

Bexar County Adopted Budget Fiscal Year 2018-19



Pictured above is Applewhite Road above Leon Creek in October 1928.

PAGE LEFT INTENTIONALLY BLANK



**BEXAR COUNTY
FY 2018-19 ADOPTED ANNUAL BUDGET**

This budget will raise more revenue from property taxes than last year’s budget by an amount of \$19,390,940, which is a 4.7 percent increase from last year’s budget, and of that amount \$10,922,429 is tax revenue to be raised from new property added to the tax roll this year.

Item – 4b
September 11, 2018
Budget & Finance Department

The Court hereby ordered and approved a motion adopting the Bexar County FY 2018-19 Proposed Operating and Capital Budget including the proposed changes documented in the memorandum from the Budget Officer dated September 11, 2018. (Record)

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

Tax Rate per \$100	Fiscal Year 2018	Fiscal Year 2019
Property Tax Rate	\$0.304097	\$0.301097
Effective Tax Rate	\$0.299816	\$0.296862
Effective Maintenance & Operations Tax Rate	\$0.231256	\$0.234527
Rollback Tax Rate	\$0.328019	\$0.324517
Debt Rate	\$0.066847	\$0.053047

Total amount of County debt obligations: \$1,683,565,000.



The photo depicted above is Nacogdoches Road on June 10, 1932.

COUNTY OF BEXAR



ADOPTED ANNUAL BUDGET FISCAL YEAR 2018-19 OCTOBER 1, 2018 – SEPTEMBER 30, 2019

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

Tina Smith-Dean, Assistant County Manager

Seth McCabe, Budget & Finance Director

Ana Bernal	Alejandro Fabela	Paul Matye
John Bownds	Tanya Gaitan	Blake Meneley
Joseph Brantley	Manuel Gonzalez	Alexandria Millan
Laurie Camacho	Janet Guadarrama	Aimee Reyes
Audrey Cavazos	Thomas Guevara	Armando Salazar
Thomas DeCesare	Jasmine Leon	Nancy Soto

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, 2017

Christopher P. Morill

Executive Director

TABLE OF CONTENTS

Section	Page
VOLUME I	
Transmittal Letter	11
Budget Message	12
Budget Overview	
County Organizational Chart	23
Budget Calendar	24
Budget Process Overview	25
Accounting System/Structure	31
Strategic Issues	36
Budget Highlights	40
Performance Reviews	47
Personnel Schedules	49
Added/Deleted Positions by Position Title	52
All Funds Summary by Appropriation	56
General Fund Summary by Appropriation	59
All Funds Summary with Percentages	62
Consolidated Fund Balance Summary	74
Community Profile	81
Economic Outlook	98
Revenue Narrative	118
Five Year Financial History	159
General Fund	
General Fund Summary by Office/Department	173
Appropriated Fund Balance Narrative	177
Office/Department Narratives	178
VOLUME II	
Road Funds	
Office/Department Narratives	509
Other Operating Funds	
Office/Department Narratives	527
Grant Funds	
Office/Department Narratives	603
Capital Funds	
Office/Department Narratives	629
Debt Service Funds	
Office/Department Narratives	675

Section	Page
Venue Project Fund	
Office/Department Narratives	681
Enterprise Funds	
Office/Department Narratives	687
Appendix	
Financial Policies	705
Glossary	712
Tax Order	720
Change Order	723
Debt Policies	833

INDEX OF DEPARTMENTAL SUMMARIES

GENERAL FUND	Page
Agrilife	178
Bail Bond Board	184
Bexar Heritage and Parks Department – Administration	187
County Parks and Grounds	191
BiblioTech	195
Budget	200
Central Magistration	
Criminal District Courts	204
District Clerk	208
Civil District Courts	212
Community Resources	
Administration	218
Community Programs	219
Community Supervision and Corrections (Adult Probation)	220
Constable Precinct 1	224
Constable Precinct 2	228
Constable Precinct 3	232
Constable Precinct 4	236
County Auditor	240
County Clerk	246
County Courts at Law	253
County Manager	260
Criminal District Attorney	264
Criminal District Courts	270
District Clerk	277
DPS - Highway Patrol	283
Economic/Community Development	
Administration	287
Child Welfare Board	292
Economic Development	294
Elections	295
Emergency Management	299
Facilities Management	
Administration and Facilities Improvement Maintenance Program and Mail Room	304
Adult Detention Center	309
County Buildings	313
Energy	316
Forensic Science Center	318
Juvenile Institutions	321
Fire Marshal	324
Human Resources	329
Information Technology	334
Judge/Commissioners Court	343
Judicial Services	349
Crime Lab	356
Department of Behavioral and Mental Health	360
Medical Examiner	366
Mental Health Initiative	371
Jury Operations	375

Index of Departmental Summaries (Continued)	Page
Justice of the Peace Precinct 1	379
Justice of the Peace Precinct 2	384
Justice of the Peace Precinct 3	389
Justice of the Peace Precinct 4	394
Juvenile	
Child Support Probation	399
Institutions	403
Probation	409
Juvenile District Courts	415
Management and Finance	420
Military Services Office	424
Non-Departmental	428
Probate Courts	438
Public Defender's Office	442
Public Works	
Animal Control Services	449
Environmental Services	453
Purchasing	458
Sheriff's Office	
Adult Detention Center	462
Law Enforcement	469
Support Services	483
Small Business and Entrepreneurship Department	490
Tax Assessor Collector	495
Trial Expense	501
Veterans Services	502
4th Court of Appeals	506
OTHER FUNDS	
Road Funds	
Public Works Division - County Road and Bridge Operational Fund	509
Public Works Division - County Road and Bridge Multi-Year Projects	518
TxDOT and Advanced Transportation District Multi-Year Projects	522
Other Operating Funds	
Justice of the Peace Security	527
Family Protection Fee	529
County Clerk Records Management	531
Countywide Records Management	534
District Clerk Records Management	537
Courthouse Security	540
District Clerk Technology	542
Parking Facilities	544
Public Works - Environmental Services Storm Water Mitigation	548
Law Library	553
Drug Court	556
Fire Code	559
Juvenile Case Manager	564
Dispute Resolution	566

Index of Departmental Summaries (Continued)	Page
Domestic Relations Office	571
Justice of the Peace Technology	575
District and County Courts Technology	577
Courthouse Facilities Improvement	579
D.A. Pre-Trial Diversion Program	581
Public Works Fleet Maintenance	584
Technology Improvement	589
Capital Lease Projects	593
Fleet Acquisition	594
Community Infrastructure and Economic Development	597
Grant Funds	
Grants-in-Aid	603
HOME Investment Partnership	612
Community Development Block Grant	618
Capital Improvement Funds	
Flood Control Projects – M&O	629
Capital Improvement Program	635
Flood Control Projects – Capital	660
Five Year Capital Plan FY 2018-19 to 2023-24	669
Debt Service Funds	
Debt Service	675
Venue Project Fund	
Community Venue Program	681
Enterprise Funds	
Self-Insurance Fund - Health and Life	687
Self-Insurance Fund - Workers Compensation	690
Records Management Center	693
Other Post Employee Benefit	696
Facilities Management - Firing Range	698
Print Shop Fund	701

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 reflects the budget as adopted by Commissioners Court for Fiscal Year FY 2018-19. The adopted budget document has been updated to reflect changes made by Commissioners Court to the Budget Officer's Proposed Budget, which are described in a memo to Commissioners Court included in the Appendices section of this document.

The FY 2018-19 Adopted Budget for all funds totals \$1.715 billion, which is a decrease of 3 percent when compared to last fiscal year's adopted budget. The FY 2018-19 Adopted Budget for the General Fund totals \$546.7 million, or a 3 percent increase, when compared to last year's General Fund budget, primarily due to enhancements in law enforcement and employee compensation as described throughout this document. The FY 2018-19 Adopted Budget includes 85.5 net new positions and 26 reclassified positions for an annualized cost of \$5.3 million.

The Bexar County FY 2018-19 Adopted Budget is balanced at a tax rate of \$0.301097 per \$100 valuation, which is \$0.004235 more than the effective tax rate of \$0.296862 per \$100 valuation. The new tax rate of \$0.301097 per \$100 valuation is 1 percent less than the previous year's tax rate. Copies of the Court Orders setting the tax levies for tax year 2018 and adopting the budget for FY 2018-19 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 2018-19 Adopted Budget as approved by Commissioners Court.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Smith", is 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

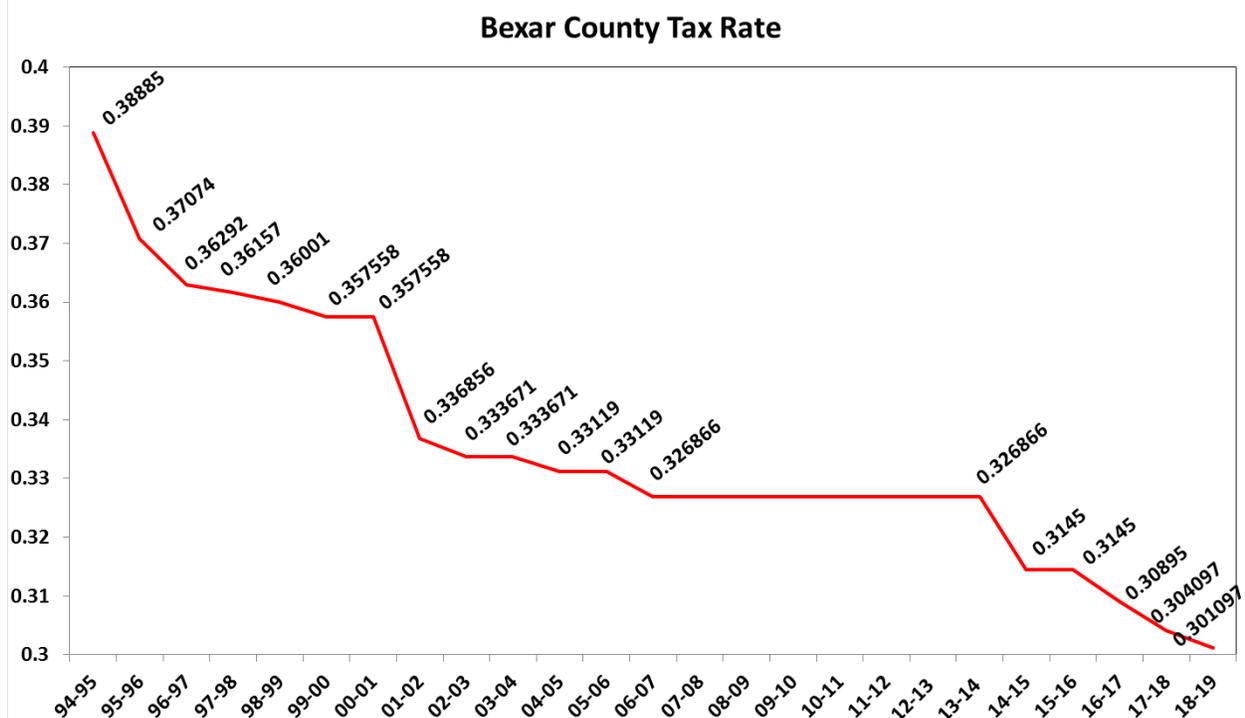
Bexar County, Texas

BUDGET MESSAGE

INTRODUCTION

I am pleased to submit the Bexar County FY 2018-19 Adopted Budget. Based on certified appraised property values reported by the Bexar Appraisal District, values will increase by 6.76 percent, or \$10.2 billion. Property values on existing properties are projected to increase by \$6.3 billion, and new construction will generate \$3.9 billion in additional value.

Since 1995, the Commissioners Court has saved taxpayers almost \$1.3 billion in property taxes by lowering the tax rate and implementing the Senior Citizen Tax Freeze and Disabled Veterans' exemption. This year, Commissioners Court further reduced the FY 2017-18 tax rate of \$0.304097 to \$0.301097, which will generate about 4.7 percent growth in ad valorem tax revenue. At the adopted tax rate, the majority of new revenue is generated by new construction. Additionally, this tax rate supports the adopted budget, which plans for potential limits on the County's property tax revenue and its ability to finance Capital Improvement and Road projects.



The Adopted Budget totals \$1.715 billion for all funds, including \$580 million in Operating Appropriations, \$710 million in Capital Projects, \$150 million for Debt Service, and \$275 million for contingencies and

reserves, most of which is carry forward funding for multi-year capital projects. The FY 2018-19 Adopted General Fund operating budget totals \$475.3 million compared to last year's operating budget of \$461.7 million, or an increase of \$13.6 million.

The FY 2018-19 Adopted Budget authorized program changes totaling \$5.3 million (across all funds), which included 85.5 net new positions and 26 reclassified positions. The program changes in the General Fund included a net of 83 new positions and 23 reclassified positions. The annualized cost of these recommendations is \$5.1 million. The program changes in Other Funds included a net addition of 2.5 positions and 3 reclassified positions for an annualized cost of about \$262,241.

86th LEGISLATIVE SESSION

In 2019, the 86th legislative session will commence. As was the case during the 85th session, tax "relief" for property owners in Texas will continue to be a major focus. Governor Gregg Abbott has proposed several legislative initiatives that would impact how much property tax revenue is available to the County and how the County can use property tax revenue. Specifically, Governor Abbott is proposing a property tax revenue cap of 2.5 percent, a proposal to provide funding to local governments required to implement State mandates, changes to the property tax appraisal and protest processes, and minimum voting requirements when proposing a bond election. These proposed changes are only a part of the Legislature's overall plan for the State to dictate how local governments in Texas manage their finances and local affairs. Unfortunately, these revenue caps will be unlikely to actually reduce property tax payers' tax bills, as most local property taxes go to support school districts, not counties. Unless the legislature also acts to fully meet State school funding obligations, most property tax payers will continue to see increased property tax bills.

As always, we will closely monitor all proposed legislation, especially property tax proposals, and bring updates to the Court as the session progresses.

ROAD PROJECTS

The Public Works Department identified \$157.4 million in new road projects and reallocated \$9.8 million within existing road project budgets. Of the \$157.4 million in new projects, \$91.2 million will come from other entities, allowing the County to leverage \$1.38 for every County dollar spent. The FY 2018-19 Adopted Budget approaches new road projects in a manner that the projects are designed in one year and then constructed in the following year. Accordingly, for the FY 2018-19 new road projects, Commissioners Court will need to decide in the next year whether to proceed with construction. This phased approach will allow the County to authorize the construction of most of these road projects after they are fully designed, which should lead to better construction cost estimates, as well as enable the Commissioners Court to make funding decisions after the impacts of the 86th Legislative Session are known.

Funding in the amount of \$8.15 million is provided in FY 2018-19 for new road projects, most of which will go toward the design of nine new major road projects. The Adopted Budget calls for the design of Talley Road Phase II, Spurs Ranch Phase I, Boerne Stage Road Phase II, Old Fredericksburg Road, and Crestway Phase III. Three project, FM 1560 (Phase I & II) and FM1518 will be TxDOT managed projects for which the County funding share will likely not be needed until FY 2019-2020. Once design for these projects is complete, funding for construction will be decided by Commissioners Court in the next fiscal year. The remaining \$1 million is budgeted for WT Montgomery Road. A portion of the design and construction costs of this project will be paid for by a private developer, which will also require a decision by the Court during the next fiscal year about whether or not to commit to fund construction.

As noted above, funding in the amount of \$9.8 million is reallocated within existing projects. Funding is reallocated from the following projects that are at or near completion: Grossenbacher (\$5 million), Big Country Phase V (\$719,000), Shaenfield Plan Subdivision (\$600,000), Stuebing Road (\$2.3 million), Boerne Stage Road (\$42,000), Candlewood Phase I (\$445,000), Walzem Road (\$93,000), Glen Mont (\$413,000) and Old Corpus Christi Road Phase II (\$253,000). The reallocated funding is for the following road projects: Bridgewood Subdivision (\$4.5 million), Sanctuary Subdivision (\$1.4 million), Galm Phase III (\$1.8 million), Marshall Road (\$800,000) and Candlewood Phase II (\$1.3 million).

The Adopted Budget includes a new strategy for funding road projects. Over the past several years, Vehicle Sales Tax revenues have been collected in the General Fund as required by State law. Annually, a transfer out of the General Fund was used to pay a portion of the debt service associated with County road projects. Given that debt funding for future road projects may be impacted by proposed legislative changes, Commissioners Court adopted a Road and Bridge property tax rate of \$0.0108 per \$100 valuation which will provide property tax revenue equal to the \$16 million in Vehicle Sales Tax collected in the General Fund be utilized to finance road projects.

This new revenue, plus the Vehicle Registration Fee revenue already collected in the Special Road and Bridge Fund will provide about \$32 million annually to support our County road program. The \$32 million will be about evenly split between property tax revenue and Vehicle Registration Fee revenue. This two-pronged funding strategy provides the County the capacity to borrow about \$40 million in road bonds every other year.

FACILITES CAPITAL IMPROVEMENT PROJECTS

The County currently has several major capital improvement projects underway. These projects include Sheriff's Office Substations, a new Public Works Facility, Satellite Facilities in Precincts 3 and 4, the Adult Detention Center Annex Conversion, the new Federal Reserve Parking Garage, a new facility for Agri-Life Extension Services and the Fire Marshal's Facility. These are important projects that require the full attention of the Capital Improvement Projects Team. Given that and the potential limitations that may be placed on the County's ability to finance new facility projects in the future, the focus in FY 2018-19 will be the completion of these projects. Should assumptions regarding legislative action not materialize, the Adopted Budget plans for \$20 million in annual capacity for new projects beginning in FY 2019-20.

FLOOD CONTROL PROJECTS

The County's \$500 million, 10-year Flood Control program is near completion. Sixty-seven projects have been or will be completed, including 63 improved low water crossings, 8 dam improvement projects and 1,648 homes removed from the flood plain. The estimated economic impact to the County is estimated to be \$822.5 million and about 4,700 jobs.

Atlas 14

The National Weather Service is completing a new rainfall study, called Atlas 14. This study updates rainfall amounts through 2017, including rainfall produced by Hurricane Harvey. It is still in progress and has yet to undergo a peer review of the results. However, so far, the study shows that South/Central Texas is more likely to experience larger storms than previously thought and that flooding is also more likely.

The results of the study will require remapping of the Bexar County regulatory flood plain map. Remapping could impact property owners, as flood risk and flood insurance requirements will likely increase, and the potential for new development and remodeling of existing structures will also change. In some Texas cities, development services staff is already informally telling developers to anticipate a

significant increase in the size of the regulatory flood plain. With this in mind, planning for new flood control projects should take into account the new flood plain maps that the Atlas 14 initiative produces. Given this, no new flood control projects are being allocated for design until the results of the re-mapping process are more fully understood.

Funding was allocated in the FY 2018-19 Adopted Budget so that the County continues to enhance its High-Water Alert Life-Saving Technology (HALT) Program. The HALT system warns drivers of high water with flashing lights and in some cases, road barrier arms similar to a railroad track crossing. Thus far, 143 systems have been installed, with 75 in the unincorporated area and 68 in the City of San Antonio and other suburban cities. Thus, funding in the amount of \$2.5 million was provided for HALT system expansion and upgrade. Specifically, the system will be installed at additional sites, traffic arms will be upgraded, new cameras will be installed and the software system will be upgraded.

JAIL POPULATION AND STAFF OVERTIME

In FY 2017-18, it is estimated that the County will spend about \$6 million on jail overtime, temporary Detention Officers and housing inmates in other jail facilities. This is about \$2 million more than the FY 2016-17 expenditure of just under \$4 million. Funding in the amount of \$4 million is budgeted for overtime, temporary Detention Officer staff and housing inmates in other jail facilities for FY 2018-19. The difference between the \$6 million estimated in FY 2017-18 and the \$4 million budgeted in FY 2018-19 is offset by two program changes included in the Adopted Budget.

In an effort to prevent contraband and security breaches in the jail, the Sheriff's Office created a Contraband Abatement Team (CAT) during FY 2017-18. This team is responsible for identifying, intercepting and preventing contraband and identifying and remediating security breaches within the facility. In order to create the team, the Sheriff reallocated staff resources from living unit posts and utilized overtime hours for coverage. The use of overtime to fill required posts on a temporary basis can be beneficial, as it is less costly than hiring full-time positions. However, in this instance, the addition of new positions is more cost-effective, as the Sheriff's Office has determined the CAT will become a permanent function in the jail. Therefore, the Adopted Budget included \$612,626 to fund eight (8) Deputy Sheriff - Detention Officer (DT-01) positions. The cost of the CAT is offset by a decrease in overtime on a dollar for dollar basis or an amount equal to 16,640 hours.

The Sheriff's Office has determined that 28 posts in the jail can be staffed by security monitors. This will allow the redeployment of 28 fully trained uniformed detention officers to living units for direct supervision of inmates. Funding in the amount of \$1.4 million funded and authorized 28 Security Monitors who will man these posts. This funding further reduces the need for overtime on a dollar for dollar basis or an amount equal to 58,240 hours.

PUBLIC SAFETY

Two new Sheriff's Office Patrol Substations, one on the West side of Bexar County and the other on the East side of Bexar County, will open in FY 2018-19. With the opening of these two stations, the Sheriff's Office will now have four substations located across the County. Each facility will house patrol and investigation functions, allowing for more efficient law enforcement operations. The benefits to the citizens are numerous, including a visible law enforcement presence, decreased emergency response times, and savings in vehicle and fuel costs.

Six months of funding for six new patrol positions is budgeted in contingencies for FY 2018-19. When added to the funding carried over from this fiscal year for 10 additional patrol positions (funded beginning April 1,

2018, but still currently vacant), this means that authorized funding will bring the total number of patrol positions Countywide to 270. These new positions, coupled with the opening of the new Sheriff's substations, should greatly enhance patrol availability and decrease response times in the unincorporated area. In addition, Commissioners Court converted ten existing patrol positions to deploy a SWAT team. And when these positions are not responding to calls for SWAT operations they will be deployed in high-crime areas of the County further providing a law enforcement presence in the community.

JUSTICE INTAKE AND ASSESSMENT CENTER (JIAC)

The FY 2017-18 Adopted Budget authorized and funded full staffing for the County's new, state-of-the-art Justice Intake and Assessment Center (JIAC). This facility will provide risk assessment, indigency determination, bond risk assessment, support services eligibility, and magistration of detainees arrested by the Sheriff's Office and suburban cities police departments. The JIAC is designed as an open booking layout, which should greatly enhance the efficiency with which various County offices and departments can perform these functions, while also affording detainees enhanced access to commercial bond providers, Pre-trial Services staff, as well as the Public Defender's Office personnel.

Currently, the County and the City of San Antonio are in discussions about whether the San Antonio Police Department (SAPD) will utilize this facility as well. However, if SAPD maintains its own magistration facility, the City of San Antonio would be responsible for magistration all SAPD arrestees. This would mean that nearly two-thirds of the total number of detainees processed into the County's JAIC would not need to be Magistrated by the County. Accordingly, funding and authorization was provided for six months of the full complement of County magistrates, with the remaining six months of funding placed in contingencies to allow for an assessment of the coverage requirements for County magistrates after full operation of the JIAC is underway.

COURT APPOINTED ATTORNEYS

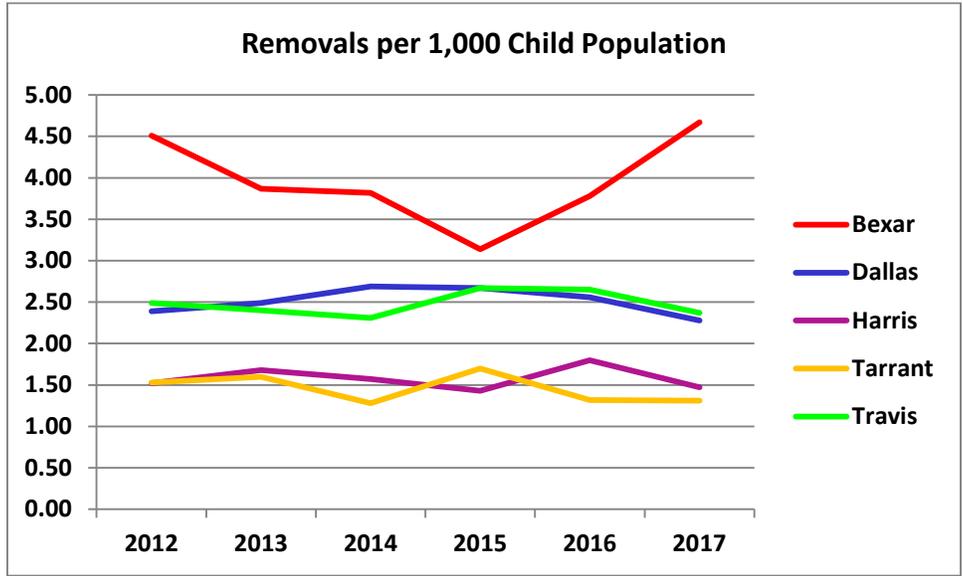
On August 21, 2018 my office was informed of a decision by the County Courts-at-Law judges to increase the fee schedule for court appointed defense attorneys for misdemeanor cases effective September 1, 2018. In particular, the new fees schedule increases the payment for single defendant Plea and Sentencing cases from \$140 per case to \$180. The Judicial Services office estimates the \$40 increase would have cost the County an additional \$600,000 in FY 2017-18, had it been in effect for the full year. Even without that fee increase, misdemeanor court appointed attorney costs for FY 2017-18 are currently estimated to exceed \$2.7 million.

Because of the late notification of this fee increase, the additional \$600,000 that this could cost the County was not incorporated in the FY 2018-19 Adopted Budget. However, the Budget Office and Judicial Services Department have formed a staff working group to review each court appointed attorney case and review costs, as well as the progress and outcome of each defendant's case. This group should report on a quarterly basis to stakeholders on whether the increased fee schedule is enhancing the quality of representation for defendants. This will provide the County with useful information regarding the effectiveness of our current indigent defense system.

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. Specifically, Commissioners Court has pointed to the high number of Removals (children removed from the home due to suspected abuse and/or neglect) in Bexar County when compared to other large Texas counties. Removals per 1,000 Children in Bexar County

are more than double the rate in Harris County, the largest Texas County with a population of about 4.5 million.



The Commissioners Court has provided millions of dollars in funding to address this issue, including creation of the Child and Family Court Division of the Civil District Courts, several new positions in the Criminal District Attorney’s Office and the creation of several new dockets in the Children’s Court to address child populations with specific needs. Still, the number of Removals per 1,000 Children continues to increase.

A thorough review of the child welfare system in Bexar County is currently underway. I anticipate this review will be completed by the Spring of 2019, and will include recommendations for how current and future funding should be allocated.

JUSTICES OF THE PEACE AND CONSTABLES

Redistricting and the transfer of juvenile truancy cases to the City of San Antonio several years ago have resulted in significantly lower workload in the Justice of the Peace (JPs) and Constable Precincts. As part of the 2016-17 budget process, the Budget Department conducted a staffing analysis for the JPs and Constables and established staff to workload benchmarks. Based on that analysis, the appropriate staffing adjustments were implemented in the FY 2016-17 Adopted Budget.

The same analysis was conducted in FY 2017-18 for the FY 2018-19 Adopted Budget. Workload has decreased further, with the actual decrease varying by Justice of the Peace and Constable Precinct. Utilizing the established staff to workload benchmarks, staffing adjustments for the Constable Offices and Justice of the Peace Courts deletions were proposed for FY 2018-19. However, Commissioners Court directed staff to fund the positions and create a committee to decide appropriate performance metrics for the study.

HOUSING

In the past few years, housing affordability and sustainability has become a concern in many cities nationwide. And, although Bexar County compares favorably in terms of the cost of housing relative to most other large counties in the across the country, housing affordability can still be a challenge for many in our community. To address some of these issues, Commissioners Court has already put a number of

programs in place: CDBG Housing Rehabilitation, HOME Investment Partnership Fund (which funds New Construction of single family and multi-family affordable housing, single family home acquisition assistance, housing rehabilitation, down payment assistance, and tenant-based rental assistance), Emergency Solutions Grant (ESG) funding, tax abatement for downtown multi-family housing, and through the Housing Authority of Bexar County (HABC) housing choice vouchers, Family Self-Sufficiency vouchers, Veteran's Affairs Supportive Housing vouchers, as well as public housing and scattered site units. Additionally, it is important to note that by enacting a property tax freeze for homeowners 65 years of age or older, their eligible spouses, and disabled persons, Commissioners Court has helped over 127,000 property owners stay in their homes by saving them over \$205 million since 2006.

EMPLOYEE COMPENSATION AND BENEFITS

Based on available revenues, the FY 2018-19 Adopted Budget included funding to increase the Livable Wage from \$14.25 to \$15.00 per hour for employees who are not already earning \$15.00 per hour. Funding in the amount of \$3.8 million is budgeted for a 2 percent COLA for all employees not covered by a collective bargaining agreement or the Livable Wage.

Collective Bargaining

The collective bargaining agreement between Bexar County, the Sheriff and the Deputy Sheriff's Association of Bexar County (DSABC) was finalized in December 2016. Funding in the amount of \$3.1 million is included in the FY 2018-19 Adopted Budget, representing the full year's cost of a 3 percent increase in base wages, as well as other negotiated allowances and incentives.

Health Insurance

Health Insurance claims costs are anticipated to increase by about 7.6 percent in FY 2018-19. In order to maintain an 80/20 split between Employer/Employee, a 4 percent increase to premiums on the PPO plans (Premium PPO and Base PPO) is budgeted. This increase is in-line with Commissioners Court direction to staff to bring forward manageable increases on an annual basis.

Another change budgeted for plan year 2019 is implementation of a new Accountable Care Organization (ACO) health insurance plan. An ACO is a group of doctors, hospitals, and other health care providers that join together to provide high-quality care in accordance with established quality and cost benchmarks. Payments for care provided by the ACO are tied to those benchmarks, which results in more efficient spending of health care dollars. The County's third-party administrator, Aetna, has established an ACO with the Baptist Health Network, which many County employees currently utilize. Premiums for the ACO plan will be 15.5 percent less than premiums for the PPO plans. Co-pays and deductibles will be equivalent to those on the Premium PPO plan.

I have also directed the Human Resources (HR) Department staff to continue to look at new ways to deliver high-value and cost-effective health insurance plans to Bexar County employees. Consumer Driven Health Plans (CDHPs), Health Savings Accounts and other options will be evaluated over the next year for possible implementation in plan year 2020.

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 \$89.1 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 \$73.5 million, or just over 15 percent of expenditures, which is consistent with rating agency guidance.

CONCLUSION

The FY 2018-19 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



The photo above shows Oblate Road undergoing construction on November 4, 1947.