for appropriating such a large sum of money?

ACCD Response:

On slide 20, the $115M is found in the Austin Convention Center's "Future" CIP Spending Plan column. We assume that is what is being questioned, not the $38 million. There is $37.4 million that represents projects we have committed to completing. The project descriptions are included in the CIP Plan and can be found on pages 45-48 at: https://assets.austintexas.gov/budget/15-16/downloads/fy_16_5_year_cip_plan_final.pdf

As we described during the presentation, the City plans CIP spending in 5 year spans. ACCD only commits to spending plans during that 5-year term as cash is available – meaning what has already been appropriated in prior years, and then the appropriation for the current year only, not future years shown on the plan (this means for "Thru 2015" and "2016" for the presentation, shown in the red boxes on slide 20). To facilitate the "balancing" of the CIP plan as part of the City's overall reporting process (i.e. the total spending plan equaling the appropriation and funding plans), ACCD reports any funds not yet committed to a project from "Thru 2015" and "2016", plus all future years' projected appropriation in the "Future" CIP Spending Plan column.

5) On page 7 CIP plan for 2016 is $37M, on page 20 under appropriation it shows $38M under the column
"Actual through prior year". Are these the same entities?

ACCD Response:

No, the amounts referred to above do not represent the same thing. The $37M on slide 7 relates to the total spending plan amounts found in the blue boxes on slide 20, net of $2.7M debt funding. The detail for that number is found on slide 24:

From Slide 20:

	Thru 2015	2016	2017	2018	2019	2020
Spending Plan	$12,011,897	$11,685,035	$6,171,000	$1,182,000	$60,000	$7,060,000
Appropriation Plan	$37,955,133	$26,185,028	$19,961,942	$20,698,401	$21,465,999	$27,271,179
Funding Plan						
Debt	$2,724,752	$0	$0	$0	$0	$0
Cash	$35,230,381	$26,185,028	$19,961,942	$20,698,401	$21,465,999	$27,271,179
Total	$37,955,133	$26,185,028	$19,961,942	$20,698,401	$21,465,999	$27,271,179

Project Name: **Palmer Events Center**

Project ID: 52

Responsible D

Project Description:

Palmer Events Center has two exhibit halls totalling 70,000 square feet (SF), 5 meeting rooms totalling 6,000 SF, and the overall building size approaches 130,000 SF. The facility also has a 1200 car parking garage to support events at both Palmer and the Long Center for the Performing Arts.

Phone # 40440

	Thru 2015	2016	2017	2018	2019	2020
Spending Plan	$1,407,060	$472,600	$40,000	$0	$0	$80,000
Appropriation Plan	$5,421,429	$2,150,543	$2,324,552	$2,908,410	$3,162,973	$3,483,079
Funding Plan						
Cash	$5,421,429	$2,150,543	$2,324,552	$2,908,410	$3,162,973	$3,483,079
Total	$5,421,429	$2,150,543	$2,324,552	$2,908,410	$3,162,973	$3,483,079

From Slide 24:

Capital Funding Available, as of 9/30/16	93,389,915	A+B
Less: Projects with Funding Already Committed, as of 9/30/16	37,444,840	C
CIP Funding for Future Projects/Use, as of 9/30/16	55,945,075	

12,011,897	ACC Spending Plan thru 2015
11,685,035	ACC Spending Plan 2016
6,171,000	ACC Spending Plan 2017
1,182,000	ACC Spending Plan 2018
60,000	ACC Spending Plan 2019
7,060,000	ACC Spending Plan 2020
1,407,060	PEC Spending Plan thru 2015
472,600	PEC Spending Plan 2016
40,000	PEC Spending Plan 2017
80,000	PEC Spending Plan 2020
(2,724,752)	ACC Debt Funded Spending Plan
37,444,840	C

6) On page 20 CIP spending plan is $12M and $11.7M for year 2015 and 2016 resp., on page 16 the numbers are $ 9.7M and $16.4M for years 2015-16 and 2016-17 resp. what is the cause of difference?

ACCD Response:

The amounts on slides 16 and 20 do not represent the same thing. The amounts on slide 16 represent the budgeted transfers from the operating fund to the capital fund during FY15 and

FY16. The Appropriation Plan amounts on slide 20 represent amounts appropriated for spending through FY15 and for FY16. Annual budgeted transfers from operating funds and CIP appropriations are set at the beginning of the fiscal year. Therefore, because we cannot predict to the dollar how much hotel occupancy tax we will receive during the year, the current year CIP appropriation will include the revenue received in the previous year that was over the amount budgeted to be transferred at the beginning of the fiscal year. This is factored in on slide 22 as the "Add'l xfer to CIP in FY16, but not yet appropriated" amount of $24,050,534, and further detailed on slide 24. The amounts on the 2 documents represented on the slides 16 and 20 will never match due to the timing of when the revenue is received, budgeted to be transferred, and appropriated for CIP spending.

From slide 16:

Convention Center Operating Fund

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ESTIMATED	2015-16 AMENDED	2016-17 APPROVED
BEGINNING BALANCE	21,595,649	34,884,021	27,826,000	23,102,692	19,789,524
REVENUE					
Contractor Revenue	10,556,903	12,064,505	13,448,455	11,358,057	13,231,656
Facility Revenue	6,238,077	6,823,167	6,678,403	6,678,403	6,798,692
Parking Fees	2,984,095	3,730,723	4,050,000	3,699,822	3,963,759
Building Rental/Lease	113,770	135,800	221,040	211,860	266,410
Other Revenue	91,669	317,065	110,300	110,300	117,600
Interest	18,093	73,149	84,578	50,500	90,921
Scrap Sales	4,112	17,699	0	0	0
Total Revenue	**20,006,719**	**23,162,107**	**24,592,776**	**22,108,942**	**24,469,038**
TRANSFERS IN					
Other Funds	28,689,696	34,732,927	38,779,475	34,530,378	40,083,281
Total Transfers In	**28,689,696**	**34,732,927**	**38,779,475**	**34,530,378**	**40,083,281**
TOTAL AVAILABLE FUNDS	**48,696,415**	**57,895,034**	**63,372,251**	**56,639,320**	**64,552,319**
PROGRAM REQUIREMENTS					
Event Operations	26,598,854	30,278,659	31,714,429	31,714,429	34,236,625
Support Services	4,140,248	4,960,871	6,331,361	6,384,627	6,978,633
Total Program Requirements	**30,739,102**	**35,239,529**	**38,045,790**	**38,099,056**	**41,215,258**
OTHER REQUIREMENTS					
Compensation Adjustment	0	0	0	0	336,601
Market Study Adjustment	0	0	41,629	41,629	178,817
Accrued Payroll	54,005	105,218	137,184	128,008	75,156
Awards and Recognition	13,184	0	0	0	0
Compromise settlement agrmts	0	2,810,282	0	0	0
Total Other Requirements	**67,189**	**2,915,500**	**178,813**	**169,637**	**590,574**
TRANSFERS OUT					
Trf to Conv Ctr CIP Fund	0	22,436,282	28,413,954	9,500,000	16,427,936
Trf to GO Debt Service	2,332,301	2,173,040	2,202,340	2,202,341	1,495,840

From slide 20:

Project Name: **Austin Convention Center**

Project Description:
Improvements and major renovations to the Austin Convention Center.
881,400 gross square feet and covers six city blocks. The five contiguous
of column-free space, 54 meeting rooms and show offices with 61,440 s

	Thru 2015	2016	
Spending Plan	$12,011,897	$11,685,035	
Appropriation Plan	$37,955,133	$26,185,028	$
Funding Plan			
Debt	$2,724,752	$0	
Cash	$35,230,381	$26,185,028	$
Total	$37,955,133	$26,185,028	$

From slide 22:

	Budget Basis	
Convention Center Operating Ending Balance, FY16	19,789,524	COA
Capital Projects Fund Cash Appropriation to Date thru FY16	69,339,381	
Add'l xfer to CIP in FY16, but not yet appropriated	24,050,534	
Total	113,179,439	

From slide 24:

	Budget Basis	
Convention Center Operating Ending Balance, FY16	19,789,524	COA financial p
Capital Projects Fund Cash Appropriation to Date thru FY16	69,339,381	A
Add'l xfer to CIP in FY16, but not yet appropriated	24,050,534	B
Total	113,179,439	

28,413,954	Actual transfer to CIP - ACC
(9,500,000)	Budgeted/Appropriated transfer to CIP - ACC
2,650,504	Actual transfer to CIP - PEC
(341,376)	Budgeted/Appropriated transfer to CIP - PEC
9,657,710	Actual transfer to CIP - ACC Venue
(6,830,258)	Budgeted/Appropriated transfer to CIP - ACC Venue
24,050,534	B

The amounts for part B (green arrow) are found on slides 16, 17, and 18.

7) On page 20 funds transfer in figure is $40M, per the HOT revenue ACC would have $45M, what happens to $5M left over?

ACCD Response:

As discussed in response to question 6 above, there will always be timing differences between operating budget revenues and CIP plan appropriations. Those differences are adjusted for in subsequent budget and CIP plan cycles.