



City of San Antonio

Agenda Memorandum

File Number:17-4810

Agenda Item Number: 1.

Agenda Date: 8/29/2017

In Control: City Council Special Session

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 City policies and initiatives:

- A. Solid Waste Management
- B. Development Services/Code Enforcement
- C. Animal Care Services
- D. Economic Development
- E. Center City Development & Operations
- F. Eastpoint
- G. World Heritage Office

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. The City's Fiscal Year begins October 1.

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.

A total of 10 City Council work sessions are scheduled prior to budget adoption on September 14 to present the budget in detail to the City Council. Since August 10 five budget work sessions have been held. Three sessions were held during the week of August 14: Transportation and Capital Improvements Department (August 15), Fire and Police Departments (August 16), and the proposed City Debt Plan (August 17). Two additional work sessions were held during the week of August 21: Planning, Neighborhood & Housing Services, Historic Preservation, Health, Sustainability, Human Services and Delegate Agencies (August 22) and Parks, Library and Municipal Court (August 23).

In addition to the budget work sessions a total of six community budget open houses and two public hearings have been scheduled to obtain input from the community about the proposed FY 2018 budget before budget adoption on September 14. Four community budget open houses were held on August 15 in the North area, August 17 in the East area, August 21 on the Northeast area, and August 22 in the Central area.

ISSUE:

A budget Worksession is scheduled for Tuesday, August 29 from 10:00 A.M.-1:00 P.M. and from 2:00 P.M. to 5:00 PM at the Municipal Plaza "B" Room. At this session, the City Council will be presented with the FY 2018 Proposed Budgets for the Solid Waste Management, Development Services/Code Enforcement, Animal Care Services, Economic Development, Center City Development & Operations, Eastpoint Office, and World Heritage Office departments.

Solid Waste Management Department

The Proposed FY 2018 Budget for the Solid Waste Management Department includes funding from the Solid Waste Operating and Maintenance Fund as well as a portion of the Fleet Services Internal Service Fund. Below is a summary of the funding and position counts that would be authorized by the FY 2018 Proposed Budget.

FUND	FY 2018 PROPOSED BUDGET	AUTHORIZED POSITIONS
Solid Waste Operating & Maintenance Fund	\$117,900,036	619
Fleet Services Fund	\$18,857,483	106
Total	\$136,757,519	725

The total Solid Waste Management Fleet Services Fund FY 2018 Proposed Budget is \$19,157,984, of which \$300,501 is transferred to the Solid Waste Operating Fund.

During FY 2017, conversion of all residential household customers to the Pay-as-you-Throw (PAYT) program was completed. PAYT includes a variable rate pricing structure for collection service based on the size of the brown garbage cart used. PAYT is an integral part to achieving the City's residential recycling rate goal of 60% by 2025. Customers who select a smaller brown cart pay a lower rate and this incentivizes residents to divert recyclable material from the brown cart to the blue recycling cart or the green organics cart.

The FY 2018 Proposed Budget includes \$862,218 to continue the PAYT program including the purchase of nine automated trucks and the addition of nine Side Loader Equipment Operator positions to support the organics component of the program.

In order to achieve the City's 60% recycling goal, it is necessary to reduce contamination in the recycling stream and to manage the changing economic conditions of the recycling market. The Proposed Budget includes \$790,787 and adds 8 positions to increase the number of carts inspected by an additional 2,000,000 from years past. This increase in inspections is expected to apply additional pressure, both positive (educational) and negative (fines) that would be required to lower the contamination rates in both the blue and green cart programs.

For FY 2018, the monthly Solid Waste Fee is proposed to increase for both the large and medium carts, and to decrease slightly for the small cart as detailed below:

Garbage Cart Size	*Monthly Pricing		
	FY16	FY17	FY18
Small (48 gal)	\$ 20.43	\$ 20.43	\$ 19.93
Medium (64 gal)	\$ 20.93	\$ 20.93	\$ 21.93
Large (96 gal)	\$ 22.18	\$ 22.18	\$ 24.68

*Includes Environmental Fee of \$2.24

Development Services/Code Enforcement

The Proposed FY 2018 Budget for the Development Services Department includes funding from the General Fund, Restricted Funds, and Grants. Below is a summary of the funding and position counts that would be authorized by the FY 2018 Proposed Budget.

FUND	FY 2018 PROPOSED BUDGET	AUTHORIZED POSITIONS
General Fund (Code Enforcement)	\$15,001,862	146
Development Services Fund	\$33,051,775	275
Grants	\$187,749	3
Total	\$48,241,386	424

The total General Fund Code Enforcement FY 2018 Proposed Budget is \$15,278,403 of which \$276,541 is transferred to the Development Services Fund.

The FY 2018 Proposed Budget maintains all current service levels for Code Enforcement including programming for abatement and dangerous premises.

The Proposed Budget for the Development Services Fund anticipates further growth in commercial building

activity including projects in downtown and beyond. The budget includes \$139,349 in funding for two positions. One position will support the Southern Edwards Plateau initiative by enrolling applicants into the program ensuring compliance with the Endangered Species Act and the other position would support the Unified Development Code/Neighborhood Conservation District (NCD) programs by improving coordination of permits reviewed in NCDs as well as to provide for inspection to ensure compliance with the zoning districts.

Animal Care Services

The Proposed FY 2018 Budget for Animal Care Services includes funding from the General Fund. Below is a summary of the funding and position counts that would be authorized by the FY 2018 Proposed Budget.

FUNDFY 2018 PROPOSED BUDGET AUTHORIZED POSITIONS		
General Fund	\$14,731,709	136
Total	\$14,731,709	136

The FY 2018 Proposed Budget for Animal Care Services allocates new funding of \$109,556 and one Community Based District Animal Care officer for District 1 to support high stray areas. Designated Animal Care Officers have been added for Council District 2, 3, 4, and 5 in previous years' Budgets.

Economic Development

The Proposed FY 2018 Budget for the Economic Development Department includes funding from the General Fund and Restricted Funds. Below is a summary of the funding and position counts that would be authorized by the FY 2018 Proposed Budget.

FUNDFY 2018 PROPOSED BUDGET AUTHORIZED POSITIONS		
General Fund	\$7,310,261	37
General Fund- Workforce Development Agencies	\$3,365,023	0
Economic Development Incentive Fund	\$2,173,127	0
Starbright Industrial Corporation Fund	\$1,663,177	0
Total	\$14,511,588	37

The FY 2018 General Fund appropriation for Economic Development is \$11,223,438. Of that amount, \$2,250,000 is transferred to the Economic Development Incentive Fund (EDIF) and \$1,663,177 is transferred to the Starbright Industrial Development Corporation Fund.

Economic development initiatives in San Antonio foster job creation and investment in targeted industries including aerospace, cyber-security and information technology, biosciences and healthcare, and the new energy economy. The FY 2018 Proposed Budget includes \$2.25 million for city-wide incentives to stimulate the creation and retention of jobs and investment.

The budget also adds \$162,390 for two new positions to the International Relations Office which would assist the Chief of Protocol in managing and implementing projects related to the City's Sister City partnerships and other official relationships, diplomacy, and protocol priorities as well as to partner with local colleges and universities to promote San Antonio as a destination for higher education for international students and researchers.

Additionally, \$100,000 is included for the San Antonio Economic Development Corporation Investment Fund to provide support to invest in local startup companies to foster entrepreneurship and spur innovation in targeted industries.

Center City Development & Operations

The Proposed FY 2018 Budget for the Center City Development & Operations Department includes funding from the General Fund, Restricted Funds, and Grants. Below is a summary of the funding and position counts that would be authorized by the FY 2018 Proposed Budget.

FUNDFY 2018 PROPOSED BUDGETAUTHORIZED POSITIONS		
General Fund	\$16,928,649	63
Inner City Incentive Fund	\$2,000,000	0
Parking Operation & Maintenance Fund	\$10,161,193	92
Market Square Fund	\$2,527,228	7
Grants	\$304,000	0
Capital Projects	\$6,338,581	0
Total	\$38,259,651	162

The total Center City Development and Operations FY 2018 General Fund Budget is \$18,928,649, of which \$2,000,000 is transferred to the Inner City Incentive Fund. The total Market Square FY 2018 Budget is \$2,738,551, of which \$211,323 is transferred to the Parking Operating and Maintenance Fund.

The FY 2018 Proposed Budget maintains current service levels for the Center City Development & Operations Department. The budget continues funding \$2.5 million towards inner city reinvestment/infill policy (ICRIP) waivers to encourage development and revitalization of the center city.

Eastpoint Office

The Proposed FY 2018 Budget for the Eastpoint Office includes funding from the General Fund. Below is a summary of the funding and position counts that would be authorized by the FY 2018 Proposed Budget.

FUNDFY 2018 PROPOSED BUDGET AUTHORIZED POSITIONS		
General Fund	\$876,322	4
Capital Projects	\$2,500,000	0
Total	\$3,376,322	4

The Eastpoint Office is responsible for coordinating implementation of the \$54 million Choice neighborhood Initiatives management by the San Antonio Housing Authority, Eastside Promise Neighborhood initiative, and the Promise Zone designation. The FY 2018 Proposed Budget includes \$114,000 to begin transitioning the EastPoint reinvestment initiative to SAGE as the coordinating agency to sustain this initiative. Funds would be used to support SAGE operationally through this transition.

World Heritage Office

The Proposed FY 2018 Budget for the World Heritage Office includes funding from the General Fund. Below is a summary of the funding and position counts that would be authorized by the FY 2018 Proposed Budget.

FUNDFY 2018 PROPOSED BUDGET AUTHORIZED POSITIONS		
General Fund	\$1,114,058	4
Total	\$1,114,058	4

The World Heritage Office promotes the San Antonio Missions by maximizing the economic impact of the world heritage status designation and enhancing the experience for visitors and residents through the implementation of the world heritage work plan and related projects within the world heritage buffer zone.

ALTERNATIVES:

This item is a scheduled worksession for the FY 2018 Proposed Budget.

FISCAL IMPACT:

This presentation provides a briefing on the major initiatives within the Solid Waste Management, Development Services/Code Enforcement, Animal Care Services, Economic Development, Center City Development & Operations, Eastpoint Office, and World Heritage Office. 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.