

General Fund

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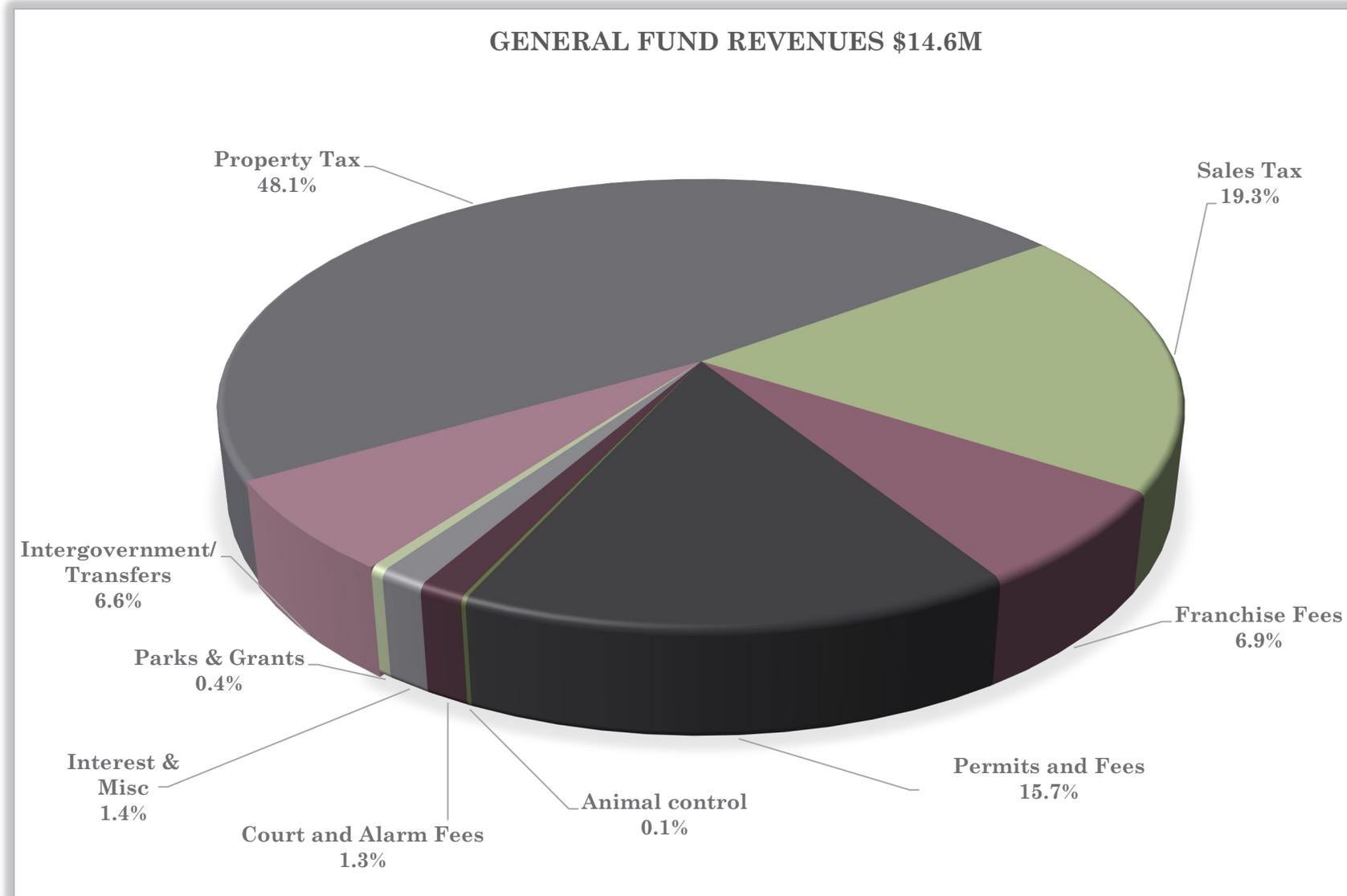
▪ Budget Highlights

- Based on No New Revenue Tax Rate of \$0.4918, a reduction from the prior year tax rate of \$0.4935
- Moved all IT related maintenance costs to the IT budget for management and oversight
- (4) Firefighters at mid year at an approximate cost of \$ 125,000
 - No additional personnel is proposed, to keep the tax rate at the NNR tax rate
- Continued replacement of fleet at an increased cost of \$ 63,000
- Contract for pavement striping at a cost of \$ 40,000
- Participation in a senior program managed by the YMCA with the City of Schertz at a cost of \$10,000
- New health insurance contract at a savings of \$ 53,000
- Reduction in cost of \$ 45,000 by preparing demographic data for district boundaries in house
- No cost of living allowance is proposed, to keep the tax rate at the NNR tax rate

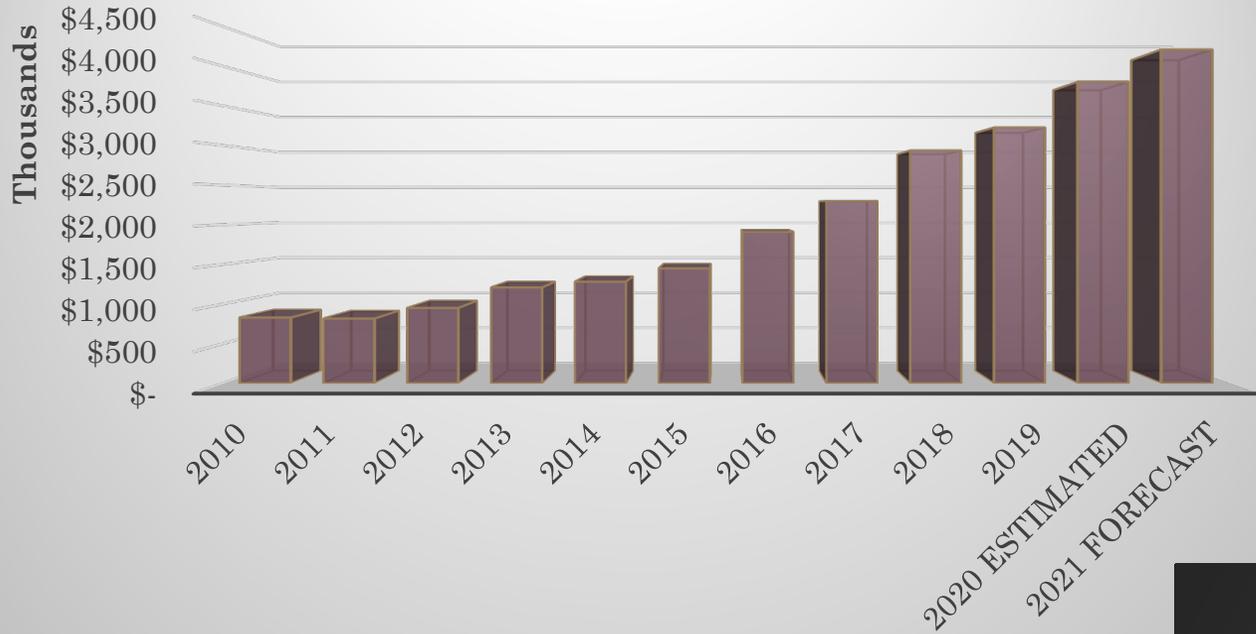
▪ Operating expenses (less capital) = \$14.6 million

- Supported by recurring revenues of \$14.6 million
- Maintain fund balance between 25-35% ≈ \$5.1 million
- Projected ending fund balance = \$5.2 million (35.4%)

General Fund Revenue Highlights (pg 4)



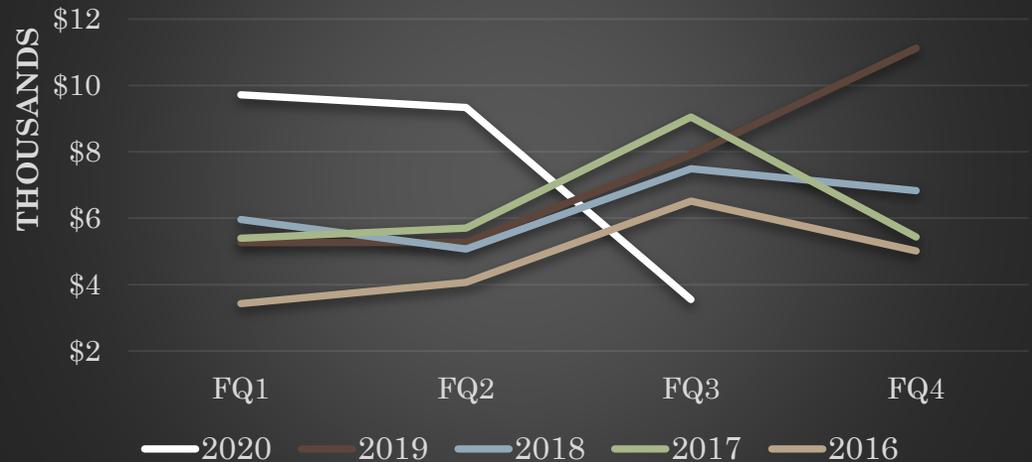
Sales tax revenues from 2010



The pandemic has had a significant negative impact on mixed beverage tax revenue. The third quarter of the fiscal year (Mar-May), was the lowest quarterly revenue in 5 years. We expect the next quarter to be even lower since these types of businesses remain closed as of August.

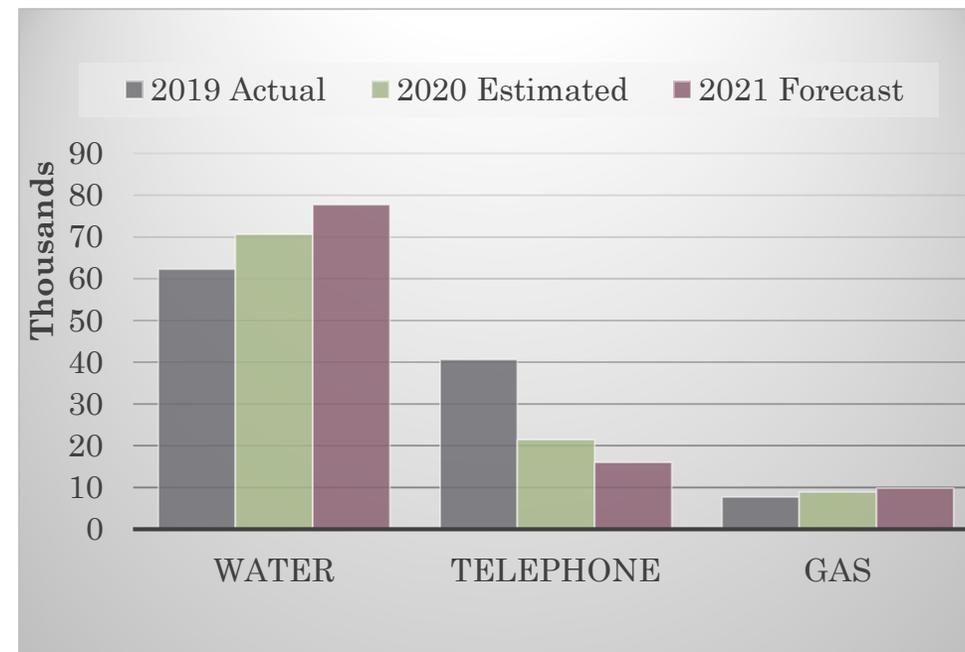
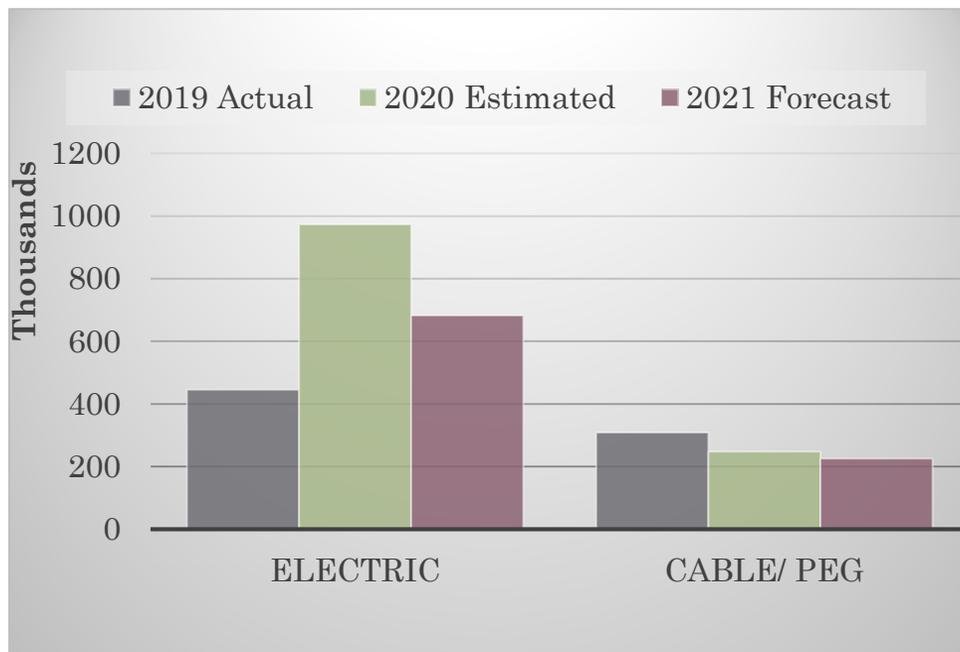
Sales tax revenue continues to increase with the City's growth in commercial business as well as continued population growth. The increase in our daytime population due to the pandemic has also contributed to our sales tax growth. We are projecting continued growth in fiscal year 2020-2021 with the addition of businesses like Firestone, Dunkin', Magnolia Pancake Haus and Willie's.

Mixed Beverage Tax Receipts by Quarter



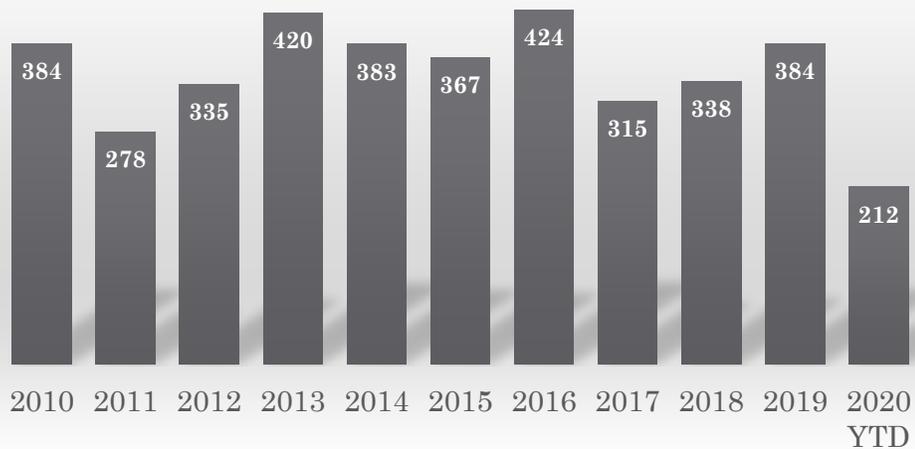
Franchise Fees

Franchise fees make up 6.9% of the general fund revenue. Electric and Cable franchise fee revenue are the two largest categories. As you can see depicted in the graph below, there is a spike in 2020 for electric franchise revenue which is a result of the new agreement with GVEC. The new agreement calls for quarterly remittance of the fees rather than annual and it calls for a 3% franchise fee up from the previous 2%, which is also depicted in the graph below for the 2021 forecast. Also depicted in the graphs below is the increase in water and gas franchise revenue due to the continued residential growth in the area. Adversely, despite an increase in population, as customers choose alternative methods of telecommunication and move to streaming television, these fees decline.

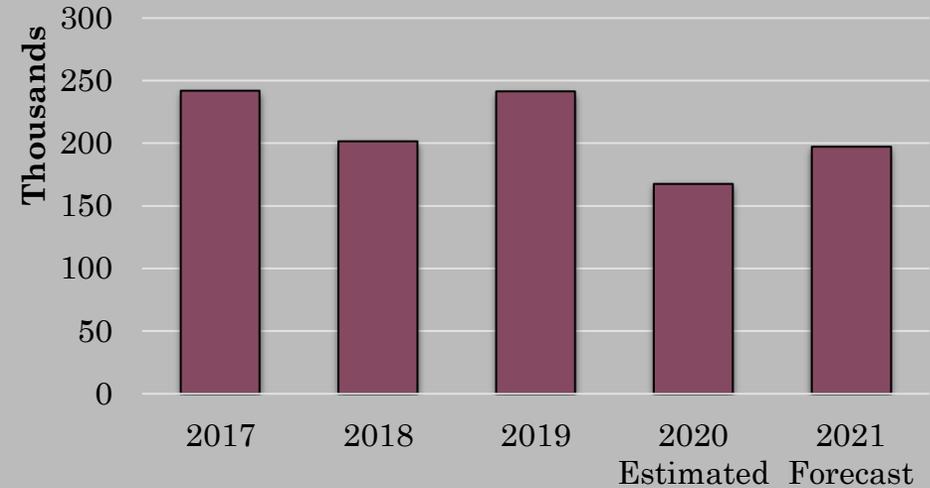


Permit revenue fluctuates slightly from year to year, but we expect continued residential construction activity as Cibolo continues to grow.

New home permits by fiscal year



Court Fines and Fees



Due to social distancing requirements, court dates in April and May were pushed into the summer months. Additionally, traffic stops for minor violations were fewer. 2020 revenues were adversely affected due to these circumstances.

Investment yield - Portfolio versus benchmarks (by fiscal quarter)



Negative effects of COVID-19 on General Fund Revenue

The pandemic has had a significant negative effect on the economy and interest rates world-wide.

For comparison, investment income in the general fund in fiscal year 2018-2019 amounted to over \$300k. For fiscal year 2019-2020, we expect that number to be halved, and we are projecting even less for fiscal year 2020-2021.

Economists have forecasted that interest rates will remain close to zero through the recovery, likely through 2022.

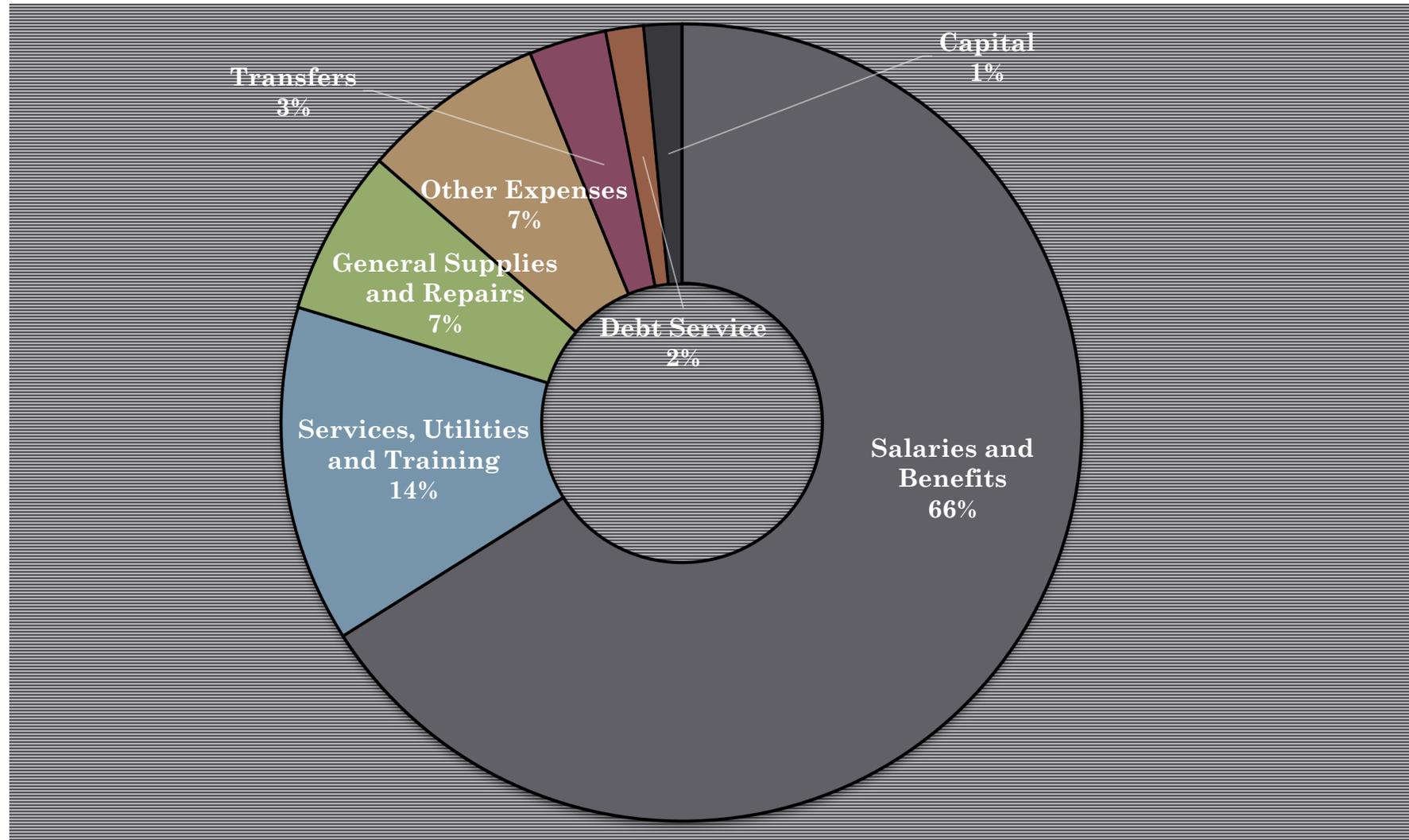
FEDERAL RESERVE

Fed sees interest rates staying near zero through 2022, GDP bouncing to 5% next year

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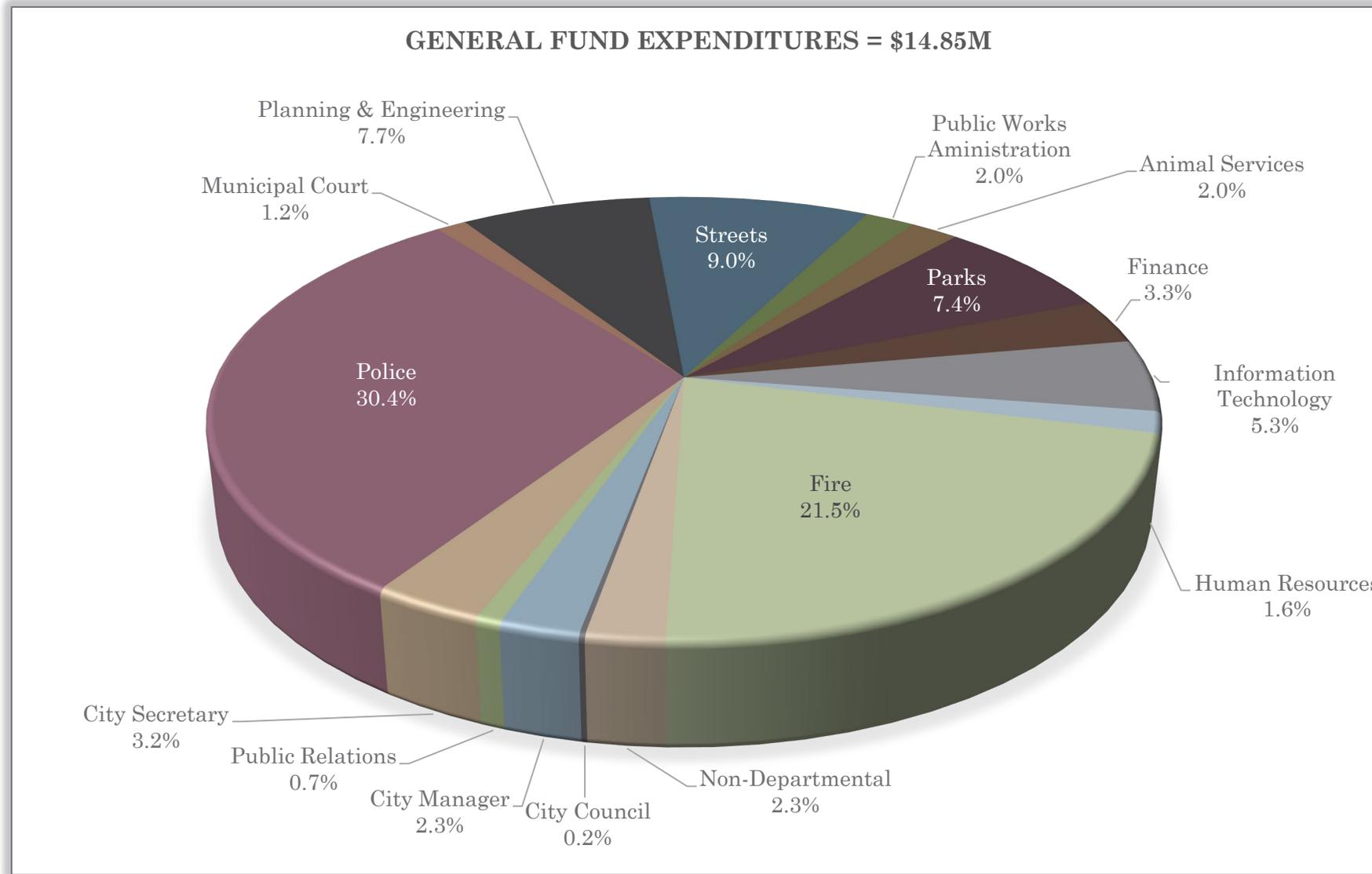
General Fund Expenditures By Category

The proposed fiscal year 2020-2021 general fund budget is \$14,854,559, which is a 1.7% increase compared to the current year.



Other Expenses include payments to the City of Schertz for EMS, Dispatch, Crime Victims liaison, and a share of Library expenses and the Senior Program (new this year), as well as payments on economic development incentives.

General Fund Expenditure by Department (pg 7)



General Fund Expenditure Allocation

Planning and
Engineering - \$7.73

Support Services -
\$12.82



Public Works \$16.38

Public Safety - \$55.08

Administration -
\$7.99

Administration - City Manager p. 23

	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 321,673	\$ 327,439	\$ 5,766	1.8%
Services, Utilities and Training	17,130	11,295	(5,835)	(34.1%)
General Supplies and Repairs	8,610	5,070	(3,540)	(41.1%)
Transfers	920	790	(130)	(14.1%)
Recurring Operating Expense	\$ 348,333	\$ 344,594	(\$ 3,739)	5.4%
Capital and Non-Capital	0	0	0	0.0%
Total Expense	\$ 348,333	\$ 344,594	(\$ 3,739)	(1.1%)

The overall budget shows a decrease of 1.1%. Decreases in IT maintenance, training, memberships and meetings make up the majority of this decrease.

Administration – Public Relations p. 25

	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 69,574	\$ 70,995	\$ 1,421	2.0%
Services, Utilities and Training	35,610	34,110	(1,500)	(4.2%)
General Supplies and Repairs	2,300	1,800	(500)	(21.7%)
Transfers	230	2,610	2,380	1034.8%
Recurring Operating Expense	\$ 107,714	\$ 109,515	\$ 1,801	1.7%
Capital and Non-Capital	3,000	1,000	(2,000)	(66.7%)
Total Expense	\$ 110,714	\$ 110,515	(\$ 198)	(0.2%)

The Public Relations budget decreased overall by 0.2% mostly due to a decrease from non-recurring capital items budgeted in the previous year. The increase in transfers is an increased transfer for IT replacement related to new equipment purchased for town hall meetings.

Administration - City Council p. 27

	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Services, Utilities and Training	\$ 9,100	\$ 9,100	\$ 0	0.0%
General Supplies and Repairs	4,500	4,200	(300)	(6.7%)
Other Expenses	0	10,000	10,000	
Transfers	1,260	1,260	0	0.0%
Recurring Operating Expense	\$ 14,860	\$ 24,560	\$ 9,700	65.3%
Capital and Non-Capital	1,500	1,000	(500)	(33.3%)
Total Expense	\$ 16,360	\$ 25,560	\$ 9,200	56.2%

The overall budget shows a 65.3% increase in recurring operating expenses related to participation in a senior program managed by the City of Schertz at a cost of \$10,000. Small decreases in capital and supplies bring the overall increase to \$9,200 or 56.2% of total expense.

Information Technology p. 67

Category	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 202,080	\$ 195,773	(\$ 6,307)	(3.1%)
Services, Utilities and Training	282,025	484,000	201,975	71.6%
General Supplies and Repairs	22,035	21,500	(535)	(2.4%)
Transfers	74,070	79,476	5,406	7.3%
Recurring Operating Expense	\$ 580,210	\$ 780,749	\$ 200,539	34.5%
Capital and Non-capital Outlay	35,000	0	(35,000)	100.0%
Total Expense	\$ 615,210	\$ 780,749	\$ 165,539	26.9%

The proposed budget for IT recurring operating expense is expected to increase by 34.5% primarily due to the shifting of IT related contractual maintenance costs into this budget for management and oversight.

A decrease in other areas offset some of this increase.

Department	Code	Year 2020	Year 2021	
City Manager	01-52600-40-00	\$ 1,000.00	\$ -	-100%
Public Relations	01-52600-40-01	\$ 1,000.00	\$ -	-100%
City Secretary	01-52600-42	\$ 11,010.00	\$ -	-100%
Police Department	01-52600-43-00	\$ 62,000.00	\$ -	-100%
Court	01-52600-44-00	\$ 11,000.00	\$ -	-100%
P&E Admin	01-52600-45-00	\$ 2,600.00	\$ -	-100%
P&E Planning	01-52600-45-01	\$ 7,300.00	\$ -	-100%
P&E Development	01-52600-45-02	\$ 16,400.00	\$ -	-100%
Public Works Streets	01-52600-46-00	\$ 3,000.00	\$ -	-100%
Public Works Admin	01-52600-46-01	\$ 3,100.00	\$ -	-100%
Public Works Parks	01-52600-48-00	\$ 2,000.00	\$ -	-100%
Finance	01-52600-50-00	\$ 31,000.00	\$ -	-100%
Information Technology	01-52600-51-00	\$ 228,800.00	\$ 435,000.00	90%
Human Resources	01-52600-52-00	\$ 35,750.00	\$ -	-100%
Fire Department	01-52600-53-00	\$ 16,900.00	\$ -	-100%
Non-Departmental	01-52600-99-00	\$ -	\$ -	0%
Utility Administration	02-52600-42-00	\$ 13,000.00	\$ 27,300.00	110%
Utility Operations - Water	02-52600-46-00	\$ 11,500.00	\$ -	-100%
Utility Operations - Wastewater	02-52600-54-00	\$ 4,100.00	\$ -	-100%
Economic Development	05-52600-42	\$ 18,500.00	\$ 15,521.66	-16%
Court Technology	33-52600-44	\$ 6,000.00	\$ 6,000.00	0%
Public Works Drainage	40-52600-46	\$ 1,500.00	\$ 1,500.00	0%
Total		\$ 487,460.00	\$ 485,321.66	0%

IT
maintenance
costs across
departments

Administration - City Secretary p. 29

	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 206,046	\$ 203,290	(\$ 2,756)	(1.3%)
Services, Utilities and Training	238,710	236,600	(2,110)	(0.9%)
General Supplies and Repairs	42,600	38,700	(3,900)	(9.2%)
Transfers	1,370	930	(440)	(32.1%)
Recurring Operating Expense	\$ 488,726	\$ 479,520	(\$ 9,206)	(1.9%)
Capital and Non-Capital	0	0	0	0.0%
Total Expense	\$ 488,726	\$ 479,520	(\$ 9,206)	(1.9%)

The overall budget shows a 1.9% decrease. Increases in legal costs, contract services and election costs are offset by decreases in IT maintenance costs, supplies and special events.

Municipal Court p. 47

Category	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 115,550	\$ 115,196	(\$ 354)	(0.3%)
Services, Utilities and Training	69,410	58,450	(10,960)	(15.8%)
General Supplies and Repairs	6,940	4,200	(2,740)	(39.5%)
Other Expenses	4,000	4,000	0	0.0%
Transfers	1,020	1,020	0	0.0%
Recurring Operating Expense	\$ 196,920	\$ 182,886	(\$14,054)	(7.1%)
Capital and Non-capital Outlay	0	0	0	0.0%
Total Expense	\$ 196,920	\$ 182,886	(\$14,054)	(7.1%)

Operating expenses decreased by 7.1% overall. The majority of this is related to a decrease in Services, Utilities and Training, and more specifically, IT maintenance costs.

Police Department - Administration p. 31

Category	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 293,966	\$ 294,419	\$ 454	0.2%
Services, Utilities and Training	176,079	114,380	(61,699)	(35.0%)
General Supplies and Repairs	29,591	34,000	4,409	14.9%
Other Expenses	190,000	190,000	0	0.0%
Transfers	193,215	238,518	45,303	23.4%
Recurring Operating Expense	\$ 882,851	\$ 871,317	(\$ 11,534)	(1.3%)
Capital and Non-capital Outlay	0	0	0	0.0%
Total Expense	\$ 882,851	\$ 871,317	(\$ 11,534)	(1.3%)

The overall budget shows a 1.3% decrease.

The decrease is primarily due to the shifting of IT related maintenance costs to the IT budget. This is offset by an increase in transfers for fleet replacement.

Police Department – SRO Program p. 33

Category	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 307,678	\$ 308,745	\$ 2,080	1.0%
Services, Utilities and Training	8,820	7,860	1,067	0.3%
General Supplies and Repairs	23,300	12,000	(11,300)	(48.5%)
Transfers	2,890	3,490	600	20.8%
Recurring Operating Expense	\$ 339,798	\$ 332,095	\$22,598	7.1%
Capital and Non-capital Outlay	0	0	2,890	
Total Expense	\$ 342,688	\$ 332,095	(\$ 10,593)	(3.1%)

The overall budget shows a decrease of 3.1%. The majority of this decrease is in general supplies and repairs.

This budget is funded through a partnership with the SCUCISD.

Police Department – Records p. 35

Category	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 94,819	\$ 94,504	(\$ 315)	(0.3%)
Services, Utilities and Training	2,000	2,000	0	0.0%
General Supplies and Repairs	14,100	13,100	(1,000)	(7.1%)
Other Expenses	600	600	0	0.0%
Transfers	1,350	1,350	0	0.0%
Recurring Operating Expense	\$ 112,869	\$ 111,554	(\$ 1,315)	(1.2%)
Capital and Non-capital Outlay	0	0	0	0.0%
Total Expense	\$ 112,869	\$ 111,554	(\$ 1,315)	(1.2%)

The overall budget shows very little change from the prior year at an overall 1.2% decrease. The decrease is related to a decrease in supplies.

Police Department – Investigations p. 37

Category	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 519,591	\$ 587,041	\$ 67,449	13.0%
Services, Utilities and Training	15,000	12,500	(2,500)	(16.7%)
General Supplies and Repairs	26,700	23,600	(3,100)	(11.6%)
Transfers	4,470	5,160	690	15.4%
Debt Service	7,836	8,176	340	4.3%
Recurring Operating Expense	\$ 573,597	\$ 636,477	\$ 62,880	11.0%
Capital and Non-capital Outlay	0	0	0	0.0%
Total Expense	\$ 573,597	\$ 636,477	\$ 62,880	11.0%

The overall budget shows an increase of 11%. The increase in salaries and benefits is related to the addition of an officer into this budget from the patrol budget.

Police Department - Patrol p. 39

Category	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 2,064,043	\$ 2,036,068	(\$ 27,975)	(1.4%)
Services, Utilities and Training	20,000	12,000	(8,000)	(40.0%)
General Supplies and Repairs	198,686	170,500	(28,186)	(14.2%)
Transfers	8,520	13,420	4,900	57.5%
Debt Service (related to capital)	57,067	63,830	6,764	11.9%
Recurring Operating Expense	\$ 2,348,316	\$ 2,295,819	(\$ 52,497)	(2.2%)
Capital and Non-capital Outlay	92,419	0	(92,419)	(100.0%)
Total Expense	\$ 2,440,735	\$ 2,295,819	(\$ 144,916)	(5.9%)

Recurring operating expenses decreased by 2.2%. The decrease in salaries and benefits is related to the shifting of a patrol officer to investigations, while adding 2 additional officers mid-point during the current year. New personnel partially funded in fiscal year 2019-2020 is fully funded in fiscal year 2020-2021.

Other decreases in training, uniforms, and other supplies account for the remaining decrease in recurring operating expense.

A decrease in capital from the prior year brings the overall decrease in this budget to 5.9%.

Police Department – Traffic/Warrants p. 41

Category	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 76,418	\$ 75,785	(\$ 633)	(0.8%)
Services, Utilities and Training	1,500	1,000	(500)	(33.3%)
General Supplies and Repairs	6,091	5,450	(641)	(10.5%)
Transfers	600	600	0	0.0%
Recurring Operating Expense	\$ 84,609	\$ 82,835	(\$ 1,774)	(2.1%)
Capital and Non-capital outlay	0	0	0	0.0%
Total Expense	\$ 84,609	\$ 82,835	(\$ 1,774)	(2.1%)

The overall budget shows very little change from the prior at a 2.1% decrease. The decrease is related to a reduction in travel/training and supplies.

Police Department – K-9 program p. 43

Category	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 76,918	\$ 79,163	\$ 2,245	2.9%
Services, Utilities and Training	4,700	3,200	(1,500)	(31.9%)
General Supplies and Repairs	10,000	8,250	(1,750)	(17.5%)
Recurring Operating Expense	\$ 91,618	\$ 90,613	(\$ 1,005)	(1.1%)
Capital and Non-capital Outlay	0	0	0	0.0%
Total Expense	\$ 91,618	\$ 90,613	(\$ 1,005)	(1.1%)

The overall budget shows a decrease of 1.1%. Reductions in training, professional fees and supplies account for the difference.

Police Department – Crime Prevention p. 45

Category	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 77,517	\$ 79,350	\$ 1,833	2.4%
Services, Utilities and Training	1,500	1,000	(500)	(33.3%)
General Supplies and Repairs	16,500	12,750	(3,750)	(22.7%)
Transfers	790	790	0	0.00%
Recurring Operating Expense	\$ 96,307	\$ 93,890	(\$ 2,417)	(2.5%)
Capital and Non-capital outlay	0	0	0	
Total Expense	\$ 96,307	\$ 93,890	(\$ 2,417)	(2.5%)

The Crime Prevention budget decreased by 2.5% overall. Reductions in travel/training, supplies and special events account for the decrease.

Animal Services p. 59

Category	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 187,921	\$ 228,033	\$ 40,112	21.3%
Services, Utilities and Training	26,700	28,400	1,700	6.4%
General Supplies and Repairs	26,000	25,000	(1,000)	(3.8%)
Transfers	8,660	10,400	1,740	20.1%
Recurring Operating Expense	\$ 249,281	\$ 291,833	\$42,552	17.1%
Capital and Non-capital Outlay	14,400	0	(14,400)	(100.0%)
Total Expense	\$ 263,681	\$ 291,833	\$28,152	10.7%

The increase in recurring operating expense of 17.1% is attributable to funding of an additional position, which was partially funded in the prior year and fully funded for the proposed year.

The decrease in capital outlay offsets the increase and brings the overall increase to 10.7%.

Fire Department p. 71

Category	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 2,212,323	\$ 2,331,443	\$ 119,120	5.4%
Services, Utilities and Training	125,500	117,500	(8,000)	(6.4%)
General Supplies and Repairs	142,445	111,450	(30,995)	(21.8%)
Other Expenses	439,615	473,115	33,500	7.6%
Transfers	25,090	27,185	2,095	8.3%
Debt Service	123,121	123,121	0	0.0%
Recurring Operating Expense	\$ 3,068,094	\$ 3,183,814	\$ 115,720	3.8%
Capital and Non-capital Outlay	28,750	10,500	(18,250)	(63.5%)
Total Expense	\$ 3,096,844	\$ 3,194,314	\$ 97,470	3.1%

Recurring operating expense in the fire department proposed budget increased by 3.8%. The increase in salaries and benefits for 4 additional firefighters to be hired mid-year accounts for the majority of this increase. Other increases include an inflationary increase in our contractual relationship with Schertz EMS. These increases are offset somewhat by decreases in IT maintenance contracts shifted over to IT and decreases in building maintenance and equipment.

Planning and Engineering - Administration p. 49

Category	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 183,509	\$ 268,250	\$84,741	46.2%
Services, Utilities and Training	8,285	5,620	(2,665)	(32.2%)
General Supplies and Repairs	4,000	2,700	(1,300)	(32.5%)
Other Expenses	15,000	15,000	0	0.0%
Transfers	410	810	400	97.6%
Recurring Operating Expense	\$ 211,204	\$ 292,380	\$81,176	38.4%
Capital and Non-capital Outlay	2,000	5,500	3,500	175.0%
Total Expense	\$ 213,204	\$ 297,880	\$84,676	39.7%

The increase in recurring operating expense of 38.4% is due to the shifting of personnel into this budget. The original budget included 2 full-time positions. During the year, we shifted the infrastructure inspector into this budget since the supervision falls under the director.

The small increase in non-capital for new software brings the overall increase to 39.7%

Planning and Engineering - Planning p. 51

Category	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 338,599	\$ 350,159	\$ 11,561	3.4%
Services, Utilities and Training	59,830	17,460	(42,370)	(70.8%)
General Supplies and Repairs	5,450	4,800	(650)	(11.9%)
Transfers	1,080	1,710	630	58.3%
Recurring Operating Expense	\$ 404,959	\$ 374,129	(\$ 30,830)	(7.6%)
Capital and Non-capital	0	0	0	0.0%
Total Expense	\$ 404,959	\$ 374,129	(\$ 30,830)	(7.6%)

Overall, the proposed operating budget shows a decrease of 7.6% from the prior year budget. This decrease is attributable to a decrease in professional fees and IT maintenance costs. Professional fees related to development will be paid directly by the developer.

Planning and Engineering – Development Services p. 53

Category	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 361,883	\$ 314,131	(\$ 47,751)	(13.2%)
Services, Utilities and Training	92,285	126,840	34,555	37.4%
General Supplies and Repairs	12,750	12,750	0	0.0%
Transfers	17,990	21,975	3,985	22.2%
Recurring Operating Expense	\$ 484,908	\$ 475,696	(\$ 9,211)	(1.9%)
Capital and Non-capital	0	0	0	
Total Expense	\$ 484,908	\$ 475,696	(\$ 9,211)	(1.9%)

Overall, the proposed operating budget shows a decrease of 1.9% over the prior year budget. This is primarily due to a decrease in Salaries and Benefits related to the shifting of the infrastructure inspector to the Administration budget. This decrease is offset by an increase in contractual costs related to inspection work performed by third party inspection services as well as an increase in transfers for fleet replacement.

Finance p. 65

Category	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 265,780	\$ 283,665	\$ 17,885	6.7%
Services, Utilities and Training	277,410	196,780	(80,630)	(29.1%)
General Supplies and Repairs	4,350	4,000	(350)	(8.0%)
Transfers	1,050	820	(230)	(21.9%)
Recurring Operating Expense	\$ 548,590	\$ 485,265	(\$ 63,325)	(11.5%)
Capital and Non-capital Outlay	0	0	0	0.0%
Total Expense	\$ 548,590	\$ 485,265	(\$ 63,325)	(11.5%)

The proposed budget shows a decrease of 11.5%. During fiscal year 2019-2020, this budget was amended for an additional engagement with the City’s auditors, which added \$45,000 to the budget. Other decreases in the proposed budget are related to the shift of IT maintenance costs and a decrease in contractual services related to temporary staffing services to cover a vacancy in this department. These decreases are offset in part by an increase in costs related to our contract with the Guadalupe County Appraisal District and the County Tax Assessor-Collector’s office for appraisal and collection services. As our taxable values and population increase, these costs increase as well.

Human Resources p. 67

Category	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	\$ 171,837	\$ 181,230	\$ 9,393	5.5%
Services, Utilities and Training	51,000	13,250	(37,750)	(74.0%)
General Supplies and Repairs	35,775	35,975	200	0.6%
Transfers	1,120	0	(1,120)	(100.0%)
Recurring Operating Expense	\$ 259,732	\$ 230,455	(\$ 29,277)	(11.3%)
Capital and Non-capital Outlay	0	0	0	
Total Expense	\$ 259,732	\$ 230,455	(\$ 29,277)	(11.3%)

The proposed budget shows a decrease of 11.3%. This decrease is primarily related to the shift of IT maintenance costs to the IT budget.

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Category	FY 2019-2020 Current Budget	FY 2020-2021 Proposed Budget	\$ Difference	% Difference
Salaries and Benefits	(\$ 300,000)	(\$ 300,000)	0	0.0%
Services, Utilities and Training	175,700	190,550	14,850	8.5%
General Supplies and Repairs	31,500	31,250	(250)	(0.8%)
Other Expenses	410,000	410,000	0	0.0%
Transfers	4,100	5,125	1,025	25.0%
Recurring Operating Expense	\$ 321,300	\$ 336,925	\$ 15,625	4.9%
Capital and Non-capital Outlay	0	0	0	0.0%
Total Expense	\$ 321,300	\$ 321,300	\$ 15,625	4.9%

Negative expense in Salaries and Benefits is anticipated salary savings throughout the general fund. This negative expense offsets other expenses in the non-departmental budget. In the last quarter of the year, when we prepare the following year budget, this salary savings is recognized in each department in which it occurred.

The increase in Services, Utilities and Training is primarily related to an increase in utilities for facilities.

Potential additional reductions to consider

Note: 1 penny on the tax rate \approx \$215,000

$\frac{1}{2}$ penny on the tax rate \approx \$107,500

<i>Parks all-terrain utility vehicle</i>	<i>\$ 16,500</i>
<i>Contribution for the Schertz Senior Program</i>	<i>\$ 10,000</i>
<i>Reduce transfer to the EDC to \$70,000</i>	<i>\$ 20,000</i>
<i>Reduce transfer for fleet maintenance</i>	<i>\$ 50,000</i>
<i>Remove contractual services for pavement striping</i>	<i><u>\$ 40,000</u></i>
	<i>\$136,500</i>
<i>Delay hiring firefighters by an additional quarter</i>	<i><u>\$ 62,000</u></i>
	<i>\$198,500</i>

Next:

- Economic Development Fund