

**CITY OF SAN ANTONIO
CITY MANAGER'S OFFICE**

TO: Mayor and City Council

FROM: Sheryl Sculley, City Manager 

COPY: Executive Leadership Team; Robbie Greenblum, Chief of Staff for Mayor; Chris Callanen, Assistant to the City Council

DATE: September 11, 2013

**SUBJECT: RECOMMENDED AMENDMENTS TO THE
PROPOSED FY 2014 OPERATING AND CAPITAL BUDGET**

With this memorandum, I am forwarding to the Mayor and City Council the recommended list of amendments to the Proposed Fiscal Year 2014 Operating and Capital Budget. The attached has been revised from the list discussed with you today at the wrap-up budget worksession. Included are options to fund the potential expenditures amendments including decreased funding for certain programs and services. With these requests for amendments and the funding options provided, the FY 2014 Budget remains balanced.

The attached amendments list reflects input from the Mayor and City Council provided during Budget Worksessions, and input from residents speaking at the Community Budget Hearings and Budget Public Hearings.

Included in the potential amendments is the creation of a new Parks Environmental Fee, which is governed by State Statute, and would generate about \$6.4 million in new annual revenue. This fee is statutorily limited to functions such as Parks mowing, sanitation and liter removal, and tree trimming. These allowable activities represent approximately \$15 million in the FY 2014 Parks General Fund Budget and the new fee will support \$6.4 million of these activities. By doing so, the general fund will have capacity to reinstate parks reductions, eliminate some park fee increases and provide enhanced services such as parks upgrades, community center renovations, and new playgrounds. This additional capacity will also allow the General Fund to reinstate Library hours, 10 positions within the Crisis Response Team (CRT), and other priorities of the City Council.

As I discussed with you last week during the budget worksession on the City's debt plan and bond ratings, I recommend that any additional Sales Tax or CPS revenue above the proposed budget go toward the General Fund ending balance to assist us in balancing the FY 2015 Budget and to help maintain our AAA General Obligation Bond Rating.

As part of the City's Two-Year Budget Plan Strategy, some progress has been made to reduce the projected deficit for FY 2015. This practice has provided for greater fiscal discipline and has allowed the City to better manage its expenditures over multiple years. Rating agencies look at this practice favorably when rating the City's credit worthiness. With the attached potential amendments, the projected financial gap for FY 2015 is estimated at approximately \$30 million, not including potential increases for Police and Fire Collective Bargaining Agreements, civilian pay increases, or unfunded mandates.

In closing, tomorrow the City Council will be asked to adopt the FY 2014 Budget. There will be six separate actions that City Council will be asked to approve: 1) the Proposed FY 2014 Operating and Capital Budget with amendments, 2) ratification of the FY 2014 Adopted Budget, 3) the City Property Tax Operations & Maintenance Rate, 4) the City Property Tax Debt Service Rate, 5) Revenue Adjustments, and 6) the FY 2013 Closing Ordinance. For recusal purposes there will be additional motions made as part of the budget approval process.

ATTACHMENT

City Council Request for Potential Budget Amendments to the FY 2014 Proposed Budget
Working Copy As Of September 11, 2013

Park Environmental Fee Restricted Fund

Item No.	Revenue Amendments	FY 2014 Budget Impact	FY 2015 Budget Impact
1	Parks Environmental Fee - \$1 per month charged to the customer base of the Environmental Fee	\$ 6,636,156	6,636,156
2	Parks Environmental Fee - CPS Billing and Collection Allocated Charge	<u>(233,494)</u>	<u>(233,494)</u>
Total Potential New Revenue		<u>\$ 6,402,662</u>	<u>\$ 6,402,662</u>
Expenditure Amendments			
3	Transfer currently funded General Fund activities eligible to be funded by the new Parks Environmental Fee including: Parks Mowing, Sanitation, Litter Collection and Disposal, and Tree Trimming. This transfer would create capacity in the General Fund to reinstate Parks Reductions and eliminate some Fee increases included within the FY 2014 Budget.	<u>\$ 6,402,662</u>	<u>\$ 6,402,662</u>
Total Expenditure Amendments		<u>\$ 6,402,662</u>	<u>\$ 6,402,662</u>

**City Council Request for Potential Budget Amendments to the FY 2014 Proposed Budget
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General Fund

Expenditure Amendments

Item No.		FY 2014 Budget Impact	FY 2015 Budget Impact
Parks Department			
Reinstate Proposed FY 2014 Reductions			
1	Reinstate Park Renovation funds	308,692	308,692
2	Reinstate Outdoor Swimming Pool hours	309,395	309,395
3	Reinstate Park Sanitation and Landscape Maintenance	759,357	759,357
4	Reinstate Consolidation of Open Play Centers	547,498	547,498
Eliminate Proposed Fee Increases			
5	Reduce Increase to Summer Youth Program Fees	59,770	59,770
6	Eliminate New Parks Swim Pass Fee	355,200	355,200
7	Eliminate New Parks Community Center Membership Fee	124,915	124,915
8	Eliminate New Boxing Participation Fee	5,080	5,080
9	Eliminate the proposed fee increase to the Music and Dance Program	38,737	38,737
New Improvements to Parks Budget			
10	Transfer Parks Deferred Maintenance Projects from Capital Budget	1,451,000	0
11	Add 4 SPARK projects in CD 1, 5, 9, and 10	220,000	0
12	Add funding for Parks improvements at Thunderbird Hills Park in CD7	75,000	0
13	Add funds for a Master Plan for Brackenridge Park	50,000	0
14	Add funds for a Community Gardens Program	50,000	50,000
15	Add funds for Parks Deferred Maintenance, Upgrades and Community Center Renovations	487,645	2,278,311
Police Department			
16	Reinstate 10 Civilian Positions in the Crisis Response Team (CRT)	517,913	517,913
Library Department			
17	Reinstate Library Hours from 48 to 56	834,930	834,930
18	Library: Eliminate New Interloan Library Fee	1,500	1,500
Economic Development			
19	Add funds for Cloud Academy. Provides for one year of funding, in FY 2015 request would be part of Delegate Agency Consolidated Funding Process.	400,000	0
Human Services Department			
20	Delegate Agencies: Reallocate funds from George Gervin (\$80,702) to: City Year \$50,000 and Ella Austin \$30,702	0	0
Animal Care Services			
21	Add funds to enhance Animal Care Services Budget. Funds would be utilized to work with Community Partners to increase animal intake capacity and/or for spay/neuter surgeries.	100,000	100,000

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General Fund

Expenditure Amendments

Planning & Community Development

22	Reinstate 1 Senior Planner Position proposed to be eliminated as part of the FY 2014 Proposed Budget. This position would support the development of the City Comprehensive Plan and Transportation Plan.	65,477	65,477
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City Clerk

23	Add a Passport Agent Position to assist in processing passport requests	40,553	45,887
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Building and Equipment Services

24	Add funding for a \$200,000 loan to AVANCE to assist in restoring a former warehouse building into usable office space. Building is located at 908 W. Houston. Loan is contingent upon AVANCE securing \$1 Million in non-City of San Antonio funds; the total restoration project is estimated at \$1.2 Million.	200,000	0
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Transfers

25	Public Works: Transfer Street Maintenance Projects to Capital Budget	(600,000)	0
26	Transfer General Fund activities eligible to be funded by new Parks Environmental Restricted Fund: Parks Mowing, Sanitation, Litter removal, and Tree Trimming.	(6,402,662)	(6,402,662)

Total Expenditure Amendments	\$0	\$0
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Capital Budget

Item No.	Expenditure Amendments	FY 2014 Budget Impact	FY 2015 Budget Impact
1	Transfer Parks Deferred Maintenance Projects from the Capital Budget Deferred Maintenance Project to the General Fund	(1,451,000)	0
2	Street Maintenance Projects (\$600,000 transfer from General Fund to allow the one-time funding for the Cloud Academy and AVANCE and \$800,000 Million in additional street maintenance that will allow the acceleration of some FY 2015 street projects into FY2014)	1,451,000	0
3	Reduce the allocation for future Capital Projects from \$5 Million to \$4.2 Million. Reduce FY 2014 allocation by \$779,821 and allocate over two years.	(389,911)	(389,911)
4	Reserve for purchase of 1 Fire Engine and Associated Equipment	389,911	389,911
Total Capital Budget Amendments		\$0	\$0

Capital Improvement Management Services (CIMS) Fund

Item No.	Revenue Amendment	FY 2014 Budget Impact	FY 2015 Budget Impact
1	Adjust Capital Administrative Charges	638,978	638,978
Total Revenue Amendments		\$638,978	\$638,978
Expenditure Amendment			
2	Reinstate 10 of 12 positions proposed to be eliminated as part of the FY 2014 Proposed Budget.	638,978	638,978
Total Expenditure Amendments		\$638,978	\$638,978