

**STATE OF TEXAS  
COUNTY OF BEXAR  
CITY OF SAN ANTONIO**

**A BUDGET WORK SESSION OF THE CITY COUNCIL OF THE CITY OF SAN ANTONIO  
WAS HELD AT THE HENRY B. GONZALEZ CONVENTION CENTER, ROOM 217  
TUESDAY, MAY 13, 2008**

The San Antonio City Council convened in a Budget Work Session at 9:00 am, Tuesday, May 13, 2008, at the Henry B. Gonzalez Convention Center, Room 217. City Clerk, Leticia M. Vacek noted a quorum of the Council with the following present: Cisneros, McNeil, Ramos, Cortez, Galvan, Herrera, Rodriquez, Cibrian, Rowe, Clamp, and Mayor Hardberger.

**1. CITY COUNCIL FY 2009 BUDGET GOAL SETTING WORK SESSION ADDRESSING SERVICE DELIVERY PRIORITIES & FISCAL POLICIES, TO INCLUDE POSSIBLE ACTION ON MATTERS PRESENTED AND DISCUSSED.**

Mayor Hardberger opened the meeting announcing Councilmember Cibrian's Birthday and lead attendees in singing Happy Birthday. Councilmember Galvan followed by singing Las Mananitas to Councilmember Cibrian.

Mayor Hardberger stated that the Budget Work Session reflected Councilmembers' values that were tempered with the reality of what was most important to each District. It was noted that the City could not possibly fund everything due to funding constraints. The purpose of the Budget Work Session was to identify and prioritize FY 2009 Budget Priorities.

City Manager, Sheryl Sculley stated that the purpose of the Budget Work Session was two-fold; the first was to share information pertaining to the Base Budget. Ms. Sculley referenced the binder "City Council Policy Goal & Service Delivery Priority" containing programmatic information about the budget. Secondly, the Council should be able to reach consensus of initial Policy Goals and Service Delivery Priorities that City Staff will utilize to prepare the FY 2009 Budget. Lastly, it was noted that the agenda includes information on the recently completed Community Survey results which would be presented by Dr. Michael Baumann, of the University of Texas at San Antonio (UTSA).

Councilmember McNeil entered the Meeting at this time.

Dr. Judith Vogt, Facilitator was introduced to assist the Council to arrive at a consensus. Dr. Vogt is a Senior Consultant for the Mesa Group in San Antonio. She has worked in private, academic, and public sectors in the field of Organizational and Management Development for more than 30 years.

Dr. Vogt stated that the goal of facilitating the Budget Work Session was to ensure that each Councilmember had a chance to provide input. Additionally, she stated that she would work with Mr. Zaroni throughout the day to ensure that Council input pertaining to the budget process was communicated clearly to City Staff. Dr. Vogt stated that the goal of the Budget Work Session was to provide clear Policy Direction for the FY 2009 Budget Process. She highlighted Agenda Items within the Budget Work Session:

- 1.) Values of Key Stakeholders
- 2.) Community Survey Results
- 3.) Establishing Economic, Fiscal & Budgetary Base-Line

#### 4.) Setting Service Delivery Priorities and Fiscal Policy

Dr. Vogt asked the Mayor and Council to place their cell phones into a marked box to remain focused on the goals and objectives.

Dr. Vogt referenced Mayor Hardberger's opening line that the Budget was the manifestation of our values. And as such, the Mayor and Councilmembers must be clear of what their values are and provide clear focus which guides behaviors and decisions. Once the values are clear, all can live out the intent and modify the behaviors.

Dr. Vogt asked the Mayor and Council what values guide them in their role as Councilmembers. The Council responses were:

- Honesty
- Integrity
- Helping others
- Public Service
- Needs of the Community
- Respect of everyone's opinion
- Leadership
- Family
- Love
- Excellence
- Wisdom to know what to do first
- Courage

Dr. Vogt asked the Mayor and Council what values would guide them during the Budget Work Session. The Council responses were:

- Cooperation
- Responsibility and Accountability of tax dollars (needs vs. wants)
- Prioritize needs
- Helping people, serving residents of the District that they represent
- Working with others and respecting all Districts
- Creativity

Dr. Vogt asked the Mayor and Council what they wanted to be known for. The Council responses were:

- Being Proactive and Effective
- Being Fiscally Responsibility
- Doing the Right Thing
- Being Ethical
- Smart
- Hardworking
- Progressive
- Committed
- Aggressive
- Forward Thinker
- Problem Solver
- Courageous

At this time, Dr. Michael R. Baumann of the Culture & Policy Institute from UTSA presented the Community Survey Results stating that the goals of the survey were:

- To assess residents' overall opinions of City Services
- To assess residents' opinions regarding specific services and perceptions of problems
- To assess residents' overall opinions of San Antonio

Dr. Baumann stated that the method of capturing data was provided in English and Spanish and performed via telephone survey conducted from mid-January through mid-February 2008. Telephone numbers falling within the city limits were called, and 1,060 surveys were completed.

Dr. Baumann presented survey questions and their responses:

- Rate San Antonio as a place to live (45.3% excellent, 41.8% good, 11.8% fair)
- Rate the Quality of City Services overall (16.6% excellent, 50% good, 26.9% fair)
- Place to Live-rating as excellent or good (San Antonio 87%, Dallas 64%, Denver 84%, San Diego 0%)
- Overall Services-rating as excellent or good (San Antonio 67%, Dallas 48%, Denver 63%, San Diego 92%\*)
- Fire Services-rating as satisfied or very satisfied (San Antonio 96%, Dallas 88%, Denver 89%, San Diego 93%\*)
- EMS-rating as satisfied or very satisfied (San Antonio 93%, Dallas 77%, Denver 82%, San Diego 0%)
- Police Protection-rating as satisfied or very satisfied (San Antonio 84%, Dallas 47%, Denver 57%, San Diego 85%\*)
- Library Services-rating as satisfied or very satisfied (San Antonio 92%, Dallas 68%, Denver 76%, San Diego 94%\*)
- Street Repair-rating as satisfied or very satisfied (San Antonio 40%, Dallas 21%, Denver 27%, San Diego 61%\*)
- Sidewalk Maintenance-rating as satisfied or very satisfied (San Antonio 58%, Dallas 26%, Denver 0%, San Diego 69%)
- Code Enforcement-rating as satisfied or very satisfied (San Antonio 52%, Dallas 28%, Denver 31%, San Diego 0%)

*\* Question asked in slightly different context*

*Color coded maps were displayed depicting all ratings by zip code.*

He noted the City Services which garnered high percentages of "no opinion":

- Web Payments Services (39%)
- Job Training Services (46%)
- Garage Sale Permits (53%)
- Other Permits (61%)
- 52% Reported never having tried the 3-1-1 Service

Among those reporting having used the 3-1-1 Service:

- 93% rated 3-1-1 as easy to use
- 78% rated the call-taker as good or excellent on knowledge
- 89% rated the call-taker as good or excellent on courtesy

Providing Services to Specific Populations were as follows:

- Low Income Persons rating as excellent or good (San Antonio 49%, Dallas 28%, Denver 29%)
- Senior Citizens rating as excellent or good (San Antonio 46%, Dallas 37%, Denver 47%)
- Persons with Disabilities rating as excellent or good (San Antonio 46%, Dallas 0%, Denver 0%)
- Providing Information in English and Spanish rating as excellent or good (San Antonio 78%, Dallas 0%, Denver 0%)

Rated Severity of Potential Problems were as follows:

- Graffiti-rating as Major Problem (San Antonio 62%, Dallas 23%, Denver 22%)
- Drug Use-rating as Major Problem (San Antonio 64%, Dallas 77%, Denver 45%)
- Dropout Rate-rating as Major Problem (San Antonio 64%, Dallas 0%, Denver 0%)
- Local Economy-rating as Major Problem (San Antonio 25%, Dallas 0%, Denver 0%)
- Noise-rating as Major Problem (San Antonio 15%, Dallas 25%, Denver 17%)

Opinions on Whether the City Listens (4.7% strongly agree, 50.9% agree, 19.3% neutral)

Understanding the Budget (3.2% strongly agree, 29% agree, 16.4% neutral)

Desire for More Opportunities to Participate in the Budget Process (14.7% strongly agree, 45% agree, 15.9% neutral)

Recreational Facilities were rated as follows:

- Accessibility of Parks & Recreational Facilities-rating as satisfied or very satisfied (San Antonio 81%, Dallas 54%, Denver 82%)
- Quality of Recreational Programs & Classes-rating as satisfied or very satisfied (San Antonio 82%, Dallas 0%, Denver 0%)

Culture & Arts were rated as follows:

- Variety in Cultural & Arts Activities-rating as satisfied or very satisfied (San Antonio 65%, San Diego 79%)
- Quality of Cultural & Arts Activities-rating as satisfied or very satisfied (San Antonio 67%, San Diego 0%)

Dr. Baumann summarized the following conclusions of the survey:

- Residents like San Antonio, but are not satisfied with City Services provided
- Residents are more satisfied with some services than others
- Beliefs about services/perceptions of problems vary by geographic area, and are often distributed in pockets rather than continuous bands
- Many residents do not feel the City listens to them

Lastly, Dr. Baumann cited survey demographics and factors used in exploratory analyses. Discussion ensued in reference to how telephone numbers were selected, concentration of telephone numbers within each District, and how zip codes were identified by telephone numbers.

Ms. Sculley stated that the information obtained through the Community Survey was intended to be used as a tool to improve the organization and was by no means an end-all. She noted that the Community Survey results were reviewed with Department Directors to study the data and focus on improvements as survey results will be placed into Performance Review Plans. The survey results are an opportunity for City Staff to improve while ensuring that the community is able to provide input to be incorporated into the Budget Process.

Dr. Vogt summarized the morning's program and stated that the data provided thus far would assist the Mayor and Council and staff in making informed decisions.

Ms. Sculley stated that the Mayor and Council had requested budget information and stated that the City had a \$2 billion budget with the General Fund at \$850 million.

Dr. Steven Nivin, Chief Economist with the Economic Development Department presented Demographics & Economy for the City. He stated that San Antonio was the 7<sup>th</sup> largest City in the nation and the 29<sup>th</sup> largest Metropolitan Area with an estimated growth of approximately 2.4 million people by the year 2020. It was noted that to measure San Antonio's economy, Gross Regional Product (local level) was analyzed and compared to the Gross Domestic Product (national level).

Dr. Nivin stated that to measure the diversity of the economy, employment across different industries and sectors in the economy were analyzed. He cautioned measuring different years as some have a multiplier effect where others may not. Dr. Nivin stated that employment has grown over the years since 2004 and pointed out the trend where 2007 employment was at 2.77% with a consistent growth rate.

- 2004 - .25% growth
- 2005 - .31% growth
- 2006 - .42% growth
- 2007 - .47% growth
- 2008 - .11% growth

Dr. Nivin stated that the unemployment rate in San Antonio as of March 2008 was 4%. He stated that this was the second lowest unemployment rate in the State across the major Metro Areas compared to Austin's unemployment rate of 3.7% and the nations unemployment rate of 5.1%.

Dr. Nivin mentioned that San Antonio led the way in growth as measured by the business cycle index that is put out by the Federal Reserve Bank. San Antonio's economy grew at an annualized rate of over 5%; which was the strongest in the State.

Dr. Nivin stated that San Antonio had the lowest productivity compared to other areas. He stated that San Antonio's poverty level was 18% as of 2006 and has the lowest cost of living index.

Dr. Nivin noted that San Antonio was an attractive place for high-wage occupations and compared them to peer city averages. He stated that the growth in home sales continues to decline in all major areas. He noted that San Antonio building permits are on a downward trend and stated that from an economic perspective, the supply curve of San Antonio's housing market is relatively flat.

Dr. Nivin summarized the direct correlation of drop-out rates, disadvantaged students and income levels. He compared education and the percentage of populations in Texas cities with bachelor's degrees or higher education and noted that San Antonio lags behind other cities.

Dr. Nivin reported that together China and India graduate 500,000 scientist and engineers per year vs. 60,000 in the United States. He stated that San Antonio's economy should experience slow growth and may not be impacted as much by the housing market. He noted that the type of industries in San Antonio being government, health care and the medical field are growing with the Base Realignment and Closure (BRAC) which will be beneficial to San Antonio.

Mr. Zaroni presented the City of San Antonio Five-Year Financial Forecast. He defined the General Fund's purpose, assumptions, forecast and revenue details. Mr. Zaroni stated that the General Fund ending balance projected shortfall in FY 2009 was \$13.67 million. He reported that the shortfall was due to revenue coming in at a slower pace compared to two years ago. Mr. Zaroni noted that after fixing the shortfall in the first year, the second year would be impacted by a projected \$59.18 million.

Mr. Zaroni reported that revenue assumptions include two rate reductions concerning the City Property Tax Rate reflecting the consolidation and transfer of clinical services to University Health Systems. The consolidation will reduced the tax rate in FY 2009 by 5/10ths of a cent and 2/10ths of a cent for FY 2010. An additional revenue assumption was that the CPS Payment within the forecast period was based on current rates.

Mr. Zaroni presented expenditure assumptions included for the forecast period as follows:

- Reflect funding to provide today's level of recurring City services;
- Projected FY 2009 staffing levels and cost based on current personnel complement;
- Adopted Five-Year Rolling Infrastructure Management Program;
- Parks Maintenance & Renovation Program as approved by the Council as part of the Bond Program;
- One-time expenditures were removed for the forecasted period;
- Mandate costs that must be funded as part of contractual conditions were added to the expenditure assumptions;
- Pay Plan implementation for civilian employees;
- Phase-in higher retirement contribution rates identified by Texas Municipal Retirement System (TMRS);
- Medical inflation factors included in the forecast for healthcare and workers' compensation costs;
- Higher anticipated costs for Police and Fire Retiree payouts and vacation leave buybacks;
- Peace Officer salary adjustments consistent with Meet & Confer Agreements;
- Select commodities and contractual service budgets increased by inflation rates;
- Fuel budgets increased by 33% in FY 2009;
- Base funding levels within City Council approved policy plans;
- Increased funding for newly identified costs since FY 2008 budget adoption;
- Support commitment to National Bio Agro Defense Facility;
- Financial Reserve Policy recommendations for FY 2009 and beyond (funding the Financial Reserves at 10%)

Mr. Zaroni stated that funding for Mandates included in the forecast were as follows:

- Capital Improvements Operations & Maintenance for Parks, Libraries, and Fire Stations;
- Police and Fire Contract requirements;
- Public Safety Grant Match requirements

Mr. Zaroni reported that the following FY 2008 Enhancements were not in the Budget Forecast:

- Street Maintenance one-time funding level enhancement \$9 million
- Neighborhood Access & Mobility Program (NAMP) \$1 million
- Workforce Development (Quest, etc.) \$1.3 million
- Library Technology Enhancements \$366,000
- Library Resource Funding \$350,000
- Early Childhood \$124,000

- Women's Pavilion Improvements at Hemisfair \$50,000
- Summer Youth Program Employment Initiative \$250,000
- Downtown Trolley Service Initiative Pilot \$250,000
- Final Phase of Fire Four-Person Pumper Staffing \$672,000
- Three Year Library Staffing Plan (Year 2) \$665,000
- San Antonio Education Partnership (Year 3 of 5 Year Plan) \$570,000
- Additional Fire and Police Uniform Staffing
- Street Endowment Fund Corpus
- Ongoing Street Maintenance and newly identified projects
- Additional NAMP Funding
- Undergrounding of overhead Utility Lines
- Additional Animal Care Services
- Aggressive Code Enforcement for Dangerous Property Abatement
- Economic Development Incentive Funds including Land Bank Funds
- Public Art Master Plan
- Hemisfair Park Master Plan
- Hemisfair Public Art
- Flood Notification Program
- Low Water Crossing Improvements
- Additional Services at Haven for Hope
- Senior Centers
- Payment of Carver Loan

And as a result, Mr. Zanoni summarized the Budgeted Financial Reserves (General Fund) and stated that the Policy Goal initiated in FY 2007 was to increase reserves to 10% by FY 2009. He also summarized the General Fund Forecast projections for FY 2009 through FY 2013. Mr. Zanoni reviewed the FY 2009 Budget Development Strategy, noting that the city is in the second phase of City Council Policy Direction.

Mr. Zanoni described the Major Components of the General Fund as follows:

- Personnel Costs (Uniform & Civilian salaries, benefits, etc.)
- Contractual Services (Street Maintenance, Delegate Agencies, etc.)
- Commodities (Janitorial, Botanical, Medical Supplies, etc.)
- IT Support (Phone, Fax, Data Communication, SAP, etc.)
- Utilities & Fuel (Vehicle Fuel, Gas, Water, Electricity)
- Transfers (ESD Rebate, Grant Matching Funds, etc.)
- Other (Equipment Replacement Costs, Capital Outlay, etc.)

The Budget Work Session was recessed for lunch at 12:05 pm. The Budget Work Session reconvened at 1:22 pm.

Mr. Zanoni summarized the Base Budget Major Programs and Components of the General Fund and referenced the ten key Departments being Police, Fire, Public Works, Parks & Recreation, Library, Community Initiatives, Health, Housing & Neighborhood Services, Animal Care, and Downtown Operations. He noted that the Police, Fire, and Public Works Departments comprised 70% of the General Fund Budget.

At this time, Mayor Hardberger excused himself from the Budget Work Session and Mayor Pro-Tem McNeil presided.

Councilmember McNeil requested additional information regarding revenues generated by each department compared to expenditures. Ms. Sculley stated that staff would provide the revenues generated by each department.

Councilmember Rodriguez referenced Public Works and stated that nearly 50% of their expenditures were related to Contractual Services. He asked what degree of efficiencies were realized by performing the duties within the Department and comparing same to last year.

Ms. Sculley replied that in the past, additional funding were used through the Contractual Services Line Item.

Councilmember Herrera asked if funding resources were available to assist individuals once the City deems their homes unsafe and uninhabitable. Mr. Dennis Campa stated that Community Initiatives could assist with the utilization of grant funds. Councilmember Herrera stated that the City was aggressively handling Code Compliance issues and must analyze how to assist individuals who might have to move out temporarily due to their homes being deemed uninhabitable.

Councilmember Clamp asked Ms. Sculley what guidance was given to Departments in terms of their cost structure, projects, and programs in assisting them with drafting their Budgets. Ms. Sculley stated that she asked Departments to look at their Basic Services and prioritize those once identified. In addition, if the Department requests new projects, they must demonstrate equivalent amounts that can be reduced or streamlined.

Councilmember Cibrian asked how the CPS Energy rate increase would impact the City this fiscal year and beyond. Ms. Sculley replied that Mr. Gorzell drafted a memo in reference to the CPS fees and asked Mr. Gorzell to distribute same to the Council. Mr. Gorzell stated that the purposed rate increase was pending approval and would be effective June 1, 2008. He stated that \$3 million net was estimated to be received through the remainder of FY 2008 and that \$8 million was projected for FY 2009.

Mayor Hardberger re-entered the Budget Work Session at this time.

Councilmember Cisneros asked what the "Other" category represents for each Department as they seem to fluctuate. Mr. Zanoni responded that category comprised of equipment rental, equipment replacement costs, capital outlay items, contractual services, tools, and fees to professional services.

Ms. Sculley asked Chief McManus to provide a brief presentation of the San Antonio Police Department (SAPD) proposed FY 2009 – FY 2013 Operations Plan. Chief McManus summarized current staffing levels, crime statistics, district boundaries, possible adjustments to said boundaries, call loads, response times, and needed improvements. He noted that the multi-year plan objectives were to enhance officer safety, reduce call loads per officer, improve response times, improve enforcement continuity, improve investigative continuity, and enhance crime tracking analysis.

Chief McManus stated that effective October 1, 2008 SAPD will conduct a six-month pilot program aimed at replacing the current paper-based citation process with an E-Citation electronic process. The E-Citation process would significantly reduce costs, improve services, improve processing time, increase

accuracy, increase productivity, increase officer safety, and improve cycle time from citation to the adjudication stage.

Chief McManus recommended the consolidation of Park Police (141 officers) and Airport Police (66 officers) operations under SAPD. He stated that through consolidation SAPD would have a unified command while providing a greater spectrum of police services to the community. The plan would be phased in over three years. Chief McManus stated that SAPD would communicate through Human Resources throughout the process to help those affected prepare for the SAPD Entrance Exam. Individuals who are not interested in applying with SAPD would be provided training to help them obtain other positions within the City.

Mr. Zaroni summarized the FY 2009 Ballot for Policy Direction and listed Major City Services and budget issues that are representative of the Mayor and Council Adopted Policy. He stated that ballots were provided to the Mayor and Council during the April 30<sup>th</sup> City Council "B" Session. Ballots included 54 City Services/Programs, four Revenue Topics, and three Fiscal Policies for evaluation by the Mayor and Council. Mr. Zaroni referenced the results of the ballots:

- Rolling Five Year Infrastructure Management Program (IMP)
- Police Neighborhood Patrol
- Neighborhood Access & Mobility Program (NAMM)
- Fire Fighter Positions for Fire Protection Services
- Graffiti Removal and Prevention Programs/Services
- Youth Recreation and Enrichment Programs (e.g., After School Challenge, Play Smart, Kid Quest, and Nature Camp Programs)

Mr. Zaroni referenced the top ten (10) of twenty eight (28) items that were ranked second:

- Resources for Violent Crimes/Family Violence
- Code Compliance Enforcement
- Police and Fire 911 Communications Operations
- Emergency Medical Services
- Environmental Health (to include air quality)
- Low-Water Crossing Locations
- Education & Workforce Development Programs
- Library Technology
- Resources for Police Academy
- Police Staffing for Covert Operations

Mr. Zaroni stated that the only item that received consensus from the Council was to increase fees and fines for swift water rescues. Six (6) ballots were received to maintain the City of San Antonio Property Tax Rate, while five (5) were received to decrease the tax rate. Additionally, Financial Reserves received five (5) ballots to increase reserves to 10% for FY 2009; while five (5) ballots were in favor to increase reserves between 8% - 10%; and one (1) ballot received was in favor to keep reserves at 8%. Lastly, nine (9) ballots were received to fully balance the Two-Year Budget Plan (FY 2010); and two (2) ballots favored to partially balance the FY 2010 Budget.

Dr. Vogt summarized the Highest Rated Service Topics that the Council identified and asked the Mayor and Council to rate their Top Ten Service Topics.

Councilmember Rowe stated that he prioritized his top ten items followed by a meeting with his constituents. He stated that his top four (4) were the same for his constituents, thus, fully supported the top four (4) items.

Councilmember Ramos noted that she also met with constituents and that the community was supportive of the top six (6) items identified. She noted that graffiti removal and prevention was a hot topic along with Parks and the After School Challenge Programs. Councilmember Ramos stated that she fully supported the top six (6) recommendations.

Councilmember Ramos referenced Neighborhood Access & Mobility Program (NAMP) issues and requested an increase in funding for same. She also requested Council Consideration for additional Graffiti Funding.

Councilmember McNeil added that she supported the top six (6) items identified. However, she expressed concern with how they would be funded. She stated that Youth Programs were very important and that all possible resources needed to be pulled together to support youth activities. She noted that teen crime was on the rise and needed to be addressed city-wide.

Councilmember McNeil asked if the Property Tax Rate was calculated at the current tax rate. She further asked that if the Property Tax Rate should be reduced, would the action increase the deficit. Mr. Zaroni responded that Council direction was to reduce the tax rate with reduced expenditures by way of transferring the city clinics to University Health System (UHS). He added that the assumptions would not have an impact; however, if further reductions were made to the Property Tax Rate, that would require additional analysis.

Councilmember Galvan stated that she supported the top ten (10) and asked the Council to invest in education and employment programs. She stated that she was concerned the graffiti. She also expressed support for stiffer penalties for those that commit crime and suggested the Police Department invest in additional camera surveillance.

Councilmember Herrera stated that the Council had participated in similar ballot exercise a few months ago pertaining to the Consolidated Funding Process and asked for a brief description of the results. She asked how the Council would know if the funding was increased, decreased, or maintained.

Mr. Dennis Campa stated all figures were approximate and that Early Childhood Program was reduced to \$600,000; Youth Development was reduced to \$600,000; however, the Council increased After-School Programs by \$300,000. Job Training was increased by \$700,000 and Senior Citizens Programs were increased by \$600,000. He noted that the Council would receive the exact results during Budget Presentations next month.

Councilmember Cibrian asked Mr. Campa to summarize Vita Funding. Mr. Campa replied that the Vita Program was reduced by approximately \$40,000. Councilmember Cibrian stated that she would like Council Consideration to increase Vita Funding and asked for a cost benefit analysis. Mr. Campa replied that the City spent approximately \$380,000 and brought back to the community \$63 million to 43,000 taxpayers.

Councilmember Herrera requested additional Vita Sites at CPS Service Centers to reach the citizens who are in need of said services. Mr. Campa replied that his department met with CPS Energy and was currently researching solutions for next year. He stated that at the current staff and funding level,

preparing tax returns at CPS Service Centers was not an option. Councilmember Herrera stated that she felt comfortable with the top ten (10) items but would require additional information for further direction.

Councilmember Rodriguez stated that the priorities that had been identified as the top ten (10) were in line with basic services, public safety, and infrastructure. However, he expressed concern that there were no Quality of Life issues addressed in the top six (6) items. Mainly, environmental policy and initiatives were of concern as the City continues to grow. He asked the Council to think about scarifying some areas to build upon others.

Mayor Hardberger stated that Councilmember Rodriguez' points would require funding for policy initiation.

The Council was asked to review the Tier Two Categories and recommend items to increase without being a detriment to other programs.

Councilmember Cibrian prioritized Low Water Crossings from the Tier Two category and stated that the City should start working towards a Remediation Plan. She asked that other revenue be analyzed such as Storm Water Bonds to cover costs associated with remediation. Lastly, she requested that the Fire Department have Swift Water Props to help facilitate Swift Water Rescues and requested assistance from the Public Information Department for an Early Notification Plan.

Councilmember Clamp asked what the likelihood was of creating new resources or new revenues to cover funding of additional requests. Mr. Zaroni stated that with the projected shortfall, the chances were slim to none. It was noted that Council had the option of reprioritizing budget projects and programs to accommodate additional requests.

Councilmember Cortez stated that potential programs from the Tier Two category were Housing and Neighborhood Services, and Code Compliance Enforcement. Secondly, he identified the Business & Economic Development related to Education & Workforce Development Programs. Lastly, he suggested Parks & Recreation, and Senior Recreation Programs be considered.

Mayor Hardberger stated that the description of the Parks & Recreation category were very general and if the category was that general he would support the recommendation of Councilmember Cortez. Mayor Hardberger stated that all Parks & Recreation items were important but was opposed to very specific items.

Mr. Zaroni reviewed the Tier Three Categories and asked the Council to review and rate those categories.

Councilmember Cortez stated that Quality of Life, and Animal Care Services were important. He recommended that Council increase funding to provide additional Animal Care Officers and equipment.

Councilmember Rodriguez asked if Traffic Devices and Signage included School Zone Flashing Lights. It was noted that 25% of all School Zones have flashing lights, while the other 75% do not have any. Lastly, he noted that there were 1,600 School Zones in San Antonio.

Councilmember Galvan identified Infrastructure Management to be considered and requested that an alternative or other devices be identified as opposed to speed humps.

Councilmember Herrera asked for clarification on EMS Services as emergency fees are increased so that Medicare and Medicaid maximums are covered. Mr. Zanoni stated that he did not have that information readily available. He stated that the fees were analyzed annually and that he would provide that information at a later date.

Lastly, Mr. Zanoni summarized the Budgeted Financial Reserves Goal of increasing reserves to 10%.

Councilmember Herrera encouraged her colleagues to reach the 10% goal of increasing reserves.

Mayor Hardberger asked if the City met the 10% Budgeted Financial Reserves goal, what amount of interest would be earned. Mr. Zanoni stated that he would calculate the projected earnings and provide that information to the Council at a later time.

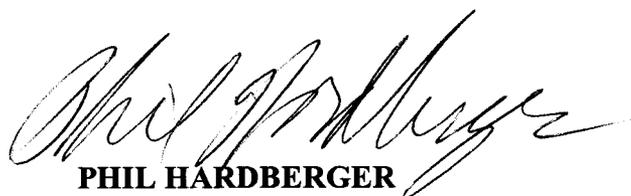
Councilmember Cortez asked if City Employees were being considered for pay or benefit increases. Mr. Zanoni replied that the Forecast Assumptions included funding for the new Pay Plan redesign.

Councilmember Ramos asked Mr. Zanoni to study the 8%, 9%, and 10% interest earned on all three scenarios and provide that information to Council.

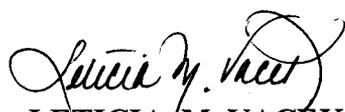
Mayor Hardberger asked the Council if they wanted to hear the Public Works, Fire and/or Police Department Presentation. It was the consensus of the City Council to continue the Budget Work Session during the B Session to be held on May 14, 2008.

There being no further discussion, Mayor Hardberger adjourned the Budget Work Session at 4:00 pm.

A P P R O V E D

  
**PHIL HARDBERGER**  
M A Y O R

Attest:

  
**LETICIA M. VACEK**  
City Clerk