



City of San Antonio

Agenda Memorandum

File Number:15-4395

Agenda Item Number: 1.

Agenda Date: 8/12/2015

In Control: City Council B Session

DEPARTMENT: Office of Management and Budget

DEPARTMENT HEAD: Maria Villagomez

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

City Council Worksession on the FY 2016 Proposed Budget

SUMMARY:

Staff presentation on the FY 2016 Proposed Budget focusing on, but not limited to, the following City Departments:

- A. Lone Star Rail District
- B. Airport

BACKGROUND INFORMATION:

The FY 2016 Proposed Budget was presented to the Mayor and City Council on August 6, 2015. The FY 2016 Proposed Budget reflects City Council policy direction and community priorities. The Budget decreases the City's property tax rate, increases funding to streets and sidewalks, and maintains public safety spending below 66% of the General Fund. Additionally, budgeted financial reserves are maintained at 15% of General Fund revenues. The budget proposal does not recommend any layoffs of uniform or civilian employees.

The Proposed Consolidated Annual Budget, comprised of all funds excluding transfers, totals \$2.5 billion. The General Fund budget is \$1.1 billion; restricted funds, including Aviation, Development Services, and Solid Waste, total \$780 million; and the FY 2016 Capital Budget is \$670 million.

Following the presentation of the proposed budget a series of city council budget worksessions are scheduled from August 11 to September 9. 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 10 for the City's fiscal year that begins on October 1.

ISSUE:

A budget Worksession is scheduled for Wednesday, August 12, 2015 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 a briefing on the Lone Star Rail District and the Aviation's FY 2016 Proposed Budget.

Lone Star Rail District

The Lone Star Rail District (LSRD) is an independent public agency and a political subdivision of the State of Texas. The District was established to provide passenger rail services to and between cities in the San Antonio and Austin metropolitan areas to include Georgetown, Round Rock, Austin, Buda, Kyle, New Braunfels, Schertz and San Antonio.

The Lone Star Rail District is pursuing local funding agreements to cover operating and maintenance costs with each of the local cities, counties, and community college districts that will be served along the rail line from Georgetown to San Antonio. The City of San Antonio, Bexar County, Alamo colleges, and VIA are some of the San Antonio entities being asked to contribute financially toward the long-term operating and maintenance costs.

It is estimated that the cost to construct the Lone Star Rail utilizing existing Union Pacific Rail Road right-of-way is \$2.1 billion; however local jurisdictions are not asked to fund major capital costs. The district is planning to fund this amount through a series of federal and state grants, the private sector, and other funding sources.

One mechanism for funding the operating and maintenance cost is through the development of a transportation infrastructure zone (TIZ), tax increment funding. The District has finalized Interlocal Agreement for TIZ funding in the City of Austin, San Marcos, and Austin Community College with each agreeing to contribute 50% of the revenue growth from the TIZ.

Aviation Department

The Aviation Department's FY 2016 Proposed Budget is operated as an enterprise system, principally funded by the following funds, Aviation Operation and Maintenance Fund, and other Restricted Funds. Below is a summary of the funding and position counts that would be authorized by the FY 2016 Proposed Budget.

FUND	FY 2016 PROPOSED BUDGET	AUTHORIZED POSITIONS
Aviation Operation and Maintenance Fund	\$92,445,213	468
Passenger Facility Charge Fund	16,659,554	0
Customer Facility Charge Fund	21,573,012	0
Grants	480,390	0
Capital Projects	108,163,579	0
Total	\$239,321,748	468

The San Antonio Airport System is comprised of the San Antonio International Airport and Stinson Municipal Airport facilities. The San Antonio International Airport serves as a gateway for residents and visitors who are conducting business, visiting other locations or enjoying our City as a leisure or business destination. The mission of the Aviation Department is to innovatively manage our airports to provide a positive customer experience while supporting economic development.

The Airport Operations & Maintenance Fund is an enterprise fund that supports airport operations and debt service expenses entirely through user fees paid by airlines, passengers and other tenants who use the airport. Airline related revenues include commercial aircraft landing fees, areas in the airport terminal building leased for ticket counters, office space, and passenger gate waiting areas and aircraft parking areas. Examples of non-airline revenues generated by the airport include parking fees, rental car fees, airport food, beverage, and retail concessions, and lease of other airport buildings and property for uses including aircraft maintenance, flight instruction, and hangars.

The Aviation Operation and Maintenance Fund FY 2016 Proposed Budget includes \$420,994 in improvements and adds ten positions to provide resources for operations, planning, development and to provide 24/7 coverage of maintenance at facilities.

ALTERNATIVES:

This item is a scheduled worksession for the FY 2016 Proposed Budget.

FISCAL IMPACT:

This presentation will provide a briefing on the Lone Star Rail's potential impact on the City's budget and of major initiatives within the Aviation Department. The FY 2016 Budget is scheduled to be adopted by City Council on September 10, 2015.

RECOMMENDATION:

This item is a worksession for discussion of the FY 2016 Proposed Budget and is for briefing purposes only.