

# Operating and Maintenance Cost Impacts

The Capital Implementation Program worked with appropriate Departments and the Office of Management & Budget to prepare projections of operating and maintenance costs associated with the proposed General Obligation Bond projects. O & M costs were developed based on departmental projections of cost impacts. Impacts associated with Enterprise fund projects were not reviewed, since they do not affect the general fund and are considered through rate setting as part of Enterprise departments' annual budget review.

FUNDING ALLOCATION CATEGORY DEPARTMENT / DIVISION	COMPLETE DATE	PROJECT COST	FY 04	FY 05	FY 06	FY 07	FY 08
<b>Community Facilities</b>							
<b>Cultural Services <sup>1</sup></b>							
Tingley Renovation	1 Feb 05	3,800,000		80,146	72,351	72,351	72,351
Renovation of Cats: Phase II	1 Jun 15	800,000			-12,833	-352,000	-352,000
Japanese Garden	1 Jul 05	1,800,000		89,387	57,387	57,387	57,387
Rio Grande Australian Exhibit Phase II	1 Dec 05	500,000		-25,816	-112,113	-112,113	-112,113
History Exhibit Renovation	1 Jan 07	200,000				-50,000	-100,000
<b>Total Cultural Services</b>		<b>7,100,000</b>		<b>143,717</b>	<b>4,792</b>	<b>-384,375</b>	<b>-434,375</b>
<b>Finance &amp; Administrative Services <sup>2</sup></b>							
Energy Performance Upgrades	1 Jan 05	150,000	-40,000	-80,000	-80,000	-80,000	-80,000
Constituent Service & Financial Performance Management	1 Jul 05	7,400,000	722,550	727,915	751,097	751,097	751,097
Fiber infrastructure & Terminating Equip	1 Jan 06	700,000	40,000	67,000	83,000	83,000	83,000
Routing & Switching Equip	1 Jan 06	400,000	17,000	22,000	25,000	25,000	25,000
Server Technology Update	On-Going	315,000	-32,000	-32,000	-32,000	-32,000	-32,000
City Computer Rm Environment, Equipment & Controls	6 Jun 06	300,000	2,000	5,000	8,000	8,000	8,000
Network Management System	1 Dec 04	75,000	22,000	10,000	10,000	10,000	10,000
Security Systems	1 Jan 05	100,000	13,000	21,000	12,000	12,000	12,000
<b>Total Finance &amp; Administrative Svcs</b>		<b>9,440,000</b>	<b>744,550</b>	<b>740,915</b>	<b>777,097</b>	<b>777,097</b>	<b>777,097</b>
<b>Planning Department <sup>3</sup></b>							
KIVA Citizen	1 Jul 05	700,000			144,208	144,208	144,208
<b>Total Planning Department</b>		<b>700,000</b>			<b>144,208</b>	<b>144,208</b>	<b>144,208</b>
<b>Sub-Total Community Facilities</b>		<b>17,240,000</b>	<b>744,550</b>	<b>884,632</b>	<b>926,097</b>	<b>536,930</b>	<b>486,930</b>
<b>Parks &amp; Recreation Services <sup>4</sup></b>							
Open Space Acquisition & Protection	1 JAN 06	1,500,000			107,570	242,640	242,640
Park Development	1 JAN 06	3,210,000			57,755	111,209	111,209
Modular Skate Park Facilities	1 JAN 06	1,200,000			31,253	58,507	58,507
Westside Skate Park	1 JAN 06	1,950,000			43,706	87,412	87,412
West Mesa Aquatic Center	1 JAN 06	4,500,000			111,815	223,630	223,630
<b>Total Parks &amp; Recreation Services</b>		<b>12,360,000</b>			<b>352,099</b>	<b>723,398</b>	<b>723,398</b>
<b>Public Safety <sup>5</sup></b>							
Fire Station 21	1 MAY 04	850,000	604,084	1,741,185	1,741,185	1,741,185	1,741,185
<b>Total Public Safety</b>		<b>850,000</b>	<b>604,084</b>	<b>1,741,185</b>	<b>1,741,185</b>	<b>1,741,185</b>	<b>1,741,185</b>
<b>Transit Department <sup>6</sup></b>							
West Side Transit Facility	1 JUL 05	1,600,000			609,378	599,378	599,378
San Antonio Park & Ride Facility	1 Jul 05	150,000			9,001	11,008	11,008
<b>Total Transit Department</b>		<b>1,750,000</b>			<b>618,379</b>	<b>610,386</b>	<b>610,386</b>
<b>Grand Total - 2003 G.O. Bond Program: O &amp; M Impact <sup>7</sup></b>		<b>32,200,000</b>	<b>1,348,634</b>	<b>2,625,817</b>	<b>3,637,760</b>	<b>3,611,899</b>	<b>3,561,899</b>

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## Explanatory Notes:

### 1. Cultural Services

**Tingley Renovation:** 6 staff for 5 months in FY 05; non-recurring expense in FY 05 only; annual revenue off-set is \$300 thousand per year adjusted for part FY 05.

**Renovation of Cats Phase II:** no staff increase; one month FY 06; non-recurring expense in FY 06 only; annual revenue off-set is \$400 thousand per year adjusted for part FY 06.

**Japanese Garden:** 5 staff beginning FY 05 prior to project completion; staff required to implement project; non-recurring expense in FY 05 only; annual revenue off-set is \$150 thousand adjusted for part FY 05.

**Rio Grand Australian Exhibit Phase II:** 2 staff for 7 months in FY 05; non-recurring expense in FY 05 only; annual revenue off-set in \$200 thousand adjusted for part FY 05.

**History Exhibit Renovation:** No staff increase; however admissions revenue is expected to increase by \$100 thousand annually due to expanded, refurbished exhibit.

**Annual increases in revenue, regardless of source, are held to off-set expenses that would otherwise have to be accounted for by the general fund.**

### 2. Finance & Administrative Services

**Energy Performance Upgrades to City Facilities:** Full year beginning FY 05; no staff increase; savings derived from energy conservation measures.

**Constituent Service & Financial Performance Management:** 9 staff beginning November FY 04 in advance of full system implementation in July FY 05; recurring expense in FY 04 is due to maintenance of dual systems - cost declines in FY 05 & 06.

**Fiber Infrastructure & Terminating Equipment:** No staff increase; recurring costs only for system maintenance and staff training on new equipment.

**Routing & Switching Equipment:** No staff increase; recurring costs only for system maintenance and staff training on new equipment.

**Server Technology Update:** Anticipated operating savings associated with reduction in maintenance of obsolete equipment.

**City Computer Room Environment, Equipment & Controls:** No staff increase; recurring costs only for system maintenance and staff training on new equipment.

**Network Management System:** No staff increase; recurring cost for system maintenance; non-recurring expense for 3 staff training on new application in FY 04 only.

**Security Systems:** No staff increase; recurring cost for system maintenance; non-recurring in FY 04 & 05 only for staff training to maintain the system.

### 3. Planning Department

**Kiva Citizen:** 1 staff increase in FY 06; recurring expense for equipment maintenance.

### 4. Parks & Recreation Services

**Open Space Acquisition and Protection:** 3 staff increase in FY 06 for 6 months and 3 additional staff for a full year in FY 07 for a total of 6 additional staff; recurring expense to protect open space properties increase from FY 06 to FY 07.

**Park Development:** 3 staff increase for 6 months in FY 06.

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ANOTHER APPROACH TO CALCULATING THE O&M COSTS FOR THIS PROJECT IS AS FOLLOWS:

IT MUST BE UNDERSTOOD THAT THE PURPOSE OF THIS CALCULATION IS NOT TO SUGGEST THAT ANY PARTICULAR NUMBER OF ACRES OF PARK LAND WILL BE DEVELOPED. THE PURPOSE OF THIS EXERCISE IS SIMPLY TO PROVIDE ANOTHER METHOD FOR ESTIMATING OPERATING IMPACTS ASSOCIATED WITH NEW PARKS. The current cost to maintain an acre of park is estimated to be between \$6.6K/acre (60% of required) and \$11.0K/acre (100% of required.) The cost to construct new park land may be estimated to be between \$100K and \$150K per acre. The 2003 request for funding is for \$3.21 million, of which about \$320K is for design costs, leaving about \$2.89 million available for construction. By inference, after overhead is deducted, it is reasonable to conclude that about 20 acres might be developed with the available funding. At \$6.6K/acre, the approximate O&M cost of this project would be about \$132K annually.

**Modular Skate Park Facilities:** 1 staff increase for 6 months in FY 06 declining recurring costs in subsequent years.

**Westside Skate Park:** 2 staff increase for 6 months in FY 06.

**West Mesa Aquatic Center - Phase II:** 11 staff increase for 6 months in FY 06; annual revenue offset is \$84 thousand adjusted for part FY 06.

## 5. Fire Department

**New Fire Station 21:** 30 new cadets in FY 04 for 2 months at cadet wages; Full wages for full year FY 05 and beyond; non recurring expense in FY 04 for the cost of cadet class; recurring expense for station utilities for 2 months FY 04 and full year thereafter.

## 6. Transit Department

**Westside Transit Facility:** 6 staff full year FY 05; recurring expense for utilities for the new facility; non-recurring expense in FY 05 for one time move in.

**San Antonio Park & Ride Facility:** .1 staff full year FY 06; additional .15 staff in FY 07 for total .25 staff: annual recurring expense for utilities.

## 7. Other Potential Operating Impacts include the following:

**1 Parks & Recreation Services Department** may experience operating impacts due to increased maintenance from the following projects. Cost estimates are based on maintenance at about 60% of requirement.

**1** Median Development included in the Streets program. Cost estimate @ \$4.3K / acre.

**1** McMahon Blvd Extension included in the Streets program includes landscaping. Cost estimate @ \$4.3K / acre.

**1** Second Street Improvements included in the Streets program includes landscaping. Cost estimate @ \$4.3K / acre

**1** Lead Ave Improvements included in the Streets program includes landscaping. Cost estimate @ \$4.3K / acre

**1** Unser Blvd Extension included in the Streets program includes landscaping. Cost estimate @ \$4.3K / acre

**1** Los Candelarias Village Center included in the Planning Department program includes streetscaping. Cost estimate @ \$4.3K / acre

**1** West Central Metropolitan Redevelopment Area included in the Planning Department program includes projected improvements ranging from trails, to medians to parks. Cost estimate from \$1.9K / mile for a trail to \$6.6K / acre for a park.

**1 Street Extension Projects** add lanes miles to the overall maintenance burden. Most maintenance is currently being done with 1/4 cent tax funds. Street extension projects include: McMahon Blvd; Unser Blvd; Paseo del Norte West; Zoo Access.