



City of San Antonio

Agenda Memorandum

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Agenda Date: 9/4/2018

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 2019 Proposed Budget

SUMMARY:

Staff presentation on the FY 2019 Proposed Budget focusing on, but not limited to, the following City policies and initiatives:

A. Historic Preservation

B. Municipal Court

C. Administration of the City to include Employee Compensation and Benefits

BACKGROUND INFORMATION:

The FY 2019 Proposed Budget was presented to City Council on August 9, 2018. The budget is balanced as required by law and reflects the City's continued commitment to providing public services and programs that enhance the quality of life for San Antonio residents. Guided by City Council policy direction and community input, the proposed budget focuses on streets and sidewalks, affordable housing, and filling police vacancies with no increase to the City's property tax rate.

The Proposed FY 2019 Consolidated Annual Budget, comprised of all funds, excluding transfers, totals \$2.8 billion. The General Fund budget is \$1.26 billion; restricted funds such as Airport, Development Services, Solid Waste, and Hotel Occupancy Tax total \$889 million; and the Capital Budget totals \$690 million.

Following the presentation of the proposed budget a series of city council budget worksessions were scheduled from August 14 to September 5. At these sessions, City staff has reviewed the budget proposals with the Mayor and City Council in detail. The budget is scheduled to be approved on September 13 for the City's fiscal year that begins on October 1.

ISSUE:

A budget worksession is scheduled for Tuesday, September 4 from 2:00 P.M. to 5:00 P.M. at the Municipal Plaza "B" Room. At this session, the City Council will be presented with the FY 2019 Proposed Budgets for the Historic Preservation Office and Municipal Court. Additionally, the budgets associated with several departments that provide internal services to other city departments and handle the administration of the City to include employee compensation and benefits will be presented.

Historic Preservation

The Proposed FY 2019 Budget for the Office of Historic Preservation includes funding from the General Fund. Below is a summary of the funding and position counts that would be authorized by the FY 2019 Proposed Budget.

FUND	FY 2019 PROPOSED BUDGET	AUTHORIZED POSITIONS
General Fund	\$2,084,863	20
Total	\$2,084,863	20

The Office of Historic Preservation works to preserve, protect, and promote San Antonio's historic, cultural, architectural, and archaeological resources. The FY 2019 Proposed Budget adds \$58,548 for a Historic Preservation Specialist to work with property-owners on design review requests and better meet workload demand from Historic Design and Review Commission Cases.

Municipal Court

The Proposed FY 2019 Budget for the Municipal Court 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 2019 Proposed Budget.

FUND	FY 2019 PROPOSED BUDGET	AUTHORIZED POSITIONS
General Fund	\$11,517,514	122
Municipal Court Security Fund	495,217	7
Municipal Court Technology Fund	666,692	0
Municipal Court Juvenile Case Manager Fund	1,315,543	18
Grants	937,946	16
Total	\$14,932,912	163

Administration of the City

The City of San Antonio is a large municipal government corporation with 37 departments serving the seventh largest city in the United States with almost 1.5 million residents. The budget worksessions to date have centered on those departments which provide direct service to our residents and visitors. In support of those departments, the City has internal service functions which provide essential services to ensure efficient operations. These services include fleet management, facilities maintenance, financial management, procurement, payroll, human resources, legal services, audit, public relations, risk management, and support to the Mayor & Council.

The Proposed FY 2019 Budget for the Administration of the City includes funding from both the General Fund and Restricted Funds. Below is a summary of the funding and position counts that would be authorized by the FY 2019 Proposed Budget.

Department/General Fund	FY 2019 PROPOSED BUDGET	AUTHORIZED POSITIONS
311/Customer Service	\$3,174,628	45
City Auditor	3,128,302	23
City Clerk	4,128,888	34
City Manager	4,063,501	19
Equity Office	660,394	5
Innovation	1,269,950	10
Management & Budget	2,960,453	19
Mayor & Council	10,183,993	18
Municipal Elections	1,891,241	0
Non-Departmental	17,442,916	1

The FY 2019 Budget proposes one additional position (\$84,750) for the City Clerk's Office to assist with management of programs and services including municipal elections, boards and commissions, and municipal archives and records. Included in the proposed budget are two additional positions for the Equity Office and training support funds to continue to implement the equity strategy across all City departments (\$165,091). Funds in the amount of \$200,000 are included in the capital smart cities budget to continue and expand the partnership between the City and Geekdom for the CivTechSA Program; additionally two new positions are recommended in the Innovation Office to expand the current SmartSA program (\$154,905). The Budget adds funds (\$951,214) to the Mayor and City Council support budget for a council aide added in 2017 and to increase the council aide monthly stipend amount from \$400 to \$450 per month.

Building Equipment Services	FY 2019 PROPOSED BUDGET	AUTHORIZED POSITIONS
Facility Services Fund	17,715,988	121
Fleet Service Fund	23,340,785	68
Equipment Renewal & Replacement Fund	35,733,965	0

Total	\$76,790,738	189
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The FY 2019 Building & Equipment Services - Equipment Renewal & Replacement Fund is \$36,568,637 of which \$834,672 is transferred to the Fleet Services Fund.

For Building Equipment Services, the FY 2019 Proposed Budget includes 6 positions to service the new Northwest and Southeast Services Centers. These positions will service an additional 73,415 square feet in the new Centers.

City Attorney	FY 2019 PROPOSED BUDGET	AUTHORIZED POSITIONS
General Fund	8,904,276	65
Liability Fund	1,349,876	12
Workers' Compensation	741,953	6
Grants	217,859	2
Total	\$11,213,964	85

Finance Department	FY 2019 PROPOSED BUDGET	AUTHORIZED POSITIONS
General Fund	12,727,395	107
Purchasing Fund	7,219,961	41
Convention & Visitors Fund	366,851	4
Total	\$20,314,207	152

In the Finance Department six positions area added to improve comprehensive citywide contract administration and support departments with fiscal monitoring and budget development (\$387,934); additionally, two positions and contract funds are recommended to manage an estimated 1,200 short-term rental permits associated with the Hotel Occupancy Tax Collections (\$195,203).

Government & Public Affairs	FY 2019 PROPOSED BUDGET	AUTHORIZED POSITIONS
General Fund	5,998,872	36
Public Education & Government Fund	2,560,446	0
Total	\$8,559,318	36

The FY 2019 Proposed Budget includes 2 positions and engagement funds to support the 2020 Census (\$393,827); funds to create a centralized sign language request system are recommend (\$108,000); and funds (\$70,000) for a Military Transformation Task Force consultant contingent upon Bexar County and San Antonio Chamber of Commerce Funding at \$70,000 each.

Human Resources	FY 2019 PROPOSED BUDGET	AUTHORIZED POSITIONS
General Fund	6,864,443	50

Employee Benefits	162,319,067	24
Unemployment Fund	235,729	0
Total	\$169,419,239	74

Information Technology Services	FY 2019 PROPOSED BUDGET	AUTHORIZED POSITIONS
Information Technology Services Fund	64,962,995	343
Total	\$64,962,995	343

The FY 2019 Proposed Budget includes funding to upgrade the Microsoft operating systems of all city computers (\$2,965,342) and adds 2 positions to support and maintain the regulatory requirements of department system and programs including cyber and mobile device security (\$153,623).

Risk Management	FY 2019 PROPOSED BUDGET	AUTHORIZED POSITIONS
Liability Fund	8,264,907	10
Workers' Compensation	15,632,925	16
Total	\$23,897,832	26

The FY 2019 Proposed Budget includes funding for 1 position to assist in implementation of the Zero Preventable City Employee Accident Initiative by revamping training programs that utilize more hands on tools such as interactive driver simulators and backup cameras (\$85,335)

Tricentennial	FY 2019 PROPOSED BUDGET	AUTHORIZED POSITIONS
Tricentennial Fund	343,491	1
Total	\$343,941	1

Employee Compensation & Benefits

Civilian Employee Compensation

Cost of Living Adjustment The FY 2019 Proposed Budget includes a 1% cost of living pay adjustment for all regular full-time and part-time civilian employees, effective October 2018. The 1.0% cost of living adjustment for executive employees will be included in performance pay.

Entry Wage Adjustment The FY 2019 Proposed Budget includes a \$15 per hour entry wage by increasing the lowest entry wage for all regular full-time and part-time civilian employees from \$14.25 per hour to \$15.00 per hour effective January 1, 2019.

Step Pay Plan The FY 2019 Proposed Budget includes modifications to the existing Step Pay Plan as part of the \$15 entry wage adjustment. These updates are being implemented to maintain the integrity of the Step Pay Plan and include increasing the distance between several step pay ranges as well as increasing all steps to a minimum of 2%. These changes will be effective in January 2019, in conjunction with implementation of the \$15 entry wage. Additionally, for eligible employees receiving performance ratings of "achieves expectations

or higher”, step increases of 2% to 4% will be provided in January 2019. For those employees who are at the maximum step in their pay range, an \$800 lump sum will be provided.

Performance Pay The FY 2019 Proposed Budget includes funding for performance pay for midrange professionals, managers, and executives as a method to reward strong performance through base salary increases. Employees hired by April 1, 2018 are eligible and increases are based on performance evaluations. A total of 3% of civilian salaries has been allocated for performance pay.

Uniform Employee Compensation

Police In accordance with the Collective Bargaining Agreement, in FY 2019 uniform police officers will receive a 3% salary increase, \$100 in additional clothing allowance, 3% Longevity for eligible employees, and 2% step for eligible employees. Police Uniform compensation in the FY 2019 budget is consistent with this agreement.

Fire In accordance with the Collective Bargaining Agreement dated May 2011, firefighters are compensated according to a step and rank schedule with step increases based on education and seniority. In addition to firefighter salaries, firefighters are also compensated based on their length of service and acquired certifications. Among a number of certifications, firefighters are compensated for receiving Education, E.M.T., Paramedic, and/or Fire certifications. Each firefighter also receives a clothing allowance of \$720 per year.

Fire Uniform compensation in the FY 2019 budget is consistent with this agreement.

Healthcare Benefits

Active Civilian Employees The City continues to offer employees a choice in health plans to best meet their individual needs. The City is self-insured for health benefits, meaning the City and employees share all health care costs.

In January 2018, the City introduced the Benefits Value Advisor and Member Rewards programs. These programs help employees select the best quality and value medical services through a concierge service and receive financial rewards for using this program and choosing best value services.

The plan design changes and contribution increases put into place in plan year 2018 were effective in managing costs in the civilian health plans. With continued strategies to increase employee education and support of the Benefits Value Advisor and Member Rewards programs, the FY 2019 Proposed Budget contains no plan design changes or employee contribution increases.

Additionally, there are no plan design changes or contribution increases to the civilian dental or vision plans.

For 2019, employees will continue to have the option of participating in the Consumer Choice Preferred Provider (PPO) or the New Value PPO. For those in Consumer Choice, the City will provide a \$500 annual contribution (\$1,000 for family) to an eligible employee’s Health Savings Account (HSA). The Consumer Choice plan continues to promote consumerism and encourages employees to take a more active role in managing their health care - placing more of their health care decisions in their hands. The Consumer Choice plan will continue to have premiums lower than the New Value PPO plan option.

Uniform Police Employees Uniform Police employees will continue to receive the health benefits in accordance with the Collective Bargaining Agreement. There are two plans available to choose from, the Value Plan and the Consumer Directed Health Plan (CDHP).

Eligible Uniform Police employees participating in the Consumer Directed Health Plan (CDHP) will receive

\$1,500 annually as a contribution from the City in their Health Savings Accounts. Like the Civilian Consumer Choice plan, the Uniform CDHP encourages Uniform employees to take an active role in managing their health care. The Uniform CDHP Plan is a high deductible plan, but covers 100% of all participant and their family member premiums.

The Uniform Police Value Plan provides a lower deductible option that also covers 100% of the premiums for each Uniform employee. However, participants are responsible to pay for coverage for their family members.

Firefighter Healthcare Firefighters currently do not pay premiums for themselves or their dependents. The annual deductible is \$250 for an individual or \$500 for a family. The Out-of-Pocket maximum is \$500 for an individual and \$1,500 for families.

Retiree Civilian Benefits The City remains committed to providing health care insurance for retired City employees. Non-Medicare eligible retirees are eligible for the same health care plan options as active civilian employees, including Consumer Choice PPO with a health savings account and New Value PPO. The Non-Medicare retiree monthly premiums remain the same as those charged in FY 2018. Health care benefits are also provided to Medicare-eligible retirees through a Medicare Advantage plan. The FY 2019 Proposed Budget includes a 1.476% increase for retiree civilian benefits for ad hoc cost of living adjustment.

ALTERNATIVES:

This item is a scheduled worksession for the FY 2019 Proposed Budget.

FISCAL IMPACT:

This presentation provides a briefing on the major initiatives within the Historic Preservation, Municipal Court and Administration of the City to include Employee Compensation and Benefits departments. The FY 2019 Budget is scheduled to be adopted by City Council on September 13, 2018.

RECOMMENDATION:

This item is a worksession for discussion of the FY 2019 Proposed Budget and is for briefing purposes only.