



CITY OF SAN ANTONIO

June 6, 2016

Mayor and City Council:

Enclosed are the reference materials for the Wednesday, June 8 Goal Setting Session:

1. Proposed agenda for the June 8 Budget work session
2. Calendar of upcoming budget meetings through budget adoption September 15, 2016
3. Compilation of FY 2017 Budget and Policy Issues for City Council consideration

The assembled policy items provide background, current status and staff recommendations for each of the topical areas. As you so choose, these items will be discussed as part of the FY 2017 Budget development goal setting session on Wednesday, June 8 and throughout the upcoming weeks as we deliberate the proposed City budget. The June 8 Goal Setting Session will be facilitated by Francisco Gonima. The proposed agenda incorporates feedback from Councilmembers on topics and policies for discussion.

City staff has gathered community feedback for the FY 2017 Budget with the SASpeakUp outreach campaign. The SASpeakUp Team attended various community wide events during the months of April and May. During these events residents provided input on their budget priorities by completing a brief survey. Residents completed the survey on SASpeakUp.com and provided input through the social media. Paper copies of the budget survey were available at library branches and senior centers. Additionally, the City partnered with UTSA to conduct a scientific budget survey, which ensured a diverse geographical representation.

A summary of the citizen comments will be provided to you on June 8. Jeff Coyle will also present a summary on Wednesday morning at the work session.

SASpeakUp comments from the community meetings will be available on Wednesday, June 8 at www.saspeakup.com.

Should you have any questions regarding these materials, please let me know.

A handwritten signature in blue ink, appearing to read 'Sheryl Sculley', written over the typed name and title.

Sheryl Sculley
City Manager

City Council Budget Goal Setting Session

FY 2017 Budget Development Process

Wednesday June 8, 2016

8:30 to 9:00 am Continental Breakfast at Convention Center

9:00 to 9:30 am Initial Remarks Highlighting Work Session Purpose and Expected Outcomes

Mayor Opening Remarks

City Manager Opening Remarks

Facilitator Agenda Overview

9:30 to 10:15 am Budget/Financial Policy Issues & Establish Budgetary Baseline

Review Budget/Financial Policy Issues. Sheryl Sculley, City Manager (5 min.)

SASpeakUp Campaign. Jeff Coyle, Government & Public Affairs Director (5 min.)

Budget Update. John Woodruff, Budget Director (5 min.)

City Council Discussion (30 min.)

10:15 to 10:30 am Break

10:30 to 11:30 am City Infrastructure & Transportation

2017 Bond Program. Ben Gorzell, Chief Financial Officer and Mike Frisbie, TCI Director (10 min.)

Street, Sidewalks, ADA Gap Analysis, and Transportation. Mike Frisbie, TCI Director (10 min.)

Advanced Transportation District and Lone Star Rail. Peter Zanoni, Deputy City Manager (5 min.)

Street Lights. Ben Gorzell, Chief Financial Officer (5 min.)

City Council Discussion (30 min.)

11:30 to 12:15 pm Public Safety Needs

Fire Needs. Charles Hood, Fire Chief (5 min.)

Police Needs and Gang Violence Intervention. William McManus, Police Chief (10 min.)

City Council Discussion (30 min.)

12:15 to 1:15 pm Lunch at the Convention Center

1:15 to 2:15 pm Neighborhood & Social Services

Delegate Agency Funding & Term Limits. Melody Woosley, Human Services Director (5 min.)

Youth Programs. Melody Woosley, Human Services Director; Janet Martin, Parks Interim Director (5 min.)

Animal Care: No Kill vs. No Strays. Xavier Urrutia, Interim Animal Care Services Director (7 min.)

World Heritage. Lori Houston, Assistant City Manager (5 min.)

Tricentennial. Edward Benavides, Tricentennial Director (5 min.)

Air Quality: Cost of Non-Attainment. Doug Melnick, Sustainability Director (3 min.)

City Council Discussion (30 min.)

2:15 to 2:45 pm Other Policy Issues

Smart Cities. Jose De La Cruz, Chief Innovation Officer (5 min.)

Workforce Development. Rene Dominguez, Economic Development Director (5 min.)

Economic Development Incentives. Rene Dominguez, Economic Development Director (5 min.)

City Council Discussion (15 min.)

2:45 to 3:00 pm Break

3:00 to 4:30 pm City Council Discussion on Policy and Service Delivery Priorities for the FY 2017 Budget

4:30 to 5:00 pm Summary of City Council Outcomes (Facilitator)

5:00 pm Mayor Closing Remarks

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City Council FY 2017 Budget Development Meetings through Budget Adoption

Date	Session	Subject
Wednesday, June 08, 2016	Special Session	(9:00 AM) City Council Budget Goal Setting Session
Thursday, August 18, 2016	A Session	FY 2017 Proposed Budget Presentation
Wednesday, August 24, 2016	B Session	Special Session: Budget Worksession (2:00-5:00 PM)
Tuesday, August 30, 2016	Special Session	Budget Worksession (2:00-5:00 PM)
Wednesday, August 31, 2016	B Session	Budget Worksession (2:00-5:00 PM)
		First FY 2017 Ad Valorem Tax Rate Public Hearing (6:00 PM)
		First Public Hearing on the FY 2017 Proposed Budget- immediately after
Wednesday, September 07, 2016	B Session	Budget Worksession (2:00-5:00 PM)
		Second FY 2017 Ad Valorem Tax Rate Public Hearing (6:00 PM)
		Second Public Hearing on the FY 2017 Proposed Budget- immediately after
Wednesday, September 14, 2016	B Session	Budget Worksession (2:00-5:00 PM)
Thursday, September 15, 2016	A Session	Budget Adoption, Tax Rate Adoption, Revenue Adjustment, Closing Ordinance

City Council A and B Session Forecast
(Subject to Change)

DATE	MEETING	DEPARTMENT	SUBJECT
6/8/2016	B Session	Villagomez	(9:00 AM) City Council Budget Goal Setting Session
6/9/2016	A Session	Contreras	Consolidated Rental Car Facility (C)
6/15/2016	B Session	Zanoni Walsh	City Annexation Program Transportation Network Companies Update (TNCs)
6/16/2016	A Session	Zanoni	Classen-Steubing Ranch (C)
6/22/2016 6/23/2015	B Session A Session	No Meeting - 4th week of the month	
6/29/2016	B Session	Houston	Alamo Master Plan
6/30/2016	A Session	Zanoni Zanoni Zanoni	Annexation Program (Tentative) Coal Tar Sealant Use Recommendation Anti-Idling Ordinance
No Meetings in July			
8/3/2016	B Session	Zanoni Zanoni	SA Tomorrow Briefing on Final Draft Plans (6:00 PM) 1st SA Tomorrow Public Hearing
8/4/2016	A Session	Zanoni	Adoption of SA Tomorrow Plans / 2nd SA Tomorrow Public Hearing
8/10/2016	B Session		
8/11/2016	A Session		
8/17/2016	B Session		
8/18/2016	A Session	Villagomez	FY 2017 Proposed Budget Presentation
8/24/2016	B Session	Villagomez	Special Session: Budget Worksession (2:00-5:00 PM)
8/25/2016	A Session	No Meeting - 4th week of the month	
8/30/2016	Worksession	Villagomez	Budget Worksession (2:00-5:00 PM)
8/31/2016	B Session	Villagomez Villagomez Villagomez	Budget Worksession (2:00-5:00 PM) First FY 2017 Ad Valorem Tax Rate Public Hearing (6:00 PM) First Public Hearing on the FY 2017 Proposed Budget- immediately after
9/1/2016	A Session		
9/7/2016	B Session	Villagomez Villagomez Villagomez	Budget Worksession (2:00-5:00 PM) Second FY 2017 Ad Valorem Tax Rate Public Hearing (6:00 PM) Second Public Hearing on the FY 2017 Proposed Budget- immediately after
9/8/2016	A Session		
9/14/2016	B Session	Villagomez	Budget Worksession (2:00-5:00 PM)
9/15/2016	A Session	Villagomez	Budget Adoption, Tax Rate Adoption, Revenue Adjustment, Closing Ordinance

**FY 2016 – FY 2017 Budget and Policy Issues
for City Council Consideration**

Financial Policies

Office of Management and Budget & Finance Department

BACKGROUND

The City of San Antonio strives to maintain a strong and solid financial position coupled with flexibility to adapt to economic conditions. The Mayor and City Council formally adopted a set of financial policies which is considered a best practice for municipal governments in September 2014. Through adherence to comprehensive long-term financial planning, strong financial management, and focusing on sound financial principles and practices, San Antonio has positioned itself to be financially resilient.

These financial policies have also contributed to the City's "AAA" general obligation bond rating. The "AAA" bond rating is the highest credit rating an organization can receive and San Antonio is the only major city with a population of more than one million to have a "AAA" bond rating from any one of the three major rating agencies. This excellent bond rating means the City can achieve a lower cost of borrowing when it issues debt for much needed capital improvements for the community.

CURRENT STATUS

The current financial policies were adopted by the Mayor and City Council as part of the FY 2015 Budget in September 2014. Below is the list of these current policies:

- Maintain a minimum of 15% available balance in the General Fund comprised of two components: 10% Budgeted financial reserves; and 3% to 5% reserve for a two-year balanced budget.
- Maintain Public Safety budgets below 66% of the general fund to manage "crowd-out" – balance between Public Safety and Non Public Safety budgets
- Manage structural balance in the General Fund
- Utilize moderately conservative revenue projections
- Establish contingency reserves of \$1 million for General Fund and \$3 million for capital budget
- Address Internal Service fund deficits within 3 to 5 years

NEXT STEPS/RECOMMENDATION:

Staff recommends maintaining these financial policies.

Debt Capacity

FINANCE DEPARTMENT

BACKGROUND

The City issues debt for the purpose of financing long-term infrastructure capital improvements and short-term capital projects. These capital projects include project improvements for health and public safety, streets, drainage, flood control, municipal facilities, as well as quality of life enhancements related to libraries and municipal parks.

Utilization of comprehensive financial analysis and computer modeling in the City's property tax supported Debt Management Plan incorporates numerous variables such as sensitivity to interest rates, changes in assessed values, current ad valorem tax collection rates, self-supporting debt, and fund balances. This analytical modeling and effective debt management has enabled the City to maximize efficiencies through refundings and debt structuring. Strict adherence to conservative financial management practices has allowed the City to meet its financing needs while at the same time maintaining its strong ratings of "AAA", "Aaa", and "AAA" by Standard & Poor's, Moody's Investors Service, and Fitch Ratings, respectively.

CURRENT STATUS

The City is authorized to issue general obligation bonds payable from property taxes pursuant to the City Charter, the general laws of the State, and ordinances adopted by the City Council. These bonds must be authorized by the voters of the City at elections held within the City. On May 12, 2012, the City had \$596 million property tax-supported debt approved by the voters, and \$53.8 million remains unissued. The final installment of the 2012 Bond Program is planned to be issued in August 2016.

At September 30, 2015, the City had \$2.7 billion in total debt outstanding including general obligation bonds, certificates of obligation, and tax notes; as well as other types of debt such as airport, stormwater, and other revenue bonds. Of this amount, the City's had property tax supported debt outstanding of \$1.5 billion.

With the finalization of the funding requirements for the 2012 Bond Program, City staff along with the City's Co-Financial Advisors have been reviewing and updating the variables and assumptions in the Debt Management Plan to provide a 2017 Bond Program recommendation that is consistent with prior bond programs.

BUDGET IMPACT

The City's current total tax rate is \$.55827 per \$100 of valuation and is comprised of \$.34677 for operations (62.1% of the tax rate) and \$.21150 for debt service (37.9% of tax rate). The debt service tax rate has been \$.2115 since FY 2004 and there is no projected increase in the debt service tax rate required to support the City's current capital program or projected 2017 Bond Program. Additionally, the Debt Management Plan includes planned voter authorized bond programs every five years to allow the City to continue to invest in needed infrastructure while maintaining the debt service tax rate.

Debt Capacity

FINANCE DEPARTMENT

NEXT STEPS/RECOMMENDATION:

The presentation will discuss the numerous variables utilized in the Debt Management Plan and will include a discussion of debt capacity for the 2017 Bond Program as well as future debt capacity.

2017 Bond Program Process & Timeline

Transportation & Capital Improvements

BACKGROUND

In May 2015, Transportation & Capital Improvements (TCI) reached the four year mark into the 2012-2017 Bond Program and is on track for substantial completion of the program by June 2017. The City has done a Bond Program roughly every five years. TCI has been meeting and gathering projects received from City departments, Mayor and City Council Offices, as well as Public and Private Agencies.

CURRENT STATUS

TCI has received over 500 projects for consideration in the bond program from the Mayor and City Council and other avenues. Beginning in March to July 2016, TCI began coordinating with client departments (i.e, Library, Fire, SAPD, etc) to solidify project scopes. TCI anticipates submitting a complete staff recommended project list to City Manager's Office by August 2016.

BUDGET IMPACT

The Bond Program is anticipated to be \$750 Million.

NEXT STEPS/RECOMMENDATION:

Beginning in August through September 2016, City Council Members will appoint three Committee Members per Citizen's Committee, as well as the Mayor will appoint Co-Chairs per Citizen's Committee and Tri-Chairs who will provide oversight. The Community Meetings will begin in October 2016 and run through December 2016, after which, the Committee will submit their list of recommended projects to City Council and Mayor for consideration in January 2017. Upon their review and approval, the Mayor and City Council will create a call to action for the bond program in February. It is anticipated that the 2017 Bond Program will go before the voters for approval in May 2017.

Street Maintenance

Transportation & Capital Improvements

BACKGROUND

The City of San Antonio currently maintains 4066 centerline miles of streets. The Street Maintenance Program is a component of the Infrastructure Management Program which is a five-year rolling program that identifies infrastructure maintenance projects located city-wide. The IMP is adopted annually by City Council through the City's Budget Process and funds the upcoming fiscal year. Each year a fifth year program is added and refinements are made to the previously adopted plan. Project selection is primarily based on specified program criteria and prior to adoption, projects are presented to each City Council District for their review to ensure that council priorities are met. The IMP creates a framework for the completion of a planned maintenance delivery program, improves utility coordination, and provides greater transparency with the public.

San Antonio will continue to experience significant population growth over the next 25 years. This increase in population will affect many aspects of daily life in San Antonio creating both challenges and opportunities. SA Tomorrow is an innovative, three-pronged planning effort to guide the City toward smart, sustainable growth. SA Tomorrow is a tool that will be used to analyze transportation priorities, including street maintenance, to ensure community needs are met.

CURRENT STATUS

The City of San Antonio assesses the street condition based on 'PCI' (Pavement Condition Index).

BUDGET IMPACT

Currently, the City's 5 Year Infrastructure Maintenance Program (IMP) for FY 2016-2020 has \$270.15 million allocated for street maintenance projects spread evenly throughout all ten city council districts. FY 2016, \$64M was allocated and is being used to maintain approximately 283 miles. For FY 2017, \$50M is currently being allocated and will be used to maintain 244 miles. The FY 2012 Bond included 41 Street Projects at an estimated cost of \$337.4M. Below is a breakdown to the types of projects that will be completed as part of this program.

- 41% of 2012 Bond Program street projects are widening the roadway, which includes additional vehicular travel and turn lanes for additional traffic capacity.
- 41% of 2012 Bond Program street projects are reconstructing the existing width.
- 18% are new roadway alignments

NEXT STEPS/RECOMMENDATION:

TCI recommends the continued funding of the Street Maintenance Program as a component of the Infrastructure Management Program. Additionally, TCI recommends continued funding of street rehabilitation through the Bond Program.

Sidewalks

Transportation & Capital Improvements

BACKGROUND

The Sidewalk Program is a component of the Infrastructure Management Program which is a five-year rolling program that identifies infrastructure maintenance projects located city-wide. The IMP is adopted annually by City Council through the City's Budget Process and funds the upcoming fiscal year.

Each year a fifth year program is added and refinements are made to the previously adopted plan. The goal of the Sidewalk program is to enhance connectivity of the City's sidewalk network through the construction of sidewalks in existing gaps as well as promoting a more mobile and pedestrian friendly community. Project selection is primarily based on the following criteria: ¼ mile radius from schools, hospitals, commercial center and places of congregation; Along VIA bus routes; Area near pedestrian fatalities or pedestrian/auto collisions; and, Simplicity in design and construction to maximize funding.

San Antonio will continue to experience significant population growth over the next 25 years. This increase in population will affect many aspects of daily life in San Antonio creating both challenges and opportunities. SA Tomorrow is an innovative, three-pronged planning effort to guide the City toward smart, sustainable growth. SA Tomorrow is a tool that will be used to analyze transportation priorities, including sidewalks, to ensure community needs are met.

CURRENT STATUS

The City of San Antonio has 4,769 miles of sidewalks with approximately 2,177 miles of existing gaps to be filled at an estimated cost of \$1 billion. The table below provides a breakdown of the sidewalk gap miles and construction costs by district.

Council District	1	2	3	4	5	6	7	8	9	10
Sidewalk Gap Needs (Miles)	253.81	287.05	335.34	208.55	149.80	109.35	270.55	152.19	156.79	252.79
% of Network Gaps Needs Sidewalk	12%	13%	15%	10%	7%	5%	12%	7%	7%	12%
Estimated Construction Cost	\$113.9M	\$128.8M	\$150.5M	\$93.6M	\$67.2M	\$49.1M	\$121.4M	\$68.3M	\$70.4M	\$113.5M
Total Estimated Construction Cost	\$976.7M									

BUDGET IMPACT

- In FY 16 the Sidewalk program was provided \$15M in funding from the general fund and ATD. At the completion of this year's program, approximately 31 miles of sidewalks will have been constructed.
- For FY 17, \$5M is currently begin budgeted for the Sidewalk Program

NEXT STEPS/RECOMMENDATION:

Staff recommends a sidewalk program funded at \$5 million to \$15 million in FY 2017 and that the Community Bond Committee consider a lard Bond Program be funded in the proposed 2017-2022 Bond Program.

ADA Needs at City Facilities

Transportation & Capital Improvements

BACKGROUND

Pursuant to the National 2010 American with Disabilities Act (ADA), design regulations mandate City Municipalities to comply with the 2012 Texas Accessibility Standards (TAS).

Chapter 1 of the TAS specifies “Scoping and technical requirements for accessibility to sites, facilities, buildings, and elements by individuals with disabilities. The requirements are to be applied during the design, construction, additions to, and alteration of sites, facilities, buildings, and elements to the extent required by regulations issued by the Texas Department of Licensing and Regulation under the authority of Texas Government Code, Chapter 469.” Additionally, TSA requires that parking areas and pathways to facilities are accessible, so sidewalks must comply with grading and cross-slope requirements.

CURRENT STATUS

As a result of the May 2016 presentation given to the Neighborhoods & Livability Committee, the City departments will work together to identify and survey City facilities to ensure TAS/ADA compliance as well as identify aspects that could be enhanced to better incorporate equal access and the principles of “Universal Design.” The City has previously surveyed 397 City facilities and identified and completed over 600 access improvements.

BUDGET IMPACT

Allocate approximately \$100,000 of funding and designate TCI staff to oversee and engage an ADA consultant to do an assessment of all City facilities built prior to 2000. TCI will determine the estimated impact to fix all ADA problems based off of the assessment findings.

NEXT STEPS/RECOMMENDATION:

In FY 2017, the City will focus on identifying equal-access improvements, especially for restrooms, hallways, and customer service areas). The City will continue to include equal access and Universal Design principles in all new infrastructure improvements, facilities, and park projects. The City will also incorporate best design practices into its new Facility Design Guidelines and Standards (currently in development), engage and provide outreach to the community, coordinate with other agencies, and provide technical guidance and education.

Advanced Transportation District (ATD)

Transportation & Capital Improvements (TCI)

BACKGROUND

In 1977, VIA Metropolitan Transit was created and funded through a one-half cent sales tax approved by voters via the Metropolitan Transit Authority (MTA) tax under provisions of the Texas civil statutes. In November 2004, the ATD was approved by San Antonio voters and established a one-quarter cent increase in the sales tax within the City limits. The purpose of the ATD, as approved by the voters, was to reduce traffic congestion and increase mobility within San Antonio.

One-quarter cent tax increase, collected by VIA, is allocated in the following manner, as approved by the voters: VIA (1/8 of a Cent); City of San Antonio (1/16 of a Cent); TxDOT (1/16 of a Cent).

Sales tax revenue VIA receives is less than other transit authorities in Texas. VIA would need an additional ½ Cent in sales tax or \$140 million annually to have comparable funding levels as other transit authorities in Texas. Other cities like Austin, Dallas and Houston receive a full cent under the MTA sales and use tax.

City of San Antonio's sales tax is 8.25%, the maximum allowed by State law. Increasing the sales tax rate would require legislative action.

Councilman Rey Saldana requested that the policy issue be discussed of how the City utilizes its ATD funding and if all or a portion of the City's ATD should be allocated to VIA to improve bus service.

The City's ATD Program for FY 2016 totals \$16,935,421 and funds 130 projects to include the construction of sidewalks, bike facilities, intersection improvements, bus pads, pedestrian safety improvements, as well as the City's traffic signal system and 24 staff positions.

Mayor Taylor convened an ATD Ad Hoc Committee co-chaired by Councilman Saldana and Lopez and included seven outside individuals. The ATD Ad Hoc Committee has met five times since February 2016.

CURRENT STATUS

The ATD Ad Hoc Committee did not reach consensus in their last meeting on June 1, 2016. They will hold one additional meeting in June and then refer their recommendations to the City Council Transportation, Technology, and Utilities Committee in August. An option being considered by the Committee is transferring \$10 million of the City's \$16 million in ATD revenue to VIA.

BUDGET IMPACT

Transferring City's ATD funds to VIA may result in eliminating the 130 ATD funded projects (to include traffic signal systems, intersection improvements, bike lanes, and sidewalks) and 24 staff positions or reducing General Fund dollars to continue funding the City's 130 ATD projects and 24 staff positions.

NEXT STEPS/RECOMMENDATION:

City staff does not recommend allocating the City's ATD funding to VIA. VIA would need an additional ½ cent in sales tax or \$140 million annually to have comparable funding levels as other transit authorities in Texas. City staff recommends the City seek legislative action to permit an increase in local sales tax for VIA.

Lone Star Rail District

City Manager's Office

BACKGROUND

The Lone Star Rail District (LSRD) is in the process of developing a passenger rail line in the San Antonio-Austin Central Texas Corridor. Last year at this time, LSRD had been working with the San Antonio Region (City of San Antonio, Bexar County, VIA Metropolitan Services, and the Alamo Colleges) to secure a 36-year funding commitment. Lone Star asked the City to contribute annual funding of property taxes through established Transportation Infrastructure Zones and General Fund dollars totaling \$500,000 in year 1; \$3.6 million in year 5; \$9.3 million in year 15; and, \$15.6 million by year 36.

During the 2016 Budget process, the San Antonio City Council approved \$500,000 in funding to provide planning resources for the LSRD but the funding was contingent on Bexar County and VIA contributing \$500,000 each. The County has decided not to provide funds to LSRD for planning resources and therefore the City and VIA withheld their funding. However, the City provided LSRD with \$50,000 from the \$500,000 for the City's annual membership dues. The remaining \$450,000 in City Council approved FY 2016 funding can be carry forward to the FY 2017 Budget for LSRD, if desired by City council.

At the beginning of February 2016, Union Pacific (UP) canceled their agreement with LSRD that would have allowed LSRD to potentially use UP's freight line for commuter rail services.

CURRENT STATUS

As of Friday, May 27, 2016, LSRD staff made a request to City staff for a one time contribution of \$500,000 from the City of San Antonio for FY 2017 that would be combined with equal amounts from Bexar County and VIA to be used as local match for dollars budgeted at the Alamo Area Metropolitan Planning Organization (AAMPO) for LSRD. The \$1.5 million San Antonio area match would leverage \$6.0 million in AAMPO funds.

LSRD is in the middle of an environmental impact study (EIS) as required by the National Environmental Policy Act (NEPA). The EIS study includes six different alignment options to provide passenger rail service from San Antonio to Austin. UP's existing IH-35 UP corridor track has been only one of the alternatives being considered but other options are also being explored. The EIS is anticipated to be completed by mid to late 2018.

BUDGET IMPACT

The FY 2017 Budget is projected to have \$50,000 for annual membership dues. An additional \$50,000 would be required to be added to the \$450,000 in carry forward funds.

NEXT STEPS/RECOMMENDATION:

City staff recommends using the \$450,000 in carry forward funds and adding another \$50,000 for a total of \$500,000 to be provided to LSRD as the City's portion of the \$1.5 million local match.

Streetlights

FINANCE

BACKGROUND

City staff has worked with CPS Energy to make improvements to existing city wide streetlight infrastructure. The City's current streetlight inventory consists of approximately 72,500 lights. These streetlights can be grouped into the following wattage/size categories: 100Watt (W) streetlights for residential neighborhoods; 250W streetlights for the City's major thoroughfares; and, 400W streetlights for areas that require a high level of lighting, such as downtown. The City has completed the retrofit of approximately 23,500 250W streetlights replacing existing High Pressure Sodium (HPS) streetlights with Light Emitting Diode (LED) streetlights.

The major benefits of LED streetlights are: reduced energy usage; reduced maintenance and replacement costs due to longer life expectancy; and reduced fuel costs due to lower energy usage. These benefits are projected to produce significant energy, maintenance, and fuel savings over the useful life of the LED streetlights.

In addition, the newer generation of CPS LED streetlights have the potential for smart technology adders that will allow for various amenities to the streetlight system. These amenities/options include: the ability to monitor streetlight outages in real time in order to better repair the system; the ability to monitor streetlight consumption; the ability to dim the streetlights; and other additional features. While the new LED streetlights have the capability to add these types of features, there would be significant additional costs beyond the current General Fund budget. CPS Energy and City staff will continue to monitor and evaluate these features and costs as the technology evolves.

CURRENT STATUS

On June 2, City Council approved an ordinance authorizing approval of CPS Energy LED rates for five new streetlight rate classes as well as updated prices on the existing LED Retrofit streetlight tariff. The ordinance facilitates the progression of certain streetlight improvement projects including the Residential LED Streetlight Retrofit Project (retrofit of approximately 30,000 HPS residential streetlights with LED) and the District 5 Additional Streetlight Improvement Project (\$2 million in budget funds to improve District 5 streetlighting) by capturing the savings from the reduced operation and maintenance costs.

BUDGET IMPACT

The City's FY 2016 streetlight budget is \$14.2M. For the proposed Residential LED Streetlight Retrofit Project, the City will net projected cumulative savings of \$867,000 on its utility bill for streetlights over the seventeen years that bonds for the project are to be paid for while allowing for the implementation of enhanced and more energy efficient LED lighting. The financial savings to the City's utility billing for LED streetlights are sufficient to cover the capital costs to include debt service costs to acquire the new LED streetlights.

NEXT STEPS/RECOMMENDATION:

City staff recommends moving forward with existing streetlight HPS to LED conversion projects. Staff will continue to work with CPS staff to monitor and evaluate new lighting technologies and additional smart features. In addition, staff will continue to evaluate unsolicited vendor proposals to determine their economic feasibility.

SAFD Medic 32

FIRE DEPARTMENT

BACKGROUND

Medical incidents comprise approximately 80% of the total incidents responded to by the Fire Department. The San Antonio Fire Department currently staffs 33 Full time Medic units with the potential to staff an additional 8 peak time Medic units. The last full time Medic unit was added in 2012. During Fiscal Years 2013-2015, EMS unit responses increased on average 6,972 responses annually, while response times for Medic units has increased 7.5 seconds annually. The total number of responses and average number of responses per full time Medic unit have also increased significantly in the same time period. Consistent with SA Tomorrow, it is important to maintain our emergency medical response times as the city grows, which may result in additional staffing needs.

CURRENT STATUS

The area surrounding Fire Station 32, located near the Medical Center, generates 4.92% of all of the SAFD EMS responses, which is #1 in the city by 3,000 incidents annually when compared to the other Fire Station areas. The SAFD has been unable to place a full time Medic unit at Fire Station 32 due to the lack of available space for the staff and vehicle. Medic 32 is in service 12 hours per day, 7 days a week, and currently houses at a different Fire Station when not in service. In Fiscal Year 2015, Medic 32 was by far the busiest peak EMS unit with 3,256 responses, 800 responses more than the next busiest peak unit. The new Fire Station 32 will open in July of 2016, and will have space for the new Medic unit necessary to address the needs of this area.

BUDGET IMPACT

The default plan recommendation to place Medic 32 in service in April of 2018 will have a Fiscal Impact of \$990.6k in FY17. SAFD's alternative plan to place Medic 32 in service October of 2016 will have a Fiscal Impact of \$1.6M. The variance is due to funding \$588k in Minimum Staffing Overtime and \$39k in operation of the EMS unit.

NEXT STEPS/RECOMMENDATION:

The default plan recommendation is to place Medic 32 in service in April of 2018. The 12 Medics necessary to staff this unit would start their paramedic training in July of 2017. The SAFD recommends an alternative to the plan that would place Medic 32 in service in October of 2016 utilizing overtime staffing (12 additional OT hours per shift, utilize 12 existing Peak OT hours) until the full time unit is placed in service in April of 2018.

SAFD Ladder Addition

FIRE DEPARTMENT

BACKGROUND

The San Antonio Fire Department has utilized and deployed Ladder apparatus in our system for decades. Ladder apparatus allow firefighters to safely operate and apply water above the fire, which is the safest and most efficient way to extinguish large structure fires that have grown out of control. At a normal fire, Ladder crews are responsible for utility control, search and rescue, forcible entry, salvage operations and ventilation, all are key functions during firefighting operations.

CURRENT STATUS

The SAFD currently staffs and deploys 20 Ladder apparatus responsible for responding to emergencies over an area of approximately 480 square miles. The current deployment of Ladder apparatus takes into consideration travel time, high rise structure density for an area, incident density for an area, and high risk occupancy density for an area. The SAFD has adopted National Fire Protection Association Standard 1710, the national best practice, which recommends a Ladder apparatus have a travel time of 8 minutes or less, 90% of the time. Currently, the SAFD Ladder apparatus travel time within 8 minutes inside the COSA city limits is 82.8%. In 2015, there were 1214 incidents that took a Ladder apparatus longer than 8 minutes to respond inside the COSA city limits. As the City of San Antonio rapidly grows and to remain consistent with SA Tomorrow, additional staffing needs will be required to ensure SAFD's commitment to meeting its goal of 8 minute or less response time 90% of the time.

BUDGET IMPACT

The default plan recommendation will have a zero dollar Fiscal Impact in FY17, and will have a Fiscal Impact of 1.9M in FY18. SAFD's alternative plan will have a Fiscal Impact of \$220k in FY17, and will have a Fiscal Impact of 1.8M in FY18. The variance is due to onboarding 15 new cadets in FY17 in preparation on bringing the Platform online in FY18.

NEXT STEPS/RECOMMENDATION:

The SAFD recommends the addition of 3 platform apparatus over the next 5 years. The default plan recommendation is to place the first platform apparatus in service in July of 2018. The 15 cadets necessary to staff this unit would start their training in January of 2018. The SAFD recommends an alternative to the plan that would place a platform apparatus in service in July of 2018, but would have the cadets start their training in June of 2017. The second and third platforms would be placed in service in Fiscal Years 20 and 21, respectively.

Increase Authorized Sworn Positions

SAPD

BACKGROUND

To ensure that the SAPD remains in alignment with the recommendations of the SA Tomorrow Comprehensive Plan, and continues to improve emergency response time, additional positions will be necessary to: address the projected growth of San Antonio over the next several years and enhance the SAPD’s ability to implement a pro-active community-policing strategy. The SAPD requests City Council approval for funding to support the addition of 25 uniform positions annually beginning in FY 2017 through FY 2021. This will result in the addition of 125 police officers and increase the number of authorized sworn positions to 2,510 by FY 2021.

CURRENT STATUS

The SAPD currently consists of 2,385 authorized sworn positions.

BUDGET IMPACT

The estimated cost of 125 additional police officers (25 additional positions annually through FY 2021) is projected to be \$30,675,352. This amount includes annual assumed salary/overtime, healthcare and equipment cost growth.

Class/Start Date	Cost Estimate -25 Officers per Year					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
	Year 1	Year 2	Year 3	Year 4	Year 5	
Class 17C	7/31/2017	\$218,908	\$2,937,037	\$2,801,568	\$3,213,307	\$3,298,585
Class 18C	9/10/2018		\$71,773	\$2,850,994	\$2,753,182	\$3,185,810
Class 19C	7/29/2019			\$226,085	\$3,020,813	\$2,881,201
Class 20C	9/14/2020				\$57,419	\$2,921,820
Class 21C	7/26/2021					\$236,851
Totals		218,908	3,008,810	5,878,647	9,044,720	12,524,267

TOTAL COST: \$30,675, 352

NEXT STEPS/RECOMMENDATION:

SAPD recommends approval of this item.

Group Violence Intervention (GVI)

SAPD

BACKGROUND

The San Antonio Police Department (SAPD) remains committed to reducing violent crime and has recently focused proactive efforts within the East Patrol Service Area. Communities within the East Patrol Service Area have been impacted by gang-related violence associated with criminal street gangs and narcotics trafficking. Other major cities across the country, such as Kansas City and Boston, have achieved significant reductions in violence utilizing a model known as Group Violence Intervention (GVI). The city of Boston employed a GVI model in the mid 1990's in an effort to reduce gun violence and witnessed a 27% reduction in shootings among notified violent groups and a 36.4% reduction in gang-involved shootings. More recently, Kansas City instituted the No Violence Alliance (NoVA) GVI model and has achieved a 40% decrease in homicides and 19% decrease in shootings.

The strategic vision of the GVI is to avail case management, support service delivery, and consequence based enforcement to groups and individuals determined to be at a high risk of either being involved in or being a victim of violence. Individuals identified as being high-risk are contacted and receive a unified message of acceptable choices and consequences for declining assistance from the community by continuing to engage in violence.

CURRENT STATUS

Members of City Council District 2, the City Manager's Office, SAPD and various community organizations visited Kansas City May 16-18. Based on their findings and a review of the needs of the Eastside community, the proposed GVI program will seek to accomplish the following:

- Reduce gang-related aggravated assaults and homicides in the Eastpoint Community
- Strengthen relationship between SAPD and Eastside community
- Provide legitimate path for willing gang members to exit criminal lifestyle
- Enable economic development and long-term revitalization strategies to take place

BUDGET IMPACT

Fiscal impact is yet to be determined and subject to discussions with potential program stakeholders and confirmation of implementation strategy. The following groups have been identified: Bexar County Probation & Parole, Bexar County Sheriff's Office, Bexar County District Attorney, U.S. Attorney, area service and support agencies, educational institutions, and faith based organizations.

NEXT STEPS/RECOMMENDATION:

Finalize proposal and present to City Council for consideration.

Community Oriented Policing Services (COPS) Grant

SAPD

BACKGROUND

On June 9, The San Antonio Police Department (SAPD) will request City Council approval to submit a grant application to the Department of Justice Office of Community Oriented Policing (COPS) seeking up to \$3,125,000 for a hiring grant. The COPS Grant will fund salaries and benefits approved by the COPS Office over a three year grant period.

The SAPD plans to utilize funds awarded through the COPS Grant to add up to 25 new police officers to the Integrated Mobile Partners Action Care Team (IMPACT). IMPACT offers a multi-disciplinary approach to provide emergency services and resources to the chronically homeless. The Team focuses on the continuity of care through treatment and diversion programs. IMPACT currently consists of two mental health officers and a mobile integrated healthcare paramedic.

CURRENT STATUS

Since its inception in October 2015, the IMPACT team has made a total of 579 contacts with the chronically homeless located in downtown San Antonio. Of those contacts, 191 individuals have received medical and social services from various partner agencies and organizations such as Haven for Hope, the San Antonio Food Bank and the Salvation Army. The IMPACT team continues to work in coordination with area agencies to establish partnerships to enhance the program and ensure the long-term health and well-being of the chronically homeless.

BUDGET IMPACT

Matching funds will be submitted as part of the FY 2017 budget process and acceptance of the grant will be contingent upon the approval of the \$7,787,000 grant match. The estimated total cost of the grant is \$11,003,700.

NEXT STEPS/RECOMMENDATION:

SAPD recommends approval of this item. The grant period is estimated to begin on or around October 1, 2016 for a three year period ending on September 30, 2019.

Consolidated Funding Process for Human and Workforce Development Services – FY 2017/FY 2018

Human Services

BACKGROUND

- The Department of Human Services (DHS), in coordination with the Economic Development Department (EDD), manages the City’s Consolidated Funding Process for Human and Workforce Development Services through General Fund and federal grant funds
- Every two years, the City issues a Consolidated Funding Request for Proposal (RFP), seeking Human and Workforce Development services that align with City Council investment priorities: Children & Family Services, Youth Services, Community Safety Net, and Workforce Development
- Funds are distributed based on City Council policy direction through a survey process.
- In Fiscal Year 2016, the City invested \$20.95 million in human and workforce development services in 65 community agencies and organizations and 104 programs through this process.

CURRENT STATUS

Impact of Fiscal Year 2017/Fiscal Year 2018 Funding Priorities

- DHS presented survey results and funding priorities (below) to City Council at B Session on March 9, 2016. Fiscal Year 2017 funding estimates are based on the Fiscal Year 2016 Adopted Budget.

Investment Categories	FY 2016 Adopted Budget	Survey Results FY 17 & FY 18	Change
Children and Family Services*	\$5,122,487 24.4%	\$4,781,334 22.8%	(\$341,153) -1.6%
Youth Services	3,373,271 16.1%	\$3,828,001 18.3%	\$454,730 +2.2%
Community Safety Net**	\$9,988,465 47.7%	\$8,647,050 41.3%	(\$1,341,415) -6.4%
Workforce Development	\$2,468,163 11.8%	\$3,696,001 17.6%	\$1,227,838 +5.8%
Total	\$20,952,386 100%	\$20,952,386 100%	-

* Includes designated funding for After School Challenge (\$2.74M)

** Includes designated funding for Haven for Hope/CHCS (\$5.86M) & HUD Housing Opportunities for Persons with AIDS Grant (\$1.2M)

- City Council also approved designated funding for Haven for Hope/Center for Healthcare Services (\$5.86 million); After School Challenge (\$2.74 million); and a new agency set aside of \$250,000
- Based on Fiscal Year 2016 funding levels and designated funding allocations, an estimated \$12.4 million would be available for the competitive RFP process. The City received applications from 63 agencies for 122 programs requesting a total of \$20,370,903
- Recommendations for funding will align with City Council priorities, proposed Fiscal Year 2017 funding levels, and will be presented in the Proposed Budget on August 6, 2016
- Reallocation of funds between categories will significantly impact currently funded services:

Consolidated Funding Process for Human and Workforce Development Services – FY 2017/FY 2018

Human Services

- Increased funding Youth Strengthening and Workforce Development will increase funding to high performing existing programs and facilitate awards to new programs proposing to provide services that improve education and career opportunities
- Reductions to Children and Families & Community Safety Net services will eliminate or significantly reduce funding to most programs providing services to victims of domestic violence and rape; adults and children with disabilities; support services at Haven for Hope; and Volunteer Income Tax Assistance

Funding Term Limits

- On March 9, DHS also presented three options for funding term limits beginning FY 2017:
 - **Alternative A:** 4-year limit for Agency funding; funding reduced by 1/4 in FY 2018
 - **Alternative B:** 4-year limit for Program Funding; funding reduced by 1/4 in FY 2018
 - **Alternative C:** Address term limits and agency sustainability through priority setting, new agency fund and the evaluation process

City Council input did not result in clear direction regarding implementation of term limits

- As requested, DHS held discussions with community agencies to gather input regarding the Consolidated Funding Process and the local fundraising environment and three independently facilitated focus groups were held May 3-5
- All 65 currently funded agencies were invited to participate with 32 attending. Results included:
 - No favorable responses to agency or program term limits – specifically:
 - Term limits would disrupt services to vulnerable populations
 - Services will still be needed and should be provided by most qualified provider
 - Concern about quality if City invests in new agencies/programs every 4 years
 - Agency match is more appropriate than program match due to the additional administrative burden to document
 - If the City is purchasing specific services (i.e. Senior Services), match should not be required

BUDGET IMPACT

- City Council Goal Setting Process will determine the amount of funding available for Fiscal Year 2017 Consolidated Funding awards
- Implementation of term limits would not impact the Fiscal Year 2017 Consolidated Funding Pool

NEXT STEPS/RECOMMENDATION:

- June/July 2016 – DHS & EDD finalize initial funding recommendations
- July 1, 2016 – Communication blackout period begins
- August 2016 –City Manager presents FY 17 City budget and delegate agency funding recommendations to City Council and two Delegate Agency public input sessions are held
- September 10, 2016- City Council approves funding recommendations during budget adoption.

Youth Programming

Human Services and Parks and Recreation

BACKGROUND

The City of San Antonio provides youth initiatives and programs across several City Departments. Youth services are provided both directly by Department staff and through contracts with outside organizations.

Funding supports three primary service areas:

1. Youth education success programs that promote high school graduation, attendance, and academic achievement through mentoring, tutoring, connection to resources, and civic engagement,
2. College and Career Readiness programs that facilitate higher education and vocational or trade attainment career preparation through youth employment, career exploration, access to scholarships, financial aid counseling, and college retention initiatives.
3. Youth Strengthening and character building to improve education success and prevent at-risk behavior by focusing on youth strengths and providing access to opportunity

FISCAL YEAR 2016 YOUTH PROGRAMMING BY DEPARTMENT

Department of Human Services (DHS) – \$10,060,638

- **Ambassador Program** - provides college students who graduated from a San Antonio High School with a local summer internship opportunity in their chosen field. Ambassadors attend college locally, statewide, and nationally – 124 students are currently enrolled in the program
- **Contractual Services** - \$9,589,809
 - San Antonio Education Partnership (SAEP)- \$3,097,814
 - Provides scholarship opportunities to 4,833 students from 25 area high schools.
 - Cafécollege access and success services to 10,300 students, parents, adult learners.
 - Consolidated Funding - Youth Services - \$6,491,995 to 34 local non-profit agencies and school districts organizations for 46 programs providing out of school time activities; college and career readiness; paid summer youth employment; youth success, at risk behavior prevention

Parks – \$9,004,196

- **Community Centers - \$4,097,213**
 - Funding supports operation of year-round programs and activities for approximately 85,000 youth at 17 community centers
- **Summer Youth Program - \$2,329,345**
 - Over 6,000 youth between the ages of 6-14 enjoy an eight-week program providing age appropriate activities including art exploration, science and math enrichment, nutrition education, arts and crafts, games and sports activities. Lunch and a snack is provided through the Summer Food Service Program
- **Swimming - \$1,620,722**
 - Operation of 23 outdoor pools and 1 indoor pool, over 258,000 youth participants in FY 2015
- **Music & Dance - \$491,312**
 - Classes are offered year-round to over 4,300 youth
- **Fitness & Athletics - \$401,455 (includes \$150,000 in one time funding for CD 2)**
 - Over 35,000 youth participated in Mobile Fit, Ride to Own and youth athletics programs
- **Natural Areas/Outdoors – \$64,149**
 - Over 2,400 youth participants enjoyed educational activities in Natural Areas

San Antonio Metropolitan Health District - \$2,994,871

Youth Programming

Human Services and Parks and Recreation

- Project WORTH - \$432,439 (GF) and \$1,204,037 Medicaid Waiver –leads the *San Antonio Teen Pregnancy Prevention Collaboration* – 10,000 adolescents will complete STD, HIV and Teen Pregnancy Prevention Program
- Mayor’s Fitness Council – Student Ambassador Program - \$58,000 Grant funding - 50 5th – 12th grade students from 40 public and private schools serve as Student Ambassador’s to the Fitness Council

Library - \$3,381,636 (28 service locations & 2 future locations that provide youth programming)

- Branch Library & Teen Programs –236,500 0 to 12 year olds and 43,000 13 to 18 year olds
- Maker Faire (Teen Led) – 1,500 all ages
- Live Homework Help– 20,000 sessions 3rd graders through 12th graders
- Summer Lunches 6 locations and After School Snacks at Teen Library – 10,050 lunches/snacks served
- Youth Collection–70,000 juvenile and Young adult items collected
- Mayor’s Summer Reading Club – 34,000 0 to 18 year olds
- Volunteer Opportunities for Youth – 9,000 hours 14 to 18 year olds

Municipal Court Juvenile Truancy Program - \$2,155,350

- In partnership with 15 school districts and 14 charter schools, program decriminalizes truancy by working with students and parents to develop Individual Attendance plans and per-court diversionary contracts for more than 35,000 students
- For Fiscal Year 2016, 98.7% success rate for contracts with only 15 criminal cases filed against parents

Economic Development Department (Contractual Services) - \$554,219

- Alamo Academies - national award winning, STEM-based instructional model operated by the Alamo Area Academies Inc., a non-profit organization, in partnership with the Alamo Colleges, San Antonio area high schools, industry and the cities of San Antonio, New Braunfels and Seguin. Provides 450 students annually with tuition-free career pathways into critical demand technical STEM occupations.
- Consolidated Funding - SA Youth YouthBuild provides comprehensive workforce training services and supports for 150 young people annually who suffer disproportionately from serious academic deficits, unemployment, health disparities, and behavioral problems.

Human Resources – Summer Youth Internships - \$180,000

- Expanded existing Summer Youth Employment in support of President Obama’s *Summer Opportunity Project*
- 8 week program provides “first” work experience to students at a competitive rate of \$9.00 per hour with hosting department sponsoring cost of intern – 60 youth participating in 30 departments

NEXT STEPS/RECOMMENDATION

- Staff recommends continued support for Youth programming that provides opportunities for young San Antonio residents to achieve education, career, and life success.
- DHS will make FY 2017 Consolidated Funding recommendations based on City Council priorities and direction provided during the City Council Budget Goal Setting Session. The FY 2017 & FY 2018 Consolidated Funding for Human and Workforce Development City Council priority setting process allocated 18.3% of the Consolidated Funding pool to Youth Services, which is an increase of 2.2% or \$454,730 over the 2016 allocation.

Live Release / Stray & Roaming Animals

Animal Care Services

BACKGROUND

ACS operations and services are aligned under following four Strategic Priorities: (1) Enhanced Enforcement; (2) Controlling the stray animal population; (3) Increasing the Live Release rate; and (4) Engaging and educating the community regarding responsible pet ownership. Based on City Council request in May 2016, ACS was asked to develop additional approaches to support the ACS Strategic Priority of *Controlling the Stray Animal Population*.

Key programs initiated over the past few years that are aligned with these Strategic Priorities include: Partnering with over 10 rescue organizations to increase the number of positive outcome; replacing the required pet license with a registered microchip; requiring pets to be spayed/neutered following the first impoundment; Providing free resources such as spay/neuter surgeries, rabies, and microchips; implementation of Trap-Neuter-Return (TNR) practices for stray cats; community based educating; and the implementation of compliance based enforcement processes.

ACS impounds approximately 30,000 pets annually. Once impounded, the Department is responsible finding live placement by returning them to their owner, adoption, rescue, or TNR. If live placement cannot be found, ACS is required to reduce the number of pets impounded or euthanize for lack of space. In FY 2016 YTD (through May), ACS found live placement for 88% of all pets impounded.

CURRENT STATUS

The following provides performance metrics for ACS in FY 2016 compared to when the strategic priorities were originally established in FY 2011:

	FY 2011	FY 2015	FY 2016 YTD <i>(through May)</i>
Live Release Rate	32%	85%	88%
Field RTO (Return to Owners)	898	1,892	2,014
Citations	5,640	7,136	6,741
Bite Cases	4,409	3,782	2,215
Spay/Neuter Surgeries	8,795	26,571	19,049
Dead Animal Pick-ups	28,531	22,796	14,522
Citizen initiated Call-for-Service Requests	80,273	74,563	45,731
ACS initiated Call-for-Service Requests	510	28,292	17,627

BUDGET IMPACT

ACS's FY 2016 operational budget of \$12.5 M is distributed among the Department's four Strategic Priorities as follows:

- Enhanced Enforcement: 34%
- Increasing Live Release Rate: 33%

Live Release / Stray & Roaming Animals

Animal Care Services

- Controlling the Stray Animal Population: 29%
- Community Engagement/Education: 4%

NEXT STEPS/RECOMMENDATION

Based upon a pilot field program currently in place in District 2 and District 5, ACS recommends adding 3 additional district-assigned Animal Care Officers to other high-impoundment districts such as District 1, District 3, and District 4. These District Officers are similar in nature to the Police Department's SAFFE Officers with responsibilities such as performing proactive animal enforcement activities that engage the community through grass roots efforts in order to change pet owner behavior. In particular, these Officers would be able to directly address three of the four strategic priorities by:

- Being present at local community meetings/gatherings to provide education and information to those in attendance;
- Monitor neighborhood activities through resources such as NextDoor, neighborhood sweeps and issuing of necessary citations and warnings to non-compliant pet owners;
- Have more frequent one-on-one conversations with local pet owners;
- Help neighborhoods find long-term community based solutions to reduce the number of roaming dogs;
- Provide enhanced enforcement efforts as part of the grass roots Comprehensive Neighborhood Sweeps Initiative in partner with the ACS Education & Outreach Team;
- Provide free resources that encourages responsible pet ownership; and
- Serve as a direct liaison to the assigned district.

The approximate annual cost for the adding 3 additional District Officer and increased resources (for example free vaccination and microchipping services) to be allocated in the areas is approximately \$250,000 annually and \$125,000 for various one-time expenses.

World Heritage

Office of World Heritage

BACKGROUND

The World Heritage Designation for the five San Antonio Missions will increase visitation and tourist spending, promote the culture of San Antonio, and create jobs and small business opportunities. To prepare for this increased activity and to maximize benefits, City staff has developed a World Heritage Work Plan. The work plan identifies specific tasks and deliverables for the immediate future and the near future, as well as long-term improvements.

CURRENT STATUS

On April 1, 2016, Colleen Swain was appointed as the First World Heritage Director. She and the World Heritage Coordination team, composed of city department and community partners, have completed or will complete the following in FY 2016:

- Beautification Assessment
- Market Assessment
- Development of Mobile Website
- Land Use Amendments
- Branding Banners

BUDGET IMPACT

\$955,741	World Heritage Staff & Operations
\$500,000	World Heritage Incentive Policy
\$1,000,000	Signage and Wayfinding
<u>\$149,022</u>	<u>Mission Marquee & Spanish Governor's Palace Programming</u>
\$2,604,763	Total FY 2017 Budget

NEXT STEPS/RECOMMENDATIONS:

- Create staff complement to support World Heritage Director.
 - Redirect two positions from Center City Development & Operations (1 Special Projects Manager, 1 Facilities Operations Coordinator)
 - Request 1 positions (1 Management Analyst)
- Develop World Heritage Incentive Policy to preserve legacy businesses, to facilitate small business development, and to incent development that supports cultural tourism within the World Heritage Buffer Zone.

World Heritage

Office of World Heritage

- Fund existing signage package to brand major routes as the World Heritage Trail and to provide updated and consistent wayfinding for residents and visitors.
- Provide funding for continued programming of Mission Marquee and Spanish Governor's Palace.

San Antonio Tricentennial Celebration

Tricentennial Office

BACKGROUND

On May 5, 2018, the City of San Antonio will celebrate its 300th Anniversary. To recognize such a historic achievement and to celebrate San Antonio's unique history and place in the world, the Tricentennial Commission was created in 2015 to plan and coordinate San Antonio Tricentennial Celebration activities throughout the year. Formed in the FY 2016 Budget, the Tricentennial Office provides staff support to the Tricentennial Commission and Tricentennial Organizing Committee by researching celebration possibilities, coordinating events, forming partnerships, and recruiting sponsors.

The Tricentennial Commission has centered itself on four marquee initiatives chosen to highlight the past, present, and future of San Antonio, our community, and our vibrant culture. Marquee San Antonio Tricentennial Celebration initiatives will include:

- History and Education
- Arts and Culture
- Community Service
- Commemorative Week

CURRENT STATUS

The Tricentennial Office is providing staff support to the Tricentennial Commission and Tricentennial Organizing Committee by researching celebration possibilities, coordinating events, forming partnerships, and recruiting sponsors.

BUDGET IMPACT

The FY 2016 Budget included \$350,000 for the Tricentennial Office. The FY 2016 projection is \$749,000 which includes six positions and a \$200,000 annual Marketing Agreement with Tricentennial Commission. In addition to the CEO and COO, position support will include administrative and marketing positions responsible for coordinating events, forming partnerships, and recruiting sponsors. The annualized budget for FY 2017 and FY 2018 are projected to be \$957,000. Additional resources may be requested as part of the FY 2017 Budget process.

NEXT STEPS/RECOMMENDATION

The Tricentennial Office will continue to recruit potential sponsors through a comprehensive fundraising plan and by finalizing the corporate partnership committee to reach the fundraising goal of more than \$15 million.

Staff are developing the year-long celebration event calendar and the logistics timelines for each activity. These events and activities include: concerts, public art projects, murals, historical book, educational programming, symposiums, and city-wide events that highlight the military, history, and the city's founders.

San Antonio Tricentennial Celebration

Tricentennial Office

The Tricentennial Office is educating the community about the Tricentennial anniversary through speaking opportunities, marketing, and events, and working with seven committees to foster community engagement. Staff are working internationally to engage San Antonio's sister cities to ensure that they are represented at the celebration.

Air Quality Cost of Non-Attainment

Office of Sustainability

BACKGROUND

The U.S. Environmental Protection Agency (EPA) released a more stringent “health-based” air pollution standard of 70 parts per billion on October 1, 2015, impacting San Antonio’s air quality attainment status. Air quality has an impact on our community’s public and economic health.

The City will most likely be in non-attainment in October 2017 as our most current air pollution standard average reading is 78 parts per billion.

CURRENT STATUS

The Alamo Area Council of Governments (AACOG) will release a “Cost of Non-Attainment for the Alamo Region” study in the Fall of 2016. This study only examines the economic impact of non-attainment.

San Antonio Metropolitan Health District (SAMHD) developed an initial evaluation of what a public health impact analysis of ozone non-attainment should address and propose to assess the economic value of air quality change using both “Cost of Illness” and “Willingness to Pay” metrics that summarizes the expenses that an individual must bear for air pollution-related hospital admissions, visits to the emergency department and other outcomes. This metric includes the value of medical expenses and lost work, but not the value that individuals place on pain and suffering associated with the event.

BUDGET IMPACT

Metro Health estimates that a cost for a Public Health Impact Study of Non-Attainment ranges from \$75,000 to \$100,000.

NEXT STEPS/RECOMMENDATION:

Metro Health proposes hiring a consultant to conduct the study.

Smart City

Office of Innovation

BACKGROUND

In March 2016, the Office of Innovation was assigned by the City Manager's Office to begin researching and developing a framework for a formal Smart City program.

The Smart Cities Council defines a Smart City as one that uses information and communication technology (ICT) to enhance its livability, workability and sustainability. A Smart City gathers data from smart devices and sensors, shares that data via a smart communications system and then uses smart software to create valuable information and digitally enhanced services.

While a formal Smart City program has not been developed, the City of San Antonio has completed various Smart City related projects. These include the conversion to LED streetlights, Municipal Court kiosks, online data for crime statistics and 311 services, and the COSANet municipal fiber network.

CURRENT STATUS

On March 31, 2016, an initial Smart City meeting was held with various key stakeholders including the City Manager, Mayor Taylor, Councilman Nirenberg, various City Department Directors, CPS Energy and SAWS to identify current initiatives and gather feedback on potential areas of focus for a more formal Smart City program.

The Office of Innovation has been working with the City's Information Technology Services Department to catalogue past and ongoing Smart City related efforts. In addition, Innovation has researched best practices on Smart City programs and projects in other cities. Innovation has also engaged the Smart City community, such as, the Smart Cities Council, Envision America, Dallas Innovation Alliance, and Kansas City Living Lab.

NEXT STEPS/RECOMMENDATION:

- Establish Smart City focus areas using SA Tomorrow as a guide. The recommended focus areas include:
 - Transportation
 - Sustainability
 - Connected Living

Determine whether FY 2017 Smart City projects should be pilot programs within identified SA Tomorrow Activity Centers or implemented citywide. By using pilot programs, the city can review the return on investment for projects prior to citywide implementation.

Workforce Development

Economic Development

BACKGROUND

The City of San Antonio funds workforce development activities to support the growth of Targeted Industries and household income through access to the development of in-demand skills that lead to gainful employment. SA Works is funded to support the alignment and prioritization of community-wide workforce development initiatives in three domains: 1.) Targeted Industry Talent Gaps, 2.) K-16+ Alignment, and 3.) Connecting the Underserved. Distinct from the SA Works effort, the City of San Antonio funds a variety of entities implementing workforce development programs through a combination of general fund, EDIF allocations, Delegate Agency Funding, and special funds such as the Alamo Colleges Settlement Agreement.

CURRENT STATUS

SA Works - \$244,000

SA Works is funded by HEB, the City of San Antonio, and Bexar County in partnership with the Alamo Colleges. SA Works has been charged with development of an industry-led demand-driven collective impact model that ties together three domains:

- 1) Targeted Industry Talent Gaps: quantifying and addressing industry-verified talent gaps constraining growth and competitiveness.
- 2) K-16+ Alignment: defining and enacting or supporting efforts to align career pathways and interventions in the K-16+ system.
- 3) Connecting the Underserved: connecting citizens who are unemployed, the formerly incarcerated, or reside in chronically depressed areas of San Antonio.

Delegate Agencies - \$2,468,160 - Participants Served 3,475

1) SA Youth (YouthBuild)	\$125,000
2) ACCD (Seguir Adelante)	\$204,410
3) Project Quest (Project Quest)	\$1,521,750
4) Dress for Success (Job Training/Workforce Development)	\$300,000
5) Goodwill Industries (Learn While You Earn)	\$225,000
6) Each One teach One (Adult and Family Literacy Program)	\$50,000
7) Chrysallis Ministries	\$42,000

Project Quest Open Cloud Academy - \$200,000 – 100 served (50 Veterans)

Alamo Colleges Settlement Agreement Funding - \$1,092,860

1) Alamo Academies	\$476,910
2) HR Training	\$457,350
3) Mentor Protégé	\$88,600
4) DHS	\$70,000

Workforce Development

Economic Development

NEXT STEPS/RECOMMENDATION:

The priority is to continue to fund prioritization of workforce initiatives through SA Works and contract for specific outcomes, and planning towards alignment under SA Works within each of the three domains.

Economic Development Incentives

Economic Development

BACKGROUND

The City of San Antonio provides for economic development incentives to ensure the community effectively competes for Targeted Industry jobs and investment city wide. The City also provides incentives to develop housing in the Center City. Incentives are used in conjunction with the efforts of economic development partners such as the San Antonio Economic Development Foundation (SAEDF) working together to execute recruitment, retention/expansion, entrepreneurial development, workforce development tactics and strategies. With forthcoming amendments to the Economic Development Incentive Fund and the Tax Abatement Policy Guidelines, the City will broaden its focus from recruitment and retention/expansion to entrepreneurial development and workforce development. The Center City Housing Incentive Policy (CCHIP) is an as-of-right incentive policy adopted in June 2012 to stimulate high-density housing development in the Center City.

CURRENT STATUS

Tax Abatement Policy

Serves as the overarching policy guideline for economic development incentives and allows for economic development staff to work with companies considering locating to, or expanding within, the City of San Antonio. In December, staff will bring forth amendments reflecting new Living Wage and All-Industry Wage standard as well as alignment with the SA Tomorrow Comprehensive Plan. The budgetary impact of the Tax Abatement policy is variable based on the company's total taxable real and personal property investment. Generally, all tax abatement incentives lead to a positive cost-benefit impact over the period of 12 to 20 years, and include clawback/recapture provisions extending 4-6 years beyond the year the company ceases to receive the abatement.

Economic Development Incentive Fund (EDIF) - \$1.7M

Since FY 2009, City Council has appropriated funding in the City's General Fund Budget for the EDIF. The primary purpose of the EDIF is to make funds available for financial incentives in the form of economic development grants and/or loans.

San Antonio Economic Development Corporation - \$500,000

The SAEDC is an equity investment vehicle designed to support the development and/or attraction of ventures and startup companies who are developing new technologies and products. It focuses on investments that will create high-wage jobs and help grow the City's entrepreneurial talent and research capacity as well as potentially create revenue to self-sustain the fund that is funded by the EDIF.

Center City Housing Incentive Policy (CCHIP)

The Center City Housing Incentive Policy (CCHIP) is an as-of-right policy adopted in June 2012 to stimulate high-density housing development in the Center City. Eligible housing projects receive city fee waivers, SAWS impact

Economic Development Incentives

Economic Development

fee waivers, real property tax reimbursement grants, low-interest loans, and mixed-use development forgivable loans based on the project scope.

The Inner City Reinvestment and Infill Policy (ICRIP) establishes priority areas of the City targeted for private reinvestment. The policy coordinates and prioritizes public incentives in these areas to stimulate and facilitate private investment. Incentives include financial assistance, such as fee waivers and tax abatements for eligible projects, and staff support for assistance in navigating regulatory and procedural obstacles which sometimes hinder infill development. In FY 2016, the City budgeted \$2 million in City fee waivers and \$3 million in SAWS impact fees for ICRIP incentives.

Amendments to the CCHIP policy will not affect development projects eligible for ICRIP incentives.

NEXT STEPS/RECOMMENDATION:

The priority is to ensure the City of San Antonio continues to maintain a competitive posture in securing new Targeted Industry jobs and investment towards creation of good jobs that will raise the household income of San Antonio.

EDD will add to the ongoing focus of recruitment and retention/expansion an additional focus on entrepreneurial development and workforce development in the 2016 Tax Abatement and EDIF Policy updates.