

Annual Internal Review

Bond Oversight Commission

This report covers the time period of 7/1/2022 to 6/30/2023

The Bond Oversight Commission (BOC) mission statement (per Ordinance No. 20150813-010) is:

- A. The council creates the Bond Oversight Commission to ensure efficiency, equity, timeliness, and accountability in the implementation of existing and future City bond programs.
- B. The Commission shall monitor the city manager's plans relating to the issuance of bonds and the implementation of projects approved in bond elections, including the review of future potential bonds, the annual appropriation of bond funds, and any changes in the amount of bond funds issued or cash commitments made.
- C. The mayor and council shall work with the commission to set priorities and goals of each new bond issue to be submitted to voters.
- D. The commission shall advise the council on proposed bonds and the implementation of projects approved in bond elections.
- E. The council shall appoint at least three members to the commission who have training or professional experience in financial matters.

Describe the board's actions supporting their mission during the previous calendar year. Address all elements of the board's mission statement as provided in the relevant sections of the City Code.

Assess and monitor the delivery of current, ongoing bond programs (mission statements A, B, and D)

In the review period the BOC focused on monitoring outstanding bond programs, including:

- Staff briefing from the Austin Police Department related to the 2012 bond program – September 21, 2022;
- Staff briefing from the Austin Public Health Department related to the 2018 bond program – September 21, 2022;
- Staff briefing from the Parks and Recreation Department on Proposition C of the 2018 bond program – October 18, 2022;
- Staff briefing from Economic Development, Austin Public Library and Parks and Recreation on Proposition B of the 2018 bond program (BOC asked for revised estimates from Parks and Recreation based on their reported deficit of funding for the Dougherty Arts Center) – November 16, 2022;
- Staff briefing from Public Works and Austin Transportation on the Transportation and Mobility bond programs – February 15, 2023;
- Staff briefing from Austin Public Health on the 2018 Proposition E bond program – April 19, 2023;

- Staff briefing from Emergency Medical Services and Austin Fire on the 2018 Public Safety bond projects – May 17, 2023;
- Staff briefing from Watershed Protection on the 2018 Proposition F bond program – May 17, 2023.

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Review the general obligation bond sale process and proposed bond sale (mission statement B):

- Staff briefing included an explanation of the impact of general obligation debt on the property tax rate as well as the steps involved in the annual bond sale process – September 21, 2022.
- Review the annual bond sales scheduled for September, 2023 – June 21, 2023

Determine if the board’s actions throughout the year comply with the mission statement.

All BOC actions complied with our mission statement.

List the board’s goals and objectives for the new calendar year.

- “Unused Bond Authority – identify unused bond authority from all prior bond programs. Learn about the reasons the bond authority is going unused and what lessons should be learned for future bond programs. Determine if there is a way for the bond authority to be used for other projects or if it can be “retired” so that it doesn’t affect the city’s bond capacity (mission statements A,B and D).
- 2016 Transportation and Mobility Bond – Review and monitor the implementation of the 2016 Mobility Bond Program (mission statement A and B).
- 2018 and 2020 Transportation Infrastructure and Mobility Bonds – Review and monitor the implementation of the 2018 and 2020 Bond Programs (mission statement A and B).
- 2023 Bond sale – Review the bond sale schedule and appropriation of bond funds for 2023-24 (mission statement B)
- Reporting – Increase transparency by continuing to request and review updated information for all open bond programs, by proposition: (a) amount appropriated for the proposition, (b) amount obligated (encumbered plus spent), (c) bond proceeds received (d) anticipated final date of spending for each proposition, and (e) any variance to plan.
- Complete a review and evaluation of departmental reporting on capital project status.
- Complete an evaluation of the timing of the next bond election.
- Review the factors impacting the City’s bond rating including a review of historical ratings and the mitigation efforts to prevent bond rating downgrades.
- Communicating – Provide insight to council and staff regarding issues deemed as red flags (e.g, older outstanding bond authority) or variances related to project timelines and spending.
- Collaborating – Define relationship between the Bond Oversight Commission and any bond-specific task forces that are formed prior to bond elections.”