



# City of San Antonio

## Agenda Memorandum

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**Agenda Item Number:** 1.

**Agenda Date:** 8/14/2018

**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 2019 Proposed Budget

### **SUMMARY:**

Staff presentation on the FY 2019 Proposed Budget focusing on, but not limited to, the following subjects:

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

B. FY 2019 Debt Management Plan

### **BACKGROUND INFORMATION:**

The FY 2019 Proposed Budget was presented to City Council on August 9, 2019. 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 the San Antonio residents. Guided by the 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 are scheduled

from August 14 to September 4. 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 13 for the City's fiscal year that begins on October 1.

## ISSUE:

### Transportation & Capital Improvements

The Transportation & Capital Improvements Department (TCI) 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 Operations, Storm Water Regional Facilities, and Right of Way Management operations.

The Proposed Budget for TCI is funded from the General Fund and Restricted Funds. Below is a summary of the funding and position counts included within the FY 2019 Proposed Budget.

<b>FUND</b>	<b>FY 2019 PROPOSED BUDGET</b>	<b>AUTHORIZED POSITIONS</b>
General Fund	\$129,831,468	347
Advanced Transportation District Fund <sup>1</sup>	5,261,286	26
Capital Management Services Fund	20,983,411	181
Parking Operating & Maintenance Fund	148,895	1
Right of Way Management Fund	3,485,796	40
Storm Water Operating Fund <sup>2</sup>	47,189,744	275
Stormwater Regional Facilities Fund <sup>3</sup>	1,756,985	14
Grants	800,000	0
Capital Projects	515,289,966	0
<b>Total</b>	<b>\$724,747,551</b>	<b>884</b>

Note:

1. The total Advanced Transportation Fund FY 2019 Proposed Budget is \$21,606,286, of which \$16,345,000 is for capital projects such as sidewalks, bike lanes, traffic signal upgrades and streets.
2. The total Storm Water Operating Fund FY 2019 Proposed Budget is \$54,439,744 of which \$7,250,000 is for Drainage Capital Projects.
3. The total Stormwater Regional Facilities Fund FY 2019 Proposed Budget is \$7,756,985 of which \$6,000,000 is for Drainage Capital Projects.

### Street Maintenance

In 2018, City Council approved a two-year strategy to ensure that all City Council Districts have an average street pavement condition index (PCI) of 70 by the end of FY 2019. In FY 2018 the Street Maintenance Program was increased from \$64 million to \$99 million. The additional \$35 million was allocated to those districts with a PCI score below 70 (1, 2, 3, 5 and 10).

The FY 2019 Proposed Budget continues the policy approved in 2018 and adds \$11 million for a total \$110 million for street maintenance. Using an equity approach, the additional \$11M is allocated to streets in the oldest areas of all Council Districts within Loop 410 and the oldest neighborhoods in Districts 8 & 9 because

these districts are outside of 410 in their entirety.

### **General Fund**

The Transportation & Capital Improvements General Fund FY 2019 Proposed Budget is \$129,831,468. This budget funds maintenance of the City's major infrastructure including streets, traffic signals, street signs, and pothole repair. The General Fund Budget includes:

- A total of \$10 Million to VIA Metropolitan Transit to provide frequency improvements on 9 VIA public transportation bus routes, as well as travel time and capacity improvements along 9 major corridors.
- Continuation of the Neighborhood Traffic Calming Program funded at \$1 million for localized traffic calming projects.
- \$1 million for the School Pedestrian Safety program (FY 2019 is year 5 of 5 of this program). This funding includes maintenance for 205 existing flashers, 8 new flashing beacon installations, 210 school zone sign upgrades and 800 school zone markings for crosswalks.
- \$1 million for the Vision Zero San Antonio initiative, which will support a minimum of five engineering evaluations and resulting construction projects.

### *Advanced Transportation District Fund*

The FY 2019 Proposed Budget includes \$21,606,286 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 2019 Proposed Budget includes \$16,345,000 for transportation-related capital projects such as Sidewalks, Street Maintenance, Bike Lanes, Audible Pedestrian Signal Installations, and Traffic Signal Upgrades.

### *Right of Way Management Fund*

The FY 2019 Proposed Budget for the Right of Way Fund is \$3,485,796 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 2018 for the continued deployment of the high-speed fiber network planned throughout the City.

### *Storm Water Operating Fund*

The FY 2019 Proposed Budget for the Storm Water Operating Fund is \$54,439,744. 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 \$47.2 million for operational services including street sweeping, vegetation management, flood control, and compliance with the Texas Commission on Environmental Quality permit requirements.

In addition to operating, there are a total of 9 drainage projects for \$6.25 million included in the FY 2019 Budget.

The FY 2016 Adopted Budget introduced a new impervious cover methodology and rate structure effective January 1, 2017. 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 2019 Proposed Budget includes a 2.0% increase to fees consistent with the five-year rate plan, approved by City Council that would generate about \$1,012,259 in additional revenues to fund drainage-related capital projects.

## **FY 2018-FY 2019 Storm Water Utility Fee Rate Table**

<b>FY 2018 Adopted Storm Water Utility Fee Structure</b>	<b>FY 2018 Adopted Storm Water Utility Fee Structure</b>	<b>FY 2019 Proposed Storm Water Utility Fee Structure</b>	<b>Change from FY 2018 to FY 2019</b>
<b>Residential Rates Impervious Cover</b>	<b>Current Monthly Fee</b>	<b>New Monthly Fee</b>	<b>Monthly Change</b>
<2,750 SF of impervious cover	\$3.60 per month	\$3.67 per month	\$0.07 per month
2,750 SF to 4,220 SF of impervious cover	\$4.74 per month	\$4.83 per month	\$0.09 per month
>4,220 SF of impervious cover	\$10.02 per month	\$10.22 per month	\$0.20 per month
<b>Non-Residential Rates Impervious Cover</b>	<b>Current Monthly Fee</b>	<b>New Monthly Fee</b>	<b>Monthly Change</b>
<20% area of impervious cover	\$0.29/1,000 SF + \$64.53	\$0.30/1,000 SF + \$65.82	\$0.01/1,000 SF + \$1.29
20%-40% area of impervious cover	\$0.43/1,000 SF + \$64.53	\$0.44/1,000 SF + \$65.82	\$0.01/1,000 SF + \$1.29
40%-65% area of impervious cover	\$0.56/1,000 SF + \$64.53	\$0.57/1,000 SF + \$65.82	\$0.01/1,000 SF + \$1.29
>65% area of impervious cover	\$0.71/1,000 SF + \$64.53	\$0.72/1,000 SF + \$65.82	\$0.01/1,000 SF + \$1.29

### *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 2019 Proposed Budget is \$7,756,985 which includes the addition of 1 position to the Floodplain Management division.

### *Capital Management Services Fund*

The Capital Management Services Fund FY 2019 Proposed Budget of \$20,983,411 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.

The FY 2019 Proposed Budget includes the addition of 8 positions to deliver quality 2017 GO Bond Program projects on-time and within budget. Of the eight positions four will conduct construction inspections, three are for project construction management and one is for labor compliance.

### *Parking Operating Enterprise Fund*

The Parking Operating Enterprise Fund, managed by the Center City Development and Operations Department, would fund one position, outreach and incentives to reduce single occupancy vehicles on the roads. The position would manage the development of a plan and strategy to reduce San Antonio's single occupancy vehicle commuter rate, currently at 79%, and increase use of mass transit, carpools, and other alternatives to the "one-person one-vehicle" daily commute pattern. The goal is to reduce single occupancy cars on the roadway and lessen the strain on daily vehicular parking and other regional growth centers. This will be achieved by developing strategic partnerships with key San Antonio employers who will be instrumental in this reduction effort.

#### *Capital Budget and Debt Plan*

The six-year Capital Improvements Plan includes \$1.91 Billion and 447 projects. This represents the City's long range physical infrastructure development and improvements plan. The capital spending plan for FY 2019 is \$690 million and is primarily comprised of projects funded by the 2017 General Obligation Bonds, 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 Improvements Department and outlines the components of the FY 2019 Debt Management Plan. The FY 2019 Budget is scheduled to be adopted by City Council on September 14, 2018.

#### **RECOMMENDATION:**

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