



# City of San Antonio

## Agenda Memorandum

**File Number:**20-4696

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**Agenda Item Number:** 1.

**Agenda Date:** 9/1/2020

**In Control:** City Council Special Session

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**DEPARTMENT:** Office of Management and Budget

**DEPARTMENT HEAD:** Scott Huizenga

**COUNCIL DISTRICTS IMPACTED:** City Wide

### **SUBJECT:**

City Council Worksession on the FY 2021 Proposed Budget

### **SUMMARY:**

Staff presentation on the FY 2021 Proposed Budget focusing on, but not limited to, the following City policies and initiatives:

A. Employee Healthcare Benefits and Compensation

B. Restricted Funds

### **BACKGROUND INFORMATION:**

The FY 2021 Proposed Budget was presented to City Council on August 6, 2020. The budget is balanced as required by law and reflects both the City's continued commitment to long-term recovery and resilience from the COVID-19 pandemic as well as to address the community's priorities including health and human services, workforce development, affordable housing, infrastructure, and violence prevention while also maintaining the City in a strong financial position.

The Proposed FY 2021 Consolidated Annual Budget, comprised of all funds, excluding transfers, totals \$2.9 billion. The General Fund budget is \$1.28 billion; restricted funds such as Airport, Development Services, Solid Waste, and Hotel Occupancy Tax total \$999 million; and the Capital Budget totals \$641 million.

Following the presentation of the Proposed Budget a series of City Council Budget Worksessions are scheduled from August 11 to September 16. 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 17 for the City's fiscal year that begins on October 1.

## **ISSUE:**

A Budget Worksession is scheduled for Tuesday, September 1 from 2:00 P.M. to 5:00 P.M. At this session, the City Council will be presented with an overview of Employee Healthcare Benefits and Compensation as well as an overview of the FY 2021 Proposed Budget for certain Restricted Funds.

## **HUMAN RESOURCES DEPARTMENT**

The Human Resources Department attracts, develops, engages, and retains a diverse and skilled workforce of more than 12,000 City of San Antonio employees committed to providing high quality services to the residents of San Antonio. Human Resources partners with departments to provide strategic workforce planning, management strategies, and core human resources services including recruitment, employee relations, and benefits administration.

The FY 2021 Proposed Budget and position count is shown below:

<b>FUND</b>	<b>FY 2021 PROPOSED BUDGET</b>	<b>AUTHORIZED POSITIONS</b>
General Fund	\$ 6,681,985	50
Employee Benefits Fund	167,694,672	24
Unemployment Compensation Fund	235,729	0
<b>Total</b>	<b>\$174,612,386</b>	<b>74</b>

## **EMPLOYEE COMPENSATION & HEALTHCARE BENEFITS**

### **Civilian Employee Compensation**

Despite the financial constraints caused by COVID-19, the FY 2021 Proposed Budget includes no employee layoffs, no pay reductions, and no unpaid furlough days for civilian employees. There are no cost of living, step, or performance pay increases included in the Proposed Budget for civilian employees. Consistent with civilian employees, there are no pay adjustments included in the FY 2021 Proposed Budget for Airport and Park Police.

### **Uniform Fire and Police Employee Compensation**

**Fire:** Compensation for uniform firefighters is in accordance with the Collective Bargaining Agreement. The proposed budget includes a 2% salary increase (effective January 1, 2021), a 1% lump sum paid in January 2021, longevity increases of 3% for eligible employees, and 2% step increases for eligible employees.

**Police:** In accordance with the current Collective Bargaining Agreement approved in 2016, uniform police officers in FY 2021 will receive a 5% salary increase, which includes a 2% salary increase effective October 1, 2020 and 3% salary increase effective April 1<sup>st</sup>, 2021. Officers also will receive \$100 in additional clothing

allowance, 3% longevity increase for eligible employees, and 2% step increases for eligible employees.

### **Retiree Civilian Employees**

The FY 2021 Proposed Budget includes a 1.6% ad-hoc cost of living adjustment for civilian retirees.

### **Healthcare Benefits**

#### **Active Civilian Employees**

The City continues to offer employees a choice in health plans to best meet their individual needs. Three medical plans are offered in FY 2021, a PPO New Value Plan, a High Deductible Consumer-Driven Health Plan (CDHP), and an HMO Narrow Network Plan: Blue Essentials. There are no proposed changes to these plans included in the FY 2021 Proposed Budget.

The plan design changes and contribution increases in recent years have been effective in managing costs in the civilian health plans. With continued strategies to provide employee education and promote health and wellness programs, the FY 2021 Proposed Budget includes a temporary, one-year employee contribution decrease of 10% for all enrolled civilian employees and eligible dependents across all plans.

For civilian employees in the CDHP plan the City will continue to provide a \$500 annual contribution (\$1,000 for family) to eligible employees' Health Savings Accounts (HSAs).

#### **Uniform Police Employees**

Uniform Police employees' health care benefits are in accordance with the Collective Bargaining Agreement. There are two plans available: the Value Plan and the Consumer-Driven Health Plan (CDHP).

Eligible Uniform Police employees participating in the Consumer-Driven Health Plan (CDHP) receive \$1,500 annually as a contribution from the City in their Health Savings Accounts. The Police CDHP Plan is a high deductible plan but covers 100% of employee and dependents premiums.

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

#### **Uniform Fire Employees**

Uniform Fire employees' health care benefits are in accordance with the Collective Bargaining Agreement. There are two plans available: the Value Plan and the Consumer-Driven Health Plan (CDHP).

Eligible Uniform Fire employees participating in the Consumer-Driven Health Plan (CDHP) receive \$1,500 annually as a contribution from the City in their Health Savings Accounts. The Fire CDHP Plan is a high deductible plan but covers 100% of employee and dependents premiums.

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

#### **Retiree Civilian Benefits**

Non-Medicare eligible retirees are eligible for the same health care plan options as active civilian employees, including a PPO New Value Plan, a High Deductible Consumer-Driven Health Plan (CDHP) with a health savings account, and an HMO Narrow Network Plan: Blue Essentials. There are no increases to non-Medicare retiree monthly premiums in FY 2021.

Health care benefits are also provided to Medicare-eligible retirees through a Medicare Advantage plan.

## RESTRICTED FUNDS

Restricted Funds account for those services included in Special Revenue, Enterprise, Debt Service, Trust, and Grant Funds in which revenues are used for specific services. Restricted Fund uses are governed by various Federal, State, and local laws.

The following departments and funds will be presented at the budget worksession as part of the overall Restricted Funds budget.

<b>Building Equipment Services</b>	<b>FY 2021 PROPOSED BUDGET</b>	<b>AUTHORIZED POSITIONS</b>
Facility Services Fund	23,436,331	149
Fleet Service Fund	19,097,142	68
Equipment Renewal & Replacement Fund <sup>1</sup>	52,272,355	0
Capital Projects	5,600,000	0
<b>Total</b>	<b>\$100,405,808</b>	<b>217</b>

1) The FY 2021 Building & Equipment Services - Equipment Renewal & Replacement Fund is \$53,160,167 of which \$887,832 is transferred to the Fleet Services Fund.

<b>Center City Development &amp; Operations</b>	<b>FY 2021 PROPOSED BUDGET</b>	<b>AUTHORIZED POSITIONS</b>
Parking Operating & Maintenance Fund	10,305,046	91
Market Square Fund <sup>2</sup>	2,926,679	6
City Tower and Garage Fund <sup>3</sup>	5,885,452	5
Inner City Incentive Fund	512,580	0
Capital Projects	8,482,089	0
<b>Total</b>	<b>\$28,111,846</b>	<b>102</b>

2) The FY 2021 Center City Development & Operations - Market Square Fund is \$3,057,557 of which \$130,878 is transferred to the Parking Operating and Maintenance Fund.

3) The FY 2021 Center City Development & Operations - City Tower and Garage Fund is \$5,968,294 of which \$82,842 is transferred to the Parking Operating and Maintenance Fund.

<b>City Attorney</b>	<b>FY 2021 PROPOSED BUDGET</b>	<b>AUTHORIZED POSITIONS</b>
Liability Fund	1,424,890	12
Workers' Compensation	708,777	6
Grants	241,683	2
<b>Total</b>	<b>\$2,375,350</b>	<b>20</b>

<b>Finance Department</b>	<b>FY 2021 PROPOSED BUDGET</b>	<b>AUTHORIZED POSITIONS</b>
Purchasing & General Services Fund	7,643,611	42
Capital Management Services Fund	1,181,123	13
Community Visitors Facility Fund	142,388	5
Capital Projects	193,543	0
<b>Total</b>	<b>\$9,160,665</b>	<b>60</b>

<b>Government &amp; Public Affairs</b>	<b>FY 2021 PROPOSED BUDGET</b>	<b>AUTHORIZED POSITIONS</b>
Public Education & Government Fund	4,083,617	0
<b>Total</b>	<b>\$4,083,617</b>	<b>0</b>

<b>Information Technology Services</b>	<b>FY 2021 PROPOSED BUDGET</b>	<b>AUTHORIZED POSITIONS</b>
Information Technology Services Fund	68,246,133	341
Capital Projects	33,878,000	0
<b>Total</b>	<b>\$102,124,133</b>	<b>341</b>

<b>Municipal Court</b>	<b>FY 2021 PROPOSED BUDGET</b>	<b>AUTHORIZED POSITIONS</b>
Truancy Intervention & Prevention Fund	865,566	17
Security Fund	396,030	7
Technology Fund	763,570	0
Grant Funds	711,397	13
<b>Total</b>	<b>\$2,736,563</b>	<b>37</b>

<b>Parks and Recreation</b>	<b>FY 2021 PROPOSED BUDGET</b>	<b>AUTHORIZED POSITIONS</b>
Parks Environmental Fund	10,760,533	146
City Cemeteries Fund	201,186	1
Tree Canopy Preservation & Mitigation Fund	1,689,576	3
Parks Development & Expansion Funds	164,961	0
Edwards Aquifer Land Acquisition Fund	209,930	0
Grants	1,290,640	0
Capital Projects	39,291,889	0
<b>Total</b>	<b>\$53,608,715</b>	<b>150</b>

<b>Risk Management</b>	<b>FY 2021 PROPOSED BUDGET</b>	<b>AUTHORIZED POSITIONS</b>
Liability Fund	10,924,182	12
Workers' Compensation	16,941,657	16
<b>Total</b>	<b>\$27,865,839</b>	<b>28</b>

<b>Solid Waste Management</b>	<b>FY 2021 PROPOSED BUDGET</b>	<b>AUTHORIZED POSITIONS</b>
Solid Waste Operating & Management Fund	131,254,776	662
Fleet Services Fund <sup>4</sup>	21,935,482	111
Grants	76,000	0
<b>Total</b>	<b>\$153,266,258</b>	<b>773</b>

4) The FY 2021 Solid Waste Management Fleet Services Fund Proposed Budget is \$22,109,252 of which \$173,770 is transferred to the Solid Waste Operating & Maintenance Fund.

<b>Sustainability</b>	<b>FY 2021 PROPOSED BUDGET</b>	<b>AUTHORIZED POSITIONS</b>
Solid Waste Operating & Maintenance Fund	1,199,503	5
Energy Efficiency Fund	1,367,879	4
<b>Total</b>	<b>\$2,567,382</b>	<b>9</b>

## ALTERNATIVES:

This item is a scheduled worksession for the FY 2021 Proposed Budget.

**FISCAL IMPACT:**

This presentation provides a briefing on the major initiatives within the Employee Compensation and Benefits and Restricted Funds. The FY 2021 Budget is scheduled to be adopted by City Council on September 17, 2020.

**RECOMMENDATION:**