



BEXAR COUNTY FY 2017-18 ADOPTED ANNUAL BUDGET

This budget will raise more revenue from property taxes than last year's budget by an amount of \$19,269,585, which is a 5 percent increase from last year's budget, and of that amount \$9,129,378 is tax revenue to be raised from new property added to the tax roll this year.

Record Vote:
Item – 4d
September 12, 2017
Budget & Finance Department

The Court hereby ordered and approved a motion adopting the Bexar County FY 2017-18 Proposed Operating and Capital Budget including the proposed changes documented in the memorandum from the Budget Officer dated September 12, 2017. (Record)

A motion was presented by County Commissioner Paul Elizondo, duly seconded by County Commissioner Sergio "Chico" Rodriguez, which motion was voted on as follows: Commissioners Rodriguez, Elizondo, Wolff, Calvert, and Judge Wolff voting "Aye".

Tax Rate per \$100	Fiscal Year 2017	Fiscal Year 2018
Property Tax Rate	\$0.308950	\$0.304097
Effective Tax Rate	\$0.299124	\$0.299816
Effective Maintenance & Operations Tax Rate	\$0.230543	\$0.231256
Rollback Tax Rate	\$0.321934	\$0.328019
Debt Rate	\$0.072950	\$0.066847

Total amount of County debt obligations: \$1,672,900,000.

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Bexar County Adopted Budget Fiscal Year 2017-18

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COUNTY OF BEXAR



ADOPTED ANNUAL BUDGET FISCAL YEAR 2017-18 OCTOBER 1, 2017 – SEPTEMBER 30, 2018

COMMISSIONERS COURT

NELSON W. WOLFF
County Judge

SERGIO "CHICO" RODRIGUEZ
Commissioner, Pct 1

KEVIN WOLFF
Commissioner, Pct 3

PAUL ELIZONDO
Commissioner, Pct 2

TOMMY CALVERT
Commissioner, Pct 4

PREPARED BY THE OFFICE OF THE COUNTY MANAGER- BUDGET DEPARTMENT

DAVID SMITH, COUNTY MANAGER/BUDGET OFFICER

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JOHN BOWNDS	JANET GUADARRAMA	ALEXANDRIA MILLAN
KRISTINA BRUNNER	VALERIE GUERRA	ADRIENNE NUNEZ
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ALLEN CASTRO	THOMAS GUEVARA	AIMEE REYES
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TANYA GAITAN	PAUL MATYE	JOSE TOSCANO
JIM GONZALEZ	IAN MAURER-STOTHERT	KATHRYN WHITCOMB

REVENUES PREPARED BY THE AUDITOR'S OFFICE
SUSAN YEATTS, COUNTY AUDITOR

Bexar County
Mission Statement



Our mission is to build a better
community through quality services.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**County of Bexar
Texas**

For the Fiscal Year Beginning

October 1, 2016

Executive Director

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OFFICE OF THE COUNTY MANAGER
101 W. Nueva, Suite 1024
San Antonio, Texas 78205
(210) 335-2405 / Fax: (210) 335-2683



David L. Smith
County Manager

To the Honorable Commissioners Court
Bexar County, Texas

This document contains the budget as adopted by Commissioners Court for Fiscal Year FY 2017-18. The adopted budget document has been updated to reflect changes made by Commissioners Court to the Budget Officer's Proposed Budget. All of the changes made to the proposed document are described in a memo to Commissioners Court included in the Appendices section of this document.

The FY 2017-18 Adopted Budget for all funds totals \$1.76 billion is a decrease of 3.6 percent when compared to last fiscal year's adopted budget. The FY 2017-18 Adopted Budget for the General Fund totals \$531.1 million, or a 7.1 percent increase when compared to last year's General Fund budget, primarily due to enhancements to service delivery and employee compensation as described throughout this document.

The Bexar County FY 2017-18 Adopted Budget is balanced at a tax rate of \$0.304097 per \$100 valuation, which is \$0.004281 more than the effective tax rate of \$0.299816 per \$100 valuation. The new tax rate of \$0.304097 per \$100 valuation is 1.6 percent less than the previous year's tax rate. The FY 2017-18 Adopted Budget includes 93 net new positions and 32 reclassified positions. The annualized cost of these recommendations is \$7.5 million.

Copies of the Court Orders setting the tax levies for tax year 2017 and adopting the budget for FY 2017-18 are provided in the Appendices section of this document.

The staff of the County Manager's Office is eager to work with Elected and Appointed Officials to help implement the programs and initiatives outlined in the FY 2017-18 Adopted Budget as approved by Commissioners Court.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Smith", written over a horizontal line.

David Smith
County Manager/Budget Officer



Office of the County Manager

Paul Elizondo Tower, Suite 1021

101 West Nueva

San Antonio, Texas 78205

To the Honorable Commissioners Court

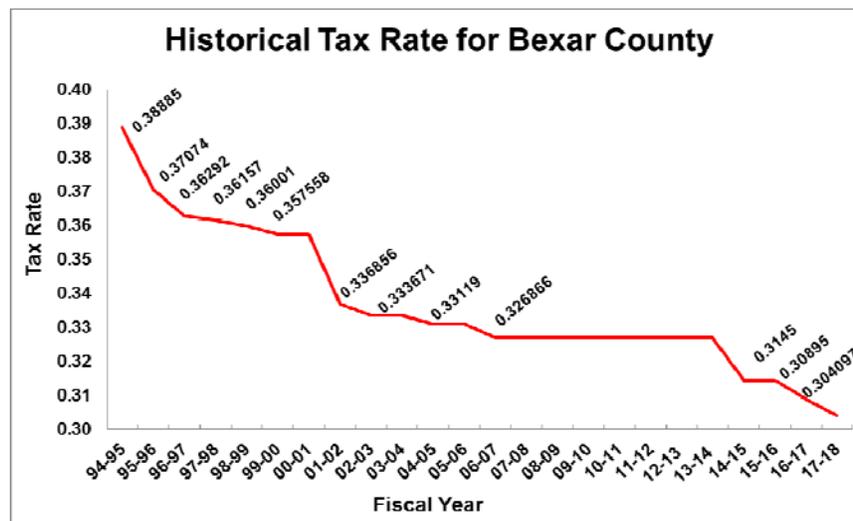
Bexar County, Texas

BUDGET MESSAGE

INTRODUCTION

I am pleased to submit for your consideration the Bexar County FY 2017-18 Adopted Budget. Based on certified appraised property values reported by the Bexar Appraisal District, values increased by nearly 8 percent, or \$10.9 billion. Property values on existing properties are projected to increase by \$7.2 billion, and new construction will generate \$3.7 billion in additional value.

Last fiscal year, I recommended, and Commissioners Court adopted, a tax rate lower than the previous year's rate, limiting property tax revenue growth to 6 percent and saving taxpayers \$7 million in FY 2016-17 alone. For FY 2017-18, in accordance with Commissioners Court direction, this budget is balanced at a tax rate of \$0.304097, or a decrease of \$.004853. This rate represents 5 percent growth in property tax revenues. The Court gave this direction in light of potential legislative changes that could have mandated a lower rollback tax rate of as little as four percent growth



As the above graph highlights, the Commissioners Court has not increased the County's tax rate in over two decades, and in fact has decreased it over 20 percent, while expanding services for our growing community. I want to congratulate the Court on this record of fiscal responsibility that is unmatched by any comparable government entity in the state. This reduction of the County's tax rate, when coupled with the Senior Citizen Tax Freeze and Disabled Veterans' exemption approved by the Court, means that

taxpayers will save over \$134.8 million next year alone. This is being accomplished while increasing services and fairly compensating our employees. It is this fiscal prudence and stewardship that have helped our County achieve and maintain a AAA Bond rating (the highest level of creditworthiness) from all three major bond rating agencies.

BUDGET OVERVIEW

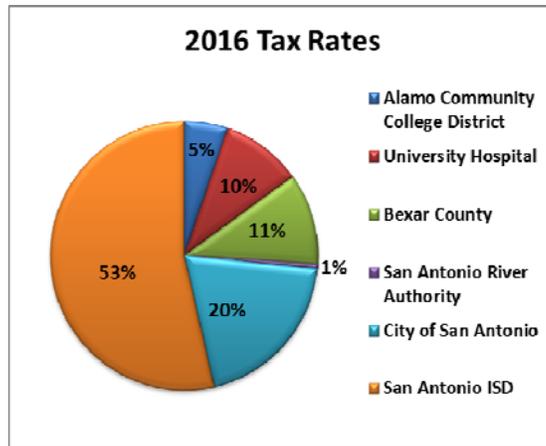
The FY 2017-18 Adopted Budget totals \$1.76 billion for all funds, which represents a \$67.7 million decrease from the FY 2016-17 Adopted Budget.

The FY 2017-18 Adopted Budget provided program changes in all funds, which included 82.5 net new positions, 35 reclassified positions, for an overall cost of approximately \$7 million. The program changes in the General Fund included a net of 73.5 new positions and 34 reclassified positions. The annualized cost of these recommendations is \$6.3 million. The program changes in Other Funds included a net addition of 9 positions and 1 reclassified position for an annualized cost of about \$771,000.

THE 85th LEGISLATIVE SESSION

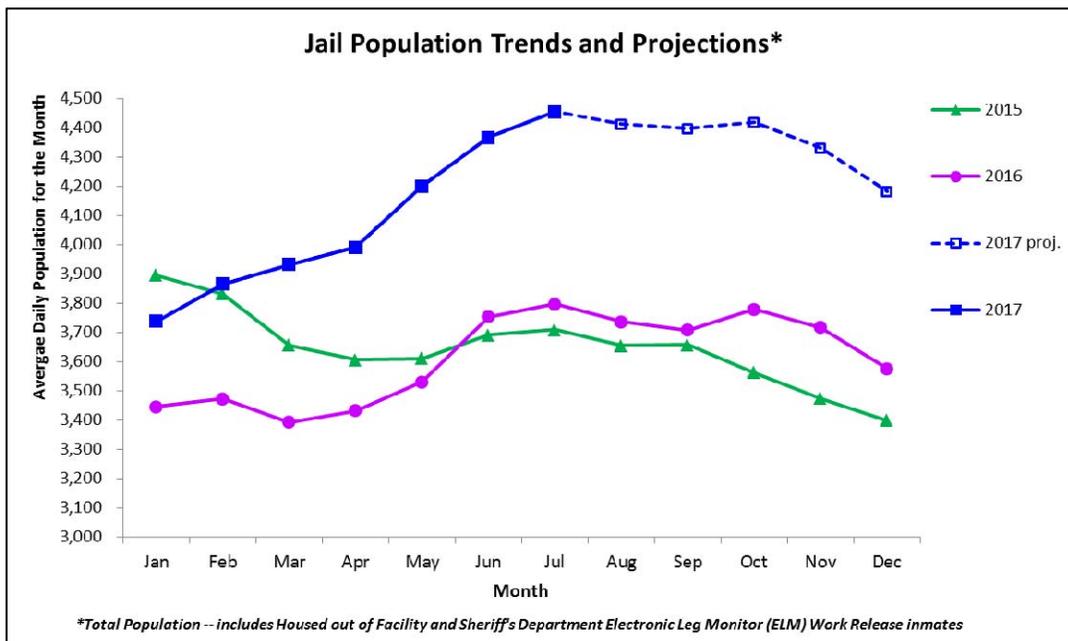
This year, Governor Abbott called a special session to address issues that were not resolved during the 85th regular session. Tax “relief” for property owners in Texas was a major focus during the regular session, as well as during the special session. Legislation was filed, which, if it had passed, would have negatively impacted the amount of ad valorem property tax revenue available to the County in future years.

The intent of the proposed legislation was to produce significant property tax savings to taxpayers. Unfortunately, taxpayers on average would not have actually seen any net relief, as much of the property tax reform legislation focused on city and county taxes and not school district taxes, which make up the majority of property tax bills. In fact, the State budget for its contribution to school districts assumed an increase in local school district property taxes of over 13 percent over the budget biennium. In other words, even if the proposed rollback rate reduction had been imposed, the average taxpayer will not see a savings, but in fact would have seen a net increase in their tax bill, because school district property taxes comprise over 50% of their total bill, while the City and County account for less than a third.



JAIL POPULATION

Over the past few years, average daily jail population has remained relatively low, staying below 3,800 inmates and hitting a low of close to 3,400 inmates at the end of 2015. However, since January of 2017, jail population has steadily increased, reaching a high of almost 4,500 in July 2017. This jail population level is projected to continue through the end of calendar year 2017. Several factors are contributing to higher jail population, including increases in felony arrests, violent crimes, drug related arrests, Motions to Revoke Probation and the arrest of parolees.



In January 2017, the Sheriff's Office, San Antonio Police Department, District Attorney's Office and other federal partners formed the Violent Crime Task Force Initiative. The purpose of the task force is to track and arrest violent offenders with a significant criminal history. Over the first 6 months of 2017, the task force arrested over 2,000 individuals for a variety of felony offenses. Due to the seriousness of the alleged crimes and the criminal histories associated with these individuals, they are rarely able to obtain bonds and be released from jail.

Another source of the rise in jail population is an increase in the number of individuals being booked for the violation of terms of probation or parole. These inmates are not eligible to bond out of jail and will not be released until the State probation and parole processes are complete. It is estimated that the impact is 100-200 inmates per day. The Judicial Services Department is working with the Community Supervision and Corrections Department (CSCD) and Parole Department to determine where efficiencies can be gained to get these individuals released more quickly, where appropriate.

In April 2017, the Commissioners Court approved a pilot project creating a new Felony Jail Impact Court and a Part-time Felony Plea court. The purpose of these courts is to hear the cases of defendants in jail who request either a trial or a plea bargain. Thus far, the courts have adjudicated 412 cases and 132 inmates have been released. Funding to continue these two courts is provided in the FY 2017-18 Adopted Budget.

Funding in the amount of \$906,065 is provided for Paralegal positions in the District Attorney's Office. These new positions will be utilized to help streamline the Intake process for cases filed with the District Attorney's Office. The Paralegals will be responsible for ensuring all discoverable material is collected and distributed to defense counsel. This will allow Prosecutors to focus their time on legal analysis and trial preparation, thereby resulting in a more timely and thorough case process. The District Attorney's Office conservatively estimates the addition of these new positions will result in a reduction of 10 resets per week, per court which, in turn, should result in jail bed savings of 100 per day.

Another initiative of the District Attorney's Office is the formation of a Vehicular Crimes Unit. This new unit will replace the existing DWI Task Force and handle DWI cases, as well as cases where there is no evidence of intoxication, but vehicular negligence is a factor. According to the District Attorney's Office, the addition of these positions will result in faster time to indictment and case resolution, which in turn will result in jail bed day savings. Funding in the amount of \$291,396 for two Prosecutors, one Investigator and one Advocate to support this initiative is included in the Adopted Budget.

Other jail population reduction strategies include working with the District and County Court-at-Law Judges to expand the use of personal recognizance bonds, increasing the number of defendants released on GPS devices and implementation of a new Felony Mental Health Court docket.

It may take time for these strategies to actually have a positive impact on jail population. Therefore, the Budget provides funding in the amount of just under \$4 million in FY 2017-18 to be used for filling vacant uniformed officer positions in the jail (based on jail population levels), costs to house Bexar County inmates at other detention facilities, and overtime pay, as required to meet Texas Commission on Jail Standards Guidelines.

PUBLIC SAFETY

The Sheriff's Office (BCSO) is by far the largest Public Safety component of our County's annual budget, and accordingly most of the recommended new public safety investments are associated with the BCSO's funding requests. In total, this budget included \$2.1 million in new or expanded programs for the BCSO. In developing the budget, I have focused my recommended funding allocations on initiatives that help reduce the average response time to calls for service. The BCSO's top priority request is also one that will most reduce response times, a request for additional public safety dispatchers. Eleven new positions are approved for the Public Safety Communications Center, including Public Safety Dispatchers, Operators and a Supervisor. This is in keeping with the Court's past investment in emergency dispatch services,

including salary increases, a career ladder, a new facility and state-of-the-art technology. The addition of these positions will reduce the number of abandoned calls and increase the number of calls answered in less than 10 seconds.

The Adopted Budget also puts more officers “on the street” by authorizing and funding 20 new uniformed Law Enforcement positions in the BCSO budget. Ten of these new positions are for patrol, and are expected to be filled by the middle of the fiscal year. The authorized positions also include funding for a new Community Oriented Policing program from Sheriff Salazar. Across the country, we have seen police and community relations deteriorate, resulting in some cases in increased violence and hostility toward law enforcement. Although not as bad as in some cities, our community has not been immune to this. Accordingly, the Adopted Budget starts this new function with four new Law Enforcement Officers. One Deputy will work in each County precinct, coordinating closely with the County Commissioners’ office for each precinct, to proactively engage the communities in the unincorporated areas of Bexar County, allowing law enforcement and the community to share responsibility for identifying, reducing, eliminating and preventing problems that impact community safety.

OPIOID TASK FORCE

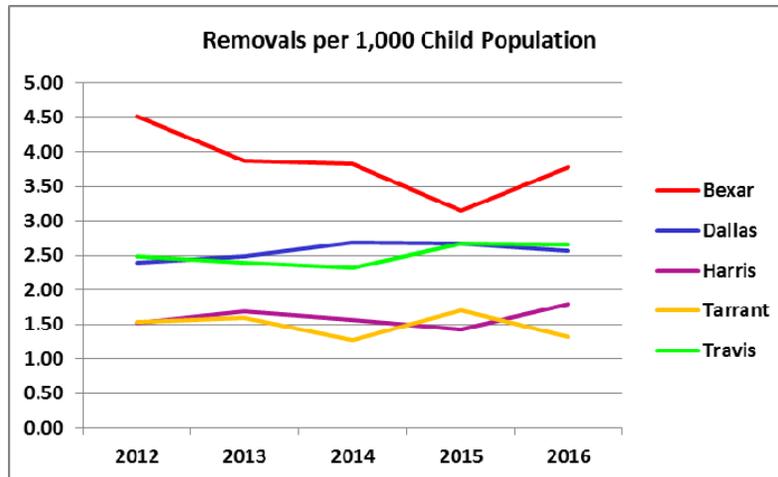
The opioid epidemic is a national public health crisis. In 2015, there were 33,000 opioid-related deaths in the United States and 1,186 in Texas. In Bexar County, nearly half of 2015 overdose deaths were opioid deaths. This public health and safety issue has a significant impact on Bexar County government, as it is responsible for the University Hospital System, the criminal justice system and the jail.

On June 20, 2017, Commissioners Court approved the creation of a task force to fight the opioid epidemic. The task force will consist of local health care providers, public safety officials, nonprofits, and policymakers. The task force will make recommendations to the Bexar County Commissioners Court, the State of Texas, and the U.S. federal government on how to more effectively combat the opioid epidemic.

CHILD ABUSE AND NEGLECT

Over the past few years, several initiatives have been implemented to help improve outcomes for children in Bexar County who are victims of abuse and neglect. In FY 2014-15, Bexar County created the Child and Family Court Division of the Civil District Courts to decrease time to disposition of child abuse and neglect cases. Also in FY 2014-15, a Family Based Safety Services (FBSS) pilot program was implemented whereby screening tools would be improved and service plans would be developed to keep families out of the legal system. Last year, Commissioners Court approved reallocating \$1.5 million from Texas Department of Family and Protective Services (TDFPS) to the Children’s Court and the District Attorney’s Office for management of the Early Intervention docket, the Family Drug Court docket, Suits Affecting Parent-Child Relationship docket, the overflow of the current Children’s Court.

Despite these past actions, Removals (children removed from the home due to suspected abuse and/or neglect) are abnormally high when compared to other counties in the State. In fact, Bexar County (population 1.9 million) removes almost as many children as the State’s largest county, Harris County (population 4.5 million). Clearly, something in our child protection system in Bexar County is very different in operation and application than in other major Texas counties.



Beginning in FY 2016-17, the Economic and Community Development Department began evaluating the initiatives in place and working with the Child Welfare Board to develop an enhanced family based safety services intervention program geared towards extinguishing neglectful behavior. This work will continue into FY 2017-18 and will include a thorough review of the child welfare system in Bexar County and an examination of how County resources, to include housing, treatment, talent development and career training, can be best deployed in a more comprehensive, preventative approach in addressing this community problem. Once the review is complete, I will present a recommendation to Commissioners Court regarding how to improve outcomes for Bexar County children.

Until this analysis is completed, and any appropriate changes implemented, unfortunately the large number of removal cases in our children’s court system continues. The Adopted Budget therefore includes funding to the District Attorney’s Children’s Court function of \$485,220 for 3 additional prosecutors, 1 Investigator and 2 support staff to keep up with this expanding caseload.

JUVENILE PROBATION

In 2003, the United States Congress unanimously passed the Prison Rape Elimination Act (PREA) to support the elimination, reduction and prevention of sexual abuse and sexual harassment within correctional facilities/systems. PREA requires that a facility maintain a 1:8 staff to resident ratio during waking hours and a 1 to 16 ratio during sleeping hours. According to the Juvenile Probation Department, the existing staff to resident ratio is 1 to 12 during waking hours and 1 to 16 during sleeping hours. In order to comply with PREA, the Juvenile Probation Department will need to meet the new ratio by October 1, 2017.

Funding in the amount of \$1.2 million is placed in contingencies in anticipation of the need for additional staff for Juvenile Detention. The number of new positions funded will be determined through a joint staffing study conducted by the Budget Department and Juvenile Probation. Recommendations in the study will be presented to Commissioners Court for approval.

BEXAR COUNTY INFORMATION TECHNOLOGY STRATEGIC PLAN

In late FY 2015-16, Bexar County contracted with IBM to conduct a thorough review of the Bexar County Information Technology (BCIT) Department and to develop a 5-year Strategic Plan. Phases 1 and 2 are

complete, with the hiring of a new Chief Information Technology Officer (CITO) and a reorganization, resulting in an optimal departmental structure. New service units include Project Management, Enterprise Strategic Services, IT Infrastructure Services, and Enterprise Business Solutions.

Now that the necessary staffing component has been established, BCIT will implement the larger-scale technology recommendations in the plan. The County's Enterprise Data Center (EDC) will be moved to a more secure site and facility. A consultant will assist with the process and develop an action plan, risk assessment analysis, and master plan for the move. Additionally, BCIT will move appropriate workloads to hosted "cloud" solutions to increase flexibility, reduce risk and optimize delivery of IT services. The Adopted Budget continues funding for these projects in the amount of \$20 million.

A major technology project in FY 2017-18 will be implementation of a new County Integrated Justice System (eCIJS). A Request for Proposals for an eCIJS vendor will be released and a vendor selected in FY 2017-18. The main goal of the eCIJS project is to replace the County's mainframe system and to automate manual and inefficient processes related to jail management, case management, attorney management, and court management.

ECONOMIC DEVELOPMENT

The economic landscape is changing from large traditional brick and mortar projects with heavy capital investment and large job creation numbers. Instead, contemporary economic development projects are much smaller. Their impact is instead felt in the aggregated and oversized effect they have on our community.

To assist this new economic development model, the County has continued with its highly focused and effective Innovation Fund. In FY2016-17, sixteen projects or initiatives were approved. This fund supports cutting-edge startups and mid-growth companies like Easy Expunctions and Capture RX. The programs also fund crucial workforce and talent development projects like the Veteran's tech training cohort at Open Cloud Academy (in partnership with Project Quest), and the Chief Talent Recruitment Office (in collaboration with Tech Bloc).

Innovation Fund grants of \$463,000 have supported an aggregate 383 new or retained jobs in the high tech sector, all of which are located in the central city. An additional \$342,261 has funded six tech sector workforce training, recruitment and retention initiatives. Three grants totaling \$25,000 were made in support of initiatives that promote the local tech sector in the region and beyond to help ensure we remain attractive to tech companies and tech talent alike.

Since much of the tech industry growth occurs in the downtown area, the County continues to fund market-rate multifamily projects to meet that need. In FY2016-17, the County's tax abatement program helped to secure 1,124 new apartments across downtown.

All high value industries across the country face crucial workforce deficits. To overcome such deficits in the local market, the County has been very active in developing novel and effective private-sector driven initiatives. In addition to the tech sector workforce initiatives mentioned, the County has helped greatly expand the industry-led Texas Federation for Advanced Manufacturing Education (TX FAME). TX FAME is a proactive effort bringing industry and workforce providers together to collaboratively and effectively resolve skilled technician workforce deficits. The initial effort is funded with a \$169,750 grant in partnership with Brooks, and will result in a tripling of the number of new trained robotic technicians in 2017 through the County's Robot Technician initiative, as well as increasing participation in the existing

Advanced Manufacturing Technology program cohorts at St. Phillip's College from 20 to 40.

Finally, to further emphasize the shift in the economic development landscape, only one traditional tax abatement project occurred. However, it was an important one. Hulu, a rapidly growing "new media" company operating in the entertainment technology space selected Bexar County for its new Viewer Operations Headquarters. The project brought 500 new good paying jobs with a great employee benefits package.

Bexar County Tricentennial Celebration

On May 19, 2015, Bexar County Commissioners Court passed a resolution recognizing the enduring significance of the Heritage of Bexar County and its citizens and descendants, and the 300th Anniversary of its Spanish Colonial founding in 2018.

In preparation for the upcoming Tricentennial Celebration in May 2018, commemorating the founding of San Antonio de Bejar, Bexar County is organizing several exciting, scholarly and family friendly events. In preparation for the event, Bexar County is hosting several Tricentennial Symposiums, featuring national and international experts on the Spanish Colonial Era. In 2018, Bexar County, in partnership with numerous suburban cities, will convene a history event in Main Plaza, showcasing electronic history recordings and displays highlighting the evolution of San Antonio de Bejar. A fireworks display to be viewed from Mission portals, and family entertainment and music will be featured along the Mission Reach of the San Antonio River. Finally, the grand opening and ribbon cutting of the restored, historic San Pedro Creek will culminate the celebration of our county's birth. An invitation to the Duque and Duquesa de Bejar to join the festivities has been extended so they may participate in the celebration.

EMPLOYEE COMPENSATION AND BENEFITS

Over the past five years, Commissioners Court has made significant investments in employee compensation. The Livable Wage has increased from \$9.76 per hour to \$13.75 per hour for Fair Labor Standards Act (FLSA) Non-Exempt employees in the last two fiscal years. Two pay table studies were implemented, resulting in a 12 percent average increase for FLSA Non-Exempt employees and a 7 percent average increase for FLSA Exempt employees. And, anyone not impacted by Livable Wage or a pay table study received at least a 2 percent Cost of Living Adjustment (COLA).

To continue this commitment to grow the County livable wage level, the Adopted Budget includes funding to increase the Livable Wage from \$13.75 to \$14.25 per hour.

In accordance with the pay table study schedule, an Exempt Pay Table study was conducted this year for implementation in FY 2017-18. Results show that employees on Table E would receive an average increase of 5.8 percent. Funding for implementation is included in the FY 2017-18 Adopted Budget, as well as funding for a 3 percent Cost of Living Adjustment for employees not impacted by Livable Wage or the pay table study.

Collective Bargaining

The collective bargaining agreement between Bexar County, the Sheriff and the Deputy Sheriff's Association of Bexar County (DSABC) was finalized in January 2017. Funding in the amount of \$2.6 million is included in the FY 2017-18 Adopted Budget, representing the full year's cost of a 2.5 percent increase in base wages, as well as other negotiated allowances and incentives.

Health Insurance

Last fiscal year, Commissioners Court implemented several changes to employee health insurance plans in an effort to control health care costs, including a 17 percent increase in premiums for employees participating in the Premium Preferred Provider Organization (PPPO) and the Base Preferred Provider Organization (BPPO) Health Care plans. These changes became necessary after four years with no changes to the cost of health care to employees. In an effort to lessen the year-to-year impact to covered employees, Commissioners Court directed staff to bring forward recommendations for lower, more manageable increases on an annual basis. Therefore, this year's budget contains a 4 percent increase to health insurance premiums on all plans, or an average of \$99.46 per year (\$8.29 per month) per employee.

LYFT Transportation Benefit

In Spring 2017, Commissioners Court authorized an agreement between Bexar County and LYFT. Under the agreement, county employees have access to a LYFT credit of \$45, which they can use at any time for any travel needs. Over 1,000 employees have taken advantage of this new transportation option, allowing them to save on transportation expenses. This has been especially important and valuable, as the demand for parking downtown has increased, while the supply has decreased. This county initiative, in its second year, continues to help spur economic, environmental and community benefits.

CAPITAL IMPROVEMENT PROJECTS

Facilities

New funding in the amount of \$31.7 million is allocated for new and existing capital projects. Major projects include a County/Center for Health Care Services Mental Health Facility (\$22 million), Adult Detention Center Systems Replacement (\$14.4 million), Enterprise Data Center Relocation (\$20 million) and a Public Works Headquarters Facility. Funding is also included for \$14.2 million in smaller facility improvements and equipment purchases, \$4.67 million for new technology and \$2.5 million for park improvements.

Road Projects

New funding in the amount of \$46 million is provided for new road projects, including the Highland Oaks subdivision street reconstruction (\$2.6 million), letting of the State Highway 211 Pass-thru project (\$23 million), and funding for a second access for the Texas Toyota Manufacturing Plant to enable future potential expansion(\$20 million).

It should be noted that in addition to this County's direct contribution to road projects, the Commissioners Court has also authorized and approved funding for nearly \$180 million in road projects working through the Alamo Regional Mobility Authority (ARMA). These projects include

Project	Budget
Fischer Road Phase II	\$4,097,065
Old FM 471/Talley Road	\$10,500,000
Talley Road Phase I	\$13,500,000
Watson Road Phase II	\$3,784,300
W. Military Drive	\$3,042,000
Blanco Road Phase II	\$7,335,000
Evans Road Phase I	\$10,100,000

Evans Road Phase II	\$9,700,000
Candlemeadow	\$4,871,176
Foster Road Phase III	\$9,945,000
TxDOT 1 – Loop 1604 South	\$10,000,000
TxDOT 2 – FM 471	\$10,500,000
TxDOT 3 – FM 1516	\$11,750,000
TxDOT 825 – Loop 1604 West to Highway 90	\$70,000,000
Total	\$179,124,541

Flood Control

Over the past several years, Commissioners Court has allocated \$500 million for flood control projects all over the County for its 10-year Flood Control program. The program is nearing completion and statistics demonstrating success of the of the program are currently being finalized and will be presented to Commissioners Court as a final report card this fall. To date, we estimate that the program has removed almost 1300 structures from the flood plain, improved approximately 65 low water crossings, installed 142 high water detection systems known as HALT and launched a real-time website to inform the traveling public when water is over the road.

However, during this budgeting process, Bexar County and the State of Texas were confronted with a demonstration of the limits of flood control engineering and construction when faced with the full force of nature’s wrath. Hurricane Harvey devastated much of the Texas Coast near Corpus Christi and Aransas County, and flooded much of East Texas and the state’s largest city, Houston. In fact, Bexar County was told at one point in the preparations for the storm to expect the worst flooding our community had ever experienced. Let me take this opportunity to highlight the dedication and professionalism displayed during the storm by our Bexar County first responders, including the Sheriff’s Office, our Public Works crews, and the Office of Emergency Management team. Their commitment to their work is truly inspiring, and serves as a model for all of us in public service.

Although our county was spared the worst of Hurricane Harvey, had the storm moved only a few miles farther north or west, the impact here could have been very bad indeed. With this in mind, and noting that we are wrapping up our 10 year, \$500 million County flood control program, I believe that this upcoming fiscal year is an appropriate time to review the most cost-effective way to deliver flood control in the future, with more limited funding. With a focus on saving lives, we will start by examining the expansion and enhancement of Bexar County’s HALT system. This state-of-the-art low water crossing and flash flood road warning system has been instrumental in saving lives already. Before recommending any new major capital projects for County flood control, I want to thoroughly examine maximizing the use of this cost effective warning system to protect drivers on our roads. I would expect the results of this review to be available for the Court’s consideration during the FY 2018-19 budget process.

San Pedro Creek

Construction of Phase I (from the tunnel inlet to Cesar Chavez) of the San Pedro Creek project began in January 2017. The first segment (from the tunnel inlet to Houston Street) is scheduled to open in May 2018, concurrent with the Tricentennial celebration. Public art projects along this segment will include four large-scale works, which are included in approximately 1,025 linear feet of commissioned mural art, tile work and word art.

Design work for the remaining phases of the 2.2-mile project continues, with recommendations to be considered by Commissioners Court in Fall of 2018 for the remaining funding for the project.

Since the announcement of this cultural project, \$252.5 million in public and private investment has been made in areas around the project. The new Frost Tower building will be constructed along San Pedro Creek at a cost of \$142 million and will provide an additional 400,000 square feet of upscale office space. Other projects include a new public high school on 18 acres along the creek, road improvements and renovations to the Alameda Theater.

TRIPLE-A BOND RATINGS

The County continues to maintain triple-A bond ratings from all three major rating agencies, which has resulted in estimated savings of \$89 million in debt service payments for the County. Communication with bond rating agencies is key to ensure the County continues to meet the high standards necessary to maintain our triple-A bond ratings. One of the most significant factors is the healthy cash reserve balance Commissioners Court has approved over the last several budgets. This year's Adopted Budget includes a General Fund Balance of \$69.6 million, or 15 percent of expenditures, which is a level consistent with rating agency guidance.

CONCLUSION

The FY 2017-18 Adopted Budget provides a realistic financial and operating plan for the County, and will allow Bexar County to provide services to our growing community. I want to thank Commissioners, Elected Officials, Department Heads and especially my staff for working with me to develop this Adopted Budget. I would especially like to thank the staff of the Budget, Finance and Human Resources Departments for their dedication and commitment.

Respectfully,

A handwritten signature in blue ink, appearing to read 'D. Smith', with a stylized flourish at the end.

David L. Smith
County Manager/Budget Officer