



# BALANCED PROPOSED ANNUAL OPERATING AND CAPITAL BUDGET BUDGET HIGHLIGHTS

CITY OF SAN ANTONIO, TEXAS

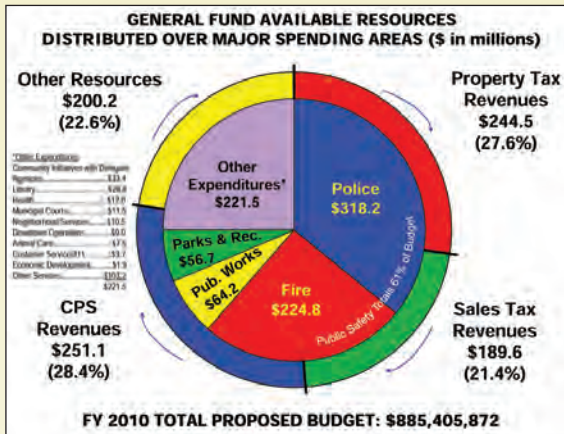
## FISCAL YEAR 2010 PROPOSED BUDGET FOCUSES ON CITY'S CORE MISSION AND BASIC SERVICES

The FY 2010 Proposed General Fund Budget is balanced eliminating a projected \$11 million shortfall. The Budget reduces expenditures by 5% compared to the FY 2009 Budget. \$19 million in recurring cuts, with a majority achieved through efficiencies and reduced overhead, are recommended. 334 positions are proposed to be eliminated in the Budget, including 269 positions in the City's General Fund. No employee will be laid off with the City as a result of the proposed reductions. Reductions do not impact sworn personnel—Police Officers and Firefighters—in the Police and Fire Departments. There are no cost of living increases included in the FY 2010 Proposed Budget for civilian, uniform or for retired employees. Health Care Premiums will not increase in FY 2010. The FY 2011 budget also is balanced as a result of \$11 million in additional reduction proposals included for consideration and evaluation for FY 2011.

Service enhancements are recommended in the Proposed Budget including 50 new police officer positions, funded primarily through Federal Stimulus Funding. 27 new Fire uniform positions and funding for enhanced City's streets through pavement preservation are also recommended. Financial Reserves are maintained at 9%. The City Property tax rate decreases for a third year to reflect the consolidation of clinical health services with the County University Health System. Automated garage collection conversion will be completed in 2010 with no increase in the Solid Waste Fee. Finally, the FY 2010 Proposed Budget is focused on the City's core mission and basic services.

For a complete list of all reductions and services enhancements included in the Proposed FY 2010 Budget, visit the City's website at [www.sanantonio.gov](http://www.sanantonio.gov).

## THE GENERAL FUND



This fund supports a majority of basic City services including public safety services, fire and emergency medical services, streets and infrastructure, parks and recreational programs, public health and library services. The City's four most important and basic services comprise 75 percent of the entire General Fund Budget. These services are Police, Fire, Public Works and Parks. Public Safety services alone represent 61 percent of the General Fund Budget. Other important high priority City services include Library, Health, Animal Care and Housing & Neighborhood Services.

For FY 2010, these services would be primarily supported by \$244.5 million in property tax revenue, \$189.6 million in sales tax revenue, and \$251.1 million in CPS payment revenues.

- For the third year in a row, the City's FY 2010 Budget proposes to reduce the overall property tax rate. When the FY 2010 tax rate reduction of just under 2/10ths of a cent is combined with the tax rate reductions in FY 2008 and FY 2009, the City will have lowered its tax rate by more than one cent. The FY 2010 property tax rate reduction reflects the prior approved consolidation efficiency of the City's health clinics with the University Health System. The FY 2010 Budget reflects the City's continued commitment to providing targeted property tax relief. In FY 2010, the City will forego nearly \$31 million in property tax revenue from Senior and Disabled Homestead Exemptions and Frozen City Tax Payments.

- As the owner of CPS Energy, the City receives annual financial return from the utility. This payment helps to provide basic and important City services.

- Sales tax is dependent on the condition of the local economy. Sales tax revenues in the 2010 Budget are projected to be down by 6.5 percent less than the amount budgeted in 2009.

- Other resources that support General Fund services include licenses and permit fees, business and franchise taxes, and user fees and charges.

## ECONOMIC IMPACT

The City of San Antonio, like many other municipalities across the country, is experiencing the adverse effects of the nation's current economic downturn. In 2008, new jobs in the city grew at a rate of 0.4%, far less than the 4% growth seen within the past four years. The unemployment rate has increased, trending upward from 4.2% in 2008 to a current 6.3% in 2009. Key economic indicators for San Antonio reflect slower growth in 2009 than in previous years.

With the slowdown in economic activity, the City's major General Fund revenue sources of sales tax, property taxes, and CPS payments have

been negatively impacted. These three revenue sources comprise over 75% of General Fund resources.

Sales tax revenue receipts in 2010 are projected to be down by over 6% compared to last year's budget. The City's taxable base property value has declined for the first time in 16 years impacting the City's Property Tax revenues. Finally, natural gas prices as well as consumption also have fallen from the highs seen in 2008 impacting the City's payment from CPS Energy.

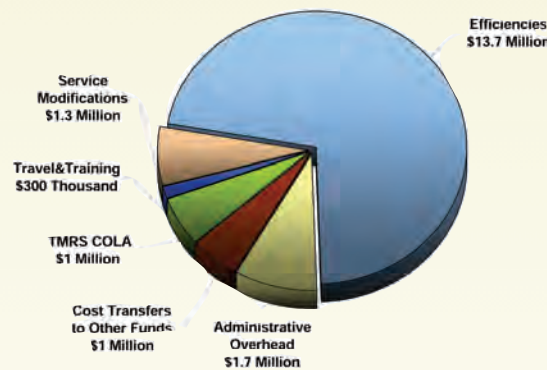
Despite the current recession, the fiscal year 2010 proposed budget demonstrates the City's continued commitment to delivering quality services to the residents of San Antonio.

The City is placing great emphasis in being fiscally responsible. This became evident in 2009 when the City received a triple A bond rating credit score—the highest score possible—from Standard & Poor's Rating Services. The City's fiscal year 2010 proposed budget is 5% less than the fiscal year 2009 budget and is reflective of an equivalent projected decline in operating revenues.

## REDUCED SPENDING

The City has worked proactively to develop a Proposed Operating Budget for Fiscal Year 2010 using prudent financial planning to assure the Budget remains balanced. The FY 2010 Proposed Budget includes service redirections and curtails spending to compensate for forecasted revenue shortfalls.

### General Fund Reductions Generate \$19 Million for Balanced FY 2010 Budget and FY 2011 Budget-Plan



The FY 2010 Proposed Budget includes over \$19 million in combined reduction savings. This savings is a result of \$13.7 million in efficiency savings, \$1.7 million in administrative overhead reductions, \$1.3 million in service modification savings, and \$2.3 million in other reductions/redirections.

The proposed general fund reductions will impact close to 269 positions. While not all positions impacted are filled, those employees in filled positions being reduced will be placed in other vacancies throughout the City. No employee will lose their job with the City as a result of the proposed reductions. Reductions do not impact sworn personnel—police officers and firefighters—in the Police and Fire Departments.

## EFFICIENCIES (13.7 Million)

- The Juvenile Offenders Program will be reorganized by transferring case management responsibilities from the Department of Community Initiatives to the City's Municipal Court system with lower costs and fewer staff positions. A new Juvenile Case Worker Fund will be created and a new municipal court fee is proposed to fund the program resulting in savings to the General Fund.
- In the City's Economic Development Department, over \$300,000 in

savings will be gained through the implementation of a recent departmental reorganization

- The Budget recommends the realignment all branch library staffing schedules allowing all branch libraries to be open on Sundays. The realignment adjusts public service hours by 8 fewer hours per week reducing operating hours during non peak periods saving the City \$1.2 million dollars.

- In fiscal year 2010, the City proposes to reduce the number of heavy equipment pieces and vehicles from its fleet inventory resulting in a savings of \$200,000. More analysis will be conducted over the next several months to potentially identify even greater savings in the City's heavy equipment and fleet program.

- The Budget recommends beginning a three year transition to redirect over \$1 million in San Antonio Partnership oversight dollars into Education programs and scholarship funding.

- Efficiencies are gained in the Health Department Budget to reflect the clinical consolidation of City health services with the University Health System.

- The Budget includes savings from an increased use of volunteers in the City's animal care services area.



## ADMINISTRATIVE OVERHEAD (1.7 Million)

- The Budget also recommends the restructuring of the Quality Assurance Unit in the Department of Community Initiatives to focus its efforts on the evaluation of grant-funded programs and recommends utilization of other City-wide resources for non-grant funded program evaluation. This restructure will reduced general fund spending by \$300,000.

- The FY 2010 Budget proposes the redistribution of workloads, decentralization of data collection, and consolidation of services in the Health Department saving the City over \$600,000.

- The budget recommends an organizational structure review in the streets division with emphasis on minimizing supervisory layers.

## SERVICE MODIFICATIONS (1.3 Million)

- The Budget proposes to reduce the service hours during underutilized periods for the Texana and the government documents section located at the central library which will reduce spending by more than \$200,000.

- Operating hours at the Spanish Governor's Palace are proposed to be reduced by closing the museum on Mondays. This schedule is consistent with the operating hours of other museums in the city.

- Additional service modification savings includes the restructuring of weekday evening service at within the City's 311 call center. An alternative service method will be provided between the hours of 11pm and 7am.

- The Budget eliminates funding for operating and several water fountain features in the downtown area.

- Savings are realized in 2010 by eliminating City-sponsored Downtown Special events including the Houston Street Fair.

- The Proposed Budget also recommends extending the watering and mowing frequencies in all City Parks.

## OTHER REDUCTIONS (\$2.3 Million)

- The 2010 Proposed Budget realizes \$1 million in General Fund savings through the realignment of costs for services to other appropriate funding sources such as grants and City Enterprise Funds.
- The Budget recommends savings of \$300,000 from reductions in City travel and related expenses.
- The 2010 Budget does not include an annual cost of living adjustment for active civilian employees and correspondingly for retired civilian employees in 2010 resulting in \$1 million in reduced payments to the Texas Municipal Retirement System.

## FY 2011 REDUCTIONS

The 2010 Budget proposal also includes additional reductions of \$11 million for consideration in the 2011 Budget. These reduction proposals may be necessary if the economy does not improve to the degree projected. As an example, one reduction proposal for consideration in 2011 is to close City Hall operations during the slow business period of between the Christmas and New Year's Holiday. This would provide certain civilian employees with a number of days of unpaid holiday leave that could reduce spending levels by \$2 million in the General Fund alone.

## SERVICE ENHANCEMENTS FOR THE 2010 PROPOSED BUDGET

Everyday, the City of San Antonio continues to deliver the core services that benefit you and your family such as fire and police protection, street maintenance and animal care initiatives. The FY 2010 Proposed Budget focuses on service priorities that are critical to our local economic recovery and demonstrates the City's continued commitment to providing high quality services that improve the quality of life for our residents.

In fiscal year 2010, the City will invest \$8.7 million in general fund improvements. More than \$2 million of the amount results from redirecting resources from existing programs to newly modified services. Additionally, the Budget funds close to \$11 million in mandated service increases including the operating costs for one new fire station and three new branch libraries.

### Police

- The 2010 budget includes the City contribution for 50 new police officer positions funded primarily with Federal Economic Stimulus Funds and reserves more than \$1.2 Million by 2011 to partially prefund the 2013 budget impact when stimulus funds will have been exhausted.



### Fire

- The 2010 Proposed Budget adds a total of 27 new firefighter positions. 15 firefighter positions will comprise a new fire engine company at Fire Station No. 23 to improve services north of the San Antonio International Airport. Twelve new uniform positions will provide an additional EMS unit to improve emergency medical response times throughout the



community.

### Streets, Sidewalks, and Traffic Signals

- The Proposed Budget will redirect \$1.4 million in resources for an enhanced street preservation program that will enhance the quality of and extend the life for city streets.
- Funding will be included in the budget totaling \$2 million to improve service alleys.
- Over \$4.5 million is budgeted for new sidewalks.
- Finally, the 2010 budget will continue to build on the improvements made within the five-year traffic signal synchronization and modernization program.

### Homelessness and Community Services

- The 2010 Budget includes over \$2.5 million in additional resources for funding the Haven for Hope Campus and for sobering and detoxification services provided through the Center for Health Care Services. With the additional funding, a total of over \$4 million in General Fund resources will be included in the Budget for homelessness and related community services.

## MANDATED SERVICES

The 2010 Budget addresses increases in operational costs to support services required in growing areas of the City as well as to operate new facilities that have been included within a voter approved City Bond Program. The 2010 budget includes close to \$11 million in mandated services costs.

- \$2.9 million in funding for maintenance, support, and training for the new Computer Aided Dispatch / Records Management System included in the Budget. The CAD/RMS will improve the effectiveness of public safety services, allow for better sharing of information among neighboring jurisdictions.
- \$3.1 million is included in the Budget to address operating costs and capital needs for the new Fire Station No. 51 located at IH 10 and De Zavala in City Council District 8. This includes the training and promotional dollars needed for 30 new firefighters and the funds to acquire a new platform ladder fire truck, a new fire pumper truck and a

new fire brush truck.

- Branch Library funding of over \$700,000 is included in the Budget for the Roosevelt Branch located in City Council District 2, the Mission Branch Library located in City Council District 3, and the Parman Branch located in City Council District 9.

## PROPERTY TAX RATE AND OTHER REVENUE ADJUSTMENTS

For the third year in a row, the City's 2010 Budget proposes to reduce the City's property tax rate. When the 2010 tax rate reduction of just under 2/10ths of a cent is combined with the property tax rate reductions in the 2008 and 2009 budgets, the City will have lowered its tax rate by more than one cent.

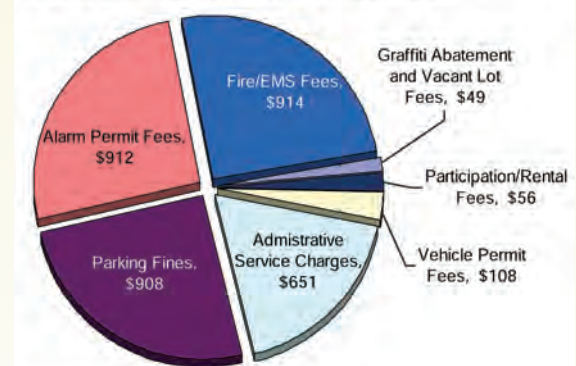
The 2010 property tax rate reduction reflects the prior approved consolidation efficiency of the City's health clinics with the University Health System.

As a result of the City's lower property tax rate and a decrease in the average homestead taxable value in tax year 2009 over tax year 2008, the average residential homestead will pay less in their City property tax bill this year.

The 2010 Budget reflects the City's commitment to providing targeted property tax relief. In 2010, the City will forego nearly \$31 million in property tax revenue from Senior and Disabled Homestead Exemptions and Frozen City Tax Payments.

The 2010 budget continues the strategy of evaluating City fees and charges for service to achieve up to full cost recovery in rates charged for certain City services. Over 55 revenue sources or fee schedules have been identified for adjustment within the 2010 budget proposal generating \$3.6 million in additional general fund revenues. Adjustments are proposed to EMS transport, alarm permit, and facility rental fees.

### New and Enhanced Revenues (\$ in Thousands)



## FINANCIAL RESERVES

The establishment and maintenance of appropriate budgeted financial reserves within the General Fund is critical to prudent financial management. Reserves are integral to the City's financial health because they can provide options to pay for basic services during economic hardships or to support critical services following an unusual or catastrophic event. The 2010 Proposed Budget maintains a nine percent reserve, or \$79.69 million, of General Fund expenditures.

## OTHER FUNDS

### Storm Water Fund

The city's storm water operations services are funded by a separate monthly fee. This program supports drainage and creek way maintenance, flood tunnel operations, river maintenance, street cleaning and engineering and floodplain management. Service levels in the 2010 budget will be consistent with the current year service levels. No rate increase is proposed in the 2010 Budget for the Storm Water Program.

### Solid Waste Management

Solid waste collection services also are supported by a monthly user fee. Due to expenditure savings and reduced costs associated with automated collection, no increase is necessary in the solid waste monthly rate for 2010 keeping San Antonio's rate among the lowest in the region.

In fiscal year 2010, the City's Solid Waste Management operations will conclude the automation conversion process by converting service collection to the final 45,000 homes. All homes served by the Solid Waste Management Department—approximately 345,000 homes in total—will have automated solid waste and recycling collection by the end of March 2010.

## FY 2010 Budget Calendar

Community input is a valuable part of the Budget process. Now that you've learned more about the FY 2010 Budget, we're looking for more feedback and invite you to attend one of the City's community Budget hearings in each district.

(All community budget hearings will begin at 6:30 p.m.)

### Monday, August 17

District 2  
Jeff Davis Middle School Cafeteria  
4702 E. Houston St.

District 8  
Igo Branch Library, Meeting Room  
13330 Kyle Seale Parkway

### Tuesday, August 18

District 3  
Connell Middle School, Cafeteria  
400 Hot Wells

### Wednesday, August 19

District 5  
S.t James Church,  
Bosco Hall  
907 W. Theo Malone

### Monday, August 24

District 6 Northside Activity Center, Meeting  
Room  
7001 Culebra Rd.

### Wednesday, August 26

District 4  
St. Bonaventure Church, Parish Hall  
1918 Palo Alto Road

District 7  
Jefferson High School Cafeteria  
723 Donaldson Ave.

### Thursday, August 27

District 9  
Barbara Bush Middle School Cafeteria  
1500 Evans Rd.

District 10  
Northeast Service Center (Toolyard),  
Community Meeting Room  
10303 Toolyard

### Monday, August 31

District 1  
Edison High School, Cafeteria  
701 Santa Monica

### Tuesday, September 1

Budget Public Hearing  
City Council Public Hearing on FY 2010  
Proposed Budget  
City Council Chamber, 6:00 p.m

### Thursday, September 17 Budget Adoption

Adoption of FY 2010 Budget  
City Council Chamber, 9:00 a.m.

### Thursday, October 1

First day of City's 2010 Fiscal Year



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