

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

TO: Mayor and City Council

FROM: Sheryl Sculley, City Manager



COPY: Executive Leadership Team

DATE: September 14, 2016

SUBJECT: LIST OF UPDATED EXPENDITURE REQUESTS FOR POTENTIAL BUDGET AMENDMENTS TO THE FY 2017 BUDGET

With this memorandum, I am providing to the Mayor and City Council an updated list of potential amendments to the Proposed Fiscal Year 2017 Operating and Capital Budget.

The attached updated recommendations reflect staff analysis of the input from the Mayor and City Council provided during today's budget work session, and from residents speaking at the community budget open houses. With these recommendations the FY 2017 Proposed Budget remains balanced.

In the General Fund, there are 18 expenditure requests totaling \$4.5 million. Since the budget was proposed on August 18, CPS revenues and the federal reimbursement for uncompensated EMS transport cost for Medicaid and uninsured users have been received above budgeted amounts. At the same time the sales tax payment received from the State last week was \$1.4 million below budget for July sales; these revenues combined result in a net adjustment of \$4.5 million that could be used for budget amendments.

In the Restricted Funds, there are two budget amendments totaling \$872,369; these requests are being funded from the existing available fund balances within those restricted funds.

In the Capital Budget, there are four expenditure requests totaling \$3.4 million; these requests are being funded from the capital budget contingency of \$3.4 million that is included in the FY 2017 Proposed Budget.

As reflected in the attached list of potential amendments, I recommend that in FY 2017 the entry wage be increased to \$13.75. I also recommend that the Human Resources Department in coordination with the Employee Management Committee (EMC) and other employees study a variety of step pay plan issues including annual performance as a condition of the civilian step pay plan. The cost of increasing the entry wage to \$13.75 is \$1.26 million (general and restricted funds) in FY 2017, and is included in the attached list. The total cost of increasing the living wage to \$15/hour is \$5.3 million not including the cost of resetting the entire pay plan for an entry wage of \$15/hour and maintaining ten steps within each pay range of the step plan; the estimated cost of this adjustment is \$150 million and is not recommended.

In FY 2017 the tuition reimbursement and skills training program for full-time civilians will be made available to part-time civilian employees. A total of \$25,000 will be taken from the full-time civilian tuition reimbursement and skills training program of \$350,000 for part-time employees.

Also included are benefit enhancements offered to full-time city council aides who are contractors for city council members and not city employees. The cost of the additional benefits is \$286,400 and includes increasing the healthcare monthly stipend from \$350 to \$400; the creation of a vehicle and cell phone allowance; establishing a tuition reimbursement plan; and implementing an employee contribution to Individual Retirement Accounts (IRA) for full-time council aides. These benefits are in addition to the benefits included in the FY 2017 proposed budget of \$35,000 that include increasing the stipend for monthly health care reimbursement, providing employer paid short term disability and basic term life insurance. In total, the FY 2017 budget increases benefits to contract city council aides in the amount of \$321,400.

A majority of City Council members requested that the \$2.2 million recommended award allocated in the budget to Project Quest become a designated line item in the budget. This funding designation will be included in the FY 2017 Budget Ordinance and will be subject to annual review and appropriation by future City Councils as a part of the annual budget process.

In closing, tomorrow the City Council will be asked to adopt the FY 2017 Budget. There will be six separate actions that City Council will be asked to approve: 1) the Proposed FY 2017 Operating and Capital Budget with amendments, 2) ratification of the FY 2017 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 2016 Closing Ordinance.

Recommended Budget Amendments to the FY 2017 Proposed Budget

Attachment I - As of September 14, 2016

General Fund Budget

Item No	Revenue Adjustments since Budget Proposal	Total
1	Federal reimbursement for uncompensated EMS transport cost for Medicaid and uninsured users	\$ 3,000,000
2	Additional CPS Revenues above the FY 2016 net of less revenue received in Sales Tax	1,500,000
Total		\$ 4,500,000

Item No	Expenditure Requests	FY 2017 Budget Impact	FY 2018 Budget Impact	Total
1	SA Tomorrow Implementation (Funding for 4 additional regional master plans and 1 community plan, and 4 Planning Positions in FY 2017). Budget includes \$250,000 for one regional master plan; and \$160,000 for 2 Planners. 2 regional master plans and 1 community plan would be funded in FY 2018.	\$ 1,100,000	\$ 569,066	\$ 1,669,066
2	SAGE - Matching funds for National Development Council Grant	193,000	0	193,000
3	P-16 My Brother's Keeper for Youth Services (Funding in addition to \$150,000 included in the Proposed budget for a total of \$170,000)	20,000	0	20,000
4	Increase Entry Wage for Civilian employees from \$13 to \$13.75/hour. Human Resources will study entry wage and step pay plan with the City Employee Management Committee during FY 2017.	412,069	412,069	824,139
5	Continuation of Under 1 Roof Pilot Program in CD1	400,000	0	400,000
6	Roof Program for CD2	100,000	0	100,000
7	SAGE Corridor Improvements - \$160,000 (Austin, E Commerce, E Houston, Grayson (\$40K each)	160,000	0	160,000
8	Increase funding to MLK March from \$100,000 to \$150,000	50,000	0	50,000
9	Continuation of the Eastside Dreamers Academy Summer Youth Program	25,000	0	25,000
10	Park Improvements for Lindberg and Coliseum Oaks, to include shade structures and other general park improvements	100,000	0	100,000
11	Funding for Midnight Youth Basketball in CD2	75,000	0	75,000
12	Increase City Council Aide Healthcare Stipend from \$350 to \$400 per month (FY 2017 Budget includes an increase from \$300 to \$350)	26,400	0	26,400
13	Enhanced Benefits for Full-time City Council Aides including tuition reimbursement program, contribution to IRA, and phone and vehicle allowance	260,000	0	260,000
14	Transportation to Swimming Program Classes for 2 nd Graders at Palo Alto Natatorium	25,000	0	25,000
15	SAREADS project - funds would assist to increase literacy and educational attainment in Bexar County for low income children.	50,000	0	50,000
16	Continuation of the Let's Paint Program	200,000	0	200,000
17	Shade Structures over playgrounds at CD5 Parks - \$50K each (Total is \$250,000 of which \$127,605 will be funded by the 1115 Health Grant)	122,395	0	122,395
18	Transportation Services for Seniors (would add a 25 passenger small bus and a Part-time Driver position) for CD 5 and CD6	165,000	35,000	200,000
Total \$		3,483,864	0	1,016,135
		0	0	4,500,000

Recommended Budget Amendments to the FY 2017 Proposed Budget

Attachment I - As of September 14, 2016

Restricted Funds

Item No	Expenditure Requests	FY 2017 Budget Impact	FY 2018 Budget Impact	Total
1	Increase Entry Wage for Civilian employees from \$13 to \$13.75 per hour. In FY 2017, Human Resources will study issue with the City Employee Management Committee. This request would be funded from fund balance within restricted funds	\$ 847,369	\$ 847,369	\$ 1,694,738
Total \$		847,369	\$ 847,369	\$ 1,694,738

Hotel Occupancy Tax (HOT) Fund

Item No	Expenditure Requests	FY 2017 Budget Impact	FY 2018 Budget Impact	Total
1	Comprehensive music economy study in partnership with SA Sound Garden and Bexar County. This request would be funded from the existing 15% Arts funding allocation.	\$ 25,000	\$ 0	\$ 25,000
Total \$		25,000	\$ 0	\$ 25,000

Capital Budget

Item No	Use of Capital Budget Contingency	Total
1	Use of FY 2017 Capital Budget Contingency	\$ 3,400,000
Total \$		3,400,000

Item No	Expenditure Requests	FY 2017 Budget Impact	FY 2018 Budget Impact	Total
1	Child Safe - City Contribution to Construction of Headquarters Building contingent upon County Contribution to Child Safe.	\$ 1,000,000	\$ 0	\$ 1,000,000
2	Brooks - South New Braunfels from Lyster Rd to Loop 410 South (Planning, Design, Environmental, and Utility Requirements)	2,000,000	0	2,000,000
3	Park Improvements in CD7	175,000	0	175,000
4	Property Acquisition in CD6 (funding is in addition to \$400,000 included in FY 2017 Proposed Budget for a total of \$625,000)	225,000	0	225,000
Total \$		3,400,000	\$ 0	\$ 3,400,000