

AN ORDINANCE 2010-08-12-0685

SETTING THE FOLLOWING DATE, TIME , AND LOCATION FOR THE PUBLIC HEARING ON THE PROPOSED BUDGET FOR FISCAL YEAR 2010 - 2011: TUESDAY, AUGUST 31, 2010, 6:00 P.M., IN THE CITY COUNCIL CHAMBER, 103 MAIN PLAZA.

* * * *

WHEREAS, in accordance with applicable provisions of the City Charter and the Texas Local Government Code, the City Manager has presented her Proposed FY 2011 Budget to the City Council; and

WHEREAS, a public hearing on the proposed annual budget of the City of San Antonio is required by Section 102.006 of the Texas Local Government Code and Section 82 of the City Charter; and

WHEREAS, the Tax Year 2010 tax rate included by the City Manager in her Proposed FY 2011 Budget is 56.569 cents per \$100 of taxable valuation, which **does not exceed** the Tax Year 2010 Overall Effective Tax Rate of 59.044 cents per \$100 of taxable valuation, or the Tax Year 2010 Overall Rollback Tax Rate of 61.065 cents per \$100 of taxable valuation; and

WHEREAS, because of this, the provisions of Chapter 26 of the Property Tax Code **will not** apply to the adoption of the City's Tax Year 2010 Tax Rate and as such, the City is not required to have any tax rate public hearings or give any additional notices as required by the Property Tax Code; and

WHEREAS, the Proposed FY 2011 Budget will raise **less** revenue from property taxes than the FY 2010 Budget; and

WHEREAS, the City Council now wishes to officially set the date, time, and location for Budget Public Hearing and provide for public notice, **NOW, THEREFORE;**

BE IT ORDAINED BY THE CITY OF SAN ANTONIO:

SECTION 1. A public hearing on the Fiscal Year 2010 - 2011 proposed budget is hereby scheduled for Tuesday, August 31, 2010, from 6:00 p.m. until completion, in the City Council Chamber, 103 Main Plaza.

SECTION 2. City staff is hereby directed to publish, post and broadcast notice of the Budget Public Hearing as required by applicable laws, including, but not limited to, the City Charter and Chapter 102 of the Texas Local Government Code.

SECTION 3. The findings, recitations and statements set forth in the Preamble of this Ordinance are hereby incorporated into and made a part of the body of this Ordinance for all intents and purposes.

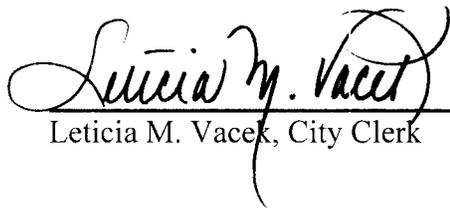
SECTION 4. This ordinance is effective immediately, upon passage by eight (8) affirmative votes; otherwise, said effective date shall be ten (10) days from the date of passage hereof.

PASSED and APPROVED this 12th day of August, 2010.



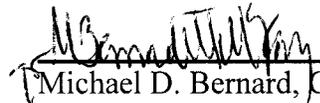
M A Y O R
Julián Castro

ATTEST:

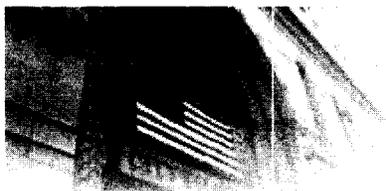


Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

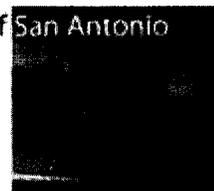


Michael D. Bernard, City Attorney



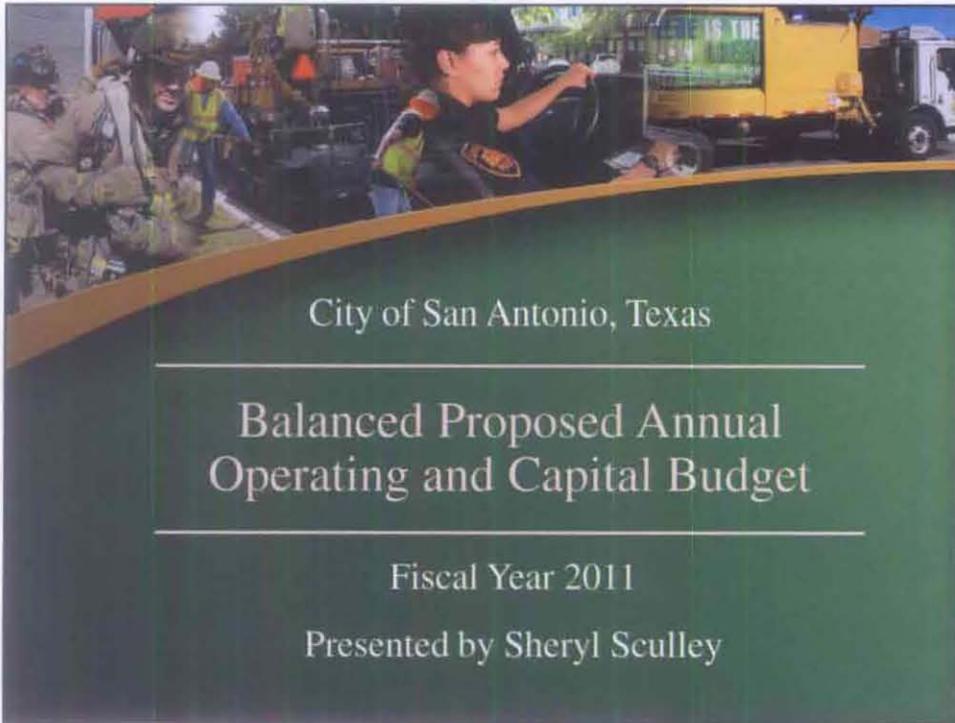
Request for
**COUNCIL
ACTION**

City of San Antonio



Agenda Voting Results - 4

| Name: | 4 | | | | | | |
|------------------------|--|-------------|-----|-----|---------|--------|--------|
| Date: | 08/12/2010 | | | | | | |
| Time: | 03:12:29 PM | | | | | | |
| Vote Type: | Motion to Approve | | | | | | |
| Description: | Presentation of the City of San Antonio 2011 Proposed Balanced Budget for the Fiscal Year beginning October 1, 2010 and an Ordinance setting the date, time, and location for the public hearing on the Fiscal Year 2011 Proposed Budget. [Sheryl Sculley, City Manager] | | | | | | |
| Result: | Passed | | | | | | |
| Voter | Group | Not Present | Yea | Nay | Abstain | Motion | Second |
| Julián Castro | Mayor | | x | | | | |
| Mary Alice P. Cisneros | District 1 | | x | | | x | |
| Ivy R. Taylor | District 2 | x | | | | | |
| Jennifer V. Ramos | District 3 | | x | | | | |
| Philip A. Cortez | District 4 | | x | | | | |
| David Medina Jr. | District 5 | | x | | | | |
| Ray Lopez | District 6 | | x | | | | |
| Justin Rodriguez | District 7 | | x | | | | |
| W. Reed Williams | District 8 | | x | | | | x |
| Elisa Chan | District 9 | | x | | | | |
| John G. Clamp | District 10 | | x | | | | |



City of San Antonio, Texas

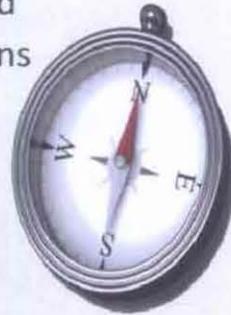
Balanced Proposed Annual Operating and Capital Budget

Fiscal Year 2011

Presented by Sheryl Sculley

GENERAL FUND SUMMARY POINTS

- FY 2011 Proposed Budget is balanced
- Adds Police and Fire uniform positions
- Additional Street repairs
- Improves Code Enforcement
- Increases Animal Control
- Includes funding for Haven for Hope for a total of \$5.5 M
- Includes 2% Cost of Living Increases for Civilian, Police, Fire and retired Employees
 - Continues Implementation of Civilian Step Pay Plan



FY 2011 PROPOSED BUDGET FOCUS AREAS



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GENERAL FUND SUMMARY POINTS

- No City Property Tax Rate increase
- No Garbage or Storm Water fee increases
- \$12 Million in budget cuts
 - Majority are efficiencies
 - 202 positions eliminated, no police officer or firefighter/paramedic reductions
 - No layoffs, no furloughs, and no reductions in pay are included in Proposed Budget



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CHANGES SINCE FIVE YEAR FORECAST

- FY 2011 Budget is balanced allowing for \$15 Million in FY 2011 savings to balance FY 2012
- Significant progress made to close projected budget gap in FY 2012
 - \$68.6 M projected gap a year ago
 - \$51.6 M projected gap in May 2010
- Today, \$38 Million projected gap in FY 2012 with strategies to reduce



BUDGET DEVELOPMENT BACKGROUND

FY 2011 Proposed Operating & Capital Budget



CITY COUNCIL GOAL-SETTING SESSION

- Held with City Council on May 18
- Confirmed Financial Management policies
 - Budgeted Financial Reserves at 9%
 - No Property Tax Rate increase
 - Flexibility in achieving a two year balanced budget



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SAN ANTONIO ECONOMY

FY 2011 Proposed Operating & Capital Budget



SAN ANTONIO ECONOMY



- Local consumer spending remains weak
- Unemployment Rate is 7.1%
- Commercial Permit activity 15% below 2009
- Decrease in Property Tax Values of 2% overall

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REDUCTION STRATEGIES IN OTHER CITIES

- Austin
 - Property Tax Rate Increase
 - FY 2011 Proposed Tax Rate - 45.71 Cents (3.62 Cents Increase)
 - 5.59 cent increase over past two years
 - \$8.7 M in Reductions



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REDUCTION STRATEGIES IN OTHER CITIES

- Dallas
 - Proposed 450 employee layoffs
 - 8 unpaid furlough days for civilians or 3% pay cut on average, and 4 unpaid furlough days for uniform Police & Fire
 - No pay increases
- Ft Worth
 - Proposed 203 positions eliminated
 - 87 filled, 117 vacant
 - Freeze 40 vacant police officer positions
 - Eliminate 36 vacant fire fighter positions
 - Strategic deactivation of fire companies at two-company stations



FINANCIAL MANAGEMENT STRATEGIES

FY 2011 Proposed Operating & Capital Budget



BUDGETED FINANCIAL RESERVES

- Reserves maintained at 9%
- Critical to prudent financial management
- Increase City's credit worthiness resulting in higher credit ratings
- Measure of last resort to provide budgetary stability for unexpected events
 - Natural disasters
 - Catastrophic change in City's financial position

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PROPOSED REVENUE ADJUSTMENTS

- \$1.0 M in additional revenues from fee adjustments for cost recovery
 - Emergency Medical Transport and Service fee increases based on cost recovery and market comparative analysis
 - Increases in Admission, Participation and Rental of Facilities fees at City parks



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COMPREHENSIVE BUDGET REVIEWS

- Budget Innovation & Reform Teams conducted Comprehensive Budget Reviews of Police and Fire Departments in FY 2010
- Reviews of Public Works and Community Initiatives were conducted in FY 2009
- \$7.4 M in efficiency savings over two year period (FY 2010 and FY 2011)
- Additional reviews scheduled for fall and spring with ITSD, Fleet, and Health



BUDGET SUMMARY & REVENUES

FY 2011 Proposed Operating & Capital Budget



BUDGET FACTS

| | |
|--|------------------------|
| Total Consolidated Budget—All Funds | \$ 2.36 Billion |
| FY 2011 General Fund Budget | \$922.5 Million |
| Restricted / Enterprise Funds | \$736.3 Million |
| FY 2011 Capital Improvements Program | \$710.6 Million |



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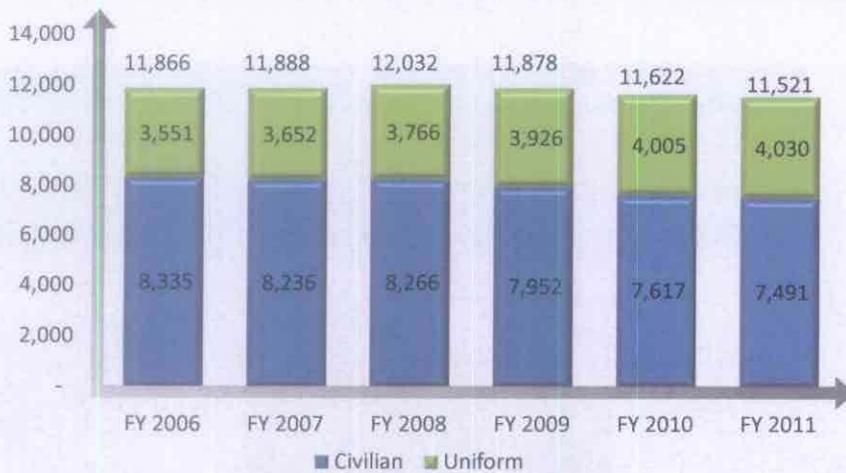
GENERAL FUND BUDGET YEAR OVER YEAR CHANGE

| | Budget FY 2010 | Budget FY 2011 | Percent Change |
|--|-------------------|-------------------|-------------------|
| General Fund Total Expenses (\$ in millions) | \$887.1 | \$922.5 | 3.9% |

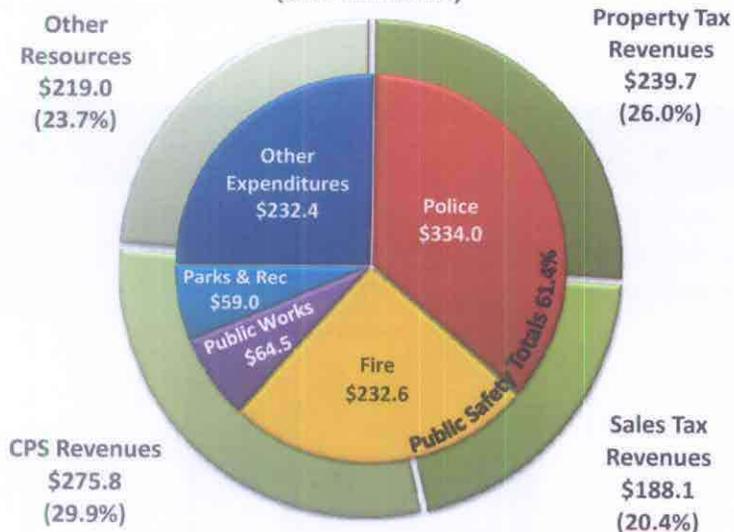


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CITY AUTHORIZED POSITIONS



GENERAL FUND AVAILABLE RESOURCES DISTRIBUTED OVER MAJOR SPENDING AREAS (\$ in millions)



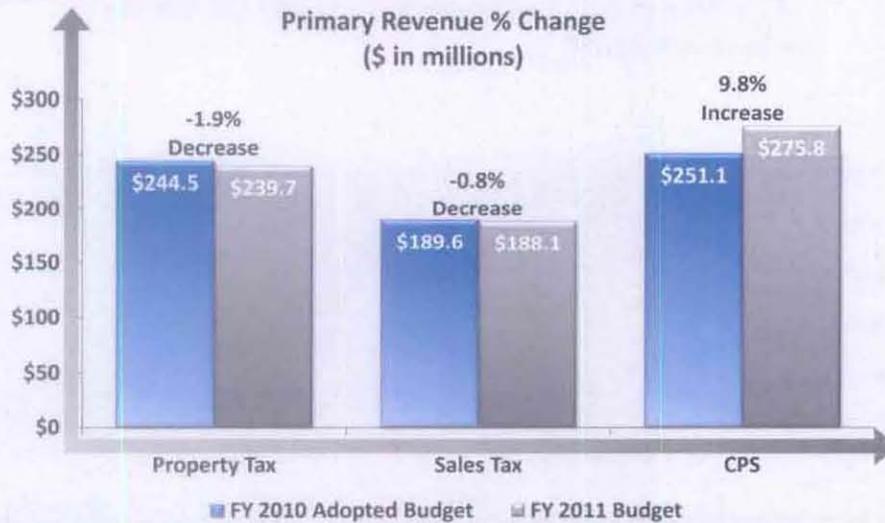
FY 2011 TOTAL PROPOSED BUDGET: \$922 M

NON-PUBLIC SAFETY GENERAL FUND EXPENDITURES

| | |
|--|-----------|
| Community Initiatives w/ Delegate Agencies | \$35.7 M |
| Library | \$31.6 M |
| Municipal Court | \$12.6 M |
| Health | \$11.6 M |
| Code Enforcement Services | \$11.2 M |
| Animal Care | \$8.4 M |
| Downtown Operations | \$7.5 M |
| Customer Service/311 | \$3.8 M |
| International & Economic Development | \$2.4 M |
| General Administration/Non-Departmental | \$107.7 M |

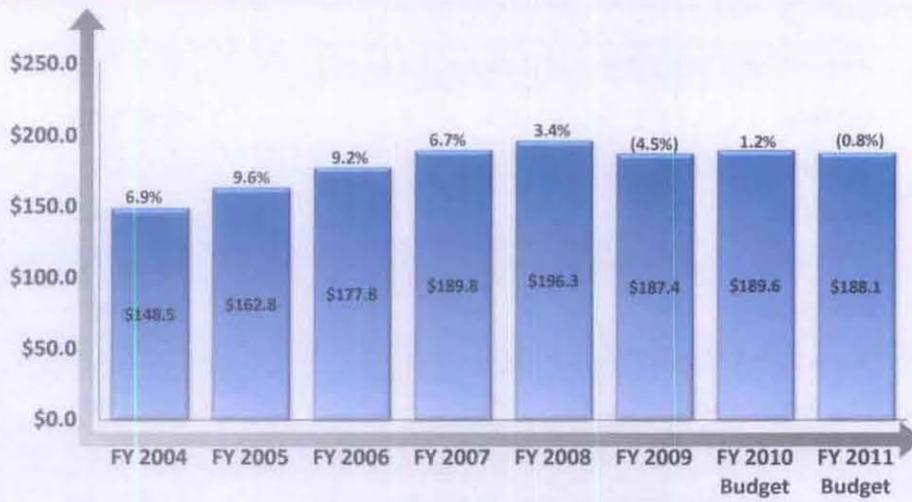
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GENERAL FUND REVENUES



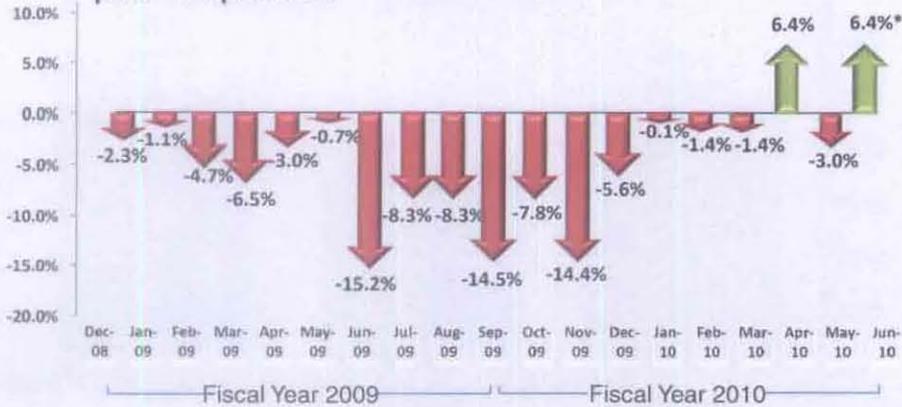
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SALES TAX HISTORY & BUDGET



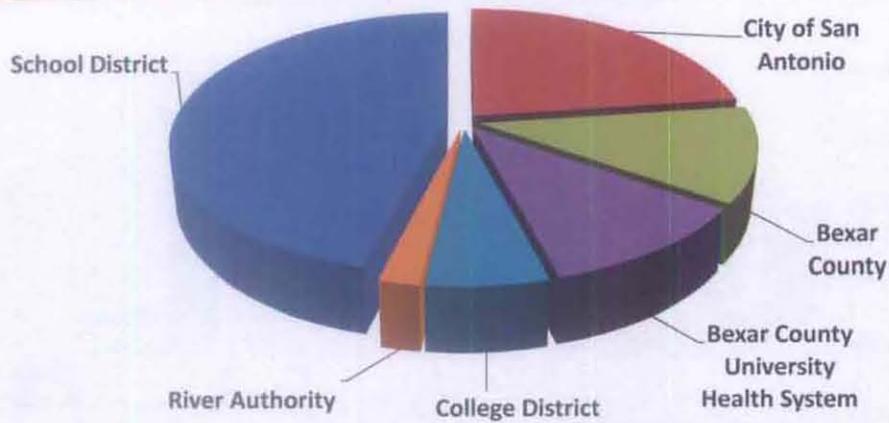
YEAR OVER YEAR CHANGE IN SALES TAX REVENUES

- 16 months of consecutive decline in Sales Tax Revenue prior to April 2010



*Does not include \$1.3 M one-time audit adjustment

PROPERTY TAX BILL



- School Districts and Bexar County Taxing Units represent over 75% of annual tax bill
- City represents less than 25% of annual tax bill

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TAXABLE PROPERTY VALUES

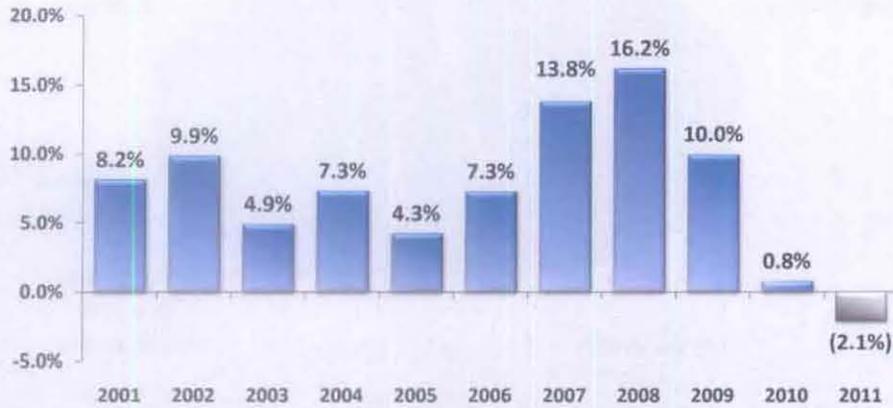
- Second consecutive year of decrease in taxable property values for existing properties
- Taxable property value from new construction increased but less than FY 2010

| | Year Over Year Growth in Value | | |
|---------------------|--------------------------------|----------------|-----------|
| | FY 2010 | FY 2011 | FY 2012 |
| Existing Property | (1.87%) | (3.78%) | (1.75%) |
| New Property | 2.70% | 1.68% | 1.75% |
| Total Growth | 0.83% | (2.10%) | 0% |

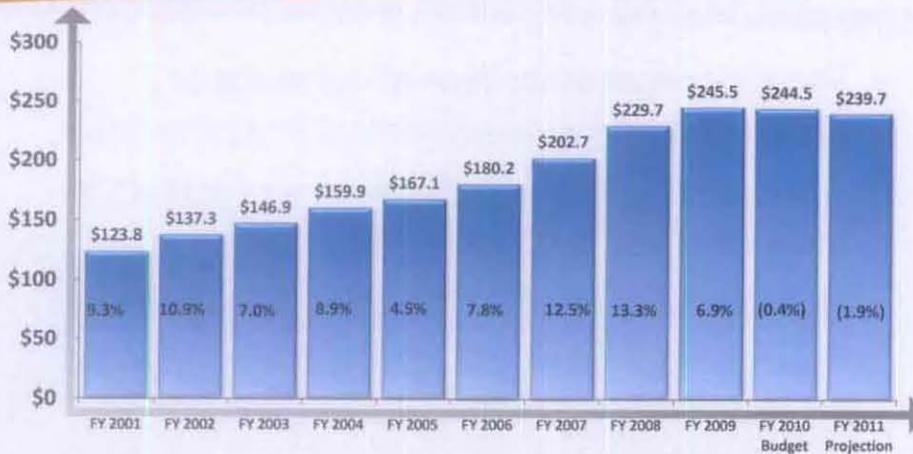
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TAXABLE PROPERTY VALUES

Historical Growth in Property Values
(\$ in Billions)



HISTORICAL PROPERTY TAX REVENUES: 2001-2011



- \$5 M decrease in revenues from FY 2010

PROPERTY TAX RELIEF

- City continues commitment to provide Tax Relief to Seniors and Disabled Property Owners
- FY 2011 Budget foregoes \$31 M in property tax revenue from Senior and Disabled Homestead Exemptions and Frozen City Tax Payments
 - Over 76,000 Senior and nearly 10,000 Disabled Homestead Exemptions
 - Approximately 32,000 Senior or Disabled Homestead Accounts pay Zero City Property Taxes

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PROPERTY TAX RATE

- Current City Tax Rate: 56.569 cents per \$100 taxable valuation (Proposed Budget maintains current rate)
- Effective Tax Rate
 - Tax Rate: 58.109
 - \$10.6 M generated
- M&O Rollback Tax Rate
 - Tax Rate: 61.065
 - \$31.1 M generated



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CPS REVENUE - VOLATILITY

CPS Payment to City
% Change from Prior Year's Actual Payment

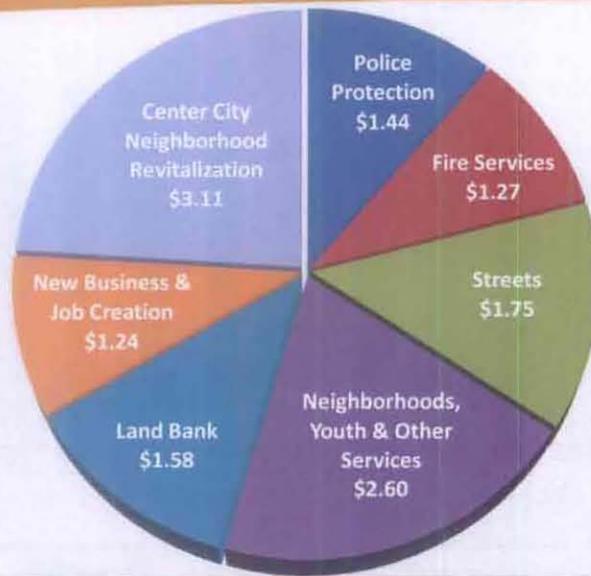


GENERAL FUND IMPROVEMENTS/ ADDITIONS

FY 2011 Proposed Operating & Capital Budget



GENERAL FUND IMPROVEMENTS/ADDITIONS \$12.9 M



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POLICE PROTECTION

- Add 22 new Police Officers - \$1.5 M
 - Enhances focus on targeted central city neighborhoods and family violence
 - Total of 305 officers added over past 5 years
- In-Car Video Systems for all patrol vehicles
 - 532 vehicles
 - Enhances officer safety, accountability, and performance
- TASER equipment for police officers



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POLICE OFFICER POSITIONS



- 305 police officers added and 63 positions civilianized over the past 5 years for a total of 368

35

FIRE SERVICES

- Fire Station 51
 - FY 2011 Budget fully funds 30 Firefighter positions
 - 2 fire companies (1 ladder, 1 engine) operational October 1, 2010 and temporarily located at nearby stations
 - Technical Rescue capabilities
 - Estimated completion October 2011



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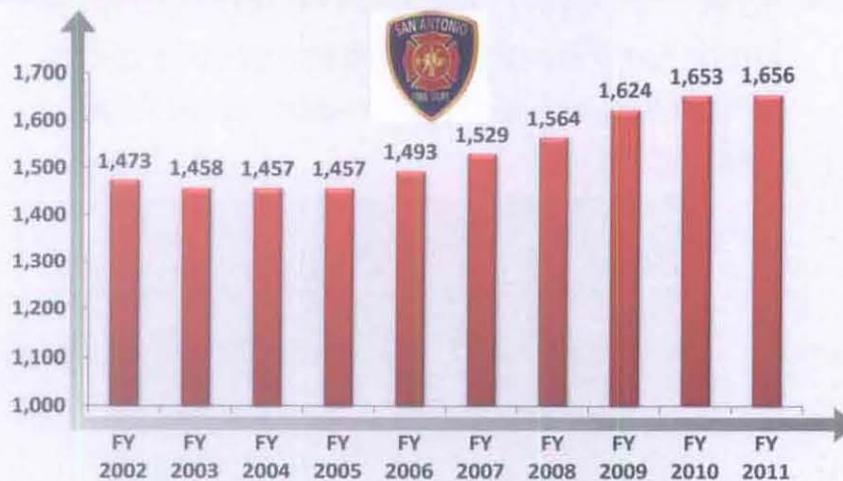
FIRE SERVICES

- Add 3 new Firefighters
 - Create 8th Fire Battalion
 - Enhance operational command and control
 - 163 firefighters added in past 5 years
- Enhance Medical Services Delivery
 - Equipment, training, and medical supplies to establish five dedicated Advance Life Support (ALS) Companies
- Enhance Hazardous Material Response Team
 - Training to support second team of eight firefighters



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FIREFIGHTER POSITIONS



- 163 firefighters/paramedics added over past 5 years

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STREETS AND SIDEWALKS

- Budget redirects \$1.7 M through Street Maintenance efficiencies
 - Allows for 5 miles of additional street maintenance
- Budget includes \$6.5 M for sidewalks
 - \$4 M funded with City ATD funds
 - \$2.5 M funded with Federal Economic Stimulus



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STREETS AND SIDEWALKS

- Budget includes \$3.2 M in Federal Stimulus Funds for infrastructure such as curb ramps, pedestrian signals, crosswalks, and traffic calming devices



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STREETS AND SIDEWALKS

- Budget includes \$3 M for Alley Maintenance
 - Funded by Storm Water and Solid Waste funds
 - Alleys improved for Solid Waste automated trucks



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TRAFFIC SIGNAL SYSTEM & MODERNIZATION

- Additional 252 signals in 2011 for a total of 1,045 since 2008

| Phase | Number of Signals Improved |
|---|----------------------------|
| Phase 1 – FY 2008 | 254 |
| Phase 2 – FY 2009 | 280 |
| Phase 3 – FY 2010 | 259 |
|  Phase 4 – FY 2011 | 252 |
| Phase 5 – FY 2012 | 216 |
| Total | 1,261 |

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CODE ENFORCEMENT

- Over \$700,000 redirected to re-engineer Sweeps Program and create a Proactive Code Enforcement Team
 - Address issues in highly visible corridors, identified “hot spots”, and Inner City Reinvestment Infill Program (ICRIP) areas



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ANIMAL CARE

- Full Year funding for 9 positions added mid-year
- Adds \$500,000 to continue Animal Care Kennel Operations at Brooks City Base Kennel Facility
- Includes \$250,000 for additional low cost and free spay/neuter surgeries



44

LIBRARIES & YOUTH

- Adds \$275,000 in recurring resources to maintain Library's Book Budget at current FY 2010 level
 - Overall increase to Library budget of \$1.5 M
 - \$2.1 M in additional resources for new libraries and books
 - \$500,000 in efficiency reductions
- Includes \$250,000 in one-time resources for Summer Youth Employment Program



45

INNER CITY DEVELOPMENT

- \$2.7 M to stimulate development and investment in downtown area neighborhoods
- \$400,000 to support the HemisFair Park Local Government Corporation



46

CREATION OF A LAND BANK

- \$1.5 M for creation of a Land Bank
 - Would allow for identification, acquisition, management, and disposition of real property intended to encourage redevelopment and revitalize central city neighborhoods



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ECONOMIC DEVELOPMENT

- Department reorganization to focus on core functions including industry development, international business, and small business
- Partnership with Economic Development Foundation (EDF)
 - EDF Action Plan: \$500,000 contract to provide recruitment, retention, and marketing
- Adds \$1.2 M for Economic Development
 - Total of \$5 M when combined with CIED balances to retain, expand and attract business
- Adds resources for Small Business Economic Development Advocacy (SBEDA) ordinance implementation
 - Add (1) position, redirects (2) positions



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GREEN INITIATIVES

- Re-engineer Brush Collection Program to achieve 100% brush recycling
 - Add new Brush Recycling Facility on City's South Side
 - Additional day of brush collection for all residents
 - 2x per year brush pick-up; 1x per year bulky pick-up
- Preparation for Yard Waste Collection Program as part of 10-Year Plan to Zero Waste



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GREEN INITIATIVES

- Recycling Containers in City Parks
 - Over \$300,000 included for purchase and installation in 6 most utilized City parks
- \$1.5 M in Federal Stimulus Funding for solar panels and electric car charging stations at airport to be completed October 2010



50

GREEN INITIATIVES

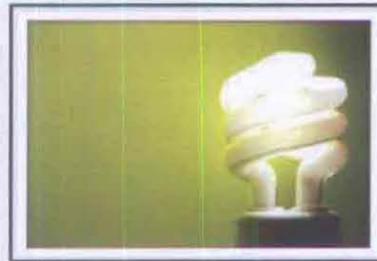
- Funding to upgrade 78 administrative sedans to hybrids
- Pilot project for E-85 Flex Fuel vehicles (Ethanol 85 blend)



51

GREEN INITIATIVES

- 2,200 San Antonio homes to be weatherized through Federal Stimulus Weatherization Assistance Program
- Facility Energy Retrofits
 - \$3.5 M of EECBG funds and \$5 M in low-interest state grant funds (LoanSTAR); over 100 City facilities impacted
 - Retrofits in process



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JUVENILE CASE MANAGER PROGRAM

- In FY 2010, \$1 M in savings by reorganizing Juvenile Offender Program and transferring case management to Municipal Court
- Adds \$526,000 in capital improvements for new Truancy Courtroom and Detention Center expansion
- Adds 2 supervisors to monitor and ensure juvenile safety



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HAVEN FOR HOPE

- FY 2011 Budget includes \$1.5 in new funding for Haven for Hope campus
- With additional funding, a total of \$5.5 M in General Fund resources will be included for Haven for Hope and related community services

| Allocation for Homeless / Haven for Hope Services | |
|---|--------------|
| FY 2006 | \$ 338,638 |
| FY 2007 | \$ 507,247 |
| FY 2008 | \$ 1,748,718 |
| FY 2009 | \$ 1,637,523 |
| FY 2010 | \$ 4,059,523 |
| FY 2011 | \$ 5,559,523 |

Haven for Hope

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PLANNING & COMMUNITY DEVELOPMENT

- FY 2011 Budget creates new Planning and Community Development Department
- Provides cohesive focus by consolidating functions
 - Comprehensive and Neighborhood Planning
 - City South Management Authority Partnership
 - Tax Increment Financing (TIF) Program
 - Housing programs
 - Ft. Sam Houston Community Development Office
 - Neighborhood Commercial Revitalization (NCR) Program
- Establishes independent enforcement function within Code Enforcement Services



EMPLOYEE COMPENSATION

FY 2011 Proposed Operating & Capital Budget



EMPLOYEE COMPENSATION

- Budget includes cost of living increase to help cover rising costs of consumer goods such as fuel and healthcare
- 2% Cost of Living increases for civilian employees and retired employees
 - Local inflation rate projected at 2.02%
- 2% contractual wage increase for Police
- 2% wage increase for Fire included
- Living Wage increase from \$10.19 to \$10.60



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COST OF LIVING ADJUSTMENT HISTORY

| Fiscal Year | Cost of Living Adjustment |
|-------------|----------------------------|
| FY 2011 | 2% |
| FY 2010 | 0% |
| FY 2009 | 3% |
| FY 2008 | 2.21% |
| FY 2007 | 2% - Oct. 1 3% - Jan. 1 |



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CIVILIAN STEP PAY PLAN

- Budget continues implementation of tenure-based civilian Step Pay Plan
 - Initiated in FY 2008
 - Moves employees through pay range for each year employed
 - Once fully implemented, employees will reach maximum of pay range after 10 years on the following schedule:

| Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---------------|----|----|----|----|----|----|----|----|----|----|
| Step Increase | 4% | 4% | 4% | 4% | 3% | 3% | 3% | 2% | 2% | 2% |

Civilian Step Pay Plan

- Since inception, 1,992 employees have received increases
 - FY 2011 will impact 2,108 employees at an average salary increase of 4.91%



CIVILIAN STEP PAY PLAN COSTS

All Funds - Annual Cost of Step Pay Plan
(\$ in Millions)



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EMPLOYEE WELLNESS

- Focus on Prevention and Management of major areas of concern:
 - Diabetes
 - Hypertension (high blood pressure)
 - Stress
 - Obesity



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EMPLOYEE WELLNESS

- Employee Wellness Program Initiatives:
 - Enhance employee benefit plan
 - 100% coverage for preventive care
 - Employee Assistance Program
 - Personal Health Support for diabetes, heart disease, cancer, and asthma
 - Create Corporate Culture of Wellness
 - Wellness Reward Program
 - Weight Watchers at Work
 - City Employee Health & Wellness Center
 - Create a Healthy Work Environment
 - Employee Health Stations (blood pressure kiosks)
 - Healthy vending machine options



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EMPLOYEE HEALTHCARE

- Modifications to Civilian Health Care Premiums in FY 2011
 - No employees negatively impacted
 - All employees would receive at least 1% increase net of proposed premium costs



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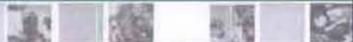
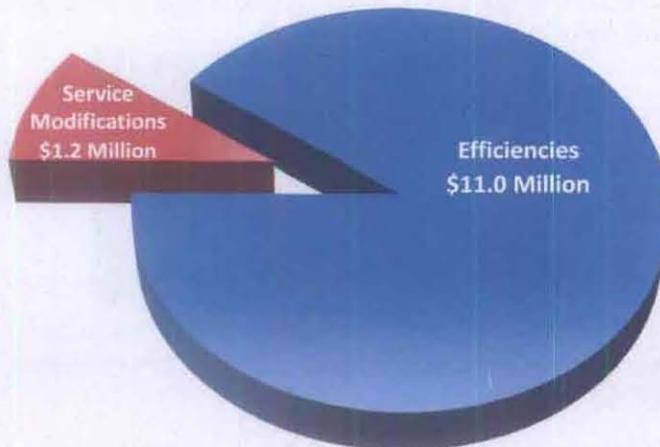
FY 2011 GENERAL FUND REDUCTIONS

FY 2011 Proposed Operating & Capital Budget



FY 2011 GENERAL FUND REDUCTIONS

Total General Fund Reductions \$12 M



POSITIONS ELIMINATED IN FY 2011

| Position Type | Count |
|---------------------|------------|
| Executives | 1 |
| Managerial | 12 |
| Office /Clerical | 34 |
| Para-Professionals | 27 |
| Professionals | 35 |
| Service/Maintenance | 59 |
| Skilled Craft | 18 |
| Technicians | 16 |
| Total | 202 |

- Of the 202 positions, 78 are filled

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OPERATIONAL EFFICIENCIES

- Over \$700,000 savings gained as a result of implementation of Computer Aided Dispatch (CAD) and Records Management System (RMS) in Police and Fire Departments



- Restructures Fingerprinting Unit staff schedule to reflect underutilized evening and weekend hours resulting in \$265,000 savings

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OPERATIONAL EFFICIENCIES

- Budget saves \$250,000 in overtime by restructuring Technical Rescue Units in Fire Department
- Restructures pavement marking program by eliminating ineffective equipment and redirects resources into existing contract
 - Savings of \$870,000



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OPERATIONAL EFFICIENCIES

- Redesign Illegal Dumping Program by redirecting calls directly to dedicated Brush Crew in Solid Waste Department results in savings of nearly \$400,000
- Parks Department Reorganization
 - Over \$500,000 in savings from eliminating duplicate supervisor levels



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OPERATIONAL EFFICIENCIES

- Realign Community Center hours to meet customer demand at six (6) Parks Community Centers
 - Adjust operating hours during non-peak times by 17 fewer hours per week
 - Savings of \$332,000

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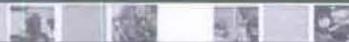


OPERATIONAL EFFICIENCIES

- Restructure weekend, early morning, and evening hours of operation at all 7 Learning Centers to reflect current service demand
 - Currently open 6 days per week
 - Adjust operating hours during non-peak times by 25 fewer hours per week
 - Savings of over \$300,000



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OPERATIONAL EFFICIENCIES

- Reorganization of Purchasing, Finance, 311 Customer Service, and IT functions under direction of Chief Financial Officer results in savings of over \$600,000
 - Eliminates (1) Executive position and (3) manager positions



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OPERATIONAL EFFICIENCIES

- San Antonio Education Partnership (SAEP)
 - Continues phased elimination of administrative overhead related to City support of SAEP
 - Redirects over \$300,000 to fund additional scholarships



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HUMAN & WORKFORCE DEVELOPMENT SERVICES AGENCIES

- FY 2011 Proposed Budget includes \$20.9 million in General Fund and Grants
- In FY 2010 Budget delegate agency funding was not reduced
- Agencies informed of potential 10% reduction in funding in September 2009 and again in January 2010

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HUMAN & WORKFORCE DEVELOPMENT SERVICES AGENCIES

- FY 2011 Budget includes proposed reduction in funding for agencies of \$830,897
- Recommendations included in budget based on 3 criteria:
 - City Council identified priorities
 - Quality of agency proposals submitted as part of RFP Process
 - Agency Past Performance
- Funding recommendation includes
 - Increasing funding levels for Haven for Hope
 - Maintain current funding levels for After School Challenge Program, Child Care Services Grant and Project Quest

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HUMAN & WORKFORCE DEVELOPMENT SERVICES AGENCIES

- Alternate funding strategies can be evaluated by the City Council
- 3 Options include:
 1. Staff Recommendation
 2. Across the board reductions for all agencies
 3. Across the board reductions for all agencies with the exception of Haven for Hope, After School Challenge Program and Child Care Services Grant

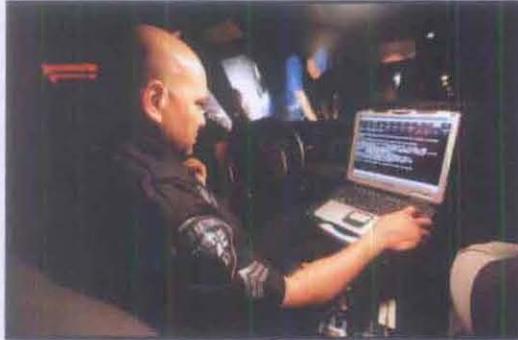
GENERAL FUND MANDATES

FY 2011 Proposed Operating & Capital Budget



GENERAL FUND MANDATES

- \$2.8 M in funding included for operation and support of newly implemented Police/Fire Computer Aided Dispatch and Records Management System



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GENERAL FUND MANDATES

- \$300,000 for maintenance of newly acquired park land and greenways
- \$1.7 M included for operational and personnel funding for (2) new libraries
 - Mission Branch Library (CD 3)
 - Parman Branch Library (CD 9)



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FY 2012 GENERAL FUND DEFICIT REDUCTION STRATEGY PROPOSALS

FY 2011 Proposed Operating & Capital Budget



REDUCTION STRATEGY PROPOSALS

- \$15 M in Reduction Strategy Proposals included in Proposed Budget for FY 2012
 - \$3.5 M in efficiencies resulting from additional Comprehensive Budget Reviews
 - \$6.3 M in additional revenue by increasing City property tax rate to effective tax rate
 - \$4 M in lower contribution requirements with proposed TMRS fund restructuring



RESTRICTED FUNDS

FY 2011 Proposed Operating & Capital Budget



SOLID WASTE FUND

- No monthly rate increase in FY 2011
 - \$18.74 monthly fee
- Automated Conversion Program completed in March 2010
- FY 2011 Budget focuses on implementation of 10-Year Recycling & Resource Recovery Plan
 - Pathway to Zero Waste



SOLID WASTE FUND

- Creating a Pathway to Zero Waste
 - 10-Year Recycling & Resource Recovery Plan
 - Expand recycling opportunities for residents and businesses
 - Recycle or divert 60% of single-family residential waste
 - FY 2011 Budget focuses on enhancing core infrastructure to support expanded brush and recycling programs



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SOLID WASTE CUSTOMER FEE COMPARISON



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GENERAL DIFFERENCES: MANUAL VS. AUTOMATED COLLECTION

Manual Collection

- Requires three-person crews
- Garbage collection twice per week
- Recycling collection once per week
- High injury rate

Automated Collection

- Requires one-person crews
- Garbage collection once per week
- Recycling collection once per week
- Containerized collection

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MAJOR COST COMPONENTS OF REFUSE COLLECTION



Salaries & Benefits



Vehicle Operations & Maintenance



Disposal and Billing



Cart Maintenance and Replacement

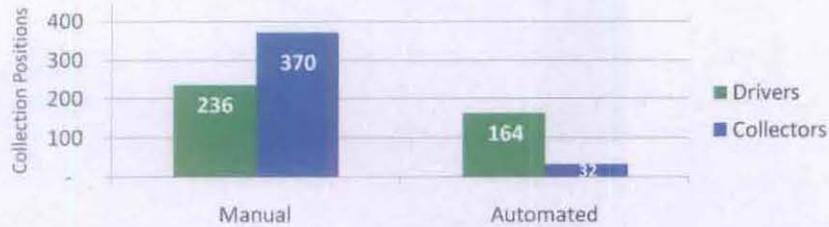


Conversion Costs

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SALARIES AND BENEFITS

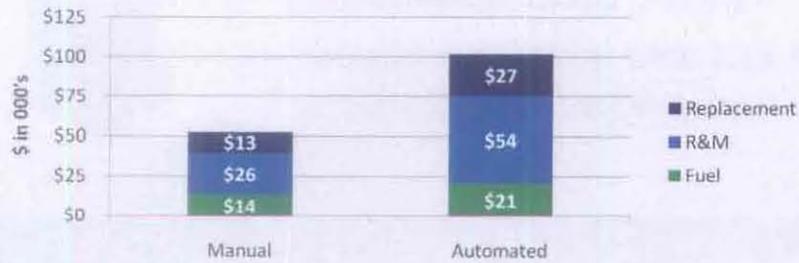
Estimated FY 2010 Staffing Requirements:
Manual vs. Automated Collection



| FY 2010 Estimated Cost | Manual Collection | Automated Collection |
|----------------------------|-------------------|----------------------|
| Annual Salaries & Benefits | \$28.0 M | \$9.2 M |
| Cost per Ton Collected | \$69 | \$23 |

VEHICLE OPERATING & MAINTENANCE

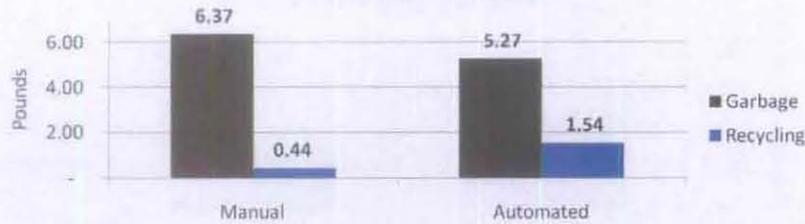
Average Annual Cost per Truck:
Manual vs Automated



| FY 2010 Estimated Cost | Manual Collection | Automated Collection |
|--------------------------|-------------------|----------------------|
| Annual Vehicle O&M Costs | \$12.4 M | \$16.7 M |
| Cost per Ton Collected | \$31 | \$41 |

DISPOSAL AND BILLING

Pounds of Collected Material per Customer per Day:
Manual vs Automated



| FY 2010 Estimated Cost | Manual Collection | Automated Collection |
|---------------------------------|-------------------|----------------------|
| Annual Disposal & Billing Costs | \$10.1 M | \$8.7 M |
| Cost per Ton Collected | \$25 | \$21 |

CART MAINTENANCE & REPLACEMENT

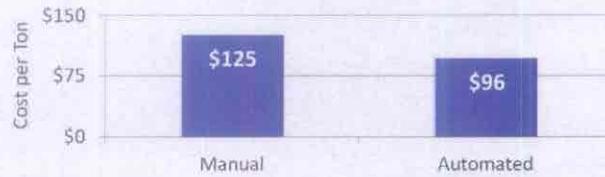
- Repair damaged carts
- Replace lost or stolen carts
- Estimate includes prorated replacement costs for carts



| FY 2010 Estimated Cost | Manual Collection | Automated Collection |
|-------------------------|-------------------|----------------------|
| Annual Cart Maintenance | \$0 M | \$4.2 M |
| Cost per Ton Collected | \$0 | \$10 |

TOTAL OPERATING & MAINTENANCE COST

FY 2010 Cost per Ton
Manual vs Automated



| FY 2010 Estimated Cost | Manual Collection | Automated Collection | Variance \$ |
|------------------------|-------------------|----------------------|-----------------|
| Salaries & Benefits | \$28.0 M | \$9.2 M | \$18.7 M |
| Vehicle O&M | \$12.4 M | \$16.7 M | \$(4.3 M) |
| Disposal Costs | \$10.1 M | \$8.7 M | \$1.4 M |
| Cart Maintenance | \$0 M | \$4.2 M | \$(4.2 M) |
| Total | \$50.5 M | \$38.8 M | \$11.6 M |

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CONVERSION COST

Automated Trucks Purchased



Carts Purchased



| Conversion Costs | Automated Trucks | Carts | All Equipment |
|-------------------|------------------|-----------------|-----------------|
| Capital Cost | \$20.2 M | \$33.8 M | \$54.0 M |
| Interest Expense | \$2.7 M | \$0.8 M | \$3.5 M |
| Total Cost | \$22.9 M | \$34.6 M | \$57.5 M |

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RETURN ON INVESTMENT ANALYSIS

Automated Collection Conversion

| | |
|--------------------------------------|----------------|
| Annual Operating Cost Efficiency | \$12 M |
| Automated Collection Conversion Cost | \$58 M |
| Return on Investment | 5 Years |



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STORM WATER FUND

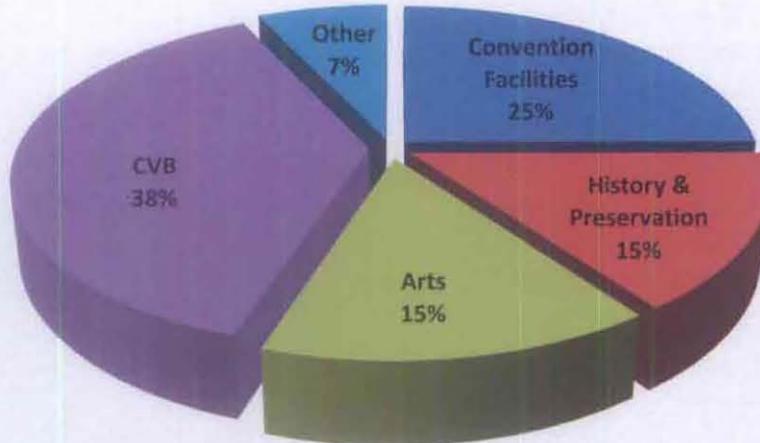
- City's Storm Water Operations services funded by separate monthly fee
- Program supports drainage and annual creek maintenance, flood tunnel operations, river maintenance, street cleaning
- No rate increase proposed in 2011
 - \$4.25 average monthly fee



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HOTEL OCCUPANCY TAX FUND

HOT Collection Usage



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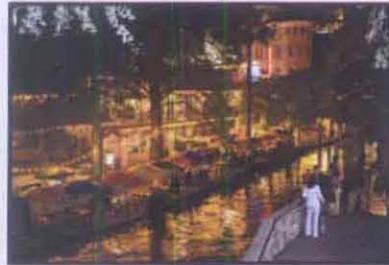
HOTEL OCCUPANCY TAX HISTORY



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HISTORY & PRESERVATION

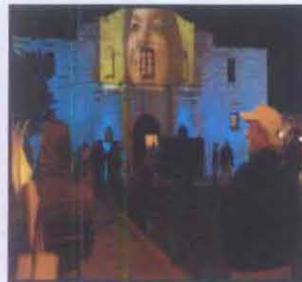
- 15% of HOT collections support History & Preservation activities in General Fund including:
 - River Walk Beautification & Landscaping
 - HemisFair Park
 - La Villita
 - Tower of the Americas
- Declines in HOT Collections impacted History & Preservation funding in General Fund
 - \$1.6 M in FY 2009
 - \$946 K in FY 2010



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ARTS & CULTURAL PROGRAMMING

- 15% of HOT Tax Collections maximum by State Law to support Arts
- Funding for Arts not reduced in FY 2009 and FY 2010 in spite of lower than budgeted HOT Collections
 - Contingency Funds used to maintain arts at budgeted amounts
- FY 2011 Budget maintains Arts at maximum 15% of HOT Revenues
- Lower HOT Collections result in 13% decrease in funding to Arts
- FY 2011 Arts Funding Process was frozen
- Arts Agencies notified of reduction last year and this year



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AVIATION

Enplanement History & Projection
of passengers departing San Antonio



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AVIATION

- New Airport Terminal "B" on schedule to open in November 2010
 - Includes state-of-the-art Baggage Handling System to streamline operations & improve customer service



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DEVELOPMENT SERVICES

- FY 2010 Planning & Development Services Budget totals \$22.2 M
- Over past three fiscal years, enterprise fund expenditures reduced by \$4.5 M
 - 69 Positions eliminated



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DEVELOPMENT SERVICES

- General fund transfer of \$250,000 to cover Inner City Reinvestment Infill Program (ICRIP) related fee waivers
- FY 2010 Commercial Permitting decline continues with some improvement in New Residential Permitting



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DEVELOPMENT SERVICES

- New Residential Permits have declined 70.9 % since FY 2005



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DEVELOPMENT SERVICES

- New Commercial Permits have declined 19.5 % since FY 2005



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DEVELOPMENT SERVICES

- FY 2011 Total Permits expected to increase slightly over FY 2010 levels as economy begins to improve
 - Re-staffing plan developed
 - Market after-hour inspections to customers
 - Allow for division overtime
 - Develop outsourcing for basic plan review and inspections
 - Hire temporary employees
- FY 2011 Budget freezes 23 positions



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SIX-YEAR CIP

FY 2011 Proposed Operating & Capital Budget



CAPITAL IMPROVEMENTS

- CIP Program totals \$1.1 Billion over 6 years
- 2007 – 2012 Bond Program
- Airport Improvements Program
- Public Safety Facilities
- Advanced Transportation District funded Projects
- HUD 108 and CDBG funded Projects



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CAPITAL IMPROVEMENTS

- FY 2011 is peak of major 2007 Bond construction:
 - Babcock (Prue Rd to Hollyhock)
 - Walters St (East Houston to Paso Hondo)
 - Zarzamora Drainage Project #83A Ph II
 - Bulverde Rd (Loop 1604 to Evans)
 - RipRap 69, Ph II C Part 4 Southcross
 - Rivas



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2007 BOND FUND BALANCE STRATEGY

- Currently 90 projects completed or in construction
 - Represents \$196M in total Bond funds
 - 15 projects are below budget and currently projected at \$16 M
 - 3 projects are completed
 - 12 projects are in construction
- Policy
 - City must ensure funds are available to complete all projects within 2007 Bond Program
 - Current bidding environment is favorable however could change
- Recommendation Strategy
 - Delay the reprogramming of funds until projects have entered into the construction phase of the project

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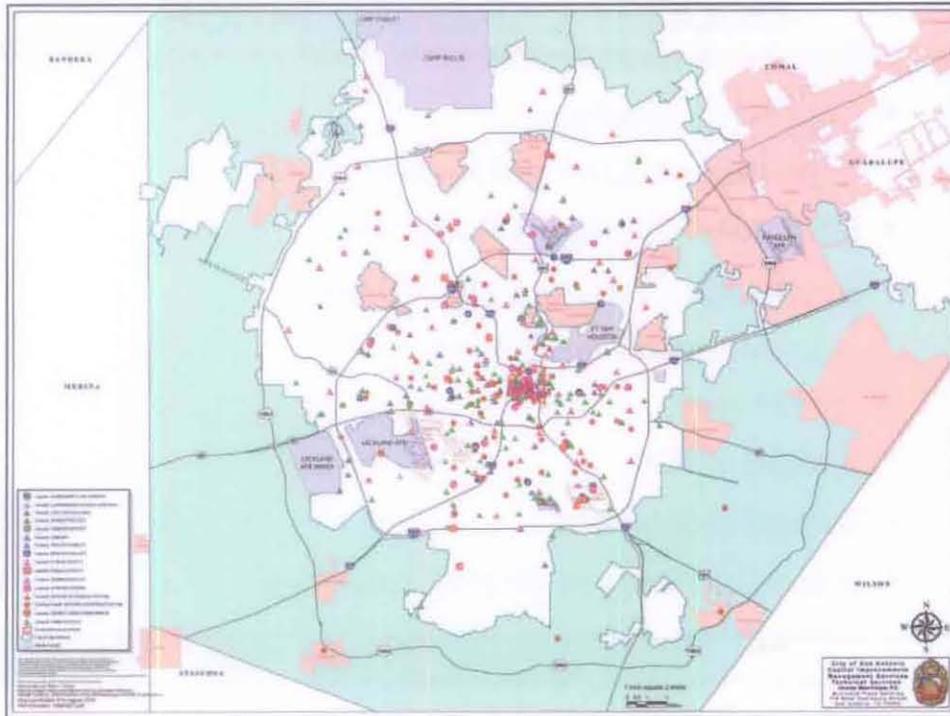


CITY FACILITIES

- In FY 2011, a review of City facilities will be conducted
- The City occupies 563 facilities
 - 416 are owned by the City
 - 147 are leased facilities

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BUDGET COMMUNICATION

FY 2011 Proposed Operating & Capital Budget

BUDGET COMMUNICATION

- Highlights Brochure
 - Printed in English and Spanish
- Employee Highlights Pamphlets
- Newspaper Inserts for Residents
 - San Antonio Express News
 - La Prensa
- Budget Video
- Budget Document
- Individual Council District Hearings

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BUDGET HEARINGS

- Monday, August 16
 - District 8
- Tuesday, August 17
 - District 3
- Wednesday, August 18
 - District 4
- Monday, August 23
 - District 6
- Tuesday, August 24
 - District 1
 - District 2
- Wednesday, August 25
 - District 7
 - District 10
- Thursday, August 26
 - District 9
- Monday, August 30
 - District 5

All meetings scheduled for 6:30pm

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OTHER BUDGET HEARINGS & ADOPTION

- FY 2011 Proposed Budget Public Hearing
 - Tuesday, August 31 – 6:00 PM
- Budget Adoption on Thursday September 16
 - Operating Budget & Capital Improvements Plan
 - City Property Tax Rate
 - Revenue Adjustments



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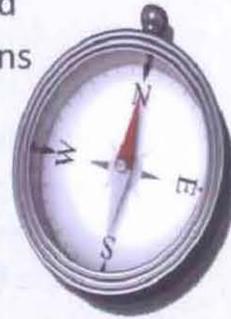
CONCLUSION

FY 2011 Proposed Operating & Capital Budget



GENERAL FUND SUMMARY POINTS

- FY 2011 Proposed Budget is balanced
- Adds Police and Fire uniform positions
- Additional Street repairs
- Improves Code Enforcement
- Increases Animal Control
- Includes funding for Haven for Hope for a total of \$5.5 M
- Includes 2% Cost of Living Increases for Civilian, Police, Fire and retired Employees
 - Continues Implementation of Civilian Step Pay Plan



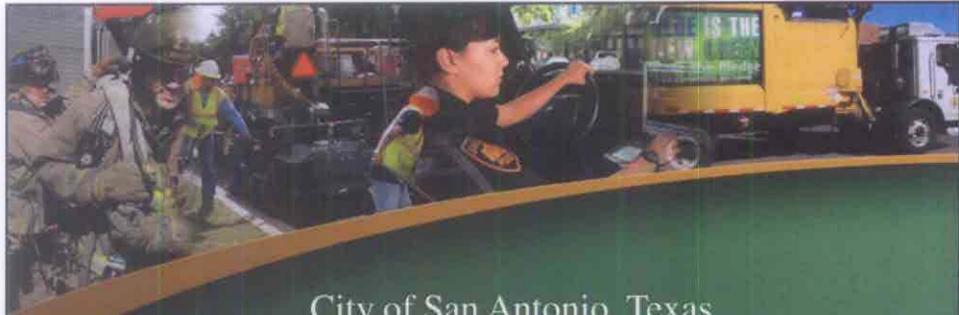
119

GENERAL FUND SUMMARY POINTS

- No City Property Tax Rate increase
- No Garbage or Storm Water fee increases
- \$12 Million in budget cuts
 - Majority are efficiencies
 - 202 positions eliminated, no police officer or firefighter/paramedic reductions
 - No layoffs, no furloughs, and no reductions in pay are included in Proposed Budget



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City of San Antonio, Texas

Balanced Proposed Annual
Operating and Capital Budget

Fiscal Year 2011

Presented by Sheryl Sculley