City Council Agenda
08/11/2016

Notice is hereby given of a special meeting of the City Council of City of San Angelo to be held on August 11, 2016 at 8:30 AM at the McNease Convention Center – South Meeting Room, 501 Rio Concho Drive, San Angelo, Texas, for the purpose of considering the following agenda items.

1. **Call to Order**
2. **Prayer and Pledge**
3. **Work Session Agenda**

All matters listed under the work session agenda are presented for discussion and future planning purposes only. No administrative or regulatory action will be taken by the council. Public comment will not be accepted during the work session agenda.

   a. Discussion and consideration of matters regarding the fiscal year 2016-2017 budget preparation including but not limited to:

      1. Major funds revenue and expenditures;

      2. Council priorities and goals; and

      3. Other items needing Council direction

4. **Adjournment**

CERTIFICATION

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of the City of San Angelo, Texas, on the 5th day of August 2016, at 3:00 p.m.

____
Bryan Kendrick, City Clerk

All agenda items are subject to action. All contracts/agreements are presented in substantially the attached form. The City Council reserves the right to consider business out of posted order and/or meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

In compliance with the Americans with Disabilities Act, the City of San Angelo will provide for reasonable accommodations for persons attending City Council meetings. To better serve you, requests should be received 48 hours prior to the meetings. Please contact the City Clerk's Office at 325-657-4405.

City Council meetings are broadcast on Channel 17-Government Access at 10:30 A.M. and 7:00 P.M. every day for two weeks beginning on the Thursday after each meeting.

REPORT TO MAYOR & MEMBERS OF CITY COUNCIL

Requestor: Morgan Chegwidden, Budget Manager, Budget, 325-653-6291

Meeting Date: August 11, 2016

Item type: Regular Item

Caption:

Discussion and consideration of matters regarding the fiscal year 2016-2017 budget preparation including but not limited to:

1. Major funds revenue and expenditures;

2. Council priorities and goals; and

3. Other items needing Council direction

Summary/History:

Through the council communications via Friday packet memos, staff has reported on progress towards preparing the 2016-17 budget. We are now moving forward with public meetings and discussions of the budget.

1. Major funds revenue and expenditures

   These are operating funds in excess of $1 million. They include the General Fund, State Office Building Fund, Airport Fund, Solid Waste Fund, Stormwater Fund, Water Fund, Wastewater Fund, Civic Events Fund and Fort Concho Fund. Below are each of these nine funds compared side-by-side with the fiscal year 2015-16 original budget. The primary revenue sources and expenditure categories are summarized for each fund below. Any major changes or issues are also identified.

General Fund

The primary revenue sources for the General Fund are the property tax and the sales tax. Due to negative economic experience, sales tax collections are proposed to decrease at least $860,000. Certified property valuations should arrive in late July, providing a clearer picture of what allocations may be considered this budget cycle. Decreased expenditures primarily occurred in personnel due to staffing turnover throughout the fund, primarily in police civil service.

General Fund	2015-16	2016-17	Inc / (Dec)
Revenue			
Taxes	56,612,426	56,107,880	(504,546)
Other	12,991,484	13,536,569	545,085
Total	**69,603,910**	**69,644,449**	**40,539**

Expenditure			
Personnel	50,418,211	50,416,191	(2,020)
O & M	18,635,701	18,707,125	71,424
Capital	549,998	521,133	(28,865)
Total	**69,603,910**	**69,644,449**	**40,539**
Revenue Over/(Under) Expenditure	**-**	**-**	**-**

State Office Building Fund

The primary revenue source for the State Office Building Fund continues to be rent income. Other income increased almost $50,000 due to a revised method of accounting for reimbursements from tenants for special requests. Occasionally, work is ordered outside of the lease agreement for office suite expansion or other items. A corresponding increase in expense is for the same item.

State Office Fund	2015-16	2016-17	Inc / (Dec)
Revenue			
Rent	1,220,096	1,230,000	9,904
Other	566	50,053	49,487
Total	**1,220,662**	**1,280,053**	**59,391**
Expenditure			
Personnel	119,691	119,697	6
O & M	1,100,971	1,110,356	9,385
Capital	-	50,000	50,000
Total	**1,220,662**	**1,280,053**	**59,391**
Revenue Over/(Under) Expenditure	**-**	**-**	**-**

Airport Fund

The primary revenue source for the Airport Fund continues to be lease income, which has experienced a decrease in recent years due to turnover of tenants. To date, airport staff has mitigated reduced resources by leaving full-time employment positions vacant. To balance the 2016-17 budget, airport staff further reduced expenses such as maintenance and fuel. Staff is optimistic that revenue growth will improve in future years to ensure the long-term financial success of the fund.

Airport Fund	2015-16	2016-17	Inc / (Dec)
Revenue			
Leases, Concessions	1,204,445	1,085,993	(118,452)
Other	305,269	304,768	(501)

Total	**1,509,714**	**1,390,761**	**(118,953)**
Expenditure			
Personnel	789,609	743,241	(46,368)
O & M	716,903	647,520	(69,383)
Capital	3,202	0	(3,202)
Total	**1,509,714**	**1,390,761**	**(118,953)**
Revenue Over/(Under) Expenditure	**-**	**-**	**-**

Solid Waste Fund

The primary revenue source for the Solid Waste Fund is user fees. In accordance with the plan upon adopting these fees, revenue is budgeted $570,000 over expenditures to contribute to the fund balance. The goal is to accumulate $5.5 million in fund balance within 7-8 years to fund new permitting and future landfill obligations. Revenue is proposed to decrease $560,000 due to a correction in the accounting of the contract fee as well as the completion of reimbursement for debt service for a debt issue which was recently completed. Expenses decreased $270,000 due to the completion of servicing the debt.

Solid Waste Fund	2015-16	2016-17	Inc / (Dec)
Revenue			
User fees	824,960	949,417	124,457
Other	1,302,416	620,891	(681,525)
Total	**2,127,376**	**1,570,308**	**(557,068)**
Expenditure			
Personnel	126,364	157,858	31,494
O & M	1,140,151	634,870	(505,281)
Capital	4,914	207,500	202,586
Total	**1,271,429**	**1,000,228**	**(271,201)**
Revenue Over/(Under) Expenditure	**855,947**	**570,080**	**(285,867)**

Stormwater Fund

The primary revenue source for the Stormwater Fund is user fees. Other income, specifically interest and auction proceeds, increased $17,000. These marginal dollars funded turnover in staff and capital, such as equipment replacement and technology.

Stormwater Fund	2015-16	2016-17	Inc / (Dec)
Revenue			
Fees	2,620,000	2,620,000	-
Other	100,538	117,635	17,097
Total	**2,720,538**	**2,737,635**	**17,097**

Expenditure			
Personnel	1,182,616	1,190,553	7,937
O & M	834,945	831,985	(2,960)
Capital	702,977	715,097	12,120
Total	**2,720,538**	**2,737,635**	**17,097**
Revenue Over/(Under) Expenditure	**-**	**-**	**-**

Water Fund

The primary revenue source for the Water Fund is water sales which are proposed at $22.1 million. This budget is proposed in accordance with the water rate study projections for both revenue and expense. A planned $2.7 million in revenue over expenditure is proposed to contribute to the fund balance in order to slowly rebuild toward a goal of 75 days of operating expenditures as we recover financially from the recent drought conditions.

Water Fund	2015-16	2016-17	Inc / (Dec)
Revenue			
Sales	20,093,067	22,113,017	2,019,950
Other	3,238,166	3,459,432	221,226
Total	**23,331,233**	**25,572,449**	**2,241,216**
Expenditure			
Personnel	5,990,329	5,975,178	(15,151)
O & M	16,465,872	14,433,893	(2,031,979)
Capital	875,032	2,443,014	1,567,982
Total	**23,331,233**	**22,852,085**	**(479,148)**
Revenue Over/(Under) Expenditure	**-**	**2,720,364**	**2,720,364**

Wastewater Fund

The primary revenue source for the Wastewater Fund is user fees proposed at $12.1 million. This budget is also proposed in accordance with the water rate study projections for both revenue and expense. A planned $1.2 million in revenue over expenditure is proposed to contribute to the fund balance in order to bring that in line with goal of 75 days of operating expenditures.

Wastewater Fund	2015-16	2016-17	Inc / (Dec)
Revenue			
Charges	9,408,000	12,151,544	2,743,544
Other	310,581	302,677	(7,904)
Total	**9,718,581**	**12,454,221**	**2,735,640**
Expenditure			
Personnel	2,073,507	2,072,692	(815)

O & M	7,595,897	7,847,677	251,780
Capital	49,177	1,336,004	1,286,827
Total	**9,718,581**	**11,256,373**	**1,537,792**
Revenue Over/(Under) Expenditure	**-**	**1,197,848**	**1,197,848**

Civic Events Fund

The primary revenue streams for the Civic Events Fund are hotel occupancy tax (HOT) and venue rentals. Due to the declining occupancy of hotels as well as reduced room rates caused by new hotels opening, HOT is proposed to decrease. This affects Civic Events' operations, but also could impact outside agencies we fund with HOT dollars. Throughout this most recent economic upturn, staff has attempted to manage the growth in expenditures at 'normal' levels and capture all marginal revenue for one-time allocations. These efforts should serve us well, as it is evident that the HOT expansion is over. The remaining revenue is largely from venue rentals, which is also proposed down due to the downturn in the oil and gas industry.

Civic Events Fund	2015-16	2016-17	Inc / (Dec)
Revenue			
Hotel Occupancy Tax (HOT)	2,300,000	1,857,500	(442,500)
Other	646,506	616,948	(29,558)
Total	**2,946,506**	**2,474,448**	**(472,058)**
Expenditure			
Personnel	709,498	751,330	41,832
O & M	1,663,850	1,705,732	41,882
Capital	23,158	17,386	(5,772)
Total	**2,396,506**	**2,474,448**	**77,942**
Revenue Over/(Under) Expenditure	**550,000**	**-**	**(550,000)**

Fort Concho Fund

Fort Concho operations are funded one-third through tax dollars with a $340,000 contribution from the General Fund as well as $50,000 from the Hotel Occupancy Tax. Substantial revenue is also sourced from the State Office Building Fund in the amount of $295,000. Remaining revenue sources include venue rental, special event income and attendance fees.

Fort Concho Fund	2015-16	2016-17	Inc / (Dec)
Revenue			
Rent	385,000	405,000	20,000
Other	619,095	612,168	(6,927)
Total	**1,004,095**	**1,017,168**	**13,073**

Expenditure			
Personnel	713,179	719,185	6,006
O & M	289,916	295,710	5,794
Capital	1,000	2,273	1,273
Total	**1,004,095**	**1,017,168**	**13,073**
Revenue Over/(Under) Expenditure	**-**	**-**	**-**

1. Council priorities and goals

   As discussed in prior memos, the strategic goals adopted March 8, 2016, are the overarching guide as we propose budget allocations. Below is the status for each item including progress-to-date, remaining needs as identified by directors, and how much is proposed in the 2016-17 draft budget at this time.

Water Infrastructure and Long-Term Water Supply

Progress:

- Feasibility study and phase I piloting complete on Wastewater Reuse Project at a cost of $1,351,972. Bureau of Reclamation has awarded a grant in the amount of $300,000 for additional testing.
- Feasibility study complete on Red Arroyo Detention Pond at a cost of $152,400.
- Continued investment in existing infrastructure at $3,200,000 annually.
- Continued participation in the West Texas Water Partnership.

Additional Need:

- Continued development of water supply options for an estimated cost of $136 million.
- Additional investment in existing infrastructure to implement an appropriate maintenance cycle.

Streets: Renewed Infrastructure

Progress:

- Improved from a FY12 street maintenance budget of about $600,000 on a 12-year maintenance cycle to ultimately achieve a FY16 budget of about $4 million, including an additional crew to achieve an 8-year maintenance cycle. Current funding shows great progress but ultimately the street survey found that this is inadequate to improve the overall condition rating of our road system. See additional need below.
- First of five planned debt issues of $16,000,000 has been received to begin improvements, including the transportation enhancement project (Martin Luther King Jr. Boulevard), Bell Street reconstruction (phase I of III), College Hills mill and overlay, Chadbourne Street reconstruction, Southland Boulevard reconstruction, and Southwest reconstruction and mill and overlay. The remaining debt is scheduled to be issued over the next ten years.

Additional Need:

- Consideration of expanded street maintenance services, including seal coat, micro-surfacing, fog seal, crack seal, level ups, potholing, small reconstruction, curb and gutter, and sidewalks are proposed at an estimated cost of $500,000 for FY17.

- Reconstruction of additional failed or failing streets at an estimated cost of $494 million in accordance with the results of the street survey, $80 million of which is funded with current and future debt issues.

Police Station: Replace with New or Refurbished

Progress:

- Needs assessment conducted in 2011 at a cost of $135,067.
- Acquisition of possible site approved not to exceed $1,627,699.

Additional Need:

- Obtain voter approval to fund project.
- Rehabilitation or construction of up to $25,775,000.

Salaries: Adjustment to Market

Progress:

- FY14 salary adjustments for most civilians of 2.5%, Police civil service increases at various levels, and various Fire civil service adjustments.
- FY15 salary adjustments for civilians of 5%, Police civil service an average of 6.74%, and various Fire civil service adjustments.
- FY16 salary adjustments for police civil service and fire civil service of 6.26% and civilians of 5.12%.
- FY17 salary adjustments for police civil service proposed at levels from 7.31% to 9.68%.

Additional Need:

- FY17 salary adjustments for civilians and Fire civil service. Every 1% pay increase would cost the General Fund just over $300,000.

Improved Development Process

Progress:

- Installation of software, including electronic plans review, report writers, etc. at a cost of $362,425.
- Increased number of full-time employees by two for a Development Services Technician and an Engineer/Deputy Building Official for a total cost of $129,828.
- Adapted work stations to better serve customers.

Additional Need:

- Best practice review of processes, specifically zoning ordinance and form-based codes. Year one of three is proposed to cost $110,000.
- 2017 funding request for planning staff professional development of $3,902.

1. Other items needing Council direction

   For the 2016-17 budget, additional objectives, beyond Council's goals, are recommended to be addressed. Below is the summary for each item.

Health Insurance

The City of San Angelo currently contributes $5,510 per employee per year towards group insurance for employees who opt in to our health plan. Due to recent claims experience and the rising cost of prescription coverage, an increase to our self-insurance fund is necessary to maintain this benefit. This increase may be funded by an increased employer contribution, an increased employee contribution, or (likely) both. In a year where pay raises are uncertain, it would be desirable to fully fund the increase from the employer's contribution.

Retirement

The City of San Angelo provides a retirement benefit for eligible employees through the Texas Municipal Retirement System (TMRS). The employer contribution rate is proposed to increase to 17.59% effective January 1, 2017. Through TMRS's efforts to diversify the investment portfolio, we've actually experienced a lower rate than usual. This is our first increase in 6 years. The higher rate is based on the December 31, 2015 actuarial valuation. The cost of this increase is $87,964, $56,807 of which is for the General Fund. There is not an opportunity to lower this rate at this time.

Department Increases

Early in the budget process, department's expenses were set at a target amount equal to current payroll plus original FY16 operating budget. To maintain current levels of service, departments may identify funding needs by requesting an increase to their target.

Below are the requests that the city manager has identified as 'have to' items. Although additional items were submitted by department directors, they could not be considered at this time due to funding limitations.

Target Increase Requests Summary of 'Have To' Items	
1. **Operations: Vehicle Maintenance Increase for General Fund**	$352,600
1. **Parks and Recreation: Increased Water Rates**	$539,253
1. **Texas Bank Sports Complex: Increased Water Rates**	$336,000
1. **Fairmount Cemetery: Increased Water Rates**	$82,500
1. **Operations: Reorganization of Street and Bridge staff**	$57,508
1. **Parks and Recreation: Reorganization of Parks**	$16,169

	staff	
1.	**Municipal Court: Postage**	$3,300
Total		**$1,387,330**

Operations staff requested $352,600 from the General Fund for vehicle maintenance expenses. Recall that last year a new methodology for administering vehicle maintenance services to city departments was approved by the Council. A portion of that was funded last year from the General Fund and the remainder utilized the vehicle maintenance fund's reserves as a one-time solution. As we proceed with year two of this new program, it is necessary to fully fund the General Fund's contribution. Although not included in this list, it is important to note that all other funds have increased their budget to the necessary levels.

Requests were submitted by parks staff related to the increased water rates. A total of $957,753 was requested to maintain watering cycles for city parks, Texas Bank Sports Complex, and Fairmount Cemetery. Key staff have met to identify an alternative solution to funding this item while still preserving the assets in our parks system. Our hope is to resolve this issue without additional funding this budget cycle.

Operations staff has also requested $57,508 to fund the reorganization of Street & Bridge staff that was necessary after long-time staff retired.

Parks staff also requested $16,169 to fund a reorganization of staff for the new crew that was created last year. The new grounds keeping crew needs to be authorized the same hierarchy as other parks crew with 1 crew leader (increase), 1 senior maintenance worker (increase), and 2 maintenance workers (no change).

Municipal Court has requested $3,300 in increased postage for mailings. Due to recent events, the U.S. Department of Justice is now requiring courts to send more notifications regarding delinquent citations and warrants.

In summary, a total of $1,387,330 in department requests were categorized as 'have to' items. In an attempt to manage declining sales tax receipts, only items (e), (f), and (g) totaling $76,977 in funding requests are recommended for approval at this time.

Financial Impact:

None at this time.

Other Information/Recommendation:

None at this time.

Attachments:

1.	PowerPoint Presentation	FIN 160811 Budget Workshop 8-11-16.pptx
2.	Bluthardt Memo State Office Building	FIN 160811 Budget Workshop State Office Building.pdf
3.	Bluthardt Memo Fort Concho	FIN 160811 Budget Workshop Fort Concho.pdf

Presentation:

Yes

Approvals/Reviews:

Morgan Chegwidden	Created/Initiated
Theresa James	Approved
Anthony Wilson	Approved
Tina Carriger	Approved
Theresa James	Approved
Becky Dunn	Approved
Bryan Kendrick	Final Approval

City Council

August 11, 2016

2016-17 Budget

- Budget process and calendar

April	May	June	July
• Training • Revenue estimates	• Expense estimates • City manager reviews	• Finance reviews • Council memos	• Council memos

2016-17 Budget

- Budget process and calendar

August

- Workshop
- Public hearings

September

- Public hearings
- Adopt ordinances

Budget Workshop

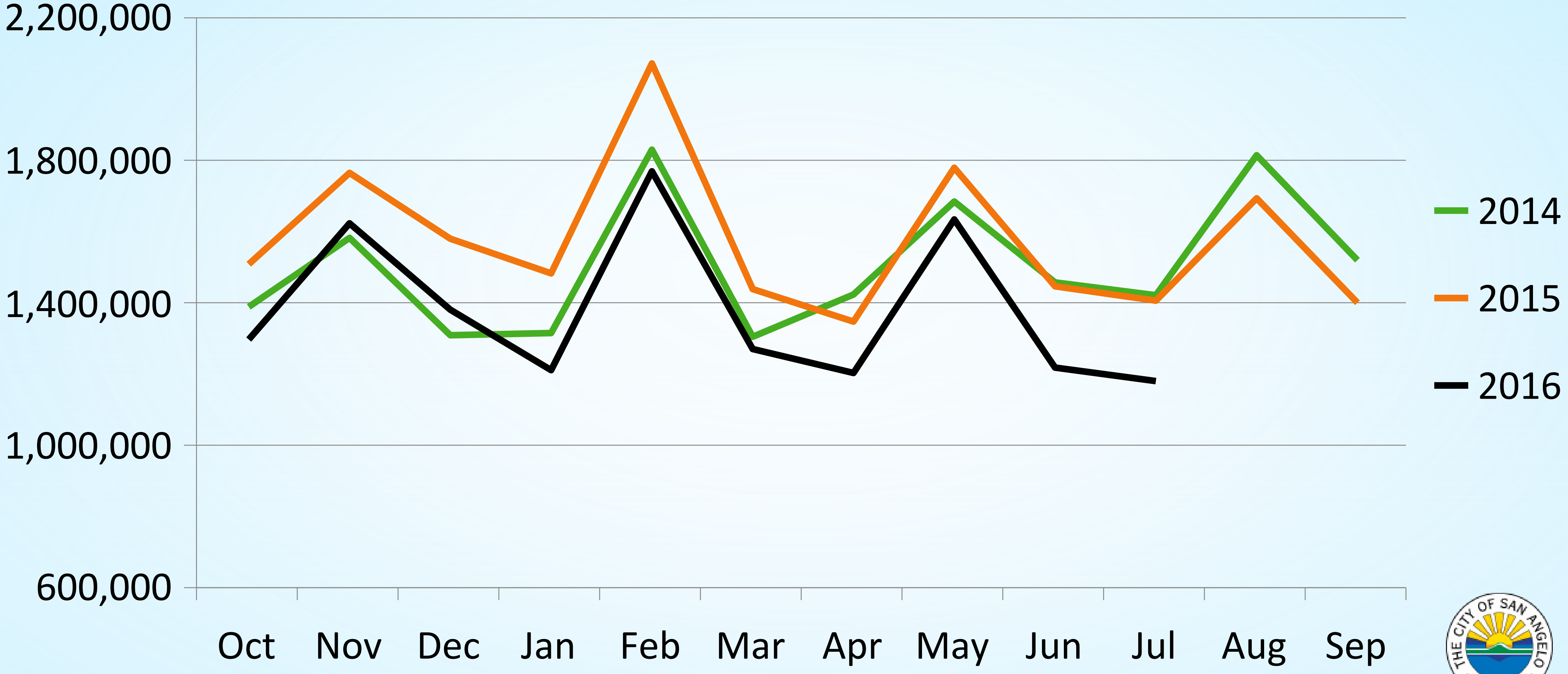
- Major funds revenue and expenditures
- General
- State Office Building
- Airport
- Stormwater
- Water
- Etc.

Budget Workshop

General Fund	2015-16	2016-17	Inc/(Dec)
Revenue			
Taxes	56,612,426	56,107,880	(504,546)
Other	12,991,484	13,536,569	545,085
Total Revenue	69,603,910	69,644,449	40,539

Budget Workshop

- Sales Tax



Budget Workshop

- Property Tax
- FY17 valuation certified at $4,724,833,904, or a 3.8% increase

Budget Workshop

General Fund	2015-16	2016-17	Inc/(Dec)
Expenditures			
Personnel	50,418,211	50,416,191	(2,020)
Operations	18,635,701	18,707,125	71,424
Capital	549,998	521,133	(28,865)
Total Expenditures	69,603,910	69,644,449	40,539
Rev Over/(Under) Exp	-	-	-

Budget Workshop

State Office Fund	2015-16	2016-17	Inc/(Dec)
Revenue			
Rent	1,220,096	1,230,000	9,904
Other	566	50,053	49,487
Total Revenue	1,220,662	1,280,053	59,391

Budget Workshop

State Office Fund	2015-16	2016-17	Inc/(Dec)
Expenditures			
Personnel	119,691	119,697	6
Operations	1,100,971	1,110,356	9,385
Capital	-	50,000	50,000
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Rev Over/(Under) Exp	-	-	-

Budget Workshop

Airport Fund	2015-16	2016-17	Inc/(Dec)
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Leases, Concessions	1,204,445	1,085,993	(118,452)
Other	305,269	304,768	(501)
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Personnel	789,609	743,241	(46,368)
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Capital	3,202	0	(3,202)
Total Expenditures	1,509,714	1,390,761	(118,953)
Rev Over/(Under) Exp	-	-	-

Budget Workshop

Solid Waste Fund	2015-16	2016-17	Inc/(Dec)
Revenue			
User fees	824,960	949,417	124,457
Other	1,302,416	620,891	(681,525)
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Operations	1,140,151	634,870	(505,281)
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Total Expenditures	1,271,429	1,000,228	(271,201)
Rev Over/(Under) Exp	855,947	570,080	(285,867)

Budget Workshop

Stormwater Fund	2015-16	2016-17	Inc/(Dec)
Revenue			
Fees	2,620,000	2,620,000	-
Other	100,538	117,635	17,097
Total Revenue	2,720,538	2,737,635	17,097

Budget Workshop

Stormwater Fund	2015-16	2016-17	Inc/(Dec)
Expenditures			
Personnel	1,182,616	1,190,553	7,937
Operations	834,945	831,985	(2,960)
Capital	702,977	715,097	12,120
Total Expenditures	2,720,538	2,737,635	17,097
Rev Over/(Under) Exp	-	-	-

Budget Workshop

Water Fund	2015-16	2016-17	Inc/(Dec)
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Sales	20,093,067	22,113,017	2,019,950
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Budget Workshop

Water Fund	2015-16	2016-17	Inc/(Dec)
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Personnel	5,990,329	5,975,178	(15,151)
Operations	16,465,872	14,433,893	(2,031,979)
Capital	875,032	2,443,014	1,567,982
Total Expenditures	23,331,233	22,852,085	(479,148)
Rev Over/(Under) Exp		2,720,364	2,720,364

Budget Workshop

Wastewater Fund	2015-16	2016-17	Inc/(Dec)
Revenue			
Charges	9,408,000	12,151,544	2,743,544
Other	310,581	302,677	(7,904)
Total Revenue	9,718,581	12,454,221	2,735,640

Budget Workshop

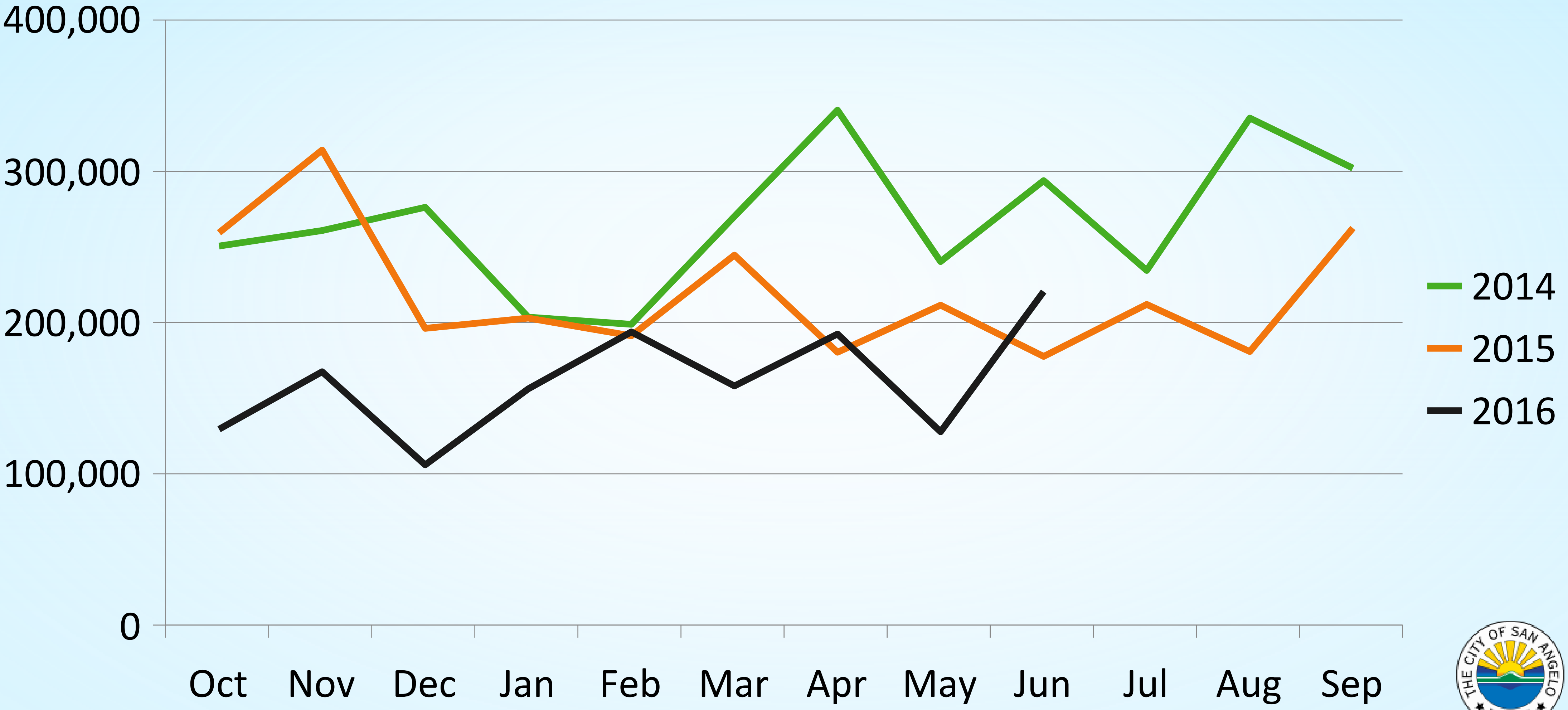
Wastewater Fund	2015-16	2016-17	Inc/(Dec)
Expenditures			
Personnel	2,073,507	2,072,692	(815)
Operations	7,595,897	7,847,677	251,780
Capital	49,177	1,336,004	1,286,827
Total Expenditures	9,718,581	11,256,373	1,537,792
Rev Over/(Under) Exp	-	1,197,848	1,197,848

Budget Workshop

Civic Events Fund	2015-16	2016-17	Inc/(Dec)
Revenue			
Hotel Tax	2,300,000	1,857,500	(442,500)
Other	646,506	616,948	(29,558)
Total Revenue	2,946,506	2,474,448	(472,058)

Budget Workshop

- Hotel occupancy tax



Budget Workshop

Civic Events Fund	2015-16	2016-17	Inc/(Dec)
Expenditures			
Personnel	709,498	751,330	41,832
Operations	1,663,850	1,705,732	41,882
Capital	23,158	17,386	(5,772)
Total Expenditures	2,396,506	2,474,448	77,942
Rev Over/(Under) Exp	550,000	-	(550,000)

Budget Workshop

Fort Concho Fund	2015-16	2016-17	Inc/(Dec)
Revenue			
Rent	385,000	405,000	20,000
Other	619,095	612,168	(6,927)
Total Revenue	1,004,095	1,017,168	13,073

Budget Workshop

Fort Concho Fund	2015-16	2016-17	Inc/(Dec)
Expenditures			
Personnel	713,179	719,185	6,006
Operations	289,916	295,710	5,794
Capital	1,000	2,273	1,273
Total Expenditures	1,004,095	1,017,168	13,073
Rev Over/(Under) Exp	-	-	-

Budget Workshop

- Council priorities
- Water infrastructure and supply
- Streets infrastructure
- Police station
- Salaries adjustments
- Development process

Budget Workshop

- Water infrastructure and long term water supply
- Progress
- Feasibility study and phase I piloting complete on Wastewater Reuse Project
- Feasibility study complete on Red Arroyo Detention Pond
- Continued investment in existing infrastructure
- Continued participation in West Texas Water Partnership

Budget Workshop

- Water infrastructure and long term water supply
- Additional Need
- Continued development of water supply
- Additional investment in existing infrastructure

Budget Workshop

- Streets: Renewed Infrastructure
- Progress
- Achieved an 8-year maintenance cycle, including new crew
- First of five bonds issued

Budget Workshop

- Streets: Renewed Infrastructure
- Additional Need
- Expand street maintenance services
- Reconstruction of additional fail(ed) streets

Budget Workshop

- Police Station: Replace with new or refurbish
- Progress
- 2011 Needs assessment
- Acquisition of possible site approved

Budget Workshop

- Police Station: Replace with new or refurbish
- Additional need
- Rehabilitation or construction
- Obtain voter approval to fund

Budget Workshop

- Salaries: Adjustment to market
- Progress
- FY14 salary adjustments for most civilians of 2.5%
- FY15 salary adjustments for civilians of 5%, Police and various Fire of 6.74%

Budget Workshop

- Salaries: Adjustment to market
- Progress continued:
- FY16 salary adjustments for civilians of 5.12%, Police and Fire of 6.26%
- FY17 salary adjustments for Police proposed at levels from 7.31% to 9.68%

Budget Workshop

- Salaries: Adjustment to market
- Additional need
- FY17 salary adjustments for civilians and Fire civil service if funding is available

Budget Workshop

- Improved development process
- Progress
- Increased number of FTE by two
- Adapted work stations to better serve customers
- Installing software including electronic plans review, report writers, etc.

Budget Workshop

- Improved development process
- Additional need
- Best practice review of processes, specifically zoning ordinance and form based codes
- 2017 funding request for planning staff professional development

Budget Workshop

- Other priorities and goals
- Health insurance
- Retirement
- Department increases

City Council

August 11, 2016

FORT CONCHO
NATIONAL HISTORIC LANDMARK
630 S. OAKES STREET
SAN ANGELO, TEXAS 76903-7013

Norma Preston

HEADQUARTERS

RESTORATION, PRESERVATION AND MUSEUM

August 5, 2016

To: Mayor & City Council

From: Bob Bluthardt
Site Manager/Fort Concho

Re: FY 2017 State Buildings Budget

The State Buildings refer to the Chase State Office Building on South Oakes Street and the Workforce Building nearby on Henry O. Flipper Street. The spaces have been owned by Fort Concho/City of San Angelo for many years and their renovated spaces are managed within a separate Fund 201.

Combined they comprise 105,000 square feet of functioning office space. The FY 2017 budget for these structures will support a two-person staff, all utilities, cleaning light maintenance, and payments to Fort Concho. Revenue is steady but does not dramatically increase as it is tied to a ten-year lease.

Many improvements have been made to both buildings in recent years, both cosmetic and structural. The Workforce Building has new flooring and carpet, and substantial parts of the Chase Building had carpet and flooring replaced. The Chase Building sprinkler system was repaired and brought back to code last year and a new cleaning vendor is keeping agencies content.

Future issues are predictably maintenance related. Small areas of the Chase Building have some carpet needs, but the big ticket issue will be the forty HVAC units on the roof that are nearing replacement age. A targeted plan over 5 to 10 years can meet this challenge by using re-directed revenue from the debt service starting in 2018.

Both buildings remain comfortable and serviceable. Keeping them in the best condition should be a top priority as the two buildings are key assets that serve both our citizens and Fort Concho. And as both leases come up for a potential ten-year renewal, we want to be in position to accommodate that in a few years.

Administrative offices - (325) 481-2646, Library - (325) 657-4442, Special Events - (325) 657-4441, Tour Info. - (325) 657-4444,
Education - (325) 657-4443, Sutler's Store - (325) 657-4444, Collections - (325) 657-4440, Maintenance - (325) 657-4447, Fax - (325) 657-4540

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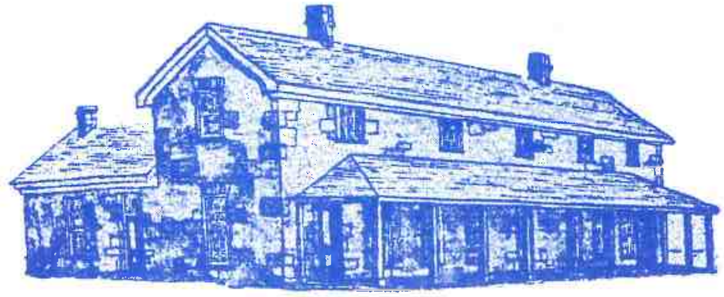

HEADQUARTERS

RESTORATION, PRESERVATION AND MUSEUM

August 5, 2016

To: Mayor & City Council

From: Bob Bluthardt
Site Manager/Fort Concho

Re: FY 2017 Budget for Fort

Fort Concho's FY 2017 Budget will continue to move the site ahead with progress on building & grounds improvements, a wide range of public programs, a high level of community service and cooperative ventures with our many partners, and a series of special events that will keep us solvent and contribute to the city's tourism economy.

The site will function, pending a fall-2016 hire, at a full staff level. Despite some downturn in the local economy, we anticipate creating sufficient revenue to meet our needs, and we appreciate the city's General Fund support. Its share of our operating budget has remained at about 1/3 of our needs, and we will cheerfully acquire the other 2/3 within a wide range of revenue opportunities. Rentals of our facilities, of course, has become a growth area that we will continue to push. Public and private funding of improvements at Quartermaster, Commissary, and the Stables have greatly improved our programs, rentals, and services.

The current and future challenges remain the maintenance of the historic buildings and grounds. With a full maintenance crew and some volunteer cadres we have and will continue to close the gap on deferred projects, but we do need to serious assess our many roofs that approach replacement age. These can be tackled in a five-to-ten year plan at little extra budget cost by using some re-directed revenue at the State Buildings that will become available in 2018 upon the repayment of outstanding debt. This long-range plan can also include some additional issues as the dozens of windows that need serious work.

We look forward to a nearly fully funded renovation of Officers' Quarters 1, a renovation of Barracks 1 & 2 as a new visitor center that is already funded at $1,000,00, and a very exciting project to rebuild Barracks/Mess Halls 3-4 for which we have received $2 million. We will always be on the hunt for more private capital to maintain and improve the site.

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