



# City of San Antonio

## Agenda Memorandum

**File Number:** 17-4581

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**Agenda Item Number:** 1.

**Agenda Date:** 8/15/2017

**In Control:** City Council Special Session

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**DEPARTMENT:** Office of Management and Budget

**DEPARTMENT HEAD:** Justina Tate

**COUNCIL DISTRICTS IMPACTED:** City Wide

### **SUBJECT:**

City Council Worksession on the FY 2018 Proposed Budget

### **SUMMARY:**

Staff presentation on the FY 2018 Proposed Budget focusing on, but not limited to, the following subjects:

A. Streets, Sidewalks, Drainage, and Transportation Capital Program

B. FY 2018 Debt Management Plan

### **BACKGROUND INFORMATION:**

The FY 2018 Proposed Budget was presented to the Mayor and City Council on August 10, 2017. The budget is balanced as required by law and reflects the City Council policy direction of budgeting through an equity lens.

Equity and equality are two strategies that can be used in budgeting. Equity aims to understand the needs of the community and fairly distribute resources. Equality involves ensuring all parts of the community get similar amounts of resources regardless of need. In the context of the proposed budget, decisions made through an equity lens matter because it determines how the City will allocate resources and set priorities to meet the social and economic needs of San Antonio residents. This Budget proposes an equity approach.

The FY 2018 Proposed Budget includes investments in streets, public safety, and neighborhood services that

have the potential to make a significant difference in the quality of life of our community while maintaining a strong financial position.

The overall FY 2018 Proposed Budget is \$2.7 billion, 5% higher than FY 2017. The budget is comprised of the General Fund at \$1.2 billion, Restricted Funds at \$858 million, and the Capital Plan at \$639 million. The FY 2018 General Fund is 4.4% higher than FY 2017. The Proposed Budget includes investments in streets, public safety, and neighborhood services that have the potential to make a significant difference in the quality of life for the community while maintaining strong financial positions.

Following the presentation of the proposed budget a series of city council budget worksessions are scheduled from August 15 to September 13. At these sessions, City staff will review the budget proposals with the Mayor and City Council in detail. The budget is scheduled to be adopted on September 14 for the City's fiscal year that begins on October 1.

## **ISSUE:**

### **Transportation & Capital Improvements**

Transportation & Capital Improvements Department is responsible for developing and maintaining an advanced infrastructure system to meet the needs of the growing community. The Department also manages infrastructure programs within the Advanced Transportation District, Storm Water Regional Facilities, Storm Water Operations, and Right of Way Management operations. The presentation scheduled for Tuesday, August 15 will focus on the Streets, Sidewalks, Drainage, Transportation, and Capital Improvement Programs.

The Proposed Budget for Transportation & Capital Improvements is funded from the General Fund and Restricted Funds. Below is a summary of the funding and position counts included within the FY 2018 Proposed Budget.

FUND	FY 2018 PROPOSED BUDGET	AUTHORIZED POSITIONS
General Fund	\$103,761,920	338
Advanced Transportation District Fund	5,502,271	26
Right of Way Fund	3,430,613	40
Storm Water Operating Fund	45,943,275	275
Stormwater Regional Facilities	1,592,400	13
Capital Management Services Fund	20,302,381	173
Capital Projects	432,745,055	0
<b>Total</b>	<b>613,277,915</b>	<b>865</b>

The total Advanced Transportation Fund FY 2018 Proposed Budget is \$18,977,271, of which \$13,475,000 is transferred to Capital Projects. The total Right of Way Management Fund FY 2018 Proposed Budget is \$4,030,613, of which \$600,000 is transferred to Capital Projects. The total Storm Water Operating Fund FY 2018 Proposed Budget is \$47,933,275 of which \$2,050,000 is transferred to Capital Projects. The total Stormwater Regional Facilities Fund FY 2018 Proposed Budget is \$8,282,400 of which \$6,690,000 is transferred to Capital Projects. The total Capital Management Services Fund FY 2018 Proposed Budget is \$20,478,417 of which \$176,036 is included in the Neighborhood and Housing Services Department.

## **Street Maintenance**

The FY 2018 Proposed Budget increases the Street Maintenance Program (SMP) from \$64 million to \$99 million across multiple funds. With this funding street improvements are proposed across the City with an emphasis on City Council Districts 1, 2, 3, 5, and 10 where the average street condition is below 70 (on a scale of 100). The goal of this program is to bring the average street condition of these areas of the City to 70 over two years.

## **General Fund**

The Transportation & Capital Improvements General Fund FY 2018 Proposed Budget is \$103,761,920. This budget funds maintenance of the City's major infrastructure including streets, traffic signals, street signs, and pothole repair. The General Fund Budget includes:

- Funding of \$5.8 million for the street striping program to maintain marking every 3 to 5 years,
- \$4.3 million contribution to VIA Metropolitan Transit to provide frequency improvements on 10 VIA public transportation bus routes, as well as travel time and capacity improvements along 7 major corridors,
- \$1 million for a traffic calming program including radar speed trailers, and
- \$250,000 for a pilot maintenance program for non-service alleys in San Antonio.

## *Advanced Transportation District Fund*

The FY 2018 Proposed Budget includes \$18,977,271 to fund the Advanced Transportation District (ATD) program. This fund is supported by a 1/4 cent sales tax that was approved by voters in November 2004. Revenues generated by this revenue are restricted to programs and projects that increase mobility, reduce traffic congestion, improve neighborhood connectivity, and provide coordinating planning.

The FY 2018 Proposed Budget includes \$13,475,000 for transportation-related capital projects such as Sidewalks, Street Maintenance, Bike Lanes, Intersection Improvements, and Traffic Signal Upgrades. A total of 2 positions are being added within the fund to establish and deliver a robust and comprehensive pavement markings program.

## *Right of Way*

The FY 2018 Proposed Budget for the Right of Way Fund is \$4,030,613 for the upkeep of the right-of-way portions of San Antonio roadways. This fund is supported by the Right of Way Fees, which are paid by right-of-way users (those who cut through City streets to access underground utilities) including, but not limited to, SAWS, CPS and telecommunication companies. The Proposed Budget maintains funding levels consistent with FY 2017 for the continued deployment of the high-speed fiber network planned throughout the City.

## *Storm Water Operating Fund*

The FY 2018 Proposed Budget for the Storm Water Operating Fund is \$47,993,275. Revenues for this fund are generated through the Stormwater Utility Fee, established in FY 1993 to provide funding for storm water operations services. The fee is assessed to residential and non-residential properties that discharge stormwater into the City's drainage system.

The Proposed Budget includes \$34.2 million for operational services including street sweeping, vegetation management, flood control, and compliance with the Texas Commission on Environmental Quality permit requirements.

The FY 2016 Adopted Budget introduced a new impervious cover methodology and rate structure effective

January 1, 2016. The new methodology and rate structure assesses fees based on rate and volume of storm water runoff. The rates in the five-year plan funds several program enhancements including increased vegetation management, continued assessments of the storm drain system, and reduced flooding through capital improvement projects. The FY 2018 Proposed Budget includes an increase to fees consistent with the five-year rate plan, approved by City Council that would generate about \$2,040,202 in additional revenues to fund capital projects.

The FY 2018 Proposed Budget adds \$363,000 to address median mowing and initiate a Herbicide Program.

#### *Storm Water Regional Facilities*

The Storm Water Regional Facilities Fund provides for development plan review and overall regional detention planning. The fund utilizes a Fee In-Lieu-of (FILO) payment system for developers in-lieu-of onsite detention as a storm water mitigation option. With these funds, the City manages and constructs regional projects to ensure the protection and quality of the regional water supply in development areas. The FY 2018 Proposed Budget is \$8,282,400 which includes the addition of 1 position to the Floodplain Management division.

#### *Capital Management Services*

The Capital Management Services Fund FY 2018 Proposed Budget of \$20,478,417 provides resources to manage the capital construction associated with the 2012 and 2017 Bond Programs, Alamodome Projects, and some Airport Projects. The personnel managing the construction projects associated with the Capital Program are paid from the capital projects budget.

#### *Capital Budget and Debt Plan*

The six-year Capital Improvements Plan includes \$1.91 Billion and includes 413 projects. This represents the City's long range physical infrastructure development and improvements plan. The capital spending plan for FY 2018 is \$639 million and is primarily comprised of projects funded by the 2012 General Obligation Bonds, 2017 Bond Program, Airport improvements, and from the portion of the Sales Tax dedicated to the Edwards Aquifer Protection and Greenway Trails System Program.

### **FISCAL IMPACT:**

This presentation provides a briefing on the major initiatives within the Transportation & Capital Improvement Department and outlines the components of the FY 2018 Debt Management Plan. The FY 2018 Budget is scheduled to be adopted by City Council on September 14, 2017.

### **RECOMMENDATION:**

This item is a worksession for discussion of the FY 2018 Proposed Budget and is for briefing purposes only.