

**CITY OF SHAVANO PARK  
PLANNING & ZONING COMMISSION MEETING  
CITY HALL, COUNCIL CHAMBERS  
900 SADDLETREE COURT, SHAVANO PARK, TEXAS 78231  
May 3, 2023**

**6:30 P.M.**

**This notice is posted pursuant to the Texas Open Meetings Act. Notice hereby given that the Planning & Zoning Commission of the City of Shavano Park, Texas will conduct a Regular Meeting on Wednesday, May 3, 2023 6:30 p.m. at 900 Saddletree Court, Shavano Park City Council Chambers.**

The meeting agenda and agenda packet are posted online at [www.shavanopark.org](http://www.shavanopark.org).

**Telephone Participation.** The public toll-free dial-in number to participate in the telephonic meeting is 1-833 548-0282 and requires access code 836 0857 8139. The Livestream / telephone conference will be available to join at 6:00 p.m. (30 minutes prior to the meeting).

**AGENDA**

1. Call to order
2. Vote under Section 36-69 of the Shavano Park City Code (“Code”) concerning a finding that each of the items following item 2 on the agenda are “planning issues” or otherwise prescribed Planning & Zoning Commission duties under 36-69(l) of the Code or the severance of one or more of such items for an individual vote on such item or items.
3. The Planning and Zoning Commission welcomes “Citizens to be Heard.” If you wish to speak, you must follow these guidelines. **As a courtesy to your fellow citizens and out of respect to our fellow citizens, we request that if you wish to speak that you follow these guidelines.**
  - Pursuant to Resolution No. R-2019-011 citizens are given three minutes (3:00) to speak during “Citizens to be Heard.”
  - Members of the public may only speak once and cannot pass the individual’s time allotment to someone else
  - Direct your comments to the entire Commission, not to an individual member
  - Show the Commission members the same respect and courtesy that you expect to be shown to you

The Chairman will rule any disruptive behavior, including shouting or derogatory statements or comments, out of order. Continuation of this type of behavior could result in a request by the Mayor that the individual leave the meeting, and if refused, an order of removal. In compliance with the Texas Open Meetings Act, no member of the Commission may deliberate on citizen comments for items not on the agenda. (Attorney General Opinion – JC 0169)
4. Consent Agenda:
  - A. Approval - Planning & Zoning Commission minutes, April 5, 2023

5. Public Hearing - The purpose of the public hearing is to receive comments from members of the public regarding the Long-term City Finances focus area of the Town Plan
6. Discussion - Second review of the Long-term City Finances focus area of the 2023 Town Plan - City Manager / Assistant City Manager
7. Discussion - Fourth and Final review of the Public Infrastructure focus area of the 2023 Town Plan - City Manager / Assistant City Manager
  - 7.a. Review and discussion – Public Infrastructure Draft write-up
  - 7.b. Review and discussion – Public Infrastructure Survey results
8. Discussion - Introduction of the complete 2023 Town Plan - City Manager / Assistant City Manager
9. Report / update - City Council items considered at previous City Council meetings and discussion concerning the same - City Manager
10. **Chairman Announcements:**
  - A. Advise members to contact City staff to add new or old agenda items.
  - B. Advise members of pending agenda items:
    - i. June: *Long-term City Finances* third and final review
    - ii. June: Second review of the complete 2023 Town Plan
    - iii. July: Third and final review of the complete 2023 Town Plan
    - iv. Ordinance to fix the mistaken 2017 B-2 PUD re-zoning of Lots 1701 & 1702 in Block 21, CB 4782E (Lynd Building / Pond Hill Restaurant) by formally re-zoning the lots back to MXD
11. **Adjournment**

#### **Accessibility Statement:**

The City of Shavano Park City Hall is wheelchair accessible. The entry ramp is located in the front of the building. Accessible parking spaces are also available in the front and sides of the building. Sign interpretative services for meetings must be made 48 hours in advance of the meeting. Call the A.D.A. Coordinator at 817-447-5400 or TDD 1-800-735-2989.

#### **Decorum Required:**

Any disruptive behavior, including shouting or derogatory statements or comments may be ruled out of order by the Presiding Officer. Continuation of this type of behavior could result in a request by the Presiding Officer that the individual leave the meeting, and if refused, an order of removal.

#### **Action by Commission Authorized:**

The Planning and Zoning Commission may vote and/or act upon any item within this Agenda. The Commission reserves the right to retire into executive session concerning any of the items listed on this Agenda, pursuant to and in accordance with Texas Government Code Section 551.071, to seek the advice of its attorney about pending or contemplated litigation, settlement offer or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflict with the Open Meetings Act and may invoke this right where the City Attorney, the Mayor or a majority of the Governing Body deems an executive session is necessary to allow privileged consultation between the City Attorney and the governing body, if considered necessary and legally justified under the Open Meetings Act. The City Attorney may appear in person, or appear in executive session by conference call in

accordance with applicable state law.

**Executive Sessions Authorized:**

This agenda has been reviewed and approved by the City's legal counsel and the presence of any subject in any Executive Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

**Attendance by Other Elected or Appointed Officials:**

It is anticipated that members of City Council or other city board, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the other city boards, commissions and/or committees. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of the other boards, commissions and/or committees of the City, whose members may be in attendance. The members of the boards, commissions and/or committees may participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless such item and action is specifically provided for on an agenda for that board, commission or committee subject to the Texas Open Meetings Act.

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the governing body of the above named Shavano Park Planning and Zoning Commission is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice on the bulletin boards, of the City Hall of said City Shavano Park, Texas, a place convenient and readily accessible to the general public at all times, and said Notice was posted on this the 27 April 2023 at 10:45 p.m. and remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

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Bill Hill  
City Manager

**1. Call to order**

Chairman Laws called the meeting to order at 6:30 p.m.

**PRESENT:**

Carla Laws  
Donna Beladi  
Lori Fanning  
Shawn Fitzpatrick  
Vickey Maisel  
Bill Simmons  
William Stipek  
Song Tan  
Cindy Teske

**ABSENT:**

**2. Vote under Section 36-69 of the Shavano Park City Code (“Code”) concerning a finding that each of the items following item 2 on the agenda are “planning issues” or otherwise prescribed Planning & Zoning Commission duties under 36-69(l) of the Code or the severance of one or more of such items for an individual vote on such item or items.**

Upon a motion by Commissioner Maisel and a second made by Commissioner Fanning, the Planning & Zoning Commission voted eight (8) for and none (0) opposed to approve the agenda as it was provided to the Planning & Zoning Commission. The motion carried.

**3. Citizens to be Heard.**

No one in the public signed up to address the Planning and Zoning Commission.

**4. Consent Agenda:**

- a. Approval - Planning & Zoning Commission minutes, March 1, 2023

Upon a motion made by Commissioner Stipek and a second made by Commissioner Fitzpatrick, the Planning & Zoning Commission voted eight (8) for and none (0) opposed, to approve the Planning & Zoning Commission minutes of March 1, 2023 as presented. The motion carried.

**5. Public Hearing - The purpose of the public hearing is to receive comments from members of the public regarding an application for a Special Use Permit for the purposes of electric vehicle charging stations at 3611 Paesanos Parkway by USIO, Inc.**

The Public Hearing opened at 6:32 p.m.



Assistant City Manager Leeth presented an overview of USIO, Inc. application for a Special Use Permit for the purposes of electric vehicle charging stations at 3611 Paesanos Parkway.

The Public Hearing closed at 6:34 p.m.

**6. Discussion / action - Application for a Special Use Permit for the purposes of electric vehicle charging stations at 3611 Paesanos Parkway by USIO, Inc. – City Manager / Assistant City Manager**

Assistant City Manager Leeth and USIO, Inc. President and CEO Louis Hoch provided an overview of the USIO, Inc. application for a Special Use Permit for the purposes of electric vehicle charging stations at 3611 Paesanos Parkway.

Commissioners asked questions and discussed the special use permit application.

Upon a motion made by Commissioner Stipek and a second by Commissioner Fitzpatrick, the Planning & Zoning Commission voted eight (8) for and none (0) opposed to recommend approval of a Special Use Permit for the purposes of electric vehicle charging stations at 3611 Paesanos Parkway by USIO, Inc. The motion carried.

**7. Presentation / discussion - Shavano Park Commercial and Residential Development Semi-annual Presentation - Bitterblue, Inc. / Denton Communities**

Daryl Lange of Bitterblue, Inc. presented the Semi-Annual Commercial and Residential Development update.

Commissioners asked questions and discussed presentation. No action was taken.

**8. Public Hearing - The purpose of the public hearing is to receive comments from members of the public regarding the City's Public Infrastructure focus area of the Town Plan**

The Public Hearing opened at 7:02 p.m.

Assistant City Manager Leeth presented public survey results of the City's Public Infrastructure focus area of the Town Plan.

The Public Hearing closed at 7:09 p.m.

**9. Discussion – Third review of the Public Infrastructure focus area of the 2023 Town Plan - City Manager / Assistant City Manager**

**9.a. Review and discussion – Public Infrastructure Survey results**

**9.b. Review and discussion – Public Infrastructure Draft write-up**

City Manager Hill and Assistant City Manager Leeth, presented the third review of the draft write-ups and the public survey results on the Public Infrastructure focus area of the 2023 Town Plan.

The Commission reviewed and discussed the draft write-ups and survey results on the Public Infrastructure focus area of the 2023 Town Plan. The Commission gave guidance to staff; no action was taken.

**10. Discussion – First review of the Long-term City Finances focus area of the 2023 Town Plan - City Manager / Assistant City Manager**

**10.a. Presentation – Overview of current City long-term financial projections and analysis**

**10.b. Review and discussion – Long-term City Finances draft survey**

**10.c. Review and discussion – Long-term City Finances draft write-up**

Finance Director Morey presented current City long-term financial projections and analysis.

City Manager Hill and Assistant City Manager Leeth presented the first review of the Long-term City Finances focus area focus area of the 2023 Town Plan.

The Commission reviewed and discussed the first review of the Long-term City Finances focus area focus area of the 2023 Town Plan. The Commission gave guidance to staff; no action was taken.

**11. Report / update - City Council items considered at previous City Council meetings and discussion concerning the same - City Manager**

City Manager Hill provided an overview of items considered at the previous City Council meeting.

**12. Chairman Announcements:**

- a. Advise members to contact City staff to add new or old agenda items.
- b. Advise members of pending agenda items:
  - i. May: *Long-term City Finances* public hearing and second review
  - ii. May: *Public Infrastructure* fourth review
  - iii. May: Introduce the final Town Plan 2023 document review
  - iv. Ordinance to fix the mistaken 2017 B-2 PUD re-zoning of Lots 1701 & 1702 in Block 21, CB 4782E (Lynd Building / Pond Hill Restaurant) by formally re-zoning the lots back to MXD

### **13. Adjournment**

Upon a motion made by Commissioner Maisel, and a second made by Commissioner Stipek, the Planning & Zoning Commission voted eight (8) for and none (0) opposed to adjourn the meeting at 9:17 p.m. The motion carried.

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Carla Laws,  
Chairman

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Kristen Hetzel,  
City Secretary

## PLANNING & ZONING STAFF SUMMARY

Meeting Date: April 5, 2023

Agenda item: 5 / 6

Prepared by: Curtis Leeth

Reviewed by: Bill Hill

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### **AGENDA ITEM DESCRIPTION:**

5. Public Hearing - The purpose of the public hearing is to receive comments from members of the public regarding the Long-term City Finances focus area of the Town Plan

6. Discussion – Second review of the Long-term City Finances focus area of the 2023 Town Plan  
- City Manager / Assistant City Manager

X

#### **Attachments for Reference:**

1) 5a Draft write-up CLEAN

2) 5b Draft write-up TRACK CHANGES

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**BACKGROUND / HISTORY:** At the November 2, 2022 Planning & Zoning Meeting, the Commission selected *Long-term City Finances* for the 5<sup>th</sup> and last focus area of the Town Plan.

On March 9, City staff sent out a Finances 101 document (attachment 10b). The goal of this document is to familiarize the Commission with City Finances before the Long-term Finances discussion began. Staff recommends commissioners read this document before coming to the meeting.

At the April 5, 2023 P&Z meeting, Finance Director Brenda Morey presented staff's fiscal forecast for the next 5-years and analysis of possible fiscal impact of bonds for street and drainage projects discussed in town plan. Commission gained consensus that a public survey was impractical on the topic as it'd be either too hypothetical or too dense of a topic that would result in low response rate.

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**DISCUSSION:** This is the first review of the *Long-term City Finances* focus area of the Town Plan 2023.

#### **City Staff need guidance on:**

1. Give feedback on focus area write-up (item 5a)

Month	LONG-TERM CITY FINANCES
April	Intro
May	Review + PH
June	Final

Due to the numerous changes a clean version (5a) and a track changes version (5b) are presented. Changelog:

- Numerous wordsmithing edits from Commissioners Beladi, Fitzpatrick and Laws
- Added a disclaimer statement at start of write-up

- Added Gov. Finance Officers Award write-up under S&P Bond Rating
- Added note regarding Trinity Well debt in 2009 being paid by water although it is backed by property taxes
- Updated average home taxable value and calculations table to match the BCAD 2023 preliminary totals (avg home value now \$937,404 from \$844,490)
- Added total taxable assessed value of City is \$1.81 billion from BCAD preliminary data
- Added possible street financing bond debt strategy table

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**COURSES OF ACTION:** N/A; give guidance to staff.

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**FINANCIAL IMPACT:** N/A

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**MOTION REQUESTED:** N/A; give guidance to staff on:

1. Give feedback on focus area write-up (item 5a)



## Long-term City Finances

The wise stewardship of public monies by City leaders in the past is a key reason the City of Shavano Park is a premier community of Bexar County today. The City's history of fiscal conservatism means the City, in 2023, offers excellent municipal services while having one of the lowest property tax rates in Bexar County and a manageable debt burden. These conditions have stimulated the development of quality neighborhoods and businesses and a rise in property values over the last decade. The City faces challenges in maintaining this current position in the coming decade. The City will become built-out, causing a slow but steady reduction in year-over-year property tax base growth and construction permit revenues. Meanwhile repairing the City's deteriorating streets will require debt financing while the annual cost of maintaining a professional City staff and providing excellent municipal services is predicted to rise. In addition, the City's known drainage problems will require multi-million-dollar grant funding or debt financing to correct. Additionally, the water system has aging infrastructure and the available reserves are inadequate to fully address the issues. Long-term financing will be key to anticipating major expenses, saving for the coming bills, and ensuring property tax rates stay manageable. This Town Plan encourages future City Councils and City staff to incorporate long-term financial planning into the annual budget process.

The financial forecasts in this Town Plan are not formal recommendations nor have any legal binding. These financial forecasts simply try to illustrate possible future fiscal challenges facing the City. They are the City staff's fiscally conservative guess in spring 2023 amid uncertain economic times. All property tax rates, and possible bond debt issuances discussed are for future City Council and, when warranted, voter decision.

## **This Town Plan identifies the following Issues and Action Steps in Long-term City Finances:**

### **Issues:**

- Residents and businesses demand both quality infrastructure and quality municipal services yet resources are limited
- Primary fiscal pressures on City finances come from deteriorating infrastructure and rising personnel costs
- City has a AAA/Stable Bond Rating
- City receives about \$1M in sales tax revenue annually
- As City becomes built out, a significant drop in permitting revenues is anticipated
- City has Fund Balance reserves of \$2.5M to act as a 'rainy day fund'
- City has Capital Replacement reserves of \$1.7M and dedicates money in each annual budget for future capital replacement
- City Capital Replacement reserves have no money set aside for drainage projects
- Street Maintenance Fund reserves are anticipated to be exhausted in 2026
- Property values under the over 65 Tax Freeze have increased by 9.28% annually over the last 5 years; this reduces revenues City would receive from a property tax increase in future
- Water Utility fund has \$1.3M available on hand and is saving for well sites and storage tanks, but has limited reserves to replace aging service mains across the system

### **Action Steps:**

- Pursue sales-tax generating businesses to reduce tax burden on property owners
- Seek other revenue opportunities to reduce tax burden on property owners
- Pursue grant funding at State and Federal level for street, drainage, and water system renewal
- Continue the wise financial management practices and policies behind the AAA/Stable Bond Rating
- Future City Councils should protect the General Fund's Fund Balance
- Future City Councils should prioritize fully funding Capital Replacement Fund each year
- Future City Councils and City staff should incorporate long-term financial planning into the annual budget process
- City staff should propose a standardized bond project cycle to allow regular infrastructure renewal with minimal impact on property tax rates
- City should communicate future fiscal challenges and infrastructure needs transparently to residents
- Complete the mapping of water lines and conduct a water model analysis
- Develop a water mains replacement schedule and develop options for future funding
- Water Advisory Committee to conduct periodic Water Rate studies to ensure water user fees cover the Utility's expenses
- Water debt fee should be annually reviewed to ensure debt costs are covered

## **City's Fiscal Strength**

The City of Shavano Park's history of wise stewardship of the City's fiscal resources is a major reason why, in 2023, the City boasts excellent municipal services of police, fire, emergency medical, and public works, with community facilities and community events, while maintaining a reasonable debt burden and one of the lowest tax rates in Bexar County. These community traits have led to desirable neighborhoods, a strong sense of community, and an upscale business community as highlighted throughout this Town Plan. Five aspects of City finances illustrate the City's fiscal strength and fiscal conservatism: (1) Triple AAA Bond Rating, (2) manageable debt burden, (3) low property tax rate and robust tax base, (4) healthy capital reserves and (5) ample 'rainy day' fund. Each of these aspects will be discussed in detail in the following section. The Shavano Park Water Utility's finances will be discussed in a separate section at the end of this focus area.

## **Bond Rating**

In June 2022, the City received an "AAA/Stable" long-term rating from S&P Global Ratings as a part of the process for the City's May 2022 voter-approved \$10M Bond. This is the highest and best credit rating that may be issued. The S&P Global Ratings credit report identified the following key attributes for the City of Shavano Park:

Key credit considerations included in our view of Shavano Park:

- Advantageous location in the broad and diverse San Antonio metro area;
- History of strong financial performance and maintenance of very strong reserves;
- Strong financial management practices and policies, and strong institutional framework; and
- Very weak debt and contingent liability profile largely influenced by the current issue.

**S&P Global**  
Ratings

**RatingsDirect®**

The S&P rating is a respected third-party opinion that validates the strength of the City's finances and institutions described in this Town Plan. The only note of caution was the City's debt obligations growing due to the May 2022 voter-approved \$10M Bond to reconstruct over six miles of public streets (see page X of Public Infrastructure for more details). The funding of public infrastructure will be a key fiscal challenge for the City in the future and is addressed later in this focus area.



Another respected third-party opinion of City finances is the Government Finance Officer's Association Distinguished Budget Award which reviews the City annual budget as a communication device to ensure fiscal transparency. See page X to read more about this award the City has won for seven consecutive years.

### **Manageable Debt**

The City has a history of maintaining low debt obligations. Before the Bond issuance in 2022, the last General Fund debt issued by the City was in 2000 for the purposes of building City Hall and completing street repair and drainage projects. Note the City in 2009 issued debt for Trinity Well, which while secured with property taxes, the annual debt payments are paid with water revenues. A statistic to illustrate the City's manageable debt is the debt service ratio. It is a widely accepted measure of sound financial management and a useful tool to understand the City's fiscal integrity. In the year before the 2022 Bond debt issuance, the debt service ratio was only 3.9%, meaning only 3.9% of the City's revenues were committed to debt. The most recent debt issuance increased the City's debt service ratio in 2023 to 14.92%. This increase is sizable but remains manageable – with the City requiring only a \$0.01 tax increase to help fund in 2023. This debt will fund the reconstruction of over six miles of public streets which are badly in need of repair.

### **Low Property Tax Rate and Robust Tax Base**

The City's property tax rate in 2023 is \$0.297742 per \$100 valuation. For Shavano Park's average taxable home value of \$937,404 in 2023, this means a \$2,791.05 tax levy for the City's portion of the total property tax bill. The chart below compares Shavano Park to other Bexar County communities that also provide full police, fire and emergency medical services to residents and businesses:

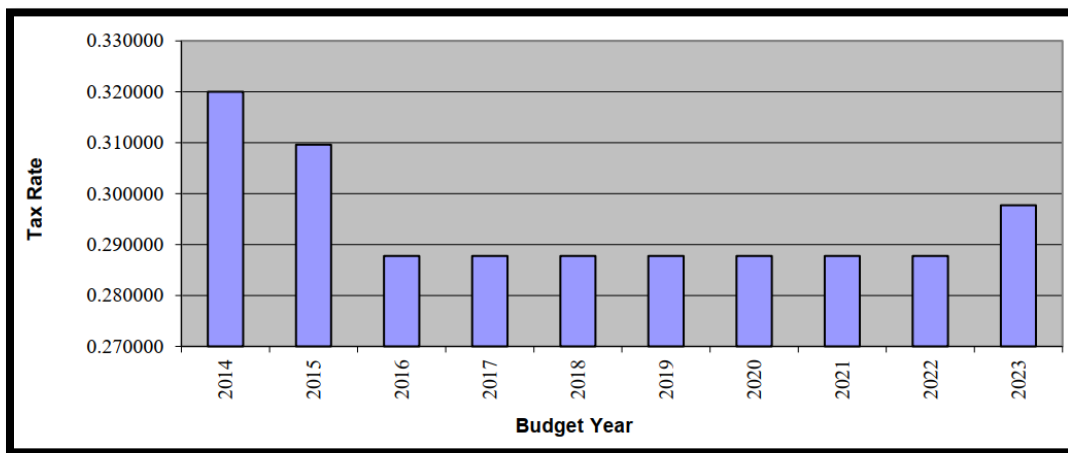
<b>City in Bexar County</b>	<b>Property Tax Rate</b>	<b>Average Shavano Park home value's tax levy (\$937,404)</b>
Shavano Park	0.297742	\$2,791.05
Helotes	0.316778	\$2,969.49
Alamo Heights	0.388051	\$3,637.61
Converse	0.421389	\$3,950.12
Leon Valley	0.484739	\$4,543.96
San Antonio	0.54161	\$5,077.07
Kirby	0.614126	\$5,756.84

The City of Shavano Park does not have the lowest property tax rates in the greater Bexar County area, but is among the lowest rate among cities that offer full services rather than contracting services out. The City's tax rate a decade ago in 2014 was \$0.32 per \$100

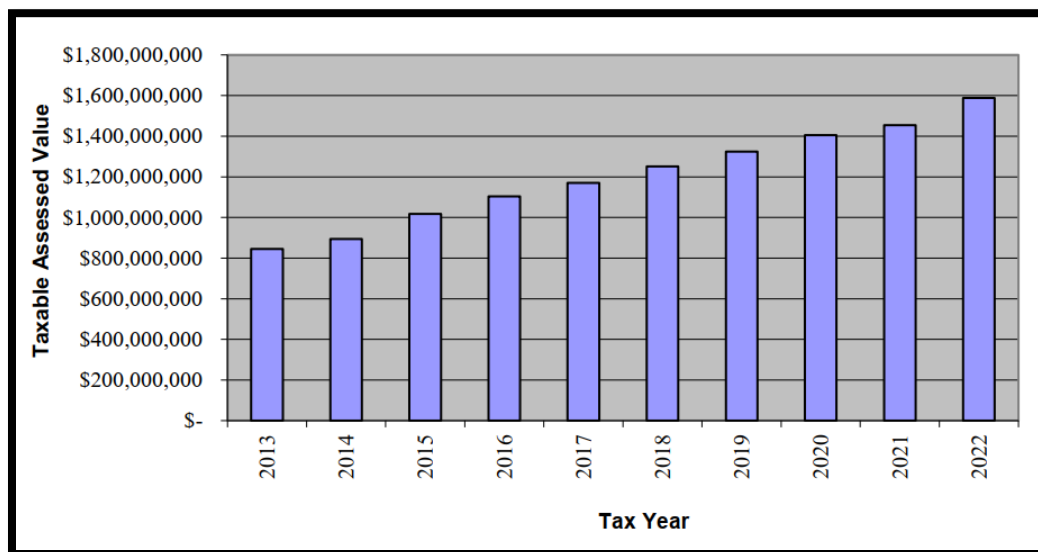
valuation and was lowered to \$0.287742 between 2014-2016 and then held there until being raised by \$0.01 in 2023 with the recent Bond debt issuance (see Figure 1 next page).

The City has been able to afford increasing wages and increasing services (such as building the pavilion and playgrounds on the Municipal Tract in 2020) due to the new construction of residential and commercial buildings and the rapid rise in property values in the City over the last decade. The City's total taxable assessed value has nearly doubled in the last decade, from \$844 million to \$1.59 billion in 2023 (see Figure 2). Preliminary estimates from the Tax Assessor Office reveal total taxable assessed values are anticipated to rise to \$1.81 billion in 2024.

**Figure 1. Property Tax Rates 2014-2023**



**Figure 2. Total Taxable Assessed Values 2014-2023**



## **Capital Replacement Funds**

The City maintains \$2.08M in total capital replacement funds for all City departments. The capital funds serve as monies set aside for future capital purchases such as police vehicles, ambulances, and fire engines. The City budgets revenue annually for capital replacements based on a replacement schedule reflecting an estimated replacement cost and an item's useful life. The use of capital funds spreads out the effect of large purchases on the City's annual budgets. The capital funds assist in avoiding large expenditure swings from year to year, maintaining tax rates and ultimately saving the City money by not having to issue debt to acquire large items. An example of this in practice would be in February 2019, the City's capital fund was used to purchase a \$1,165,000 ladder truck to replace the City's aging 20-year-old fire engine without the need to acquire public debt. The City intends to fully fund the transfer to capital reserves every fiscal year, and in recent years has achieved this goal. The City's robust capital reserves are a tremendous fiscal asset of the City and contribute greatly to the City's fiscal strength. This Town Plan encourages future City Councils to prioritize fully funding capital reserves each year.

## **Reserve 'Rainy Day' Fund**

Like the State of Texas, the City maintains a 'rainy day' fund called the General Fund Balance Reserve. By Ordinance the fund balance must be between 25% to 50% of the City's annual operating budget. The current fund balance reserve is 39% of the 2023 annual budget of the City or \$2.43 million in reserves. Appropriation from the General Fund Balance Reserve requires the approval of the City Council and is only for one-time expenditures, such as capital purchases, and not for ongoing expenditures. The General Fund Balance Reserve has remained about \$2.43 million since the 2016 transfer of \$1.6M to the capital fund to pay for the construction of drainage projects (see page X of Public Infrastructure for details). While the amount of money in reserve has been static, the reserves as a percentage of the General Fund have trended downwards due to the growing annual budget. This General Fund Balance Reserve acts as an emergency 'rainy day' fund for the City and is a critical piece of the City's fiscal strength to weather unexpected emergencies like natural disasters, rapid economic downturns or other calamities. This Town Plan encourages future City Councils to protect and preserve the General Fund Balance Reserve.

## **City's Fiscal Challenges**

The City's two primary fiscal challenges are identified as focus areas of this Town Plan: (1) repair and maintenance of the City's *Public Infrastructure* (on page X) and (2) the rising costs for the City's *Municipal Talent Management and Retention* (on page X). Also taken into account in this section is the fact that the City is nearly built-out and has limited sales tax growth potential due to limited commercial land left for development (see page

X for the Commercial Development focus area). A thorough understanding of those focus areas is recommended before proceeding to the long-term financial planning focus area.

The authors of this Town Plan believe long-term financial planning will be essential to overcoming the fiscal challenges ahead and encourages future City Councils and City staff to incorporate long-term financial planning into the annual budget process. This focus area of the Town Plan should also serve as a launching pad to assist future long-term financial planning by City staff and City Council.

### **Assumptions for all Long-term Financial Planning**

Before tackling the fiscal challenges, it is important to consider the assumed future revenue growth from property and sales tax. These predictions become the baseline upon which projected expenses and their impact on City tax rates and budgets will be applied. Briefly:

- **Property Taxes.** Assumed growth rate is 6% annually in property tax revenue through 2027 and 4% thereafter (note – this is the valuation growth, not from raising tax rates). The drop in 2027 is to account for no new residential builds being added to the tax rolls. This starting growth rate is a conservative rounded-down figure based on the 6.8% annual growth in property tax assessment value between 2017 and 2023.
- **Sales Taxes.** Assumed growth rate is 8% annually in sales tax revenue through 2026 and dropping to 4.5% thereafter. The growth rate moderates in 2026 because all vacant land zoned for commercial use will have been developed by year end. The starting growth rate is based on the City's sales tax growth rates in 2022 and 2023.
- **Tax Freeze Properties.** The Town Plan also assumes the number of tax frozen properties growing at a 6.45% rate annually based on historical data. As the number of tax frozen properties grows, any tax rate increase must be greater for remaining properties to allow the City to collect the same amount of revenue as if the tax freeze did not exist.
- **Salaries and Benefits.** The Town Plan assumes annual salary increases will decline as inflation subsides, falling from a 6.1% wage increase across all positions in 2024 to 4.1% overall in 2028. Healthcare costs are assumed to grow 10% in 2024 and to drop to an 8% growth rate by 2028, again due to declining inflation. Calculations for future Workers Compensation and pension payments are also included in the overall figures presented.

### **Other Assumptions:**

- Predictions assume the City will drawdown its \$1.5M in street reserves to offset debt payments (reducing tax burden from debt payments).
- Assumed 5% interest rate on all bonds. In 2023, it is especially difficult to predict where interest rates will be in the future. Interest rates on million-dollar bonds can have a major impact on affordability.
- Assumed 100% collection rate of property taxes. The City of Shavano Park's collection rate has historically exceeded 99.5%.

### **Fiscal Challenge: Public Infrastructure**

In the Public Infrastructure focus area of this Town Plan, we described the phased restoration of the City's streets (see page X) and also identified the remaining drainage projects (see page X). This Public Infrastructure section will focus on these two infrastructure categories as they are both the largest cost challenges facing the City over the next 10 to 20 years.

Of these two categories, street reconstruction and maintenance is anticipated to be the largest expense challenge facing Shavano Park over the next 10 years. The City should monitor the conditions of the streets and as needed conduct a comprehensive street assessment of the streets in Phases 2, 3, and 4 of the City's Street Maintenance Plan (this is identified as an action step in Public Infrastructure focus area on page x). While the exact cost of repair or reconstruction of the streets is unknown at this time, the City Engineer has provided the preliminary cost estimates reflected below.

Current estimated cost (using 2023 data) to repair the streets of Old Shavano Park (west of NW Military) in Phase 2, Shavano Estates and Shavano Creek in Phase 3 are as follows:

**Figure 3. Estimated Costs for Phase 2 and 3 Street Maintenance Plan**

<b>Subdivision &amp; Phase</b>	<b>Cost Estimate</b>
Phase 2 - Old Shavano Park (West)	\$ 3,140,000
Phase 3 - Shavano Creek	\$ 4,186,667
Phase 3 - Shavano Estates	\$ 4,762,333

Current plan schedule is for the City to begin Phase 2 in 2028 and Phase 3 in 2033. Both phases are predicted to require debt financing to accomplish. This will be challenging to fund as the City's \$10M bond will require payments until 2042. Using the above figures and dates, the City estimates the debt burden will reach its peak between 2034-2042 with a \$1.7M debt payment due each year. This would be an 84% increase in the City's annual debt payment compared to 2023 and could require the City's tax rate be raised \$0.050216 cents by 2034 to \$0.34796 per \$100 valuation in order to afford the street project debt by itself.

There is good news for the Street Maintenance Plan, however. The City's \$10M Bond project bids came in at \$7.5M (with engineering); meaning possibly \$2.5M may be available after the current project. While actual construction is yet to begin in early 2023, this opens up the possibility that some of the streets in Phase 2 and 3 can be done early using the May 2022 Bond monies, thus reducing future requirements.

**Figure 4. Estimated Costs for Drainage Projects**

Project	Cost Estimate
Turkey Creek neighborhood storm sewer	\$ 3,069,770
Elm Spring storm sewer	\$ 1,321,174

The fiscal challenges increase if the City decides to debt-fund the drainage projects rather than use state or federal grant funding. If the City took an additional \$4.4M to accomplish both drainage projects outlined in Public Infrastructure (see page X) they would likely be done as a part of the Phase 2 road project in 2028. In this scenario, there would be a 122% increase in the City's annual debt payment compared to 2023 and could require the City's tax rate to be raised \$0.070601 cents by 2034 to \$0.368343 per \$100 valuation to afford both the street and drainage projects. Doing the road work with the drainage projects makes practical sense and could result in some cost savings on the drainage projects.

It is clear though that pursuing state and federal funding for drainage should be a priority for City staff to avoid impacting property tax rates. City staff already began this effort by submitting both drainage projects to the Texas Water Development Board for funding consideration. In early 2023, the City was informed that both projects had been moved to priority funding. This is good news and increases the likelihood both projects could receive State grant funding.

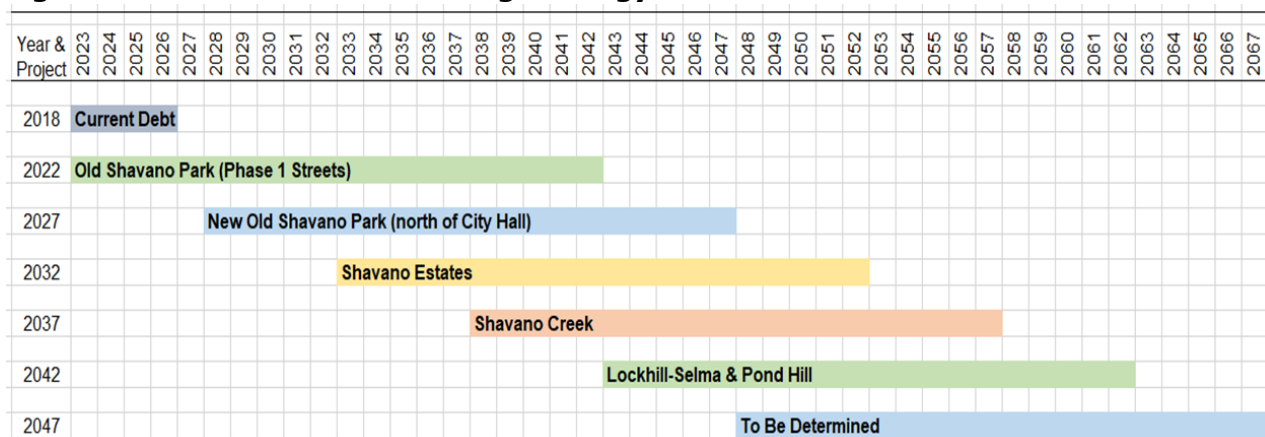
### **A Standardized Debt-Cycle Timeline**

An option to be considered is that the City issue 20-year debt to fund capital projects every five years. This will require four debt issuances (with the first already issued in 2022). Beginning in 2042 (when the 2022 debt is paid off), new debt may be issued without an increase (or a small increase) in debt payments. The cycle could continue as long as capital improvement requirements remain.

This bond-cycle process where a smaller number of streets are addressed every couple of years utilizing smaller amounts of debt could be a way to keep tax rates lower while still accomplishing the necessary street maintenance over time. This Town Plan encourages City staff to propose a standardized bond project cycle to allow regular infrastructure renewal to limit property tax rate increases. A possible street debt financing

strategy using 20-year bond debt issuances is in Figure 5. There is much work for City staff to refine this possible strategy.

**Figure 5. Possible Street Financing Strategy**



### Challenge: Municipal Talent Management and Retention

In the Municipal Talent Management and Retention focus area of this Town Plan, we described the rising costs of maintaining a professional city staff and excellent municipal services (see page X). Between 2014 and 2023, the City total personnel cost (including salaries, health, retirement and benefits) increased by 4.5% on average. This Town Plan predicts a slightly faster rate of annual wage growth at 5.2% per year due to inflation and labor competition. See Figure 6's estimated annual personnel costs. Compensation costs are predicted to grow at a slower rate as current economic, rising healthcare costs and labor market conditions return back to pre-inflation trends.

**Figure 6. Estimated City Payroll Costs 2023 - 2027**

Year	2023	2024	2025	2026	2027	2028
Personnel Cost	\$4,684,104	\$4,968,300	\$5,261,300	\$5,547,300	\$5,798,300	\$6,037,300
Annual Change		\$ 284,196	\$ 293,000	\$ 286,000	\$ 251,000	\$239,000
Percentage Change		5.7%	5.6%	5.2%	4.3%	4.1%

These personnel costs may be challenging because of the debt burden on the City's operations after 2024 coupled with declining revenues – Figure 7 below illustrates the long-term funding challenges using a 5-year prediction model.



**Figure 7. Estimated Revenues 2023-2027 with Current Property Tax Rate**

Year	2023	2024	2025	2026	2027	2028
Revenues:						
Property Taxes	\$4,263,067	\$4,611,000	\$4,887,000	\$5,144,000	\$5,453,000	\$5,671,000
Sales Taxes	\$1,053,000	\$1,138,000	\$1,229,000	\$1,327,000	\$1,387,000	\$1,449,000
Other revenues	\$1,764,962	\$1,766,214	\$1,584,379	\$1,538,290	\$1,543,862	\$1,552,898
Total Revenues	\$7,081,029	\$7,515,214	\$7,700,379	\$8,009,290	\$8,383,862	\$8,672,898
Annual Increase		<b>\$434,185</b>	<b>\$185,165</b>	<b>\$308,911</b>	<b>\$374,573</b>	<b>\$289,036</b>

The drop in revenues in 2025 is primarily due to the end of American Rescue Act funding for capital purchases the City enjoyed from 2022 – 2024 combined with the predicted slowing of revenues due to the City reaching build-out.

Taking together all the fiscal estimates, the City is forecasted to be under on revenues from 2024 – 2026. The exhausting of the City's Street Maintenance reserves to offset the annual debt payments after 2026 also plays a major role in the affordability of personnel costs in Figure 6.

**Figure 8. Estimated Expenditures 2023-2027**

Year	2023	2024	2025	2026	2027	2028
Expenditures:						
Personnel	\$4,684,104	\$4,968,300	\$5,261,300	\$5,547,300	\$5,798,300	\$6,037,300
Debt Service	\$959,103	\$960,282	\$958,696	\$914,100	\$757,565	\$883,390
Capital replacement:						
Purchases	\$663,990	\$292,490	\$171,490	\$214,490	\$136,000	\$483,000
Other Operating	\$1,312,277	\$1,192,800	\$1,228,400	\$1,265,100	\$1,302,900	\$1,341,800
Total Expenditures:	\$ 7,619,474	\$ 7,413,872	\$ 7,619,886	\$7,940,990	\$7,994,765	\$8,745,490
<b>Net Revenues over (under)</b>						
<b>Expenditures:</b>	<b>\$(538,445)</b>	<b>\$101,342</b>	<b>\$80,493</b>	<b>\$68,300</b>	<b>\$389,097</b>	<b>\$(72,592)</b>
Capital replacement Funding (savings)*:	\$297,241	\$323,477	\$307,158	\$294,660	\$293,507	\$287,128
<b>Net after Capital Replacement Funding:</b>	<b>\$(835,686)</b> **	<b>\$(222,135)</b>	<b>\$(226,665)</b>	<b>\$(226,360)</b>	<b>\$95,590</b>	<b>\$(359,720)</b>

\* Funding for future capital replacement (savings) is not a true expenditure but is shown to reflect the commitment of moneys



\*\*2023 is shown in negative balance because the City is utilizing Street Maintenance Fund Balance reserves (\$508,000) and Debt Fund balance reserves (\$51,800) to pay the debt service and a \$260,000 land purchase was made from capital reserves. The use of reserves kept the tax rate increase in 2023 to only \$0.01.

The mid-2020s are predicted to be a fiscally challenging time for the City. The City will become built out (slowing revenue growth), have nearly 14% of its annual operations committed to debt payments, have exhausted its street maintenance fund reserves, and generous federal funding assistance will be largely over. These challenges are compounded by the fact the City has three subdivisions with road maintenance requirements that will likely come due in the late 2020s and early 2030s. This Town Plan encourages the City to pursue sales-tax-generating businesses and to seek other revenue opportunities to reduce the tax burden on property owners. This Town Plan also encourages City staff to pursue grant funding at State and Federal levels for street, drainage, and water system renewal.

The City in 2023 has many fiscal strengths: the highest bond rating available, a robust tax base with low property tax rates, and healthy financial reserves. The City's history of wise stewardship of financial resources and fiscal conservatism has put it in this position. The way ahead will be fiscally challenging. This Town Plan hopes that this focus area serves as a launching pad to help City staff incorporate long-term financial planning into the annual budget process and encourages future City Councils to incorporate long-term forecasting into their annual budget consideration. These efforts combined with the continued wise stewardship of the City's financial resources will help the City overcome the coming fiscal challenges.

### **Water Utility Long-term Finances**

The Shavano Park water system is funded directly by revenues collected from residential water sales. Variations in annual rainfall have a significant impact on revenues each year. During dry years, residents use significantly more water and the City collects more revenue from increased water sales due to the progressive tier fee structure in place. Water conservation awareness and practices have also impacted water usage and revenues as residents are using less water than they did 15 years ago. The City forecasts the annual budgeted revenue by averaging the previous five years' usage.

Thus, the development of the annual budget and long-term financial planning for the Shavano Park Water Utility is challenging due to the difficulty in predicting usage trends and whether future years will be wet or dry. Financial planning is also onerous because the Water Utility is inherently capital-intensive and large unexpected expenses occur when water wells, tanks, motors, and pumps require repair.

As previously detailed within the Infrastructure Focus area, the City has begun, but has not completed, an accurate mapping of the water mains within the distribution system, and a water model analysis has yet to be completed to identify areas within the entire distribution system that may require improvement. Generally, we know that the old water mains that are asbestos concrete or ductile iron will need to be replaced. However, replacement of old water mains is expensive and the water system cannot afford to replace them all at once. Anticipating the cost and schedule needed to replace the old water mains is arduous, at best.

Figure 8 on the next page forecasts the Water Utility annual budgets from 2023 to 2028. The calculations use the 5-year average annual rainfall totals, the same employee compensation cost predictions as previously mentioned, the scheduled capital replacements, and assumes no new debt. This short-term analysis may be used to demonstrate that revenues are expected to remain about the same (without rate increases) and expenses will increase, not accounting for water line replacement, creating financing challenges over the long term.

City staff is currently working with Bexar County to secure a \$750,000 grant using American Rescue Plan Act funds for the water system. This grant will assist the water fund in the short term by offsetting some capital improvement project costs.

**Figure 9. Near-Term Forecast for Water Utility Fund**

		FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Revenues:							
Water Revenues		\$ 1,003,600	\$ 1,055,450	\$ 1,055,668	\$ 1,056,257	\$ 1,056,869	\$ 1,057,506
Other revenues		54,524	84,095	78,825	78,346	77,963	79,627
Total Revenues		\$ 1,058,124	\$ 1,139,545	\$ 1,134,493	\$ 1,134,603	\$ 1,134,832	\$ 1,137,133
Expenses:							
Personnel		\$ 347,607	370,505	392,205	413,105	431,905	449,605
Debt Service		212,772	216,703	214,140	204,310	161,940	163,640
Bond Agent Fees		400	400	400	400	400	400
Capital Purchases		73,667	54,380	5,840	9,840	5,840	52,300
Other Operating		352,144	460,300	474,200	488,400	503,100	518,200
Transfer to General Fund		22,050	22,050	22,050	22,050	22,050	22,050
Total Expenses		\$ 1,008,640	\$ 1,124,338	\$ 1,108,835	\$ 1,138,105	\$ 1,125,235	\$ 1,206,195
Net Revenues over (under)							
Expenses		\$ 49,484	\$ 15,207	\$ 25,658	\$ (3,502)	\$ 9,597	\$ (69,062)
** Capital replacement:							
Funding (savings)		66,484	81,662	81,663	78,216	77,838	77,839
Net Revenues over (under)							
Expenses after Capital							
Replacement Fundings		\$ (17,000)	\$ (66,455)	\$ (56,006)	\$ (81,718)	\$ (68,241)	\$ (146,901)
Notes:							
Projections are on a budgetary basis of accounting.							
Interfund transactions have been eliminated to avoid overstating revenues and expenses							
** Not a true expense, but reflected to show the commitment of moneys and therefore unavailable for operating purposes							

It is noted that there has been no increase in most water usage fees for more than a decade. The Water Service Fee (based upon the size of the meter) has not changed since 2005 and the Water Consumption fee tiers (based on gallons of water consumed each month) have not changed since 2010. In 2019, the City Council approved an increase in the Debt Service fee to prevent operating revenues from supporting debt payments. However, this fee has not been adjusted to reflect the utility's share of the State Infrastructure Bank (SIB) loan used to relocate water mains on NW Military Highway.

This Town Plan encourages the Water Advisory Committee to conduct periodic water rate studies to ensure water user fees cover the Utility's expenses. In addition, the City should complete the accurate mapping of the water mains and fund a comprehensive water model. A water main replacement schedule should be developed to more accurately

predict future capital replacement costs. Finally, City staff should seek federal or state grant funding for remediation of aging pipes in the distribution system. Accomplishing all these tasks will increase the accuracy of financial forecasting and ensure the water system remains self-sufficient in its mission to provide high-quality water service to customers.



## Long-term City Finances

The wise stewardship of public monies by City leaders in the past is a key reason the City of Shavano Park is a premier community of Bexar County today. The City's history of fiscal conservatism means the City, in 2023, offers excellent municipal services while having one of the lowest property tax rates in Bexar County and a manageable debt burden. These conditions have stimulated the development of quality neighborhoods and businesses and a rise in property values over the last decade. The City faces challenges in maintaining this current position in the ~~future coming decade~~. ~~The City will become built-out within the decade, causing a slow but steady reduction in year-over-year property tax base growth and permitting construction permit revenues. Meanwhile~~ ~~the repairing the~~ City's deteriorating streets will require ~~debt-financing~~ ~~debt financing to repair~~ while the annual cost of maintaining a professional City staff and providing excellent municipal services is predicted to rise. In addition, the City's known drainage problems will require multi-million-dollar grant funding or debt financing to ~~complete~~ ~~correct~~. ~~Additionally, t~~The water system ~~also has an~~ aging infrastructure ~~with and the few~~ available reserves ~~are inadequate to fully address the issues~~. Long-term financing will be key to anticipating major expenses, saving for ~~the~~ coming bills, and ensuring property tax rates stay manageable. This Town Plan encourages future City Councils and City staff to incorporate long-term financial planning into the annual budget process.

~~The financial forecasts in this Town Plan are not formal recommendations nor have any legal binding. These financial forecasts simply try to illustrate possible future fiscal challenges facing the City. They are the City staff's fiscally conservative guess in spring 2023 amid uncertain economic times. All property tax rates, and possible bond debt issuances discussed are for future City Council and, when warranted, voter decision.~~

## This Town Plan identifies the following Issues and Action Steps in Long-term City Finances:

### Issues:

- Residents and businesses demand both quality infrastructure and quality municipal services yet resources are limited
- Primary fiscal pressures on City finances come from deteriorating infrastructure and rising personnel costs
- City has a AAA/Stable Bond Rating
- City receives about \$1M in sales tax revenue annually
- As City ~~is becomes~~ built out, a significant drop in permitting revenues is anticipated
- City has Fund Balance reserves of \$2.5M to act as a 'rainy day fund'
- City has Capital Replacement reserves ~~at of~~ \$1.7M and ~~saves-dedicates~~ money in each annual budget for future capital replacement
- City Capital Replacement reserves have no money set aside for drainage projects
- Street Maintenance Fund reserves are anticipated to be exhausted in 2026
- Property values under the over 65 Tax Freeze have increased by 9.28% annually over the last 5 years; this reduces revenues City would receive from a property tax increase in future
- Water Utility fund has \$1.3M ~~funds~~ available on hand and is saving for well sites and storage tanks, but has limited reserves to replace aging service mains across the system

### Action Steps:

- Pursue sales-tax generating businesses to reduce tax burden on property owners
- Seek other revenue opportunities to reduce tax burden on property owners
- Pursue grant funding at State and Federal level for street, drainage, and water system renewal
- Continue the wise financial management practices and policies behind the AAA/Stable Bond Rating
- Future City Councils should protect the General Fund's Fund Balance
- Future City Councils should prioritize fully funding Capital Replacement Fund each year
- Future City Councils and City staff should incorporate long-term financial planning into the annual budget process
- City staff should propose a standardized bond project cycle to allow regular infrastructure renewal with ~~out increasing~~ minimal impact on property tax rates
- City should communicate future fiscal challenges and infrastructure needs transparently to residents
- Complete the mapping of water lines and conduct a water model analysis
- Develop a water mains replacement schedule and develop options for future funding
- Water Advisory Committee to conduct periodic Water Rate studies to ensure water user fees cover the Utility's expenses
- Water debt fee should be annually reviewed to ensure debt costs are covered

## **City's Fiscal Strength**

The City of Shavano Park's history of wise stewardship of the City's fiscal resources is a major reason why, in 2023, the City boasts excellent municipal services of police, fire, emergency medical, and public works, with community facilities and community events, while maintaining a reasonable debt burden and one of the lowest tax rates in Bexar County. These community traits have led to strong-desirable neighborhoods, a strong sense of community, and an upscale business community as highlighted throughout this Town Plan. Five aspects of City finances illustrate the City's fiscal strength and fiscal conservatism: (1) ~~the City's~~ Triple AAA Bond Rating, (2) ~~the City's~~ manageable debt burden, (3) ~~the City's~~ low property tax rate and robust tax base, (4) ~~the City's robust~~ healthy capital reserves and (5) ~~the City's robust ample~~ 'rainy day' fund. Each of these aspects will be discussed in detail in the following section. The Shavano Park Water Utility's finances will be discussed in a separate section at the end of this focus area.

## **Bond Rating**

In June 2022, the City received an "AAA/Stable" long-term rating from S&P Global Ratings as a part of the process for the City's May 2022 voter-approved \$10M Bond. This is the highest and best credit rating that ~~can may~~ be issued. The S&P Global Ratings in their credit report identified the following key attributes for the City of Shavano Park:

Key credit considerations included in our view of Shavano ~~Park's~~ Park:

- Advantageous location in the broad and diverse San Antonio metro area;
- History of strong financial performance and maintenance of very strong reserves;
- Strong financial management practices and policies, and strong institutional framework; and
- Very weak debt and contingent liability profile largely influenced by the current issue.

**S&P Global**  
Ratings

**RatingsDirect®**

The is S&P Ratings-rating is a respected third-party opinion that validates ~~of~~ the strength of the City's ~~strong~~ finances and institutions described in this Town Plan. The only note of caution was the City's debt obligations growing due to the May 2022 voter-approved \$10M Bond to reconstruct over six miles of public streets (see page X of Public Infrastructure for more details). The funding of public infrastructure will be a key fiscal challenge for the City in the future and is addressed later in this focus area.



Another respected third-party opinion of City finances is the Government Finance Officer's Association Distinguished Budget Award which reviews the City annual budget as a communication device to ensure fiscal transparency. See page X to read more about this award the City has won for seven consecutive years.

## **Manageable Debt**

The City has a history of maintaining low debt obligations. Before the Bond issuance in 2022, the last General Fund debt issued by the City was in 2000 for the purposes of building City Hall, and completing street repair and drainage projects. Note the City in 2009 issued debt for Trinity Well, which while secured with property taxes, the annual debt payments are paid with water revenues. A statistic to illustrate the City's manageable debt is the debt service ratio. ~~Debt service ratio~~It is a widely accepted measure of sound financial management, and a useful tool to understand the City's fiscal integrity. In the year before the 2022 Bond debt issuance, the debt service ratio was only 3.9%, meaning only 3.9% of the City's revenues were committed to debt ~~service rather than current services~~. The most recent debt issuance increased the City's debt service ratio in 2023 to 14.92%. This increase is sizable but remains manageable – with the City requiring only a \$0.01 tax increase to help fund in 2023. This debt will fund the reconstruction of over six miles of public streets which are badly in need of repair.

## **Low Property Tax Rate and Robust Tax Base**

The City's property tax rate in 2023 is \$0.297742 per \$100 valuation. For Shavano Park's average taxable home value of \$844,490\$937,404 in 2023, this means a \$2,514-791.05 tax levy for the City's portion of the total property tax bill. ~~Here-The chart below compares is a comparison between~~ Shavano Park and to other Bexar County communities who-that also provide full police, fire and emergency medical services to residents and businesses:

<u>City in Bexar County</u>	<u>Property Tax Rate</u>	<u>Average Shavano Park home value's tax levy (\$937,404)</u>
<u>Shavano Park</u>	<u>0.297742</u>	<u>\$2,791.05</u>
<u>Helotes</u>	<u>0.316778</u>	<u>\$2,969.49</u>
<u>Alamo Heights</u>	<u>0.388051</u>	<u>\$3,637.61</u>
<u>Converse</u>	<u>0.421389</u>	<u>\$3,950.12</u>
<u>Leon Valley</u>	<u>0.484739</u>	<u>\$4,543.96</u>
<u>San Antonio</u>	<u>0.54161</u>	<u>\$5,077.07</u>
<u>Kirby</u>	<u>0.614126</u>	<u>\$5,756.84</u>

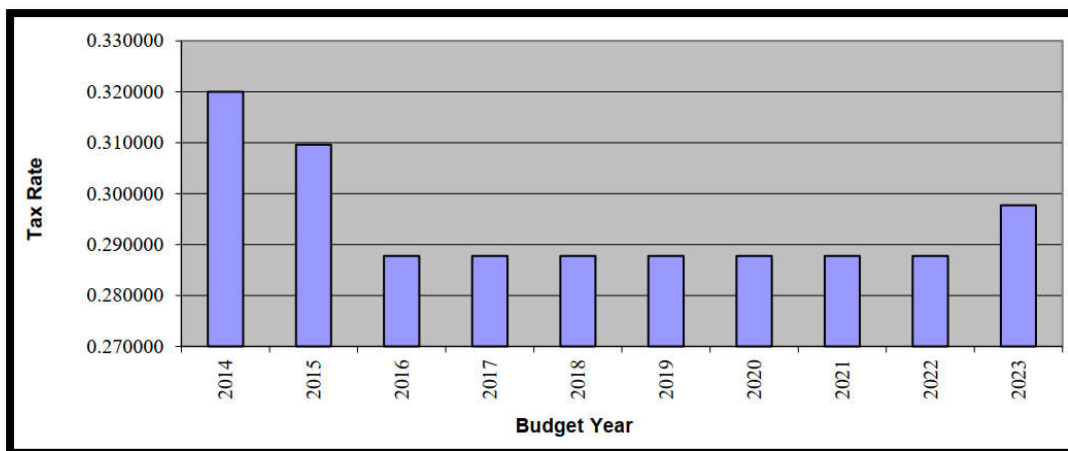


City in Bexar County	Property Tax Rate	Average Shavano Park home value's tax levy (\$844,490)
Shavano Park	0.297742	\$2,514.40
Helotes	0.316778	\$2,675.16
Alamo Heights	0.388051	\$3,277.05
Converse	0.421389	\$3,558.59
Leon Valley	0.484739	\$4,093.57
San Antonio	0.54161	\$4,573.84
Kirby	0.614126	\$5,186.23

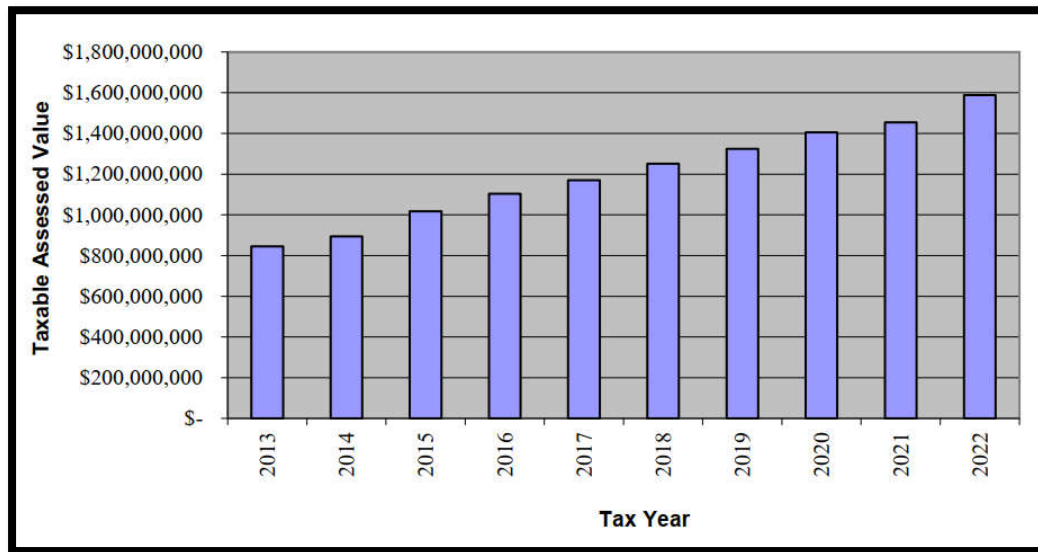
The City of Shavano Park does not have the lowest property tax rates in the greater Bexar County area, but is among the lowest rate among cities that offer full services rather than contracting services out. The City's tax rate a decade ago in 2014 was \$0.32 per \$100 valuation and was lowered to \$0.287742 between 2014-2016 and then held there until being raised by \$0.01 in 2023 with the recent Bond debt issuance (see Figure 1 next page).

~~These low tax rates have been~~The City has afforded been able to afford while increasing wages and increasing services (such as building the pavilion and playgrounds on the Municipal Tract in 2020) due to the new construction of residential and commercial buildings and the rapid rise in property values in the City over the last decade. The City's total taxable assessed value has nearly doubled in the last decade, from \$844 million to ~~now~~ \$1.59 billion in 2023 (see Figure 2). Preliminary estimates from the Tax Assessor Office reveal total taxable assessed values are anticipated to rise to \$1.81 billion in 2024.

**Figure 1. Property Tax Rates 2014-2023**



**Figure 2. Total Taxable Assessed Values 2014-2023**



### Capital Replacement Funds

The City maintains \$2.08M in total capital replacement funds for all City departments. The capital funds serve as monies set aside for future capital purchases such as police vehicles, ambulances, and fire engines. The City budgets revenue annually for capital replacments ~~Annually a portion of revenues are budgeted~~ based on a replacement schedule using reflecting an estimated replacement cost and an item's useful life. The use of capital funds spreads out the effect of large purchases on the City's annual budgets. The capital funds assist in avoiding large expenditure swings from year to year, maintaining tax rates and ultimately ~~saves~~ saving the City money by not having to issue debt to acquire large items. An example of this in practice would be in February 2019, the City's capital fund was used to purchase a \$1,165,000 ladder truck to replace the City's aging 20-year-old fire engine without the need to acquire public debt. The City intends to fully fund the transfer to capital reserves every fiscal year, and in recent years has achieved this goal. The City's robust capital reserves are a tremendous fiscal asset of the City and contribute greatly to the City's fiscal strength. This Town Plan encourages future City Councils to prioritize fully funding capital reserves each year.

### Reserve 'Rainy Day' Fund

Like the State of Texas, the City maintains a 'rainy day' fund called the General Fund Balance Reserve. By Ordinance the fund balance ~~reserve~~ must be between 25% to 50% of the City's annual operating budget. The current fund balance reserve is 39% of the 2023 annual budget of the City or \$2.43 million in reserves. Appropriation from the General Fund Bbalance Reserves requires the approval of the City Council and is only for one-time expenditures, such as capital purchases, and not for ongoing expenditures. The

General Fund Balance Reserve has ~~stayed steady at~~ remained around about \$2.43 million since the 2016 transfer of \$1.6M ~~in reserves~~ to the capital fund to pay for the construction of drainage projects (see page X of Public Infrastructure for details). While the amount of money in reserve has ~~stayed steady been static~~, the reserves as a percentage of the General Fund have trended downwards due to the growing ~~annual budget~~ General Fund. This General Fund Balance Reserve acts as an emergency 'rainy day' fund for the City and is a critical piece of the City's fiscal strength to weather unexpected emergencies like natural disasters, rapid economic downturns or other calamities. This Town Plan encourages future City Councils to protect and preserve the General Fund Balance Reserve.

### **City's Fiscal Challenges**

The City's two primary fiscal challenges are identified as focus areas of this Town Plan: (1) repair and maintenance of the City's *Public Infrastructure* (on page X) and (2) the rising costs for the City's *Municipal Talent Management and Retention* (on page X). Also taken into account in this section is the fact that the City is nearing nearly built-out and has limited sales tax growth potential due to limited commercial land left for development (see page X for the Commercial Development focus area). ~~We recommend you familiarize with these focus areas before reading this section. A thorough understanding of those focus areas is recommended before proceeding to the long-term financial planning focus area.~~

~~The~~ is authors of this Town Plan believes long-term financial planning will be essential to overcoming the fiscal challenges ahead and encourages future City Councils and City staff to incorporate long-term financial planning into the annual budget process. This focus area of the Town Plan should also serve as a launching pad to assist future long-term financial planning by City staff and City Council.

### **Assumptions for all Long-term Financial Planning**

Before ~~launching into tackling~~ the fiscal challenges, ~~lets first it is important to cover~~ consider the assumed future revenue growth from property and sales tax. These predictions become the baseline upon which projected expenses and their impact on City tax rates and budgets ~~in the fiscal challenges~~ will be applied. ~~These explanations will be~~ Briefly relatively brief:

- **Property Taxes.** Assumed growth rate is 6% annually in property tax revenue through 2027 and 4% thereafter (note – this is the valuation growth, not from raising ~~of any~~ tax rates). The drop in 2027 is to account for ~~the end in no~~ new residential builds being added to the tax rolls. This starting growth rate is a

conservative rounded-down figure based ~~upon-on~~ the 6.8% annual growth in property tax assessments ~~value~~ between 2017 and 2023.

- **Sales Taxes.** Assumed growth rate is 8% annually in sales tax revenue through 2026 and dropping ~~down~~ to 4.5% thereafter. The ~~drop-growth rate moderates~~ in 2026 ~~is-to-account-for-the-City-becoming-built-out-in-commercial-businesses-because-all-vacant-land-zoned-for-commercial-use-will-have-been-developed-by-year-end~~. The starting growth rate is based ~~upon-on~~ the City's sales tax growth rates ~~assumed~~ in 2022 and 2023.
- **Tax Freeze Properties.** The Town Plan also assumes ~~the number of t~~ Tax ~~f~~ Frozen properties growing at a 6.45% rate annually ~~based on historical data~~. ~~This-is-based-on-an-approximation-of-the-total-tax-base-being-under-a-tax-freeze-each-year. Remember-a~~ As ~~the number of~~ tax frozen properties ~~increase~~ grows, any tax rate increase must be ~~higher-on~~ greater for remaining properties to ~~allow the City to~~ collect the same amount of revenue ~~as~~ if the tax freeze did not exist.
- **Salaries and Benefits.** The Town Plan assumes ~~a-gradually-declining~~ annual salary increases ~~will decline as due-to-declining~~ inflation ~~subsidies~~, ~~starting-falling from a at~~ 6.1% wage increase across all positions in 2024 ~~and-declining~~ to 4.1% overall in 2028. Healthcare costs are assumed to ~~start-at~~ grow 10% ~~growth-rate~~ in 2024 and ~~declining-to drop~~ to ~~an~~ 8% growth rate by 2028, again ~~to-predict~~ due to declining inflation. Calculations for future Workers Compensation and pension payments ~~were-are~~ also included in the overall figures presented.

#### Other ~~A~~ssumptions:

- Predictions assume the City will drawdown its \$1.5M in street reserves to offset debt payments (reducing tax burden from debt payments).
- Assumed 5% interest rate on all bonds. In 2023, it is ~~especially~~ difficult to predict where interest rates will be in the future. ~~Remember-that-i~~ Interest rates on million-dollar bonds can have a major impact on affordability.
- Assumed 100% collection rate of property taxes. The City of Shavano Park's ~~collection rate has~~ historically ~~exceeded-is-always-over~~ 99.5% ~~collection-rate, for simplification-a-100%-collection-rate-is-assumed~~.

#### Fiscal Challenge: Public Infrastructure

In the Public Infrastructure focus area of this Town Plan, we described the phased restoration of the City's streets (see page X) and also identified the remaining drainage projects (see page X). This Public Infrastructure section will focus on these two infrastructure categories as they are both the largest cost challenges facing the City over the next 10 ~~to~~ -20 years.

Of these two categories, street reconstruction and maintenance ~~are~~is anticipated to be the largest expense challenge facing Shavano Park over the next 10 years. The City should monitor the conditions of the streets and as needed conduct a comprehensive street assessment of the streets in Phases 2, 3, and 4 of the City's Street Maintenance Plan (this is identified as an action step in Public Infrastructure focus area on page x). While the exact cost of repair or reconstruction of the streets is unknown at this time, the ~~City does have~~ City Engineer has provided the preliminary cost estimates ~~that are used~~reflected below.

Current estimated cost (using 2023 data) to repair the streets of Old Shavano Park (west of NW Military) in Phase 2, Shavano Estates and Shavano Creek in Phase 3 are as follows:

**Figure 3. Estimated Costs for Phase 2 and 3 Street Maintenance Plan**

Subdivision & Phase	Cost Estimate
Phase 2 - Old Shavano Park (West)	\$ 3,140,000
Phase 3 - Shavano Creek	\$ 4,186,667
Phase 3 - Shavano Estates	\$ 4,762,333

Current plan schedule is for the City to begin Phase 2 in 2028 and Phase 3 in 2033. Both phases are predicted to require debt financing to accomplish ~~repair~~. This will be challenging to fund as the City's \$10M bond will require payments until 2042. Using the above figures and dates, the City estimates the debt burden will reach its peak between 2034-2042 with a \$1.7M debt payment due each year. This would be an 84% increase in the City's annual debt payment compared to 2023 and could require the City's tax rate be raised \$0.050216 cents by 2034 to \$0.34796 per \$100 valuation in order to afford the street project debt by itself.

There is good news for the Street Maintenance Plan, however. The City's \$10M Bond project bids came in at \$7.5M (with engineering); meaning possibly \$2.5M may be available after the current project. While actual construction is yet to begin in early 2023, this opens up the possibility that some of the streets in Phase 2 and 3 can be done early using the May 2022 Bond monies, thus reducing future requirements.

**Figure 4. Estimated Costs for Drainage Projects**

Project	Cost Estimate
Turkey Creek neighborhood storm sewer	\$ 3,069,770
Elm Spring storm sewer	\$ 1,321,174

The fiscal challenges ~~increases~~ if the City decides to debt-fund the drainage projects rather than use state or federal grant funding. If the City took an additional \$4.4M to

accomplish both drainage projects outlined in Public Infrastructure (see page X) they would likely be done as a part of the Phase 2 road project in 2028. In this scenario, there would be a 122% increase in the City's annual debt payment compared to 2023 and could require the City's tax rate to be raised \$0.070601 cents by 2034 to \$0.368343 per \$100 valuation ~~in-order-to~~ afford both the street and drainage projects. Doing the road work with the drainage projects makes practical sense ~~in-construction~~ and could result in some cost savings on the drainage projects.

It is clear though that pursuing state and federal funding for drainage should be a priority for City staff to avoid impacting property tax rates. City staff already began this effort by submitting both drainage projects to the Texas Water Development Board for funding consideration. In early 2023, the City was informed that both projects had been moved to priority funding. This is good news and increases the likelihood both projects could receive State grant funding ~~to-accomplish~~.

### **A Standardized Debt-Cycle Timeline**

An option to be considered is that the City issues 20-year debt to fund capital projects every five years. This will require four debt issuances (with the first already issued in 2022). Beginning in 2042 (when the 2022 debt is paid off), new debt ~~can~~ may be issued without an increase (or a small increase) in debt payments. The cycle ~~can~~ could continue as long as capital improvement requirements remain.

This bond-cycle process where a smaller number of streets are ~~done-addressed~~ every couple of years ~~and-utilizing~~ smaller ~~debts-are-taken~~ amounts of debt could be a way to keep tax rates lower while still accomplishing the necessary street maintenance over time. This Town Plan encourages City staff to propose a standardized bond project cycle to allow regular infrastructure renewal to limit property tax rate increases. A possible street debt financing strategy using 20-year bond debt issuances is in Figure 5. There is much work for City staff to refine this possible strategy.

### **Figure 5. Possible Street Financing Strategy**





Year	2023	2024	2025	2026	2027	2028
Revenues:						
Property Taxes	\$4,263,067	\$4,611,000	\$4,887,000	\$5,144,000	\$5,453,000	\$5,671,000
Sales Taxes	\$1,053,000	\$1,138,000	\$1,229,000	\$1,327,000	\$1,387,000	\$1,449,000
Other revenues	\$1,764,962	\$1,766,214	\$1,584,379	\$1,538,290	\$1,543,862	\$1,552,898
Total Revenues	\$7,081,029	\$7,515,214	\$7,700,379	\$8,009,290	\$8,383,862	\$8,672,898
Annual Increase		<b>\$434,185</b>	<b>\$185,165</b>	<b>\$308,911</b>	<b>\$374,573</b>	<b>\$289,036</b>

The drop in revenues in 2025 is primarily due to the end of American Rescue Act funding for capital purchases the City had-enjoyed from 2022 – 2024 combined with the predicted slowing of revenues due to the City reaching build-out.

Taking together all the fiscal estimates, and-predictions the City is predicted-forecasted to be under on revenues from 2024 – 2026. The exhausting of the City's Street Maintenance reserves to offset the annual debt payments after 2026 also plays a major role in the affordability of personnel costs in Figure 65.

**Figure 87. Estimated Expenditures 2023-2027**

Year	2023	2024	2025	2026	2027	2028
Expenditures:						
Personnel	\$4,684,104	\$4,968,300	\$5,261,300	\$5,547,300	\$5,798,300	\$6,037,300
Debt Service	\$959,103	\$960,282	\$958,696	\$914,100	\$757,565	\$883,390
Capital replacement:						
Purchases	\$663,990	\$292,490	\$171,490	\$214,490	\$136,000	\$483,000
Other Operating	\$1,312,277	\$1,192,800	\$1,228,400	\$1,265,100	\$1,302,900	\$1,341,800
Total Expenditures:	\$ 7,619,474	\$ 7,413,872	\$ 7,619,886	\$7,940,990	\$7,994,765	\$8,745,490
<b>Net Revenues over (under)</b>						
<b>Expenditures:</b>	<b>\$(538,445)</b>	<b>\$101,342</b>	<b>\$80,493</b>	<b>\$68,300</b>	<b>\$389,097</b>	<b>\$(72,592)</b>
Capital replacement Funding (savings)*:	\$297,241	\$323,477	\$307,158	\$294,660	\$293,507	\$287,128
<b>Net after Capital Replacement Funding:</b>	<b>\$(835,686)</b> **	<b>\$(222,135)</b>	<b>\$(226,665)</b>	<b>\$(226,360)</b>	<b>\$95,590</b>	<b>\$(359,720)</b>

\* Funding for future capital replacement (savings) is not a true expenditure but is shown to reflect the commitment of moneys



\*\*2023 is shown in negative balance because the City is utilizing Street Maintenance Fund Balance reserves (\$508,000) and Debt Fund balance reserves (\$51,800) to pay the debt service and a \$260,000 land purchase was made from capital reserves. The use of reserves kept the tax rate increase in 2023 to only \$0.01.

The mid-2020s are predicted to be a fiscally challenging time for the City. The City will become built out (slowing revenue growth), have ~~near-nearly~~ 14% of its annual operations committed to debt payments, ~~have~~ exhausted its street maintenance fund reserves, and generous federal funding assistance will be largely over. These challenges are compounded by the fact the City has three subdivisions with road maintenance requirements that will likely come due in the late 2020s and early 2030s. This Town Plan encourages the City to pursue ~~sales-tax-generating~~ sales-tax-generating businesses and to seek other revenue opportunities to reduce ~~the~~ tax burden on property owners. ~~This~~ Town Plan also encourages City staff to pursue grant funding at State and Federal ~~level~~ levels for street, drainage, and water system renewal.

The City in 2023 has many fiscal strengths: the highest bond rating available, a robust tax base with low property tax rates, and healthy financial reserves. The City's history of wise stewardship of financial resources and fiscal conservatism ~~have~~ has put it in this position. The way ahead will be fiscally challenging. This Town Plan hopes that this focus area serves as a launching pad to help City staff incorporate long-term financial planning into the annual budget process and encourages future City Councils to incorporate long-term forecasting into their annual budget consideration. These efforts combined with the continued wise stewardship of the City's financial resources will help the City overcome the coming fiscal challenges.

## **Water Utility Long-term Finances**

The Shavano Park water system is funded directly ~~from-by~~ revenues collected from residential water sales. Variations in annual rainfall have a significant impact on revenues each year. During dry years, residents use significantly more water and the City collects more revenue from increased water sales due to the progressive tier fee structure in place. Water conservation awareness and practices have also impacted water usage and revenues as residents are using less water than they did 15 years ago. The City forecasts the annual budgeted revenue by averaging the previous five ~~-years'~~ usage.

Thus, the development of the annual budget and long-term financial planning for the Shavano Park Water Utility is challenging due to the difficulty in predicting usage trends and ~~if-whether~~ future years will be wet or dry. Financial planning is also onerous because the Water Utility is inherently capital-intensive and large unexpected expenses ~~can~~ occur when water wells, tanks, motors, and pumps require repair.

As previously detailed within the Infrastructure Focus area, the City has begun, but has not completed, an accurate mapping of the water mains within the distribution system, ~~nor-has-and~~ a water model analysis ~~has yet to be-been~~ completed to ~~determine-identify~~ areas within the entire distribution system that may ~~need-require~~ improvements. Generally, we know that the old water mains that are asbestos concrete or ductile iron will need to be replaced. However, replacement of old water mains is expensive and the water system cannot afford to replace them all at once. Anticipating the cost and schedule needed to replace the old water mains is arduous, at best.

Figure 8 on the next page forecasts the Water Utility annual budgets from 2023 to 2028. The calculations use-Using the 5-year average annual rainfall's totals, the same employee compensation cost predictions as previously ~~mentioned-analysis, along-with-the~~ scheduled capital replacements, and assumed ~~sd~~ no new debt, ~~the City's prediction for Water Utility annual budgets 2023—2028 is in Figure 8 on next page. We can use-t~~ This short-term analysis may be used to demonstrate that revenues are expected to remain about the same (without rate increases) and expenses will increase, ~~not accounting, which doesn't account~~ for water line replacement, ~~and-over-the-long-term, creates-creating~~ financing challenges over the long term.

City staff is currently working with Bexar County to secure a \$750,000 grant using American Rescue Plan Act funds for the water system. This funding-grant will assist the water fund in the ~~short-term-short term~~ by offsetting ~~certain-some~~ capital improvement project costs.

**Figure 98. Long-Range Near-Term Forecast for Water Utility Fund**

		FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Revenues:							
Water Revenues		\$ 1,003,600	\$ 1,055,450	\$ 1,055,668	\$ 1,056,257	\$ 1,056,869	\$ 1,057,506
Other revenues		54,524	84,095	78,825	78,346	77,963	79,627
Total Revenues		\$ 1,058,124	\$ 1,139,545	\$ 1,134,493	\$ 1,134,603	\$ 1,134,832	\$ 1,137,133
Expenses:							
Personnel		\$ 347,607	370,505	392,205	413,105	431,905	449,605
Debt Service		212,772	216,703	214,140	204,310	161,940	163,640
Bond Agent Fees		400	400	400	400	400	400
Capital Purchases		73,667	54,380	5,840	9,840	5,840	52,300
Other Operating		352,144	460,300	474,200	488,400	503,100	518,200
Transfer to General Fund		22,050	22,050	22,050	22,050	22,050	22,050
Total Expenses		\$ 1,008,640	\$ 1,124,338	\$ 1,108,835	\$ 1,138,105	\$ 1,125,235	\$ 1,206,195
Net Revenues over (under)							
Expenses		\$ 49,484	\$ 15,207	\$ 25,658	\$ (3,502)	\$ 9,597	\$ (69,062)
** Capital replacement:							
Funding (savings)		66,484	81,662	81,663	78,216	77,838	77,839
Net Revenues over (under)							
Expenses after Capital							
Replacement Fundings		\$ (17,000)	\$ (66,455)	\$ (56,006)	\$ (81,718)	\$ (68,241)	\$ (146,901)
Notes:							
Projections are on a budgetary basis of accounting.							
Interfund transactions have been eliminated to avoid overstating revenues and expenses							
** Not a true expense, but reflected to show the commitment of moneys and therefore unavailable for operating purposes							

It is noted that there has been no increase in most water usage fees ~~have not been changed in over~~ for more than a decade. The Water Service Fee (based upon the size of the meter) has not ~~been~~ changed since 2005 and the Water Consumption fee tiers (based upon gallons of water consumed each month) have not ~~been~~ changed since 2010. In 2019, the City Council ~~did~~ approved an increase ~~on~~ in the Debt Service fee to ~~stop prevent~~ operating revenues from supporting debt payments. However, this fee has not been adjusted to reflect the utility's share of the State Infrastructure Bank (SIB) loan, ~~used~~ to relocate water mains on NW Military Highway.

This Town Plan encourages the Water Advisory Committee to conduct periodic ~~Water~~  
~~water r~~Rate studies to ensure water user fees cover the Utility's expenses. In addition,  
the City should complete the accurate mapping of the water mains and fund a  
comprehensive water model. A water main replacement schedule should be developed  
to more accurately predict future capital replacement costs. Finally, City staff should seek  
federal or state grant funding for remediation of aging pipes in the distribution system.  
Accomplishing all these ~~items-tasks~~ will increase the accuracy of financial forecasting and  
ensure the water system ~~stays-remains~~ self-sufficient in its mission to provide ~~high~~  
~~quality~~~~high-quality~~ water service to customers.

## PLANNING & ZONING STAFF SUMMARY

Meeting Date: May 3, 2023

Agenda item: 7

Prepared by: Curtis Leeth

Reviewed by: Bill Hill

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### **AGENDA ITEM DESCRIPTION:**

7. Discussion – Fourth and Final review of the Public Infrastructure focus area of the 2023 Town Plan - City Manager / Assistant City Manager

7.a. Review and discussion – Public Infrastructure Draft write-up

7.b. Review and discussion – Public Infrastructure Survey results

X

#### **Attachments for Reference:**

1) 7a Draft writeup TRACK CHANGES

2) 7b Public Survey results as of 4/27 @ 9AM

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**BACKGROUND / HISTORY:** At the November 2, 2022 Planning & Zoning Meeting, the Commission selected Public Infrastructure for the 5<sup>th</sup> focus area of the Town Plan.

At the February 1, 2023 Planning & Zoning meeting the *Public Infrastructure* writeup and survey was introduced. Due to short time to draft the packet combined with the size and detail of the focus area and survey it was decided to re-introduce the focus area at March 1, 2023 meeting.

At the March 1, 2023 Planning & Zoning meeting *Public Infrastructure* writeup and survey was re-reviewed and guidance given to staff. The survey was released March 6 on City website, all City social media channels, TextMyGov, I-INFO and an article put in the Roadrunner newsletter. Between March 6 and April 28, **only 37 responses were received (+2 from April)** (see attachment 7b).

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**DISCUSSION:** This is the still the fourth and final review of the *Public Infrastructure* focus area of the Town Plan 2023.

#### **City Staff need guidance on two items:**

1. Give feedback on draft focus area write-up (item 7b)

Month	Public Infrastructure
Feb & March	Intro
April	Review + PH
June	Final

**Changes made to the write-up after the April 5 meeting, brief summary of changes:**

- Added several “residents who participated” survey statements
- Fixed “trailhead” on sidewalk map legend; now “access point”
- Split out water into new issue statements
- Added gas/internet action step to match issue

- Re-arranged issues/action steps to flow (1) overall, (2) streets, (3) drainage, (4) bike/walk, (5) gas/internet and (6) water

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**COURSES OF ACTION:** N/A; give guidance to staff.

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**FINANCIAL IMPACT:** N/A

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**MOTION REQUESTED:** N/A; give guidance to staff on:

1. Give feedback on focus area write-up (item 9b)



## Public Infrastructure

**Public Infrastructure describes the facilities, systems, and structures that often are taken for granted but are essential to quality of life in a community. Although most Shavano Park public infrastructure is owned and operated by the City, other systems are provided by private or outside agencies. Shavano Park furnishes and maintains public buildings, streets, drainage, greenbelts, and the water system. In the past, the City rarely had the necessary funds available to provide an infrastructure of the highest quality. With the City's growth into a premier City of Bexar County, the residents and businesses now expect high quality infrastructure. Because much of the City's infrastructure was constructed in the 1950s to the 1970s, the City likely will face significant infrastructure maintenance requirements in the next five to ten years. This Town Plan encourages future City Councils to pursue grant funding and responsible budgeting for these challenges, but it also acknowledges the role debt financing will play in the future renewal of the City's public infrastructure.**

### **Public Infrastructure Table of Contents**

This focus area of the Town Plan covers a multitude of topics; here is the table of contents with links to each section for ease of navigation:

1. **City Streets** . . . . . page X
2. **NW Military**. . . . . page X
3. **Bike and Pedestrian Pathways**. . . . . page X
4. **Water System**. . . . . page X
5. **Drainage**. . . . . page X
6. **Municipal Tract**. . . . . page X
7. **Fiber Internet Service**. . . . . page X

Issues and Action Steps are on the next page.



## This Town Plan identifies the following Issues and Action Steps in Public Infrastructure:

### Issues:

- Residents and businesses demand quality infrastructure yet funds are limited
- Deteriorating streets ~~and water service lines~~ nearing expected end-of-life
- No comprehensive street assessment for Phases 2, 3, or 4 of the City's Street Maintenance Plan
- City will have little to no street ~~or water fund reserves~~ after completion of Bond/Federal projects in 2024/2025
- Two remaining pre-planned drainage projects (Elm Springs and Turkey Creek) will cost more than \$4 million
- Some drainage problems exceed the City's ability to pay
- Residents desire bike and pedestrian connectivity
- Preference to keep the Muni-tract natural and support wildlife while providing amenities for citizens
- Not all residences have natural gas or fiber internet service available
- ~~➤ Some drainage problems exceed the City's ability to pay~~
- Aging water distribution system
- Limited water fund reserves to pay for water distribution system renewal

### Action Steps:

- Pursue grant funding options at State and Federal level for street, drainage, and water system renewal
- Long-term financial planning to ensure the City's debt burden remains manageable
- Successfully complete the \$10M Bond project and \$4M Federal projects to build resident trust in City's capability to tackle large infrastructure projects
- Monitor the conditions of the streets and as needed conduct a comprehensive street assessment with projected costs and timelines for Phases 2, 3, and 4
- ~~➤ Complete a comprehensive water model to better anticipate future capital requirements~~
- Prioritize and sequence infrastructure maintenance and replacement
- ~~➤~~
- ~~➤ Long term financial planning to ensure the City's debt burden remains manageable~~
- Consider pedestrian and bicycle improvements including Cliffside Dr. access point ~~access~~
- City to coordinate with and encourage utility providers to extend gas and fiber internet services to residents desiring the services
- ~~➤ Pursue grant funding options at State and Federal level for street, drainage, and water system renewal~~
- Complete a comprehensive water model to better anticipate future capital requirements
- Consider Capital Replacement / Sinking Funds for future water infrastructure replacement
- City must explore new means to fund large drainage projects



## City Streets

Shavano Park, like all cities, is responsible for maintaining and reconstructing its 20 miles of public streets. The average street lifespan is 20 to 30 years, and with good maintenance, 40 to 50 years. Most of the streets were built before 1980 (with some dating back to the original development) and are deteriorating. As of 2022, the City had only \$1.3M dollars saved toward maintaining and restoring its streets, but the total cost to maintain and repair them was in the millions. Street reconstruction and maintenance are anticipated to be the largest expense challenges facing Shavano Park over the next 20 to 30 years. Residents who participated in the Town Plan expressed support for the street projects and were glad the City was planning ahead; but expressed concerns with traffic and access to homes during construction.

## Failing City Streets in Old Shavano Park



The City will prioritize street repair in the worst areas, while simultaneously implementing a maintenance program for other areas. Once those problem areas are completed, the next worst streets may be planned and repaired. In 2022, the City developed a phased-in approach for street repair to be implemented over the next 20 years. This phased-in approach helps the City afford the work with a minimal impact on each annual budget and property tax rate (see map on next page).

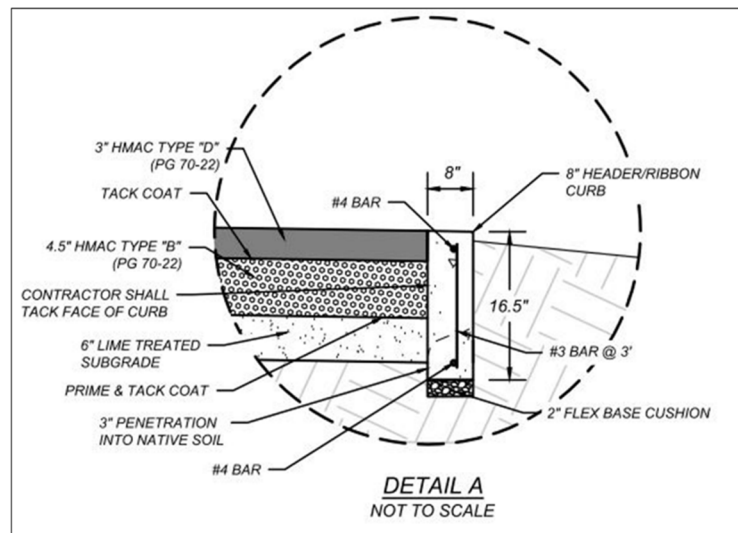
A comprehensive assessment measured the pavement condition indexes of street sections throughout Old Shavano Park and confirmed the streets in many areas of the City are near failure. In 2022, the City took action to address the deteriorating streets by initiating the first major street maintenance project since 2004. Voters approved a \$10M Bond to fully reconstruct six miles of streets in Old Shavano Park (Phase 1 – Red on map). In the same year, the City also secured \$4M via a federally-funded Community Project Funding Request in the 2023 Federal Budget from the office of Congressman Tony Gonzales (TX-23) and the United States Congress. The City will use these funds on De Zavala Road to improve drainage facilities, add bike lanes and sidewalks, and re-pave the surface. The drainage and accessibility improvements of this project will be discussed in subsequent section.





Shavano, Wagon Trail, Windmill; (2) repaving of the Post Oak Way entrance (from Lockhill-Selma); and (3) complete reconstruction of the cul-de-sacs of Elm Spring, Honey Bee, Hunters Branch, Hunters Branch South, and Turkey Creek. All existing street material will be removed and new street material installed. The new streets will feature a new 8-inch “ribbon curb” flush with the street (not raised – see Exhibit 1). This curb confines the roadway structure, reducing edge failures and adding significant life to the street.

**Exhibit 1 – Bond Project Street Reconstruction**



In order to afford the annual debt payments for the 2022 voter-approved Bond, the City increased the ad valorem property tax rate by \$0.01. In addition, the City added its \$1.3M dollar street maintenance fund to keep the tax rate increase to just \$0.01. See page X for the Long-term City Finances focus area of this Town Plan for more information. Once Phase 1 and Phase 1A of the Street Maintenance Plan are complete in 2024-2025, the City is forecast to have exhausted its street maintenance fund, meaning all future street maintenance costs must be borne by grant funding or debt financing.

**PHASE 1A – De Zavala Road.** This phase will accomplish the re-paving of De Zavala Road with the addition of dedicated bike lanes, sidewalks, and raised curbs, and improve the drainage. This project will compete for federal funding. See page X for De Zavala Road drainage improvements and page X for De Zavala bike and accessibility improvements.

**PHASE 2 - Old Shavano Park West neighborhood.** The streets in this area were built in the 1970s and are in decent condition largely because of their curbs. The most deteriorated areas of Old Shavano Park West are proposed to be repaired in the \$10M Bond Election. The City already repaired the Arrow Mound cul-de-sac in the fall of 2021 because of its severe deterioration. Cul-de-sacs in Old Shavano Park West are in worse shape than the streets because of turning stress from larger vehicles like trash and delivery trucks. The cul-de-sacs of Turkey Creek, Honey Bee, Elm Spring, Hunters Branch, and Hunters Branch South are all included in the Bond Election for Phase 1.

**PHASE 3 - Shavano Creek and Shavano Estates.** These streets were built in the late 1970s through the 1980s and are in good to decent condition. These streets all have curbs that help extend the life of the street. Shavano Creek’s main entrance at Post Oak Way and Lockhill Selma is included in the Bond because it has significant street cracking from heavy traffic flow than other parts of

the neighborhood. The residential streets further into the subdivision experience less traffic and are therefore in better condition. The City anticipates with regular maintenance like seal coating and crack sealing, these streets will endure for many more years.

**PHASE 4 - Lockhill-Selma and Pond Hill.** These two major thoroughways were constructed in the early to mid-2000s and are still in excellent condition. The City anticipates with regular maintenance like seal coating and crack sealing, these streets will endure for many more years. Future replacement of these streets will be significant and quite costly as they must be built to sustain heavy traffic and heavy vehicles like tractor-trailers.

While the City staff has an intuitive understanding of the condition of the streets, the streets in Phases 2, 3, and 4 have not been comprehensively assessed for their pavement condition. Long-term planning and forecasting will be necessary to ensure the street maintenance responsibilities of the City for its 20 miles of public streets do not become overly burdensome to the taxpayers. This Town Plan encourages the City to complete comprehensive assessments of the streets in Phases 2, 3, and 4 to create a more refined and detailed schedule for maintenance and repair.

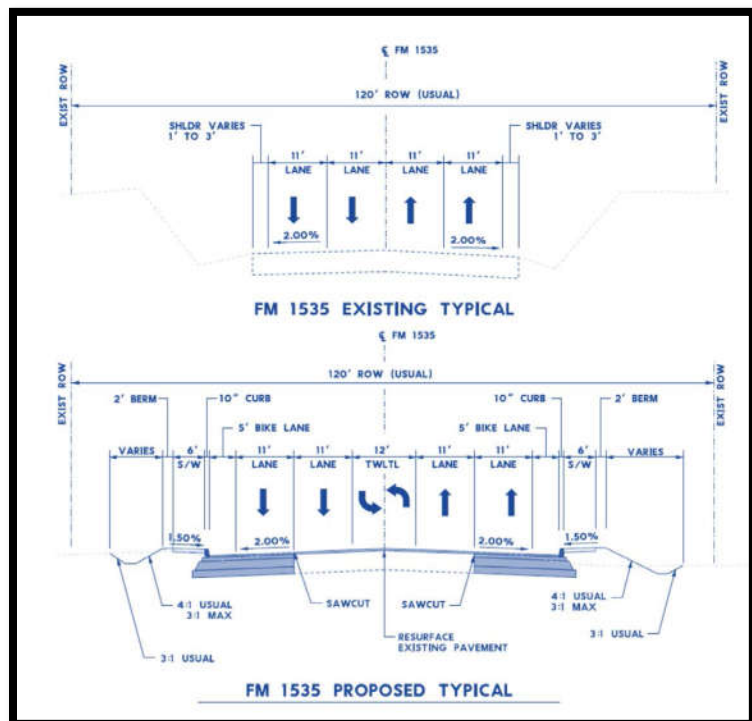
### **NW Military Highway**

NW Military Highway has been under major construction with the Texas Department of Transportation (TxDOT) since the summer of 2021. This project was a major focus of the 2010 and 2018 Town Plans and these plans' vision drove the City's coordination with TxDOT to secure \$15.5M in Federal and State funding through the Alamo Area Municipal Planning Organization. The City was responsible for relocating its water utilities in the State right-of-way, which cost approximately \$925,000.

The project is slated for completion by December 2023 and includes the following improvements to NW Military Highway in the City of Shavano Park (see Exhibit 2):

- Adding a continuous center-turn lane
- Adding dedicated sidewalks and bicycle lanes
- Pedestrian crossings at Pond Hill and De Zavala intersections with NW Military
- Adding a traffic signal at the Pond Hill Road intersection

**Exhibit 2 – NW Military Improvement Project**



- Installing raised medians between Loop 1604 and Wagon Trail Road (improving safety)
- Multiple drainage improvements to prevent increased stormwater runoff (storm sewer, expanded culverts)
- Partial reconstruction of residential driveways to safely tie into the expanded highway
- VIA covered bus stop installed near Pond Hill Road and NW Military Highway

This project, while making many accessibility and safety improvements to the highway, is also distressing to many residents because of the removal of so many trees in the right-of-way to make way for the movement of utilities, installation of the storm sewer, and pavement expansion. The City worked closely with TxDOT during the engineering planning and initial construction phases to save as many trees as possible, but the reality of the construction project meant few were saved. In response, the 2021 City Council established the NW Military Highway Beautification Committee.

Many residents who participated in the Town Plan process spoke about the loss of trees on NW Military as damaging to the beauty of the City and also expressed concern about a large strip of concrete and asphalt dividing the City in two. Planting trees near the highway is not possible under TxDOT regulations nor is planting trees over the utilities next to the highway allowable. This limits the areas the City can plant trees. The NW Military Beautification Committee has considered beautification alternatives to planting trees such as native wildflower gardens, bushes and decorative features. The City will work with TxDOT to determine what is possible in beautifying NW Military after construction and identify possible funding sources. The Governor's Community Achievement Awards is one such potential funding vehicle for NW Military Highway beautification.



Keep Texas Beautiful, in partnership with the Texas Department of Transportation (TxDOT), has awarded the prestigious Governor's Community Achievement Awards (GCAA) to Texas communities for their outstanding overall efforts to keep their communities beautiful since 1969.

In 2023, ten winning communities will share \$2 million in landscaping awards from TxDOT, with the amount based on population size. If selected, the Keep Texas Beautiful program would award Shavano Park a \$110,000 grant. The funds may be used for landscaping projects in state rights-of-way. City staff and the NW Military Highway Beautification Committee will pursue this grant process and coordinate with TxDOT to achieve an actionable vision for landscaping and beautification of NW Military. The Town Plan supports and encourages these efforts to beautify NW Military.

The 2010 and 2018 Town Plans called for the creation of a network of sidewalks, bike lanes, and pathways to connect the City and provide access to nearby San Antonio trails and parks. Since 2018, significant progress has been made in creating this network but much work remains.

After these projects, there remain two portions of trails – one in San Antonio jurisdiction between De Zavala Road and Huebner Road (see dashes red in Exhibit 3) and a portion connecting NW Military to the north Salado Creek Greenway access point (green line near 1604).



- TOWN PLAN | 2023 8



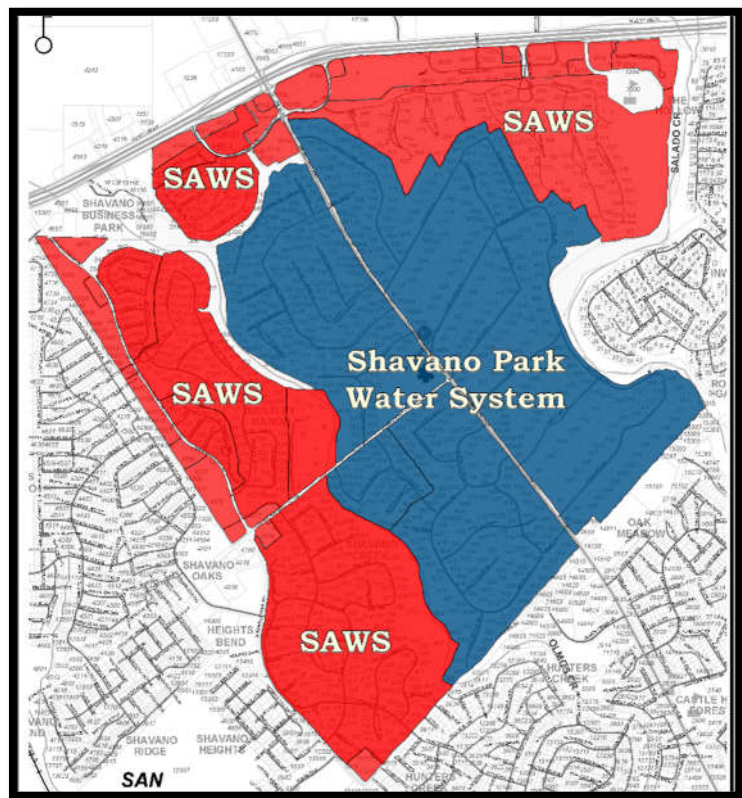
The final hike/bike accessibility location is the southern Cliffside access point access to Salado Creek Greenway. The City has made some improvements to the pathway since the 2018 Town Plan but has preserved a natural footpath. Residents who participated in the Town Plan process expressed a desire for improved accessibility on the trail similar to the paved and gated access Inwood HOA has constructed across Salado Creek Greenway in the City of San Antonio. Creating a similar access point would be difficult because there is no room for a parking area, challenges re-grading the path, and limited ability for the City of Shavano Park to install and monitor a controlled access gate. This Town Plan encourages future City Councils to keep an eye on developments near the Cliffside trail access point, but also to remember the access point is near existing homes and further improvements will require considerable funds, careful consideration, and meticulous planning.

### **Water System**

Shavano Park Water Utility was created in 1972 after the conveyance of the existing water infrastructure from the Forest Oaks Development Company to the City of Shavano Park. After the development of the Ripple Creek/Painted Post neighborhood south of De Zavala concluded, further development ceased for a number of years primarily due to a lack of water; the Edwards Aquifer wells in the original City were all limited-capacity wells. The Shavano Park Water Utility was the only water provider in the City until the annexation and development of land in the early 2000s. Those annexed areas became the neighborhoods of Shavano Creek, Bentley Manor, De Zavala Estates, Huntington, Pond Hill and are serviced by the San Antonio Water System (SAWS).

In 2009 during a severe state-wide drought, the City drilled into the Trinity Aquifer to diversify the City's water supply, establishing Well #9. Complications with the water from Trinity Aquifer required additional improvements and maintenance to the well and water system over the life of the well. In 2019, Trinity Well #9 was capped and "mothballed" due to ongoing maintenance costs and low water pumpage rates.

Today the Shavano Park water utility serves 713 customers in an area covering roughly half the City (see map) using Edwards Aquifer Water. Over the last three years, the Shavano Park Water Utility pumped on average 200,580,413 gallons or 615 acre-feet of water per year. The system maintains



four well sites and pumps water through two distribution sites. The system is funded by Shavano Park water customers in a separate Water Fund. This Water Fund maintains all infrastructure, vehicles and materials of the Shavano Park Water Utility and six employees, four of whom split workload and pay 50/50 with Public Works and the City-wide General Fund. Much of the water infrastructure of the City dates to the original development of the neighborhoods. In Old Shavano Park east of NW Military, that means most water lines date to the 1950s and 1960s. In Old Shavano Park west of NW Military, water lines date to the 1960s and 1970s. Shavano Estates' water lines generally date to the 1980s.

Since 2018, the Shavano Park Water Utility has performed numerous upgrades to the system necessitated by street projects in the City – specifically the TxDOT NW Military Highway project, and the City's 2022 Street Bond Project. In both instances, the water lines must be lowered or relocated to remove conflicts with street reconstruction or other utility work. Along NW Military the Water Utility has replaced 3,000 linear feet of water lines and five major crossings. All new pipe replaces aging Asbestos Cement (AC) water lines. The installation and manufacturing of AC water lines ceased in North America in the late 1970s due to health concerns associated with the manufacturing process of AC pipes and the possible release of asbestos fibers from deteriorated pipes. The Shavano Park Water Utility maintains quarterly water quality testing for asbestos levels in the system to ensure asbestos levels remain within the safe, State-mandated, range.

In preparation for the Street Reconstruction Bond Project that commences in 2023, the Water Utility has been replacing all long water service lines that cross under the streets that will be reconstructed plus ten water main crossings. These water lines were shallow and in conflict with the street reconstruction. It made the most sense to replace the aging lines now before reconstructing streets (see page X for discussion on the 2022 Street Reconstruction Bond Project).

The lack of a full and proper mapping and assessment of the water system is the greatest challenge to predicting the City's future water capital and debt financing needs. Such an assessment combined with a water model of the system would enable the Water Utility to:

- Plan capital replacements by identifying the age and material of water mains to determine their usable life
- Determine the appropriate water main size for future installation based on the number of home service connections and water usage
- Ascertain whether additional booster pumps are needed for improved fire suppression capability
- Improve the City's ISO Rating; the water system accounts for 40% of the total points and a model could help identify actions to improve the score (see page X for more information on the City's ISO Rating)
- Determine whether additional water capacity (i.e. storage tanks) is needed



## **Drainage**

Shavano Park is situated between the Texas Hill Country to the north and the lower-lying areas of San Antonio proper to the south and has long experienced drainage challenges. These challenges intensified during the 1990s and 2000s with the rapid development within and around Shavano Park. Drainage was a focus area of the 2010 and 2018 Town Plans and a significant focus of the City from 2016-2021 after the completion of a Master Drainage Plan in 2017. Between 2017 and 2021 the City spent \$1,104,798 on drainage projects utilizing the City's drainage reserves in the Capital Fund.

Big Picture - Drainage Reserves	
City Drainage Reserves when started	\$ 1,320,746
Total Expenses 2017 - 2021	\$ (1,104,798)
Transfer to Street Fund for Bond Project (FY23)	\$ (215,948)
Remaining Drainage Reserves January 1, 2023	\$ (0)

This \$1.1M allowed the City to build three low water crossings on Chimney Rock, Bent Oak, and Windmill, clear multiple drainage pathways, and install a pump in a natural depression north of Wagon Trail. Exhibit 4 below shows the cost breakdown by project.

### **Exhibit 4 – Breakdown of Drainage Project Expenditures from 2017-2021**

Drainage Costs Breakdown (2016 - 2021)		
Engineer Planning	Anticipated Costs	Actual Expenses
KFW Engineering Task Order 4 (Chimney Rock)	\$ 60,307.00	\$ 60,252.39
KFW Engineering Task Order 5 (Bent Oak/Windmill)	\$ 58,800.00	\$ 56,807.76
KFW Engineering Task Order 6 (PER)	\$ 118,000.00	\$ 118,000.00
Engineering costs	\$ 237,107.00	\$ 235,060.15
Construction / Project		
Bent Oak Clearing	\$ 15,000.00	\$ 10,000.00
Windmill Culvert	\$ 280,746.64	\$ 322,550.00
Bent Oak Culvert	\$ 251,493.17	\$ 233,824.00
Chimney Rock Culvert	\$ 292,847.46	\$ 303,364.00
Wagon Trail Depression Pump	\$ -	Bitterblue
Kinnan Way Berm Clearing	\$ -	Bitterblue
Construction costs	\$ 840,087.27	\$ 869,738.00
Totals	\$ 1,077,194.27	\$ 1,104,798.15

There remain only three drainage projects identified in the 2017 Master Drainage Plan left to complete. Of the three, one is being accomplished with Federal Funding in the De Zavala improvement project. The remaining two are well beyond current City funding and require unanimous buy-in from property owners to secure drainage easement agreements.

### De Zavala Storm Water Culvert

The Federally-funded De Zavala project will capture water run-off from NW Military Highway and the Municipal Tract before it spills across De Zavala and into the yards along Painted Post and Ripple Creek (see Exhibit 5). The project will upgrade the existing culverts that convey water under De Zavala near the Municipal Tract. A 54-inch drain pipe running the length of De Zavala will capture the water and convey it to Olmos Creek.

This pipe (in red in Exhibit 5) will provide considerable relief to properties along Ripple Creek and Painted Post that flood during storm events. In early 2023, the De Zavala project is in the middle of the Engineering process and is anticipated to start construction in 2024.

Exhibit 5 – Drainage near De Zavala



### Turkey Creek and Elm Spring Drainage Projects

These drainage projects were studied in the 2020 Preliminary Engineering Report and the estimated cost at that time was \$4.4M, an amount well beyond City reserves. Both projects propose installing storm sewers to capture water flowing through the Turkey Creek/Honey Bee neighborhood and along Elm Spring to carry the water underground to the Olmos Creek basin. The Turkey Creek/Honey Bee project would remove all the homes located north of Long Bow Road from the existing floodplain. The Elm Spring project would prevent roadway flooding in small rain events as it does today. Aside from being costly, both projects will require homeowners to sign drainage easement agreements. Securing buy-in from all homeowners in the vicinity of the projects will be especially challenging.

The decision point to pursue these projects will be part of the scheduled Street Maintenance in Phase 2. These drainage projects could be packaged with street reconstruction in a future bond or grant-funded project. Residents who participated in the Town Plan supported City funding these projects with grant funding and packaging the drainage projects with the streets when they were reconstructed. Residents who participated did not support eminent domain being used by the City to secure easement on private property for these projects.

Exhibit 6 – Remaining two drainage projects



Project	Project Cost Estimate (2020)
Turkey Creek	\$ 3,069,770.96
Elm Spring	\$ 1,321,174.11
<b>Total</b>	<b>\$ 4,390,945.07</b>

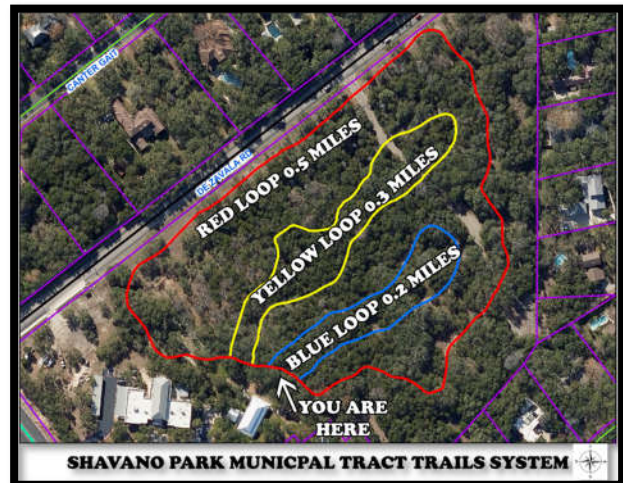


## **Municipal Tract**

The Municipal Tract consists of approximately 22 acres of land located in the center of the City northwest of the intersection of De Zavala Road and NW Military Highway. Rogers Shavano Ranch Inc. deeded the Municipal Tract to the City in 2000 to be used exclusively for "general municipal, municipal recreational, or other community-orientated purposes and/or facilities." This language prohibits development of the tract for residential or commercial purposes. The Municipal Tract was a major focus of the 2010 and 2018 Town Plans. Since the 2018 Town Plan, the City has constructed numerous Community facilities on the Municipal Tract:

- A 1-mile nature trail was constructed in 2019
- A large outdoor pavilion and playgrounds were constructed near City Hall in 2020-2021
- A KIA (killed-in-action) Veterans Memorial honoring three Shavano Park residents who died in combat was constructed in front of the pavilion in 2022.

Additionally, a farmer's market with 20-30 vendors began operating in the parking lot on Sundays.



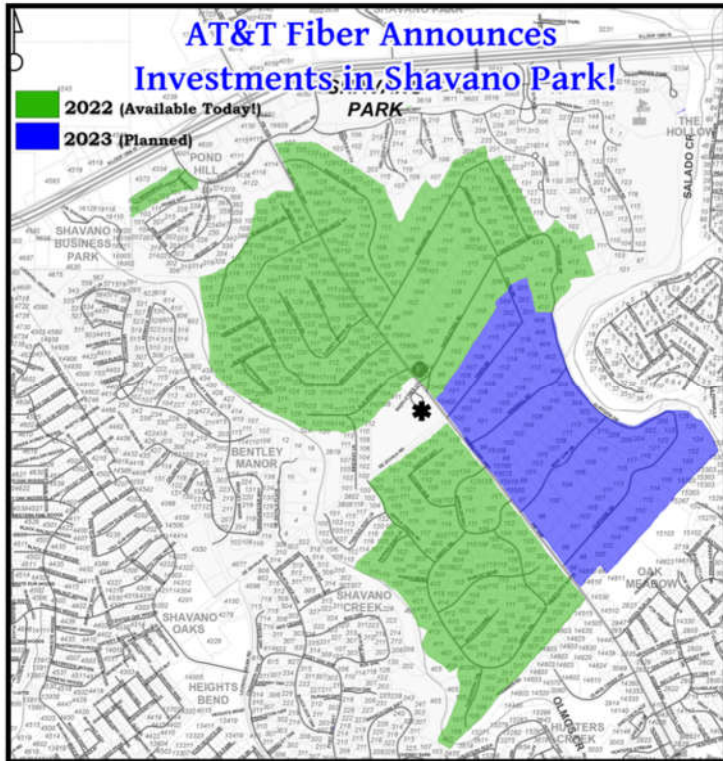
Incremental improvements to the Municipal Tract continue in 2023 with the construction of a shade structure over the playground equipment and the implementation of a trail improvement project funded by a \$10,000 donation from the Starr Family. See page X for the role the Municipal Tract plays in Community Engagement. Residents who participated in the Town Plan process stated a desire to preserve the existing natural habitat of the Municipal Tract.

This Town Plan encourages the City's future leaders to maintain and incrementally improve the Municipal Tract. Feedback from residents should assist in prioritizing the improvements. Possible considerations include additional parking, improvements to the nature trail, additional playgrounds, and recreational facilities.

### **Fiber Internet Service**

The City has limited influence over the private investment decisions of Internet Service Providers (ISPs), but in recent years many residents, City staff, and City Council questioned why Shavano Park did not have fiber direct to home like some other surrounding neighborhoods in north Bexar County. In 2022, the City Council articulated a vision and formed a resident-volunteer Internet working group to work with ISPs to bring fiber internet to Shavano Park. City Council's vision was to have fiber internet directly into the homes and businesses across the City to meet the digital demands of the future.

Fiber internet is using glass instead of copper to transmit internet data. The speed and reliability of glass are far higher than copper but glass is more expensive to produce and install. A glass line directly feeding into a home (fiber to the premises, or "FTTP") is relatively rare in the United States. When an ISP advertises High-Speed Internet, they are actually advertising that the backbone internet service in the subdivision or street is glass, but copper lines still feed into your home and generally maxes out at 300 megabits per second (fiber to the curb, or "FTTC"). FTTC increases the internet speed in the area but does not provide the 1+ Gigabit per second speeds and reliability of direct fiber or FTTP (Note: there are 1000 megabits in a single gigabit). Before the working group, only City business areas had access to fiber internet. The majority of the City had FTTC and some areas had only one FTTC provider (no competition).



During discussions with ISPs, the City learned of the challenges that have prevented fiber internet investments to date:

- 1) The amount of rock subsurface makes the final trenching to the home more expensive
- 2) The number of wide-spaced lots limits profitability
- 3) Investing in established neighborhoods is more expensive in general
- 4) Number of gated communities/homes and City solicitation rules make door-to-door sales difficult

In 2022, the Internet Working Group engaged all area ISPs to explore the feasibility of bringing fiber internet direct to homes in Shavano Park. The Working Group saw success with AT&T announcing direct-to-home fiber availability to over 400 homes with expansion plans for 2023 (see map). As of January 25, 2023, 268 residents have signed up for AT&T fiber internet service. The Internet Working Group continues to work to encourage and champion ISP investments in the digital infrastructure of the City. Residents who participated in the Town Plan expressed excitement to get fiber internet for their home. The Town Plan encourages the efforts of City Council and the Internet Working Group to bring fiber internet to all the homes and businesses of Shavano Park.

## **Town Plan 2023: Public Infrastructure Survey**

Summary (as of Thurs, April 26, 2023 @ 9AM)

- **Responses:** 37 respondents
- Respondents were not required to answer every question, so total answers by question vary.
- Survey used IP-filtering for security. A manual check for irregularities (like fake addresses) did not spot any fake submissions.

### Question 3 Summary

#### **Immediate Challenge: What do you like or what are your concerns with Phase 1 Street Project?**

- Open-ended comment box; 30 comments submitted
- Responses varied but generally:
  - Believed the project was needed
  - Believed the new streets will improve community attractiveness
  - Concerns with traffic impacts
  - Doubts it can be completed for \$10M; concerns with project delays and cost overruns



**Q3 Immediate Challenge: Phase 1 Old Shavano Park Street Reconstruction Bond Project** The \$10M 2022 Bond Project allows the City to completely reconstruct the streets in the worst condition. It includes 2 components: (1) complete reconstruction of the streets of Bent Oak, Chimney Rock, Cliffside, End Gate, Fawn, Saddletree, Shavano, Wagon Trail, Windmill and (2) complete reconstruction of the cul-de-sacs of Elm Spring, Honey Bee, Hunters Branch, Hunters Branch South, and Turkey Creek. See the image below for the reconstruction standard. To learn more about this project visit <https://www.shavanopark.org/streetbond> This project will reconstruct 6 miles of streets. In addition, gas service lines and many water service lines will be upgraded in Old Shavano Park east of NW Military. This will be the largest construction project in the City's history. What do you like about this Phase 1 project and what are your greatest concerns?

Answered: 30   Skipped: 7

#	RESPONSES	DATE
1	Like the future benefits as I investigate moving from the Creek to that area.	4/25/2023 9:30 AM
2	COSP successful installed trectrenching, placed the protective pipe, and the municipal pecks pipe across the road for a new meter across the street at my neighbor for her house for my neighbors house across the street today they put dirt over the holes where they had put the water compression device and made connection. Raining buns the only thing that caused delays. disused delay.	4/13/2023 12:34 PM
3	I am for street improvements all over the city. However, I live on Happy Trail and we have the horrible chip seal which was installed years ago. We still have piles of chip was down the streets on a regular basis. This surface is dangerous to walk on. I know dozens of people who catch their feet on rough spots and twist their ankles. This surface is not at all appropriate for a city street. We should be on the list to get a new street surface. We have lived with this subpar street for over a decade. It is terrible!	3/21/2023 9:58 PM
4	My greatest concern is the volume of heavy trash and recycle trucks driving on our streets that currently and are continuing to drive on and destroy our streets. Can the trash trucks be cut to once a week? Issue two cans (at no extra charge) to large families and only have heavy trucks once a week. We pay too much in street repair due to the trucks. It would be cheaper to have more cans issued to those who need them. That would be very few residences.	3/17/2023 9:04 AM
5	I like the fact that the streets will not be crumbling on the edges, filling in cracks with tar, and hopefully will have a better base and asphalt integrity than the last replacement. I hope there is a ribbon curb on either side of the road so it won't crumble. I'm hoping that they tie into our cement driveway will be a good quality one. Probably my greatest concern is just the dust from the dirt road, and the amount of time it will be torn up.	3/16/2023 10:53 PM
6	My greatest concern is who is paying for relocation of water and gas lines. SAWS users and the gated communities should not be paying for the Old Shavano Park upgrades. SAWS users who comprise over 1/2 of Shavano Park tax payers) already pay for SAWS upgrades in the SAWS water areas and should not be liable for old Shavano Park upgrades. Why does the City keep ignoring this?	3/16/2023 7:23 PM
7	It is logical to address the streets most at need. Clearly, it based on age of existing streets. I	3/16/2023 2:14 PM

appreciate the diagram however it is "greek" to me. I would only hope consideration has been made not to cut corners to keep costs at a minimum and use materials that will last many years. You did not say what the life span is for the new roads.

8	It is time for a complete reconstruction instead of temporary repairs that in the end require more time and \$\$.	3/16/2023 2:01 PM
9	It needs to be done but like all construction it is inconvenient and messy.	3/16/2023 3:48 AM
10	Like- needs to be done Concern- How long will it take to really be completed	3/15/2023 8:42 PM
11	It's wonderful for these streets to be updated. Concerns would be the accessibility to these streets during the reconstruction period.	3/15/2023 3:30 PM
12	I like that the streets are being taken care of before reaching a critical stage and that upgrades will be done simultaneously. Cost overruns would be my greatest concern.	3/15/2023 3:18 PM
13	Work is needed. Project is very slow	3/15/2023 3:11 PM
14	It is better to keep up with maintenance and this will never be cheaper than today. Needs to be done.	3/15/2023 3:00 PM
15	Newer water and gas ensuring less breakage	3/15/2023 2:39 PM
16	I am very glad that the streets will be redone. My greatest concern is traffic flow and access to my home while the construction is taking place.	3/10/2023 4:46 PM
17	A big project but seems needed.	3/10/2023 3:10 PM
18	I fully support the upgrading of city streets and the impact it has on the long-term attractiveness of our city. It is necessary to continue to attract home buyers for our upscale homes. Streets contribute considerably to overall attractiveness of neighborhoods.	3/10/2023 1:08 PM
19	my fear is 10 million may not cover the whole project	3/10/2023 12:57 PM
20	Yes. We need formal access to Salado Greenway	3/10/2023 12:38 PM
21	Cost over runs are a concern	3/10/2023 12:17 PM
22	I like updating service lines and roads. Greatest concern how that might affect NW Military traffic.	3/6/2023 7:21 PM
23	Seems necessary	3/6/2023 4:57 PM
24	Doubt it can be completed for the \$10 million Not sure that all the complex and ornate mailboxes should be rebuilt to existing type and style considering virtually all of them are on public right of way in the first place. I think some of the original replacement cost should be borne by the homeowner. Glad the ribbon curbs were added other wise it would have been a waste of money	3/6/2023 4:21 PM
25	Very much needed upgrades	3/6/2023 3:06 PM
26	Love the idea of sidewalks so that we can safely walk. We live in a culture de sac which gives us limited walking opportunity unless we want to cross NW Military.	3/6/2023 2:39 PM
27	I like that it should help the damaged streets to last many years in the future. The only concern I have is the potential disruption of traffic.	3/6/2023 2:37 PM
28	Good to upgrade it. Just hoping it doesn't disrupt traffic too much on military.	3/6/2023 1:23 PM
29	I don't live on those streets but if the improvements are needed, they should be made.	3/6/2023 1:09 PM
30	I like the possibility of extending natural gas to my house. I want paved access to Salado Creek Greenway. Paved access to the greenway from Cliffside is highest priority for me. The greenway is an extraordinary and unique public resource provided to us that Shavano Park is not taking full advantage of at this point. Paved access is a must.	3/6/2023 12:37 PM

#### Question 4 Summary

### **Immediate Challenge: What do you like or what are your concerns regarding the De Zavala project?**

- Open-ended comment box; 33 comments submitted
- Responses varied but generally:
  - Support for sidewalks and improved bike lanes
  - Support for sight-line improvements
  - Concerns with traffic during construction
  - Concerns with access to homes during construction

**Q4 Immediate Challenge: Phase 1A De Zavala Federally Funded Project** De Zavala Road will be improved in 2024 using Federal funds. The four goals of the project are: (1) install a 54 inch drain pipe under the street to convey all water currently spilling from the Municipal Tract towards homes on Ripple Creek/Painted Post, (2) re-pave the street, (3) add raised sidewalks, bike lanes and 2 feet of buffer between the bike lane and car lane, (4) reduce the height of the hill near Bikeway by about 2.25 feet to improve sight lines. The project is still in engineering and plans are not yet finalized. What do you like about this Phase 1A project or what are your basic concerns regarding the De Zavala project plans?

Answered: 33 Skipped: 4

#	RESPONSES	DATE
1	I think we probably increase bike and foot traffic while hopefully not increasing through traffic.	4/25/2023 9:30 AM
2	Yes as to closures and construction status.	4/13/2023 12:34 PM
3	We need better sight lines.	3/21/2023 9:58 PM
4	My biggest concern is the volume of water that will suddenly hit the bottom of the dip as the slope is changed.	3/17/2023 9:04 AM
5	I'm thinking part of the project should include a beautification of the corner at NW Military in dezavala. This is a classy neighborhood, and we need a beautiful monument with excellent landscaping design for the corner. It's the most highly viewed corner of our neighborhood. I would put some money toward that.	3/16/2023 10:53 PM
6	Construction seems to be the theme. If NW Military Hwy is under construction and DeZavala are under construction, traffic flow is directed to Lockhill Selma creating more and more traffic. The speeding on Lockhill Selma is worse and police monitoring seems to not be increased, thus we are getting high traffic and speeding on Lockhill. This can only get worse with more construction.	3/16/2023 7:23 PM
7	Adding sidewalks and bikeways is a big plus. Traffic disruption is always a concern.	3/16/2023 2:18 PM
8	It all sounds good and I would hope the residents affected will be pleased.	3/16/2023 2:14 PM
9	De Zavala has needed improvements for a while. Many cyclists and runners/walkers use this road so it will be much safer with sidewalks and bike lanes and I know the residents on Ripple Creek/Painted Post will appreciate the drain pipe! De Zavala has and will continue to be more heavily traveled on so the hill grade change will make the road much safer as well.	3/16/2023 2:01 PM
10	It needs to be done.	3/16/2023 3:48 AM
11	Needs to be done Concern Will a sidewalks be connected	3/15/2023 8:42 PM
12	Concerns would be the time frame no accessibility during the project.	3/15/2023 3:30 PM
13	Like the drainage fix and sidewalks, bike lanes, safety features. Concerned that the road will become too wide and more traffic will result. Also reducing the height of the hill will remove some of the charm of the area. Make it more generic.	3/15/2023 3:18 PM
14	None	3/15/2023 3:11 PM
15	My basic concern is the bike lanes. Bikers rarely obey traffic safety laws and should not be allowed on roads with speed limits over 30 mph. They simply occupy space that could be used	3/15/2023 3:00 PM

	for cars and add to impervious cover.	
16	sidewalk	3/15/2023 2:59 PM
17	Safety for walkers and bikers	3/15/2023 2:39 PM
18	Each goal sounds great, but I'd like to confirm the entrance to our driveway will not be affected.	3/12/2023 8:08 AM
19	Biggest concerns are time it will take and traffic flow.	3/10/2023 4:46 PM
20	Honestly I don't see that many bikers. Seems like a waste of taxpayer money.	3/10/2023 3:10 PM
21	I live on Ripple Creek and support this project as it will greatly reduce the flooding that occurs with every rain - even if only half an inch of rain because it travels a great distance and accumulates.	3/10/2023 1:08 PM
22	hopefully the federal funds will cover the project	3/10/2023 12:57 PM
23	Formal access to greenway	3/10/2023 12:38 PM
24	Like the improvement to street width addition of sidewalks. Concern - drainage could be reduced in size as there already existing drainage that has been effective.	3/10/2023 12:17 PM
25	Like reduction of hill and bike lanes and sidewalk. Concern is traffic on Dezavala during construction.	3/6/2023 7:21 PM
26	Our home borders on De Zavala. How long will our driveway be blocked off? How much closer will cars be driving to our house? How much louder? When the green space was cleared behind our house it GREATLY increased the traffic noise and lights in our back yard. We were NOT warned that everything would be cleared right up to our fence line. We have been here since 1991 and never had an issue with drainage but I can see the drainage pipe along our property will help others. BTW we have numerous Indian artifacts come up whenever we put in a new fence. The pipe dig will undoubtedly turn up more.	3/6/2023 4:57 PM
27	Would much prefer that bike lane and sidewalks were lever to each other to allow for emergency bicycle bailout from traffic or obstacle avoidance	3/6/2023 4:21 PM
28	Good idea	3/6/2023 3:06 PM
29	Any projects that reduce the likelihood of flooding are good. No concerns other than potential traffic disruption	3/6/2023 2:37 PM
30	I love this!! I'm afraid to ride near busy roads but this would make me feel safe! High time our city became bike and pedestrian-friendly! Bravo. Let's do it on military.	3/6/2023 1:23 PM
31	N/A	3/6/2023 1:09 PM
32	These upgrades take the rustic out of living in Shavano park.	3/6/2023 12:56 PM
33	I like bike lanes	3/6/2023 12:37 PM

### Question 5 Summary

#### **Long-term Challenge: Street Project Phases 2, 3 and 4**

- Open-ended comment box; 26 comments submitted
- Responses varied but generally:
  - Glad the City is being pro-active; planning-ahead
  - Concerns with Happy Trail chip seal breaking up

**Q5 Long-term Challenge: Phasing the Maintenance of City Streets** The phasing and prioritization of street maintenance will be key to ensure financing remains feasible and manageable. City Staff has put together this long-term plan to meet the challenge of maintaining the City's streets as follows:

**PHASE 2 - Old Shavano Park West neighborhood** (neighborhood north of City Hall) The streets in this area were built in the 1970s and are in decent condition largely because of their curbs and newer age than Old Shavano Park East. Estimated timeline to address: in 5 years.

**PHASE 3 - Shavano Creek and Shavano Estates.** These streets were built in the late 1970s - 1980s and are in good to decent condition. Estimated timeline to address: in 10 years.

**PHASE 4 - Lockhill-Selma and Pond Hill.** These two major thoroughways were constructed in the early to mid 2000s and are still in excellent condition. The City anticipates with regular maintenance such as seal coating and crack sealing these streets can endure for many more years. Estimated timeline to address: in 15 years.

To learn more about these long-term plans visit <https://www.shavanopark.org/streetbond> Note the subdivisions of Bentley Manor, Huntington and Pond Hill Garden Villas and Willow Wood are private streets managed by a HOA.

What are your concerns with this long-term street maintenance plan?

Answered: 26 Skipped: 11

#	RESPONSES	DATE
1	Well it appears that timing is well regarded but I'm sure contingencies are in place, might be a side note in the more comprehensive plan.	4/25/2023 9:30 AM
2	OkdxShavanibStreets construction, access and routes to maneuver. What us the approximate time table?	4/13/2023 12:34 PM
3	Happy Trail is in terrible shape. We have the nasty chip seal. Please see my previous comments. In no way can our street be construed as in good shape.	3/21/2023 9:58 PM
4	Seems good. The cut off from NW Military, running by the deli and what a burger to 1604 gets heavy use. It may need more maintenance than is allowed in this plan	3/17/2023 9:04 AM
5	None yet	3/16/2023 10:53 PM
6	The private streets residents pay for their street maintenance. Do not make the gated community residents also pay for the rest of Shavano Park streets. The City contracted to maintain the medians on Lockhill Selma next to Bentley Manor, and most of the time they are neglected. Thus Bentley Manor and the gated communities receive no City services except police and fire, but are required to pay taxes for all of SP residents. It's time to correct this and ask the City to appropriate expenses to those who use the services.	3/16/2023 7:23 PM
7	Again, it makes sense but I would like to know if the City will have a reserve account for setting aside funds for future street maintenance and/or special projects. If not, what is the	3/16/2023 2:14 PM

	plan for raising funding for future road maintenance.	
8	Everything has to be maintained long term. If you do it correctly, you will save \$\$ and time.	3/16/2023 2:01 PM
9	Glad the city is being proactive.	3/16/2023 3:48 AM
10	Will entrances to Estate section from NWMilitary to both Warbler Way entrance/exits be assessed when full of water from rain and be reconstructed to raise them sufficiently to prevent the standing water that happens currently.	3/15/2023 8:42 PM
11	None	3/15/2023 3:18 PM
12	None	3/15/2023 3:11 PM
13	the mess from construction, the traffic and the noise	3/15/2023 2:59 PM
14	119 Long Bow Road	3/15/2023 2:39 PM
15	Sounds reasonable	3/10/2023 3:10 PM
16	It appears to be a well thought out plan and financially prudent.	3/10/2023 1:08 PM
17	none at this time	3/10/2023 12:57 PM
18	No concerns but we need to have formal accreta to greenway. Every other neighborhood has formal, safe access	3/10/2023 12:38 PM
19	We should continually budget for improvements	3/10/2023 12:17 PM
20	None	3/6/2023 4:57 PM
21	Potentially overlapping street bonds leading to increasing tax rates.	3/6/2023 4:21 PM
22	Happy Trail pavement is horrible. Very loose gravel. Dangerous for walking running biking and driving	3/6/2023 3:06 PM
23	No concerns. These sound like well-thought-out and appropriate plans.	3/6/2023 2:37 PM
24	Just make sure there aren't any bottlenecks for residents. Thanks!	3/6/2023 1:23 PM
25	N/A	3/6/2023 1:09 PM
26	Do not change the curbs on Turkey creek like the new disgusting curbs being done where you turn in from military.	3/6/2023 12:56 PM

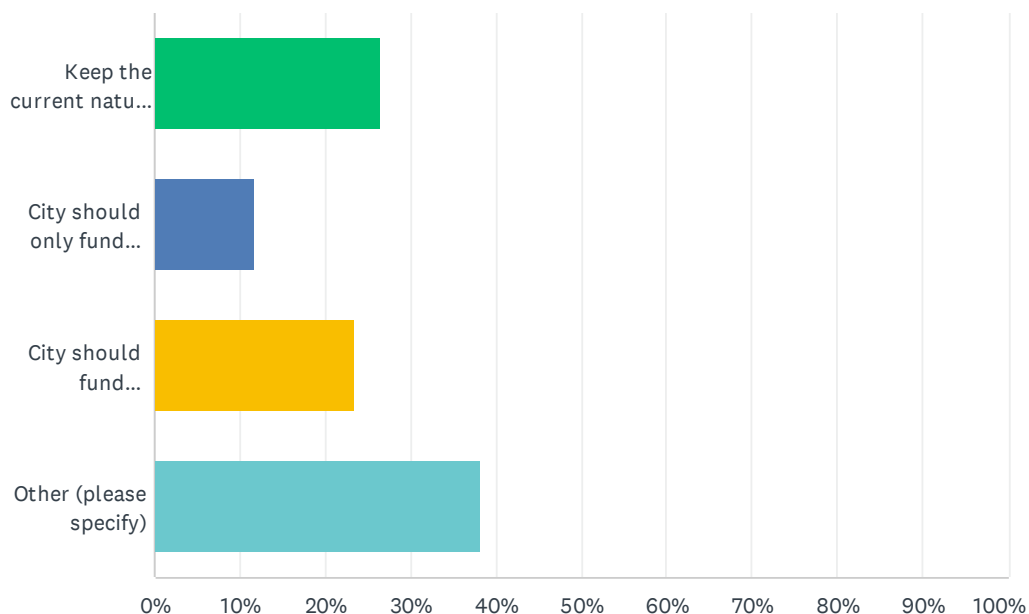


Question 6 Summary  
**Access to Salado Creek Greenway on Cliffside**

- Residents had three options or could select “Other” and write in their own thoughts for what Cliffside access point should look like.
- 13 comments submitted
- *Answers and comments* were mixed in either supporting or not supporting an improved access to the Salado on Cliffside

Q6 Access to the Salado Creek Greenway Trail on CliffsideSan Antonio has created a public trail access near 1604 and Blattman Elementary. Huntington HOA is constructing a private gated access trail to the Salado as well. The only other access point to San Antonio's Salado Creek Greenway in Shavano Park is the southern Cliffside natural trail. The City has made some improvements to the Cliffside pathway but has sought to preserve a natural footpath. The existing path is difficult for bicyclists and has several rough spots. There is also no available space for parking and street parking is not allowed. Some residents who participated in the Town Plan process so far expressed desire for improved accessibility on the trail similar to the paved and gated access like Inwood HOA in San Antonio. There are difficulties creating a similar trail due to challenges funding the re-grading of the path and ability for the City to put up a gate to monitor and control access.What would you like Shavano Park to do with the Cliffside Trail access point to Salado Creek Greenway?

Answered: 34 Skipped: 3



ANSWER CHOICES	RESPONSES	
Keep the current natural walking path; provide only limited improvements within minimal funding	26.47%	9
City should only fund improved trail access only if a gated/controlled access can be implemented and City of San Antonio partners to help pay for the design and construction	11.76%	4
City should fund improvements for the trail to be made accessible to bicyclists and those with limited mobility even if a gate/controlled access cannot be implemented	23.53%	8
Other (please specify)	38.24%	13
TOTAL		34

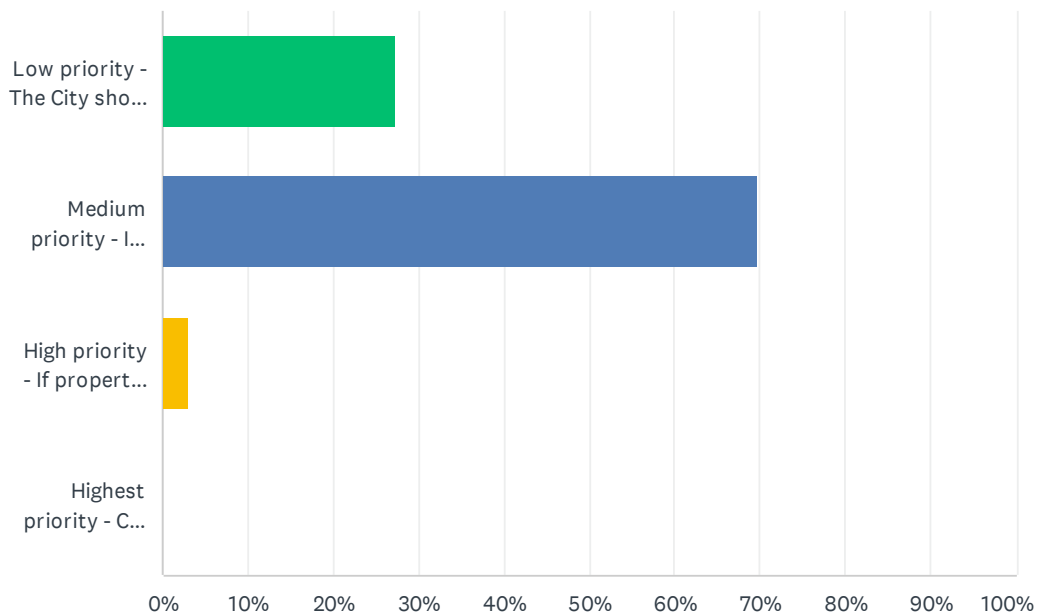
#	OTHER (PLEASE SPECIFY)	DATE
1	Limit outside cars parking in streets or our property. Creek crossing Inbear 101 Cliffside as high water has taken down fence there.	4/13/2023 12:34 PM
2	I strongly urge the city to make the greenway safely accessible for residents with all ability levels. The greenway is an amazing recreation area. Shavano Park is one of the very few communities with direct access to the greenway. We should make the most of this opportunity for current residents and as a way to attract more new families to Shavano Park. We need families with young children in our city to renew and revitalize and counter balance our aging population.	3/21/2023 9:58 PM
3	Keep the current natural walking path, provide only limited improvements within minimal funding AS improving it with a gate and parking will simply invite more garbage tossed on the ground, more cars parking incorrectly - blocking the safety of the street corner and if people are going to drive their bikes or driving to walk, they can go to already established areas. Keep the residential area, on Cliffside, residential and not a park thoroughfare.	3/17/2023 9:04 AM
4	I do think that there should be gate controlled access that those who want to use it pay for. Perhaps a magnetic card that allows access that the resident can purchase. I do think it's worth improving it so that baby strollers of mothers who live in the neighborhood, and bicycles can more easily access the Salado trail. I do not think however, we need a big access like Inwood has. I'm not opposed to the city, paying for the trial modification. But I do think there should be controlled access that residence can choose to pay for or not.	3/16/2023 10:53 PM
5	I have talked to residents on Cliffside, and most of them do not want this public access to Cliffside. It would increase parking and traffic on Cliffside. The residents on Cliffside value their privacy and quiet neighborhood, so why would the City want to change this?	3/16/2023 7:23 PM
6	I have personally not seen the area in question so may not be best qualified to offer an opinion. Logically, if those residents most affected (east of NWM) who have expressed they want gates, trails etc. are they willing to have taxes raised or another bond? Based on the dilemma explained here, it sounds like this expense may end up more than the City or all SP residents would want to incur.	3/16/2023 2:14 PM
7	I have not accessed Salado Creek via the Cliffside Trail	3/16/2023 2:01 PM
8	I'm not knowledgeable enough to comment	3/15/2023 2:39 PM
9	I'd love to see the trail access improved. Controlled access would welcomed.	3/10/2023 4:46 PM
10	Need this -	3/10/2023 12:38 PM
11	Parking needed	3/6/2023 4:57 PM
12	I am an avid rider but I think this is a non starter. Better to use the existing trailhead at 1604 To expensive for VERY little use by residents and we don't need to use our tax dollars to provide a nice feature for non residents ( like the expensive playground facilities at CH)	3/6/2023 4:21 PM
13	This is of utmost importance Please build access to the greenway Should be a highest priority	3/6/2023 3:06 PM

Question 7 Summary  
**Drainage Project Prioritization**

- No respondents supported eminent domain (if necessary) at *highest priority*
- Only 1 respondent supported *high priority*
- Strong majority supported *medium priority* (69.70%)
- 7 Comments submitted

**Q7 Drainage Plans for Future** Between 2017 and 2022, the City spent \$1.1M on drainage projects and exhausted its capital reserves for drainage. Federal funding has been approved to complete a major drainage project to redirect storm water runoff in a pipe down De Zavala to the Olmos basin and away from the homes on Bikeway, Ripple Creek and Painted Post. Two remaining identified projects total \$4.4M to achieve and are beyond City reserves. Both projects propose to install storm sewer to capture water currently above ground and carry it underground to the Olmos Creek basin (see map - blue is potential underground storm sewer to run alongside the street). The Turkey Creek/Honey Bee project would mitigate the flood risk to the homes within the current 100-year floodplain. The Elm Spring project would prevent the roadway becoming flooded in even small rain events as it is today. Both projects are likely to require agreement with property owners to construct improvements on private property to reach the Olmos Creek basin. How do you feel these drainage projects should be prioritized? Select one of the options below. You may also leave a comment explaining your answer.

Answered: 33 Skipped: 4



ANSWER CHOICES	RESPONSES	
Low priority - The City should pursue grant funding from State or Federal, even if that means years until funded	27.27%	9
Medium priority - If property owner cooperation is achieved, the City should wait and package these drainage projects when the streets are reconstructed into a single project in the future	69.70%	23
High priority - If property owner cooperation is achieved, the City should issue debt to accomplish these projects	3.03%	1
Highest priority - City should issue debt to accomplish these projects as soon as possible and secure drainage easements, even up to using eminent domain if necessary, to complete the projects	0.00%	0
TOTAL		33

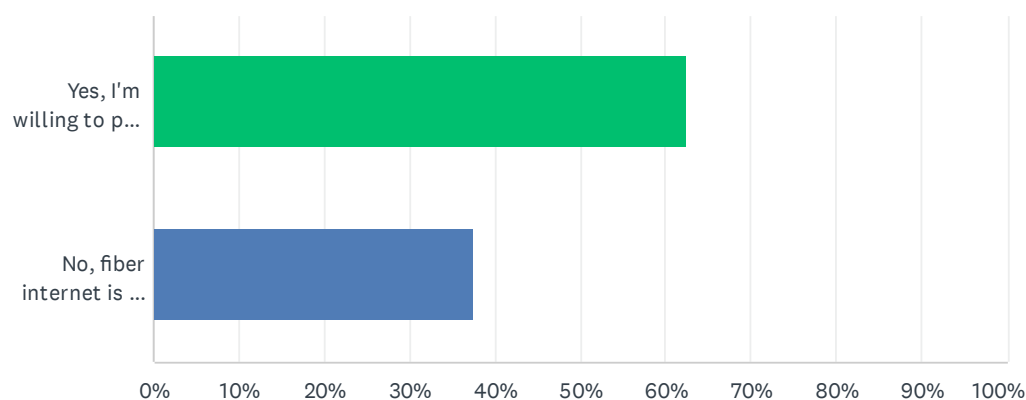
#	YOU MAY LEAVE A COMMENT:	DATE
1	Depends on how many areas are subject abs cooperation of owners.	4/13/2023 12:34 PM
2	Were these houses built in a known flooding area? If so the homeowners need to take responsibility for their poor choices. When ALL SP residences have to pay for individual foolishness of building sites or poor construction planning it is a case of robbery of your neighbors	3/17/2023 9:04 AM
3	Should pursue grant funding from the state or federal well property. Owner corporation is being sought. I think wait a little while for sure to package the project with Street reconstruction. It would be a lot cheaper.	3/16/2023 10:53 PM
4	Checking off Medium shouldn't mean the City pursuing funding from State or Federal, although I have no idea how long it took to get the funding for DeZavala. No one wants to see any of our homes or property flooded. If packaging it all together is too large, can it be broken down by need?	3/16/2023 2:14 PM
5	Even though a medium priority was selected, the city should still pursue grant funding.	3/10/2023 1:08 PM
6	Drainage is a done deal that wasn't addressed properly decades ago. Most of the issues that need to be addressed are on private property and could be tremendously expensive and disruptive to fix now.	3/6/2023 4:21 PM
7	I don't even feel this needs to be done.	3/6/2023 12:56 PM

Question 8 Summary  
**City's Digital Infrastructure**

- 62.50% of respondents stated willing to pay more to get fiber internet
- 37.50% of respondents stated fiber internet not important enough to them
- 9 comments submitted
  - Several residents who already have AT&T fiber internet responded

**Q8 City's Digital Infrastructure: Home Internet Speed** The City has limited influence over the private investment decisions of internet service providers (ISPs), but in recent years many residents, staff and Council members questioned why Shavano Park did not have fiber direct to home like some other surrounding neighborhoods. In 2022, the City Council created a resident-volunteer Internet working group to work with ISPs to encourage bringing fiber internet to Shavano Park. This vision was to have fiber internet directly into the homes and businesses of Shavano Park across the City to meet the digital demands of the future. Fiber internet allows 1+ Gigabit per second speeds and greater internet reliability. If you don't have fiber internet today, would you be willing to pay more in your monthly internet bill to get fiber internet? You may also tell us your experience with fiber internet if you have it today.

Answered: 32 Skipped: 5



ANSWER CHOICES	RESPONSES	
Yes, I'm willing to pay more for fiber internet	62.50%	20
No, fiber internet is not important enough to me to pay more	37.50%	12
TOTAL		32

#	YOU MAY LEAVE A COMMENT HERE:	DATE
1	Internet is a private business. SP City needs to issue permits. Maybe y'all could invite the additional lines BEFORE THE STREETS ARE REPAVED!!!! But I do not see that our SP Government needs to be tyrannical mandating businesses to do things that are not beneficial to the business. I'm not thrilled to pay more but I could. I don't care if my service is any faster than it currently is.	3/17/2023 9:04 AM
2	I have to say yes on this one. I was not happy to find out SP was excluded. My office is the furthest back from our modem and I constantly have issues, especially in a larger home.	3/16/2023 2:14 PM
3	We have AT&T fiber internet but they had to run the fiber from two houses down and bury it in	3/16/2023 2:01 PM



the yard which they didn't bury it well at all. Our speed is better than it was but we expected it to be much faster.

4	I have fiber internet now.	3/15/2023 8:42 PM
5	But it depends on the provider	3/15/2023 2:59 PM
6	Our ATT upgrade is still slow	3/15/2023 2:39 PM
7	At&T fiber has been reliable and a good service.	3/10/2023 3:10 PM
8	Access to trail off cliffside is my highest priority	3/10/2023 12:38 PM
9	I have fiber based high speed internet	3/6/2023 1:09 PM

### Question 9 Summary

#### **Shavano Pak Water Utility long-term challenges**

- Open-ended comment box; 18 comments received
- Many interesting comments received.

**Q9 Shavano Park Water Utility Long-term Challenges (Not for SAWS customers in Shavano Creek, Huntington, Bentley Manor, Willow Wood, Pond Hill Garden Villas or De Zavala Estates)** The Shavano Park Water Utility has performed numerous upgrades to the system in recent years necessitated by the TxDOT NW Military Highway project and the City's 2022 Street Bond Project. In both instances, the lowering or moving of water lines is necessary to remove conflicts with street reconstruction or other utility work. The Water Utility has replaced 3,000 linear feet of water lines and 5 major crossings along NW Military. Most pipe replaced aging water lines dating to the 1970s or older. To be able to prioritize and properly assess the replacement of aging pipe, the Shavano Park Water system needs to assess the age of each water main within the distribution and map them in a comprehensive water model. Water models can help determine water line material types and when they need replaced due to material deterioration. Do you have concerns or input regarding the long-term challenges to the Shavano Park Water Utility?

Answered: 18   Skipped: 19

#	RESPONSES	DATE
1	My concerns are being addressed through this current process at least for public access. As far as personal access the continued blasting at the quarry has caused foundation issues that causes water and waste water issues that cost homeowners	4/25/2023 9:30 AM
2	Not really	4/13/2023 12:34 PM
3	We have great water service in Shavano Park. I am very thankful. However rates are too high and terribly punitive for people with big yards. I strive to maintain a healthy landscape and healthy trees. I maintain a green space for the benefit of society by providing vegetation which improves air quality. The high water bills make this very difficult. Thank you for considering my comments.	3/21/2023 9:58 PM
4	Yes. Hopefully for individual lines that cross under the streets to residences, the City has put in a conduit for those lines and they won't have to cut the beautiful new streets as soon as the streets are in. Also, please upgrade the oldest lines BEFORE a crisis or emergency. Make that a budgeted time as well a money issue. I believe the 600++ residences and City Offices that are on the SP Water System pay which is split between the users for the time of Public Works and all of the water used. That probably includes all of the water used by our amazing SP Fire Department practice and refilling of the tanker trucks.	3/17/2023 9:04 AM
5	Yes, don't pay for this from Shavano Park Tax dollars.	3/16/2023 7:23 PM
6	I support replacing aging water lines in order to keep our water supply intact.	3/16/2023 2:01 PM
7	We have to keep up with replacing the old pipes.	3/16/2023 3:48 AM
8	awe should be as pro-active as possible re long term water plans	3/15/2023 8:42 PM
9	No	3/15/2023 3:30 PM
10	no	3/15/2023 2:59 PM

11	Just availability as we face more drought	3/15/2023 2:39 PM
12	I don't know enough about this to comment	3/10/2023 4:46 PM
13	I have concerns about the long-term viability and sourcing of water through our own water utility. Also, pricing is always an issue.	3/10/2023 1:08 PM
14	we should consider structuring Shavano Water similar to SAWS with an elected board of water users	3/10/2023 12:57 PM
15	Have been happy with decisions regarding Shavano water. Thanks.	3/6/2023 4:57 PM
16	The city and the Shavano Water Users need to workout a long term agreement to essentially privatize the water dept into an autonomous unit governed and run by an elected water board from its member's. A complicated issue but better in the long run for users and the city. Interlocal agreements can be worked out the cost share some of the commingled assets and such. As stated this is a complicated issue but water users aren't willing to possibly let a potential SAWS dominated city council dictate our water rates and services.	3/6/2023 4:21 PM
17	N/A	3/6/2023 2:37 PM
18	No	3/6/2023 1:09 PM

## PLANNING & ZONING STAFF SUMMARY

Meeting Date: May 3, 2023

Agenda item: 8

Prepared by: Curtis Leeth

Reviewed by: Bill Hill

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### **AGENDA ITEM DESCRIPTION:**

Discussion – Introduction of the complete 2023 Town Plan - City Manager / Assistant City Manager

X

**Attachments for Reference:**

1) 8a Complete 2023 Town Plan

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**BACKGROUND / HISTORY:** The Planning & Zoning Commission has been working on the 2023 Town Plan since the August 3, 2022 commission meeting after the following motion by City Council on July 25, 2022: “Motion to task the Planning & Zoning Commission to review the City’s current Comprehensive Plan, and after public hearings, return to Council with proposed amendments for 2023 and future years.”

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**DISCUSSION:** This is the complete 2023 Town Plan compiled together. A number of small items have been added/changed to the previous consensus write-ups without track changes:

- Cover page
- Page numbers & page references; Minor formatting to merge focus areas
- More Pictures; updated map of city
- Public participation in Intro (pg 1); 2022 Tax Rates in Intro (pg 11)
- Acknowledgements (pg 76)
- Clean version of the long-term finance focus area write-up (agenda item 5&6) is in the complete draft, will update as finance review continues

Staff has yet to do:

- Linking page numbers for final PDF web version

Staff recommend P&Z look at stylization, presentation and ensure the logical consistency between the focus areas and the SWOTS. In addition, here is a tally of number of surveys completed throughout the Town Plan process:

Survey	# of Responses
Commercial Development	63
Community Engagement	51
Property Maintenance & Zoning	84
Municipal Talent Management & Retention	41
Public Infrastructure	37
Total	276

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**COURSES OF ACTION:** N/A; give guidance to staff.

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**FINANCIAL IMPACT:** N/A

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**MOTION REQUESTED:** N/A; Give feedback on the complete 2023 Town Plan.



2023

Town Plan

City of Shavano Park

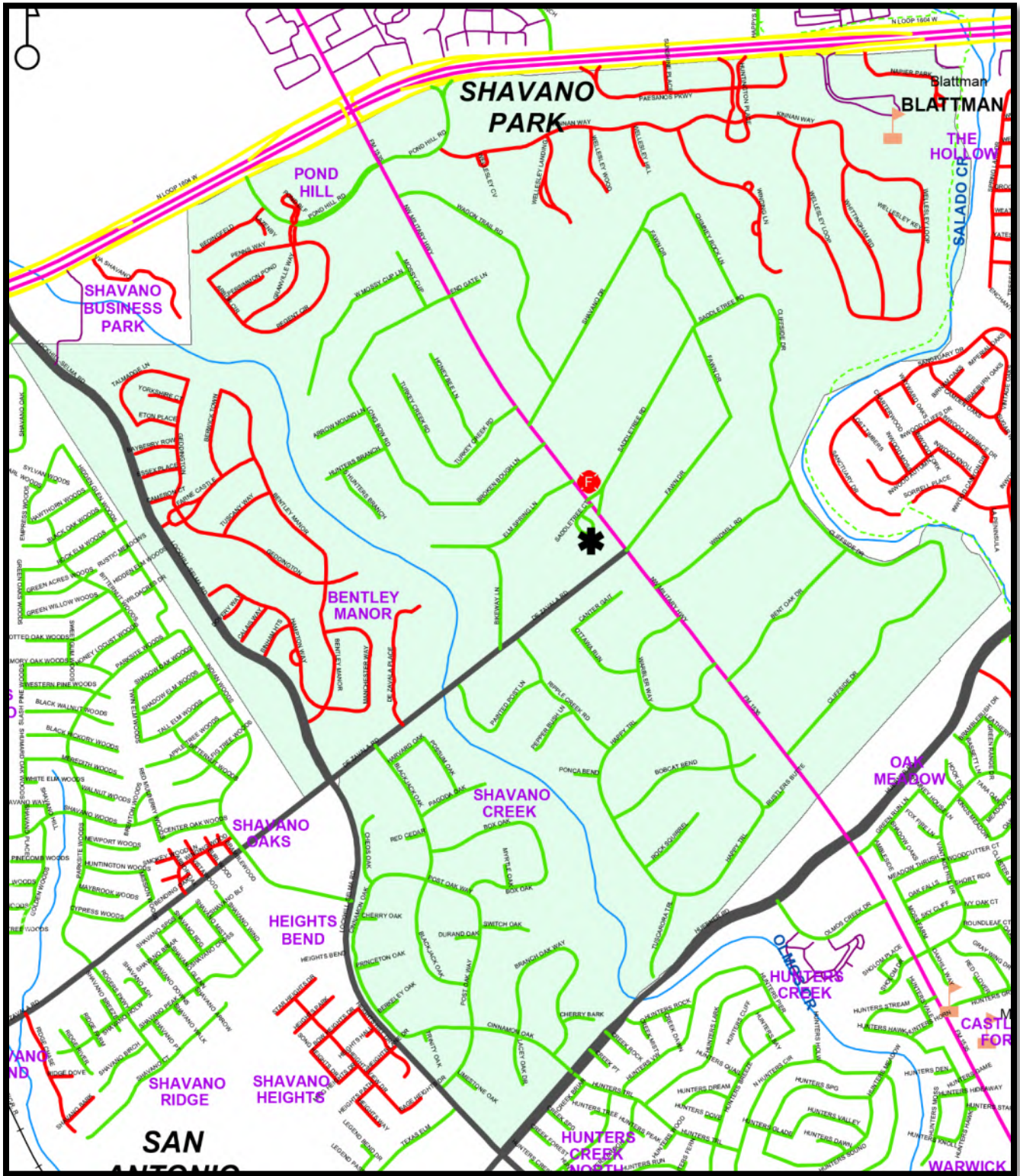
Texas

*City Living with Country Charm*





# Map of the City of Shavano Park





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# Introduction

## **Purpose of Planning**

*Is to proactively anticipate and set the foundation for future improvements to our community for our residents and other stakeholders.* Planning is a management process, concerned with defining goals for our future direction and determining the resources required to achieve those targets. Planning always has a purpose. By remembering our City's history and planning for its future, we hope to meet the long-term needs of our City's residents and businesses.

## **Purpose of the Town Plan**

*Is to present a vision that shapes our community concerning the major opportunities and challenges of our City,* including: sidewalks and bike lanes; the City's residential and commercial development; addressing flooding and drainage problems; the Municipal Tract; and improving safety and drivability on NW Military Highway.

As a formal City document our Town Plan sets forth general issues and action steps stating our collective vision for the future. The Plan provides a foundation for our City's long-term growth and development with long-range public policy statements for implementation over the next five years.

This document updates the 2018 Town Plan with new resident input and the substantial progress made in planning areas identified in the previous Town Plan. This document is shaped by our residents who participated in the development of this Town Plan and it represents our collective vision for the City's future.



*Cliffside Drive in Old Shavano Park*

## **Public Participation and Input**

Public participation in the development of this document was a top priority for the Planning & Zoning Commission, City Council, and residents. The entire community was invited to participate through online surveys and public hearings. Social media was a large part of the outreach for the 2023 Town Plan, with the City's TextMyGov texting service, Next Door, Facebook and Twitter accounts playing prominent roles in dispersing information regarding how and where residents

could participate. Each public hearing had virtual remote attendance available where residents could view and participate from home. This mix of online and face-to-face input allowed residents multiple opportunities to participate at their convenience. City staff received 276 responses to five Town Plan online surveys and residents participated in the six Town Plan Public Hearings held from fall 2022 to summer 2023.

In addition, Bitterblue, Inc. along with City Police Chief and Finance Director made presentations at public hearings to provide professional and technical details on some aspects of the Town Plan. These presentations ensured residents and the Planning & Zoning Commission had all the facts before them when discussing long-term planning for topics in the 2023 Town Plan.

### **Plan Review Process**

The City's Planning & Zoning Commission will review the Plan periodically, and at such other times as requested by the City Council. We anticipate that future decisions affecting the City will be consistent with the policies established in this Plan. If City Council approves future projects which differ from the Plan's original intent, the City Council will amend the Plan to reflect those changes.

On July 25, 2022 the City Council directed the Planning & Zoning Commission to update the 2018 Town Plan, thus initiating this process. The update process was conducted by the Planning & Zoning Commission from August 2022 to July 2023.





## Community Vision

### Developing our Community Vision

The Planning & Zoning Commission together with City Staff hosted a public hearing to review the City's current Vision Statement and propose no changes from the current Vision Statement first written in 2018.

### Vision

*Shavano Park strives to be the premier community in Bexar County, preserving and celebrating its natural setting and small town traditions amid the surrounding area's urban growth.*

This vision is an aspirational description of what the City endeavors to be in the future. It is intended to serve as an overarching guide. The City embraces two core aspirations in its vision statement:

Shavano Park has become and will continue to *aspire to be among the premier places in Bexar County* to raise a family in strong neighborhoods, to be a permanent home for many generations, to provide a welcoming community for quality businesses, and provide first-class services to residents. This involves supporting community events, encouraging meaningful citizen participation, and providing quality municipal services that it believes will continue to make Shavano Park an attractive community for its citizens, and future.



*Bentley Manor HOA subdivision*

Shavano Park *preserves and celebrates its natural setting and small town traditions* amid the surrounding area's urban growth. The City embraces its past as a small rural community while recognizing future challenges and opportunities, especially concerning the growth and development of the surrounding San Antonio metro area. This involves maintaining large



residential lot sizes, preventing the conversion of residential lots to multi-family and business uses and continuing efforts to protect the City's trees and abundant wildlife.

### **City Strategic Goals**

These goals are adopted by the City Council each year as a part of the City's annual budget process. During the 2023 Town Plan update process, the Planning & Zoning Commission held a public hearing and gathered input from residents. The following are the City's strategic goals:

1. Provide excellent municipal services while anticipating future requirements;
2. Provide and protect a city-wide safe and secure environment;
3. Preserve City property values, protect fiscal resources and maintain financial discipline;
4. Maintain excellent infrastructure (buildings, streets and utilities);
5. Enhance and support commercial business activities and opportunities;
6. Enhance the City's image and maintain a rural atmosphere;
7. Promote effective communications and outreach with residents; and
8. Mitigate storm water runoff.

These broad aspirational goals should guide all City actions. Each budget year the City Council, with input from City staff, determines a number of actionable objectives under each goal. The City Manager then provides in the spring of each year a report to City Council on the progress and achievements made towards each objective.

### **Official Slogan**

On July 23, 2018 the City adopted *Shavano Park – City Living with Country Charm* as its official City slogan after a four-month public involvement campaign. The slogan captures the essence of living in Shavano Park for many of our residents who voted it as the best slogan of five options. Shavano living is convenient access to employment, retail and entertainment of the San Antonio metro while residing on quiet, dark streets and large spacious lots reminiscent of the Country. The slogan also points towards Shavano Park's history as a quiet country town situated on ranch land between Camp Bullis and San Antonio.



*Chimney Rock Road in Old Shavano Park*



## History

### City History

The City of Shavano Park (originally known just as Shavano) is located in northwest Bexar County at the edge of the Texas Hill Country, approximately twelve miles north of downtown San Antonio, and along the Olmos and Salado Creeks. In the 1800's, A. De Zavala operated a general store just west of our city limits. In 1881, the U.S. Postal Service opened a post office nearby, with De Zavala as the first postmaster. In 1884, the San Antonio and Aransas Pass Railway established a small rail station and switch. During that period, Shavano was a stagecoach stop between San Antonio and Boerne. The original town had a saloon, carpenter, grocer and fifty residents. By 1896 the population grew to nearly 100 residents, before beginning a gradual decline.



*1958 Cattle Drive on NW Military Highway*

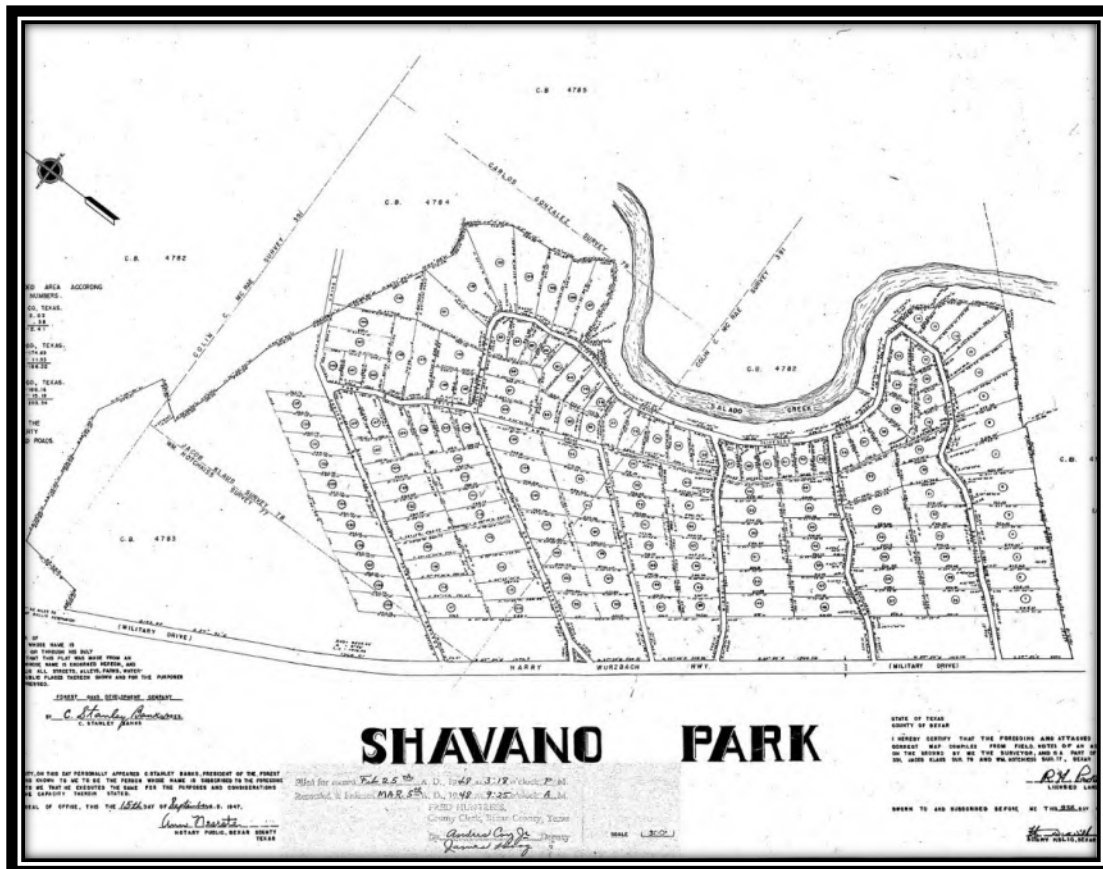


*Shavano Park Volunteer Fire Department in 1952*

By 1903, the Postal Service closed the post office and the site of the later township of Shavano Park became part of the Stowers Ranch. George Arthur Stowers came to Texas in 1889 and opened several successful furniture stores. The land Stowers acquired was originally part of a Spanish land grant. In 1947, Wallace Rogers and Sons purchased the land with plans for

additional development. At that time, the road system consisted of only NW Military Highway and De Zavala Road, and residential development had begun in the Cliffside subdivision east of NW Military Highway. On June 19, 1956, the City of Shavano Park was incorporated as a General Law City. In the mid-1960s, additional roads were added, including Loop 1604 to the north, Lockhill Selma Road to the west and Huebner Road to the south.

Today, the City of Shavano Park is completely surrounded by the City of San Antonio. The City's boundaries are generally Loop 1604 to the north, Huebner Road to the south, Lockhill Selma to the west and Salado Creek to the east. The City encompasses approximately 3.3 square miles of land and has an estimated 3,793 residents. The City has come a long way from the rural cluster of homes east of NW Military Highway, as can be seen in this 1948 property plat of the original homes.



*Original Plat of Shavano Park from 1948*

## Digital Archives

BiblioTech, Bexar County's all-digital public library, worked with the 26 suburban cities of San Antonio, to create individual digital anthologies. Together, these anthologies reflect and preserve the rich, diverse histories found in Bexar County. The project launched in 2018 to coincide with the 300th anniversary of the founding of San Antonio. To see the rich history of Shavano Park visit <http://bexarbibliotecharchive.org/>. This project was a joint effort by City Staff and volunteer residents. It includes sections on the City's military influence, personal histories written by residents, newsletters from 1966 to present, photographs, and the Shavano Park Women's Club.



## SWOT Analysis

### 2023 Town Plan: Strengths, Weaknesses, Opportunities, and Threats

For the 2023 Town Plan the strengths, weaknesses, opportunities, and threats (SWOT) were re-evaluated by the Planning & Zoning Commission. Twenty-one independent SWOT analyses were submitted to the Commission from City Council, various Boards and Commissions members of the City and City staff.

SWOT analysis is a framework widely used in both the business and non-profit sectors to evaluate an organization's position and to develop strategic planning. SWOT analysis assesses internal and external factors, as well as current and future potential. A SWOT analysis is designed to facilitate a realistic, fact-based, data-driven look at the strengths and weaknesses of an organization, initiatives, or within its industry. The organization needs to keep the analysis accurate by avoiding pre-conceived beliefs or gray areas and instead focusing on real-life contexts. Organizations should use it as a guide and not necessarily as a prescription. This exercise helps the City identify those areas where energies and efforts should be focused in the future.

**Our Community's Conclusion** is the City of Shavano Park is a strong community of natural beauty with exceptional municipal services and financial health but faces aging infrastructure in need of repair and renewal. The ability to fund and repair the infrastructure while retaining staff is hampered by the limited growth potential and growing percentage of properties under tax freeze. This Town Plan envisions that by shaping future development, wise use of monies, and building a consensus on long-term financing requirements the City will overcome these challenges.

SWOT analysis results and conclusions are on the following page.



## Strengths

- Outstanding municipal services and leadership
- Location and natural beauty
- Sense of community
- Quality neighborhoods and commercial developments - a desirable place to live
- Security and safety
- Fiscal discipline and low tax rate



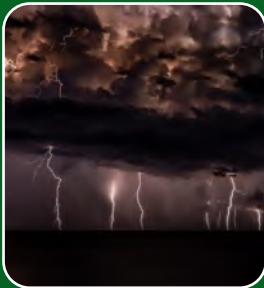
## Weaknesses

- Aging infrastructure – roads and water system
- Limited future residential and commercial developments
- Limited future property tax and sales tax growth
- Increasing percentage of property under tax freeze
- Drainage and flooding



## Opportunities

- Shape future commercial developments to prioritize city needs
- Building a consensus on long-term financing strategy for the city
- Foster community engagement
- Municipal Tract facilities and city events to build sense of community
- Reasonable enforcement of city code
- Leverage grant incentives and bond monies to renew infrastructure



## Threats

- External pressures of crime, traffic congestion and noise pollution
- Ability to retain professional City staff
- Oak Wilt
- National economy - inflation and possible recession
- Infrastructure failures





## Demographics

### Demographic Analysis

Residents are the most important aspect of our community. Demographic and other information regarding our City's residents provides a fundamental understanding of the nature of our community.

### Population Growth

Shavano Park's population increased 16% between the years of 2010 and 2020, due to the implementation of our annexation program adopted in 1999 and development of new neighborhoods. These new neighborhoods are nearly built out and the City is dedicated to sustaining large lots with single family homes, therefore the City's population is expected to remain stable in the future. In addition, the City's zoning ordinances prohibit multi-family re-developments that could increase population density.

#### Population, 1970-2020

Year	Population	Change	% Change
1970	881		
1980	1,448	567	64%
1990	1,708	260	18%
2000	1,754	46	3%
2010	3,035	1,281	73%
2020	3,524	489	16%

Source: United States Census Bureau

**Growth factors** include the City's location in the majestic and beautiful foothills of the Hill Country in northern Bexar County, proximity to three major highways (Loop 1604, IH 10, and Wurzbach Parkway), the prestigious Northside Independent School District, easy commutes to employment centers and the airport, and plentiful shopping nearby.



## Demographic Characteristics

Shavano Park is a highly educated community with a strong presence of military veterans and their families.

<i>Social Characteristics</i>	Number	Percent	Texas
Population	3,524		
Median Age	52.6		
Bachelor's degree or higher	(X)	64.3%	30.7%
Military veterans	415	11.8%	6.8%

Nearly double the Texas average. Shavano Park truly is a community of veterans.

Source: United States Census Bureau, American Community Survey 2020 Estimates

Shavano Park is an affluent community in a prime location with easy access to nearby businesses, parks, and the highway system of the greater San Antonio metropolitan area.

<i>Economic Characteristics</i>	Shavano Park	Bexar County
Number of Businesses	186	147, 956
Median household income (in U.S. dollars)	\$198,295	\$58,288

More than triple the Texas median.

Source: United States Census Bureau, American Community Survey 2020 Estimates

Shavano Park is comprised of strong residential neighborhoods. These property values are high because the community has large lots, is safe, secure, and enjoys outstanding municipal services.

<i>Housing Characteristics</i>	Shavano Park	Bexar County
Total single family homes	1,420	542,650
Average value (in U.S. dollars)	\$800,955	\$230,697

More than triple the Bexar County average.

Source: The Bexar County Appraisal District, Certified Totals from 2021

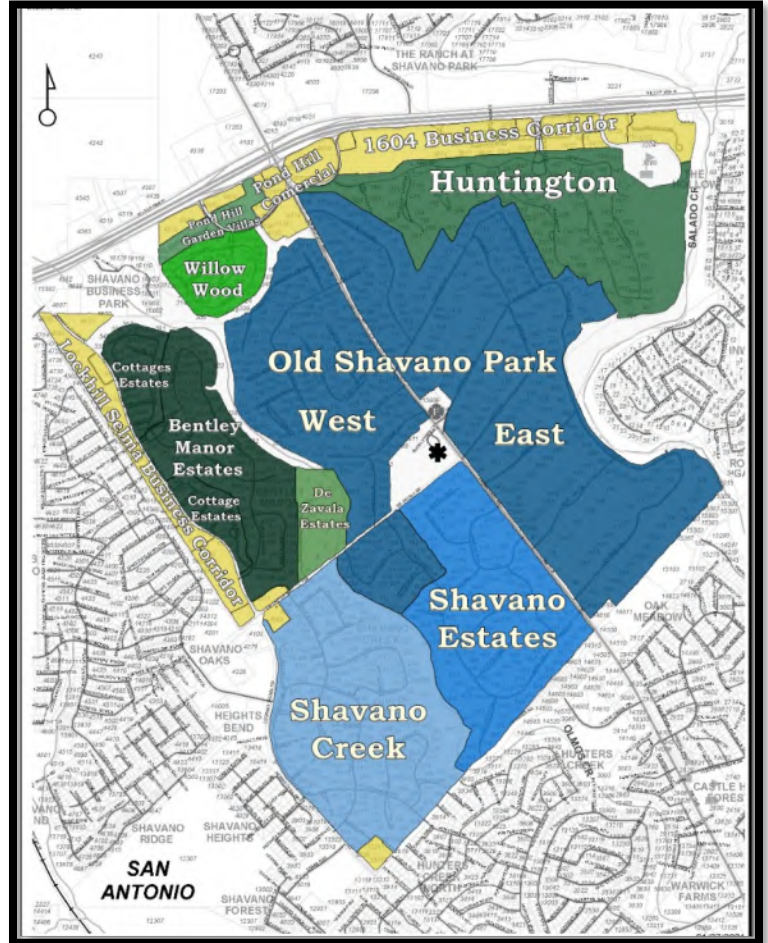


## Existing Conditions

The City of Shavano Park is located in northwest Bexar County at the edge of the Texas Hill Country, approximately twelve miles north of downtown San Antonio, and along the Olmos and Salado Creeks.

The City of Shavano Park is a Type A General Law City operating under a Council/City Manager form of government consisting of five council members and a Mayor.

The City of Shavano Park is completely surrounded by the City of San Antonio. The City's boundaries are generally Loop 1604 to the north, Huebner Road to the south, Lockhill Selma to the west and Salado Creek to the east. The City encompasses approximately 3.3 square miles of land and has an estimated 3,524 residents.



City	2023 Tax Rate
San Antonio	0.541610
Hollywood Park	0.461700
Castle Hills	0.508688
Olmos Park	0.426806
Alamo Heights	0.388051
Terrell Hills	0.369784
Fair Oaks Ranch	0.329100
<i>Shavano Park</i>	<i>0.297742</i>

Source: Bexar Appraisal District

### Ad Valorem Tax Rate

For tax year 2023, the ad valorem tax rate in the City was \$0.297742 per \$100 valuation. Shavano Park offers superior services in fire, emergency medical services, police, and public works while maintaining an ad valorem tax rate lower than many neighbor Bexar County cities and the Texas average.

## Zoning and Development

The City's zoning districts are designed so that residential and commercial developments meet the needs and desires of residents by providing for high-quality office, retail, and dining services, and single-family homes with both large and small lot configurations. Residential zoning is solely comprised of single-family residential classifications, as multi-family zoning is prohibited by City ordinance. Commercial zoning is located predominately along Lockhill Selma Road and Loop 1604, with limited additional commercial zoning located at the northeast and southeast corners of Lockhill Selma and De Zavala Roads. The City's zoning districts are as follows:

Zoning District	Zoning Use
<b>A-1, A-2, A-3, A-4, A-5 PUD</b>	Single Family Residential District
<b>CE</b>	Single Family Cottage Estate Residential District
<b>O-1</b>	Office District
<b>B-1</b>	Business District
<b>B-2</b>	Business District
<b>M-U</b>	Municipal Utility District
<b>MXD</b>	Mixed-Use District

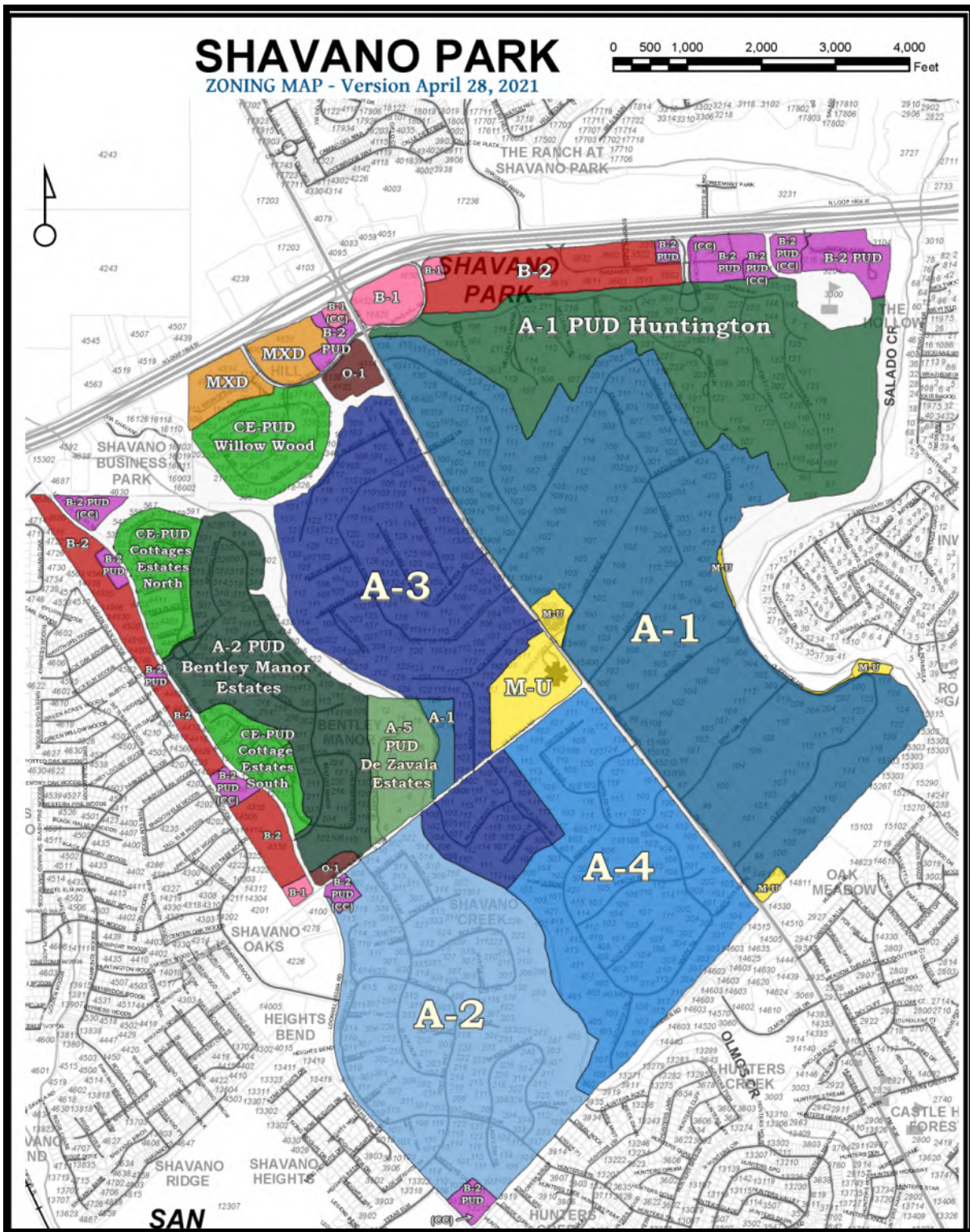
The City's newer residential developments are all either zoned as Planned Unit Development (PUD) districts or Mixed-Use zoning districts (MXD). These PUDs and MXDs give developers flexibility in designing and building quality gated communities that provide multiple home and lot configurations. The Town Plan's vision for future commercial developments is on page 28 and vision for property maintenance and zoning is on page 35.

According to the City's primary developer, as of Spring 2023, there remain only 29 residential lots and 44 acres of commercial land to be developed.

Residential Neighborhoods	Zoning
<b>Old Shavano</b>	A-1, A-3
<b>Huntington</b>	A-1 PUD
<b>Shavano Creek</b>	A-2
<b>Bentley Manor</b>	A-2 PUD
<b>Shavano Estates</b>	A-4
<b>De Zavala Estates</b>	A-5 PUD
<b>Bentley Manor Cottage Estates</b>	CE PUD
<b>Willow Wood</b>	CE PUD
<b>Pond Hill Garden Villas</b>	MXD



## Zoning Map



**Note: A comprehensive plan shall not constitute zoning regulations or establish zoning district boundaries.**

## Local Schools

Shavano Park is entirely within one of South Texas' premier school districts, the award-winning Northside Independent School District (NISD). NISD is the state's fourth largest school district, covering 355 square miles, operating 125 public schools and enrolling 101,976 children in the 2022-2023 school year. NISD provides excellence in education and is an accredited school district by the Texas Education Agency. The accreditation status is based on the academic accountability and financial ratings.



Shavano Park students attend Blattman Elementary School, located in the northeastern part of Shavano Park. The NISD middle school and high school serving Shavano Park's public school students are Hobby Middle School, located less than 3 miles from the City, and Tom C. Clark High School, located less than 2 miles from the City.

Shavano Park is also surrounded by a number of high quality private and charter schools. Two such schools located near Shavano Park and impacting the City are BASIS Shavano and Cornerstone Christian School.

## Transportation

The City of Shavano Park is ideally located within commuting distances to major shopping centers, restaurants, banks, schools, the Medical Center, and the University of Texas at San Antonio. Additionally, the VIA Metropolitan Transit



*Pond Hill near NW Military & Loop 1604*

Authority provides public transportation services from numerous locations within Shavano Park to locations throughout the metropolitan area of San Antonio.

The City's three major thoroughfares are NW Military Highway, Lockhill Selma Road, and De Zavala Road. According to the Texas Department of Transportation (TxDOT), the average traffic count on NW Military Highway was 17,104 vehicles per day in 2021. This count is low however,



due to the ongoing construction on NW Military during 2021. In 2019, pre-pandemic and pre-construction traffic count on NW Military was 20,607 vehicles per day. For comparison, in 2010, the traffic count on NW Military Highway was 10,500 vehicles per day. Indicating traffic on NW Military has doubled in the past decade.

The continued growth of the City of San Antonio has caused increased traffic congestion on its main thoroughfares, NW Military Highway, De Zavala Road, and Lockhill Selma Road. During the busiest times of the day, when the traffic count is at its highest, residents along NW Military Highway often find it difficult to safely turn onto or off NW Military Highway. This safety hazard for residents was the primary motivation for the City partnering with TxDOT on a project to widen NW Military Highway and create a continuous center turn lane (see details on page 51). This project was a major focus of the 2010 and 2018 Town Plans and has been under construction since May 2021. Project is on schedule to be completed by TxDOT by December 2023.

In addition to NW Military Highway, TxDOT has been upgrading road infrastructure around the City. In 2018, TxDOT constructed a west bound turnabout for the intersection of Loop 1604 Frontage Road and NW Military Highway. Since the 2018 Town Plan, TxDOT has been actively expanding Loop 1604, IH-10 and Highway 281 - all major throughways that surround the City. These projects should improve the traffic flow in our City and shorten our residents' daily commutes.

## **Dark Skies**

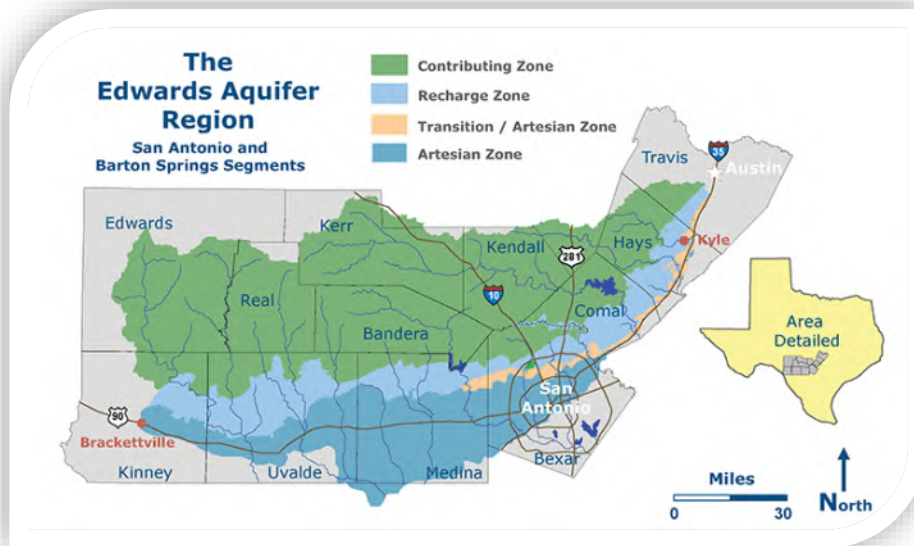
The United States Army expressed concern regarding its ability to conduct night training exercises because of excessive outdoor lighting within a five-mile perimeter of Camp Bullis. Shavano Park is located within this five-mile corridor, and in 2009, our City Council established regulations for outdoor lighting impacting Camp Bullis. These regulations support the United States Army and the community of Shavano Park benefits from the reduction of light pollution in the City.



***San Antonio  
region at night.***

***Night Lights  
imagery by  
NASA's Earth  
Observatory.***

## Edwards Aquifer Recharge Zone



The Edwards Aquifer is an underground layer of porous, honeycombed, water-bearing rock that is between 300-700 feet thick. The City is located entirely over the environmentally sensitive Edwards Aquifer Recharge Zone that stretches across north Bexar County. All developments over the recharge zone are regulated by the Edwards Aquifer Authority (EAA) and require Water Pollution Abatement Plans. The City considers protecting the Aquifer a serious duty, and ensures all developments meet EAA and Texas Commission on Environmental Quality (TCEQ) standards. Towards these efforts, in 2017 and 2019 the City built rain gardens at City Hall to collect runoff from the City Hall parking lot.

## Tree Preservation

One of our City's greatest assets are our beautiful heritage trees. Trees maintain our attractive rural character, protect against soil erosion, and offer shade to homes. During the town plan process, residents made numerous comments about how our trees contributed to the allure and beauty of Shavano Park. In addition to these heritage trees, groves of "second generation trees" are found throughout the City. As a sign of City's commitment to protecting and preserving its native trees, the City has been a Tree City USA member since 2015, receiving Growth Awards in 2019 and 2020, and winning Arbor Day of the Year in 2018.



Primarily established native trees within the City include: Live Oaks with a scattering of Burr, Red and Post Oaks, along with Bald Cypress, Mountain Laurels, Texas Persimmons and Cedar Elms. A diversity of tree species is desirable because it not only adds to the aesthetic quality of the City, but also helps prevent the widespread devastation caused by single species disease or infestation. By ordinance, sixteen native trees are protected as heritage trees during commercial development. Commercial business developers are required to conduct a tree survey of the development site and identify the location and diameter of all heritage trees. During development, 25% of the collective diameter of trees must be preserved. In addition ordinance requires preserved heritage trees be protected from damage during construction. These preserved heritage trees add to the curb appeal of the City's neighborhoods and commercial areas.



*Entrance to De Zavala Estates HOA subdivision*



In 2015 the Shavano Park Citizen's Tree Committee spearheaded the City's efforts to become a Tree City USA. This program, administered by the Arbor Day Foundation since 1976, recognizes communities committed to sound urban forestry management. Over 3,400 communities are a part of this program. A community is required to maintain a tree board, have a community tree ordinance, spend at least \$2 per capita on urban forestry and celebrate Arbor Day.



## Achievements & Awards

### Scenic City



The City of Shavano Park has been recognized as a Scenic City by the Scenic City Certification Program since 2016 (re-certified in 2021). Shavano Park maintains high-quality scenic standards for its roadways and public spaces. The Scenic City Certificate is a reflection of Shavano Park's excellent civic leadership, great community pride, and strong desire to maintain its rural character.

### National Wildlife Federation Community Wildlife Habitat

In 2018 the City was certified a Community Wildlife Habitat by the National Wildlife Federation with 89 properties registered as safe habitats for native wildlife. Shavano Park at the time was only the 4<sup>th</sup> City in the State of Texas to receive the certification. The City re-certified in 2021. The National Wildlife Federation's Community Wildlife Habitat program partners with cities, towns, counties, neighborhoods, and communities of all kinds to become healthier, greener, and more wildlife-friendly. Community Wildlife Habitats garden and landscape with wildlife in mind, promote the use of native trees and plants, work to reduce or eliminate the use of pesticides and chemicals, and integrate wildlife-friendly practices into sustainability plans and park master plans.



### Firewise USA



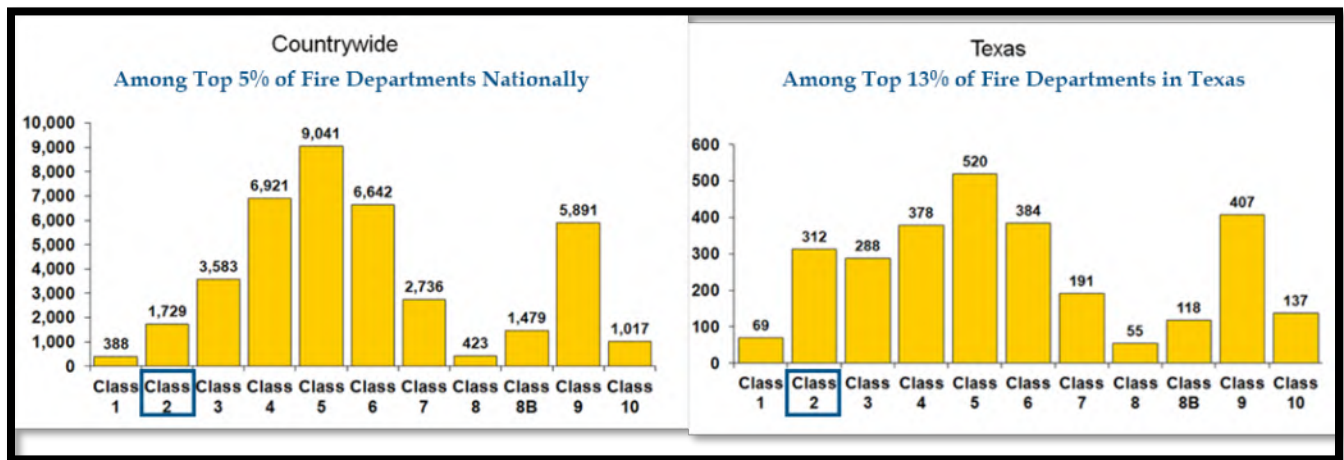
Shavano Park has been recognized as a Firewise Community by the National Fire Protection Association since 2016. The residents of Shavano Park are active participants in creating a safer community by engaging in wildfire risk reduction activities and by celebrating Firewise Day each year. Since being recognized the City completed two projects to improve wildfire safety in the City. In 2017, the City created a one-acre demonstration area of a Firewise forest on the City's Municipal Tract to show residents how to improve wildfire safety on their properties. In 2018, the City with the Texas A&M Forest Service created a Shaded Fuel Break along the borders of the Municipal Tract to reduce the likelihood that any wildfire on the tract would spread to nearby areas.

## Insurance Services Office (ISO) Rating of 2

The Insurance Services Office (ISO) collects information on municipal fire protection efforts in communities and analyzes the data. ISO will then assign a Public Protection Classification ranging from 1 to 10, with 1 being the best and 10 the worst. On June 10, 2016 the City of Shavano Park Fire Department received a classification of 2. The City will strive to maintain ISO classification 2 for the next ISO review.



This classification places the Shavano Park Fire Department in elite company among the nation's fire departments. In addition, this rating entitles the residential and commercial property owners within the City of Shavano Park to receive the maximum credit on their insurance premiums. With a Class 2 ISO rate, Shavano Park property owners may realize a 10 to 15% decrease in their property insurance premiums.



Source: [www.isomitigation.com](http://www.isomitigation.com)

## Texas Police Chiefs Association Law Enforcement Best Practices Recognition



On February 22, 2018 the City of Shavano Police Department achieved "Recognized Status" for compliance with the Texas Law Enforcement Agency Best Practices Recognition Program of the Texas Police Chiefs Association. The Department received re-accreditation in February 2022. Shavano Park Police Department is one of only the 181 of the 2,716 law enforcement agencies in the State of Texas to be recognized and accredited, placing the City in the top 6% of all Texas Police Departments.

This recognition is based upon the policies, standards, and practices of the department following the 168 Best Practice Standards, and involved a comprehensive two year agency process culminating in a two day audit of all areas of the agency.

The men and women of the Shavano Park Police Department are commended for their hard work and dedication in obtaining this status.



Established in 2006, the Law Enforcement Recognition Program is a voluntary process where police agencies in Texas prove their compliance with 168 Texas Law Enforcement Best Practices. These Best Practices were carefully developed by Texas Law Enforcement professionals to assist agencies in the efficient and effective delivery of service, the reduction of risk and the protection of individual's rights. See the Town Plan's vision for community policing on page 26.

### **Government Finance Officers Association Distinguished Budget Award**

In its commitment to financial transparency, the City of Shavano Park submits its Annual Budget to the Government Finance Officers Association (GFOA) for review under its Distinguished Budget Presentation Awards Program. The City has received this award a total of 11 times, including a 7-year streak from 2015 to 2021.



This program was established to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting and then recognize individual governments that succeed in achieving that goal. To earn recognition, budget documents must meet program criteria and excel as a policy document, financial plan, operations guide and communication tool.

### **Superior Public Water System Rating**

Shavano Park's Water Utility that services roughly half the City (the other half is San Antonio Water System) is proud to carry the designation of Superior Public Water System from the Texas Commission on Environmental Quality. The designation is about the overall water system operation and not just the quality of the drinking water. In addition to water quality, the requirements include factors related to treatment, pumping and storage capacity. To receive or maintain recognition as a superior water system, the system must be inspected and evaluated by commission personnel as to physical facilities, appearance and operation.





## Community Engagement

**Community engagement is essential to keeping City government close to the people it serves. Shavano Park enjoys a small-town sense of community fostered through City events and festivities, the use of Municipal Tract facilities and resident volunteerism. The City depends on input from well-qualified volunteers serving on boards, commissions, and committees. Resident participation in Police programs like Neighborhood Watch helps the City maintain low crime rates. This Town Plan envisions that the City Council continue to prioritize community policing, continue efforts to grow the sense of community and preserve the strong tradition of volunteerism. By maintaining this vision, Shavano Park will ensure it retains its safe and secure neighborhoods and the small-town sense of community so beloved by residents.**

**This Town Plan identifies the following Issues and Action Steps for the City in future Community Engagement and Policing:**

### **Issues:**

- Protect and foster Shavano Park's sense of community
- City depends on volunteers serving on City boards and commissions
- Preserve Shavano Park's low crime rate
- Important role of residents and businesses in preventing and investigating crimes
- Sustain the growing scope of City events and festivities
- Maintenance of the Municipal Tract's facilities
- Effective communications to all residents and businesses
- Increase awareness, interest and participation of residents

### **Action Steps:**

- Encourage residents to sign up to receive City communications
- Maintain and grow the City Neighborhood Watch program
- Enhance Police engagement with residents and business community
- Continue neighborhood patrol as a Police priority
- Explore parking improvements to accommodate growing scope of City events
- Use City events to engage and inform residents
- Maintain and incrementally improve Municipal Tract facilities based upon feedback from residents
- Recruit well-qualified volunteers for citizen Boards and Commissions

## Community Engagement



*Residents enjoying a magic show during City event*

Shavano Park enjoys a small-town sense of community fostered through City events and festivities, the use of Municipal Tract facilities and resident volunteerism. The City of Shavano Park has a long tradition of community engagement. In 1952, four years before incorporation, residents of Shavano Park founded the Shavano Park Garden Club. This organization still exists today, 70 years later, as the Shavano Park Women's Club. Shavano Park fire safety was ensured by only a volunteer Fire Department comprised of community volunteers for many decades after its founding in 1956.

In the Town Plan update process, residents who participated in public hearings and surveys indicated the top way they received City communications was

Community Newsletter *Roadrunner* followed by the TextMyGov service. Residents who participated give no majority opinion if the Neighborhood Watch program should be expanded to include in-person engagement or kept at current scope. A majority of residents who participated supported the City maintaining the current size and scope of City events and indicated that National Night Out was the top event they attended. Residents who participated stated a desire to preserve the existing habitat of the Municipal Tract.

## Resident Volunteerism

Shavano Park is blessed to have a large number of talented residents with considerable professional experience that can assist the City. The City Council maintains a multitude of formal standing committees and informal project-specific working groups composed of resident volunteers. Formal standing committees are integral to the transparent and open government of the City. Residents serve on boards that advise on zoning authority and development (Planning and Zoning), hear and grant zoning variances (Board of Adjustment) and advise on the City's water system (Water Advisory Committee) to name a few.

**In Memoriam – Michael  
“Mike” Lynn Janssen  
P&Z Commissioner  
2007 – 2022**



*September 1, 1951 –  
May 20, 2022*

*An example of a resident volunteer with a big impact on the City's development. Mike Janssen was on Planning and Zoning Commission during 2010 and 2018 Town Plans.*

The City Council also has a long tradition of asking talented residents to volunteer to serve in informal groups to assist the City on specific projects. Recent examples include the 2018-2019 Pavilion Committee that delivered recommendations on construction of the Municipal Tract Pavilion, N.W. Military Highway Beautification Committee formed in 2018 to help the City design landscaping proposals to beautify N.W. Military Highway after completion of the TxDOT project, Internet Working Group formed in 2022 to encourage internet service providers to install fiber direct to homes, and the Street Advisory Board formed in 2022 to provide expertise and recommendations on the City's \$10M bond street projects. These committees and boards, while informal, give the City valuable input on specific projects and help ensure these projects are successful. This Town Plan encourages City Council to maintain and promote opportunities for citizens to serve on Boards and Commissions as well as in specific projects.

### **Municipal Tract**



***Playground & Pavilion on  
Municipal Tract***

The Municipal Tract consists of approximately 22 acres of land and is located in the center of the City at the northwest intersection of DeZavala Road and NW Military Highway. The Municipal Tract was deeded to the City by Rogers Shavano Ranch, Inc. (the Roger's Family) in 2000 to be used exclusively for "general municipal, municipal recreation, and other community-oriented purposes and/or facilities".

The 1999 Proposed 20-Year Master Plan envisioned improvements to the municipal tract in phases. In Phase 1, it identified the building of "a new City Hall / Police Department facility, jogging/walking/biking paths/trails, minimal restroom facilities, picnic area and at least one medium sized pavilion." Subsequent phases were not defined in detail but included considerations for recreational fields, sports courts and a civic center. After the

City Hall / Police Department facility was built along with the Bexar Metro 911 Center, no immediate improvements were implemented.

The 2010 Town Plan envisioned improvements that would create a "Town Center" where "neighbors could meet neighbors and children could safely play outdoors". Possible elements of the proposed City Center included: a "community center building to host City group functions, and other social and professional meetings; an outdoor area; a wellness area; and a natural buffer



of trees”. Beginning in 2015, incremental efforts were made to reduce fire hazards within the unimproved area, which was mostly overgrown with cedar trees. Improvements also included clearing an area parallel to DeZavala Road, installation of an access road to water Well #6, and the construction of a rain garden.



The 2018 Town Plan acknowledged that residents were divided regarding changes to the Municipal Tract, but that “any improvements should be based upon amenities desired by both current residents and those amenities that may be necessary to attract future residents”. The Town Plan provided that City Council will make decisions regarding any changes to the Municipal Tract. In 2019, a Citizen’s Amenities Committee was created and after receiving resident input the committee made recommendations for improvements that included a large pavilion, playscapes, a one-mile nature trail, and a restroom facility, which were soon after constructed.

Since 2020, the Municipal Tract has become the heart and center of Shavano Park. The pavilion is used for all city-sponsored events, is open to the public and takes reservations for private events. Families gather daily to play on the playgrounds and enjoy the pavilion and walking trails. In 2022, the Municipal Tract began hosting a Farmer’s Market with 20-30 vendors participating every Sunday.

This Town Plan encourages the City’s future leaders to maintain and incrementally improve the Municipal Tract. Feedback from residents should assist in prioritizing the improvements. Possible considerations include: additional parking; improvements to the nature trail; additional playgrounds or recreational facilities.

### **City-sponsored Events**

The City Council approves and schedules annual City-sponsored events. These events are family-fun activities that encourage residents to gather on the Municipal Tract for seasonal festivities. Over the years these events have grown steadily in scale and scope, attracting 200 – 500 residents depending on the event. City-sponsored events have traditionally included the following: Arbor /

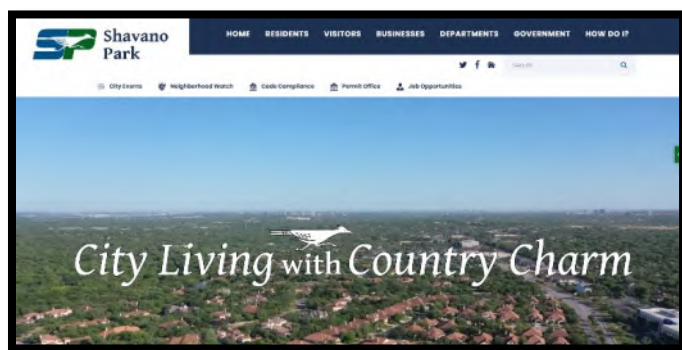


*Blattman Elementary Choir at City Hall Event*

Earth Day in mid-April, Independence Day Celebration around Fourth of July, National Night Out on the first Tuesday of October, Trunk or Treat near Halloween and the Holiday Festival in early December. The City also offers a number of one-time service events – such as the Household Hazardous Waste Collection in 2022, E-waste recycling and secure paper shredding annually at the Arbor / Earth Day event, and Drug-take Back events annually each spring and fall.

These events serve as key community engagement opportunities for City staff. The growing scope and scale of these events is likely to continue. As many of these events take place at least partially in the main City Hall parking lot, parking can quickly become a challenge with many vehicles parked unsafely along N.W. Military Highway and DeZavala Road. This Town Plan encourages City Council to explore parking improvements to accommodate the growing scope of City events.

### City Communications



*City's Website ([www.shavanopark.org](http://www.shavanopark.org))*

Communicating timely, accurate and relevant information to residents is both an important duty of City staff and a major role in building a sense of community. To accomplish this, the City utilizes a number a communication tools, ranging from face-to-face engagement to digital communications like text messaging services. The primary City communication tools as of this writing include: Roadrunner

community newsletter, City website ([www.shavanopark.org](http://www.shavanopark.org)), City social accounts of [Facebook](#), [Twitter](#) and [Nextdoor](#), [TextMyGov texting service](#) and [I-INFO email service](#). Many residents are not aware of these multitude of communication services. This Town Plan encourages City staff to increase citizen awareness of these communication tools. Encouraging residents to sign-up will help improve the effectiveness of City communications and boost efforts to build a sense of community.

## Community Policing



***2022 National Night Out  
Poster Contest Winners***

Community policing not only preserves and protects Shavano Park's small-town sense of community but is key to maintaining the City's low crime rate. The Shavano Park Police Department recognizes the importance of interacting with the community and maintains a number of community policing efforts. The Police Department focuses on neighborhood patrols so that officers are frequently visible in residential neighborhoods. Additionally, the department offers patrol-by and out-of-town home security check services for residents. Police are also active in hosting numerous free community training and information events such as C.R.A.S.E. (Citizen Response to Active Shooter Events) / Stop the Bleed response training and female self-defense courses. The annual National Night Out event is a key opportunity for residents and our first responders to have personal interaction. These efforts give residents timely, accurate and relevant information from the Police Department, promote transparency, and build trust within the community. Shavano Park Police Department achieved Texas Police Chief's Association Best Practices accreditation in 2018 and 2022. This action must be undertaken every four years and is a year-long process. Only 7% of Texas law enforcement agencies have this accreditation. See page 19 for details on this achievement.

Residents and businesses working together with our police department under the Neighborhood Watch program is vital to preventing and investigating crime:

- Preventing Crime. Residents and businesses play key roles in preventing crimes through reporting suspicious activities and by posting security warning signs (such as 'Under Surveillance', 'Security Alarms', or 'Neighborhood Watch' signs) on their property. Additionally, many residents actively participate in the Neighborhood Watch email program, providing a formal way for neighbors to watch out for each other and report suspicious activity. The Neighborhood Watch program allows the Police Department to

Community policing not only preserves and protects Shavano Park's small-town sense of community but is key to maintaining the City's low crime rate. The Shavano Park Police Department recognizes the importance of interacting with the community and maintains a number of community policing efforts. The Police Department focuses on neighborhood patrols so that officers are frequently visible in residential neighborhoods. Additionally, the department offers patrol-by and out-of-town home security check services for residents. Police are also active in hosting numerous free community training and information events such as C.R.A.S.E. (Citizen Response to Active Shooter Events) / Stop the Bleed response training and female self-defense courses. The annual National Night Out event is a key opportunity for residents and our first responders to have personal interaction. These efforts give residents timely, accurate and relevant information from the Police Department, promote transparency, and build trust within the community. Shavano Park Police Department achieved Texas Police Chief's Association Best Practices accreditation in 2018 and 2022. This action must be undertaken every four years and is a year-long process. Only 7% of Texas law enforcement agencies have this accreditation. See page 19 for details on this achievement.



***Grinch is arrested at local Elementary  
by Shavano Police during Winter  
Holidays***

be able to notify hundreds of residents of neighborhood criminal activity occurring nearby, when warranted, through email and text messages. All of these efforts demonstrate community vigilance and therefore discourages criminals from committing crimes in Shavano Park.

- Investigating Crime. Residents and businesses also play a key role in investigating crimes after they occur. Many properties have security cameras monitoring the exterior of their property and may record criminal activity. These recordings are valuable evidence in investigating and prosecuting criminal cases. Residents and businesses with security cameras are encouraged to join the Police Department's Community Security Camera program to help the Police save valuable time during criminal investigations. The Neighborhood Watch program also plays a role in investigating crimes as the Police Department may quickly solicit crime tips through email and text messages from hundreds of Neighborhood Watch members. These collaborative efforts facilitate the prompt investigation and prosecution of criminal activities in the City.
- Neighborhood Watch. The Shavano Park Neighborhood Watch is a city sponsored and managed program established by City Council in 2020. The program currently exists mostly as a secure email and text messaging service to about 200 residents. This program has immense potential to grow over time and become a key community engagement tool for the Police Department. Possibilities for growing the Neighborhood Watch include establishing neighborhood block captains, creating Neighborhood Watch specific events, and expanding the existing email and text messaging services to include more residents.

This Town Plan encourages City Council and the Police Department to continue to grow community policing efforts through engagement with our residents and businesses, and build community relationships that can help prevent and investigate crimes.



## Commercial Development

**The City has only 48 acres remaining of land zoned for future commercial development. Annexation of more land is not a possibility because the City is surrounded by the jurisdiction of the City of San Antonio. These 48 acres are important to the City's future as they are the final opportunities to add sales tax generating businesses. Sales tax revenues are an important funding source to repair City infrastructure, cover annual operating expenses and provide incentives necessary to retain a professional City staff. Residents also desire more local access to commercial services such as restaurants and retail. The City's vision for future commercial development is to work with the City developer to create business developments that add sales tax revenue and local services while preserving residential neighborhoods' quality of life.**

**This Town Plan identifies the following Issues and Action Steps for the City in future Commercial Development:**

### Issues:

- Residents want more local access to commercial services – restaurants, retail, and medical.
- Managing the tension between business development and maintaining residential quality of life.
- Residents desire to maintain the high-end aesthetics of existing commercial developments
- Sales tax revenues are a critical funding source to repair infrastructure and cover annual operations, and there are few commercial tracts left to be developed
- Zoning of remaining commercial lots to encourage business developments that are compatible with the City

### Action Steps:

- City continues to work closely with Bitterblue to influence optimal businesses for remaining commercial tracts
- Maintain strict restrictions on business signage.
- Maintain restricted allowable business uses while monitoring market changes for necessary additions.
- Maintain up-to-date building codes while being responsive to local developers during code adoption.
- Maintain commercial property maintenance standards that are reasonable and enforceable
- Explore possible commercial developments for the 22-acre tract
- Re-zone the 22-acre lot into a Planned Unit Development to increase development flexibility
- Consider a Planned Unit Development or Mixed-Used District zoning for the 4.45-acre tract of land on Pond Hill West to increase development flexibility



## **Current Business Community**

The existing commercial areas of Shavano Park are located primarily along the Loop 1604 frontage road and Lockhill Selma Road in the prime north central area of metropolitan San Antonio. Shavano Park is surrounded by the City of San Antonio and a variety of shopping centers, restaurants and medical facilities are within close proximity to the City. The majority of the City's commercial developments are office, medical and assisted living facility uses. Other developments include convenience stores, upscale restaurants, coffee shops and a private tennis club. Most businesses in the City were developed after 2000.



Most undeveloped commercial land is owned by one developer, Bitterblue, Inc., who works closely with the City to develop upscale commercial buildings and properties. Bitterblue's vision for Shavano Park over the decades has been a long-term focus on building value. It is important to remember that the City does not own the remaining undeveloped land and has limited influence over remaining commercial developments. This Town Plan envisions the City continues to work closely with Bitterblue to influence optimal businesses for remaining commercial tracts in Shavano Park.



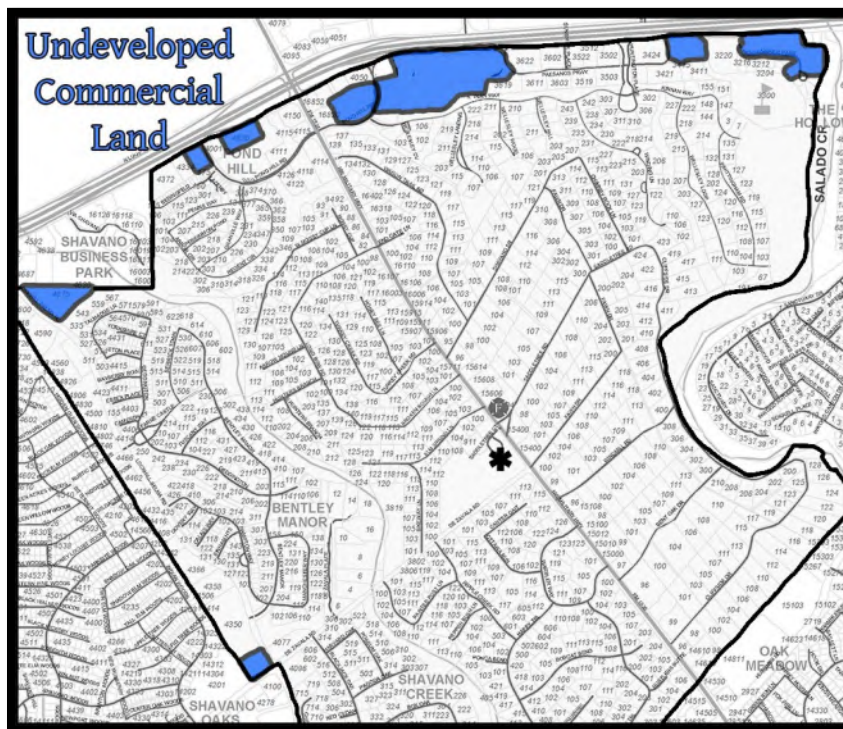
The City is a community where residents desire an upscale appearance of commercial developments that are walkable and bikeable with greenspace. Residents of the City have long wished to retain high-end curb appeal through strong zoning rules, building regulations and signage restrictions. The City has adopted Property Maintenance Standards for commercial (and residential) properties to help ensure the existing business properties

maintain these high standards as they continue to age. The planned completion of sidewalks to De Zavala Road in 2023-2024 and TxDOT's NW Military project that adds new sidewalks and bike lanes to NW Military in 2023 will make the City's commercial developments more accessible for residents by bike or by foot.

In the Town Plan update process, residents who participated in public hearings and surveys stated their desire for more local access to commercial services including: restaurants, retail, gourmet shops and medical services. Residents who participated did not favor auto sales and services, hotels, liquor stores, bar / taverns and funeral homes as local businesses. Residents who participated expressed support for commercial property maintenance standards that ensure commercial properties remain upscale in appearance and well-maintained. A majority of residents who participated supported continued commercial development, by agreeing to statements that the City should maintain a balance between commercial and residential development or the City should work aggressively to attract sales tax revenue.

## Future Development

There remains only a small amount of land for future commercial development in Shavano Park. The few tracts that are undeveloped include (ordered by acreage):



*Undeveloped commercial lots are in blue.*

*Note: all but one of these lots are on the edges of Shavano Park along 1604 frontage road.*

- A.** 22-acre tract near Huntington, in early planning stages for a possible hotel development (zoned B-2)
- B.** 6.85 acres in Napier Park Office complex east of Blattman Elementary, pre-planned for small office (zoned B-2 PUD)
- C.** 5.08-acre tract at north end of Lockhill-Selma, pre-planned for medical (zoned B-2 PUD)
- D.** 4.45-acre tract in the Pond Hill east commercial, pre-planned for a mix of restaurant / retail (zoned B-1)

- E.** 2.85-acre tract near Pond Hill west and 1604 frontage (East Bound), pre-planned for a restaurant (zoned B-2 PUD)
- F.** 2.52-acre tract near Huntington West Office Building on 1604 frontage (east bound), pre-planned for future commercial (zoned B-2 PUD)
- G.** 2.2-acre tract on the northwest corner of Lockhill Selma and De Zavala Road, pre-planned for retail / medical (zoned B-1)
- H.** Two 1-acre tracts on Pond Hill east near Huntington, pre-planned for retail/medical (zoned B-2)
- I.** 1.27-acre tract near Pond Hill west and 1604 frontage (East Bound), pre-planned for office (zoned Mixed Use District)

**Developments A and H: 1604 frontage near Huntington**



**Development B: 1604 frontage in Napier Park Offices**





Development C: North end of Lockhill-Selma Road



Development D: Pond Hill East Commercial



*Developments E and I: Pond Hill West Office & Restaurant*



*Development F: 1604 frontage near Huntington West Office*





*Development G: Northwest corner of Lockhill Selma Road & De Zavala Road*





## Property Maintenance Standards and Zoning

The City of Shavano Park is a premier community with a mix of residential districts. The City has both original neighborhoods with a rural aesthetic and modern, gated subdivisions with homeowner associations. Zoning regulations control where and what type of residential developments may occur, and property maintenance standards dictate property owner responsibilities and minimum conditions allowed. Together they play a key role in preserving the City's property values and natural beauty. The City's regulatory zoning power is the most significant way for the City to safeguard its single-family residential character. For example, zoning ordinances presently prevent the redevelopment of existing residences to multi-family uses, short-term rental uses, and the subdivision of lots. The City's regulatory power for property maintenance is likewise the City's most influential way to ensure the City's neighborhoods remain protected for the future, preserving property values and growing long-term value in the City. This focus area is our City's vision for preserving the unique character of our City.

**This Town Plan identifies the following Issues and Action Steps for the City in future regulating of property maintenance standards and zoning:**

### Issues:

- Importance of the single-family character of the City's residential zoning districts
- Pressure for denser residential developments by sub-dividing lots or allowing multi-family uses
- Pressure to have multiple accessory buildings for habitation on a single lot
- Prevalence of short-term rentals (nationally) and their consequences
- Balancing the interest of the community vs individual property rights
- Preserving City property values
- Increasing trend towards the redevelopment of older residential properties

### Action Steps:

- Maintain minimum lot size and single-family occupancy in residential zoning districts
- Maintain prohibition on short-term rental in residential zoning districts
- Adopt and maintain property maintenance standards that are reasonable, understandable, and enforceable while avoiding overly burdensome regulations
- City Council and Planning and Zoning Commission must remain attentive to resident and business feedback on property maintenance standards
- Avoid new regulations that make "tear down and rebuild" of old residential properties more expensive or overly complicated

## Characteristics of Shavano Park's Residential Neighborhoods

The heart of the City of Shavano Park is its residential neighborhoods. The City has both original neighborhoods with a rural aesthetic and modern, gated subdivisions with homeowner associations. The distinguishing feature of Shavano Park's residential neighborhoods is its single-family character, which is defined and enforced under the City's Zoning Ordinance. The City's zoning authority comes from State Law and allows the City to control subdivisions, to include both the density of structures and of population. A key aspect of this single-family character is the stipulation that each lot is designated as one dwelling unit to be occupied by the owner and their family or by a rental tenant under a long-term lease. Current zoning prohibits short-term rentals of less than 90 days. The City has no areas zoned for multifamily developments or short-term rental properties.

Definition from City Zoning Ordinance, Chapter 36:

*Single-family residence* means a structure designed for use as one dwelling unit and actually used for permanent or seasonal occupation by the owner, the owner's family or long-term rental tenant under a written long-term rental agreement as a principal residence where the owner, owner's family or long-term rental tenant intends to maintain a permanent or long-term residence. Short-term rentals are expressly excluded from this definition and shall not constitute single-family residential use.

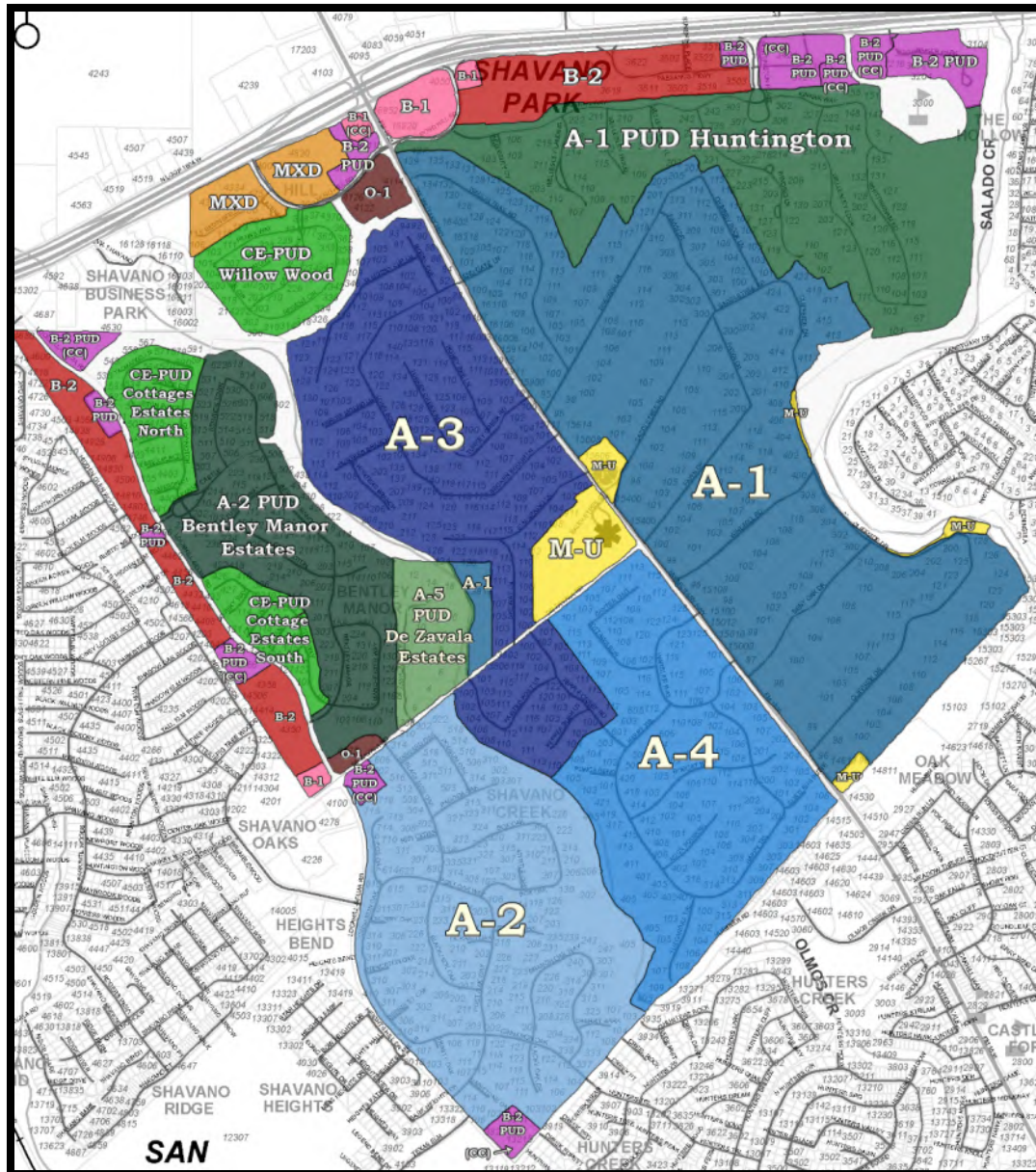
This "one lot, one home, one family" characteristic is reinforced by other zoning rules that shape the nature of Shavano Park residential neighborhoods. See Zoning map on the following page.

Zoning Rule	Rule in Brief	Impact
Single-family Use	All residential areas require single-family use, defined as blood relations + 1 unrelated person	Prevents homes being converted into duplexes, town homes or other multi-family residences.
Minimum lot size requirement	A-1 and A-4: 1 acre A-2, A-3 and A-5 PUD: 0.7 acre Smaller lots sizes only for cottage estate neighborhoods	Prevents subdividing of existing lots and creation of denser neighborhoods
Minimum gross floor areas	A-1: 1,600 square feet A-2, A-3, A-4 and A-5 PUD: 1,800 square feet Cottage estates: 2,000 square feet or more	Prevents construction of smaller homes found in denser urban neighborhoods
Short term rentals prohibited	Rental of real property for a period shorter than 90 consecutive days is prohibited City-wide	Prevents short-term rental properties from disrupting residential neighborhoods
Building setback lines	Only small portable buildings and other minor items are allowed in building setbacks	Creates lower density neighborhoods; prevents subdividing into smaller lots
Accessory Buildings	Accessory buildings are limited to 20% of the rear yard; cannot be built in setbacks; must conform to single-family rule	Prevents a single lot being filled with multiple accessory buildings for habitation



**Zoning districts correspond to the following residential neighborhoods:**

- A-1: *Old Shavano Park East*
- A-1 PUD: *Huntington*
- A-2: *Shavano Creek*
- A-2 PUD: *Bentley Manor*
- A-3: *Old Shavano Park West*
- A-4: *Shavano Estates*
- A-5 PUD: *DeZavala Estates*
- CE-PUD: *Cottage Estates in Bentley Manor and Willow Wood*
- Mixed-Use District (MXD): *Pond Hill Garden Villas*



In the Town Plan update process, residents who participated in public hearings and surveys voiced strong support for City zoning rules prohibiting multi-family developments and short-term rentals in residential neighborhoods. Residents who participated supported a balance between individual property rights and community interest in maintaining properties. Finally, residents who participated said City should encourage the trend of tear down and rebuild of homes in existing neighborhoods, or were simply ambivalent about the trend.

This town plan envisions future City leaders maintain these zoning rules to preserve the single-family residential character of the City.

### **Property Maintenance Standards**

Another important City tool in preserving the attractive character of commercial and residential properties is property maintenance standards. This is also an area of controversy as it deals with the delicate balance between the interest of the community and individual property rights. Residents have conflicting opinions regarding this balance and how it may be achieved. Managing this tension is a critical task of the City of Shavano Park.

Just as we age, our bodies wear down and we often require more attention and efforts to maintain our health, residential and commercial structures also require more maintenance and occasional renovations to remain structurally sound, functional and looking sharp. Individual structures and neighborhoods that are poorly maintained can lead to depressed property values, and foster vandalism and crime. Enforcement of minimum property maintenance standards is not just about sustaining neighborhoods; it is essential to the success of the City's vision as the premier community in Bexar County. Neighborhoods have a better chance to thrive and grow in value when disrepair, trash and other refuse are held in check.

*Widely spaced homes, set back from road in Old Shavano Park West (A-3)*



*Denser homes, closer to road in Pond Hill Garden Villas (MXD)*







This Town Plan finds that proper maintenance of properties is necessary to protect the welfare, attractiveness, and character of the community. A standard of maintenance guards against unsafe and unhealthful conditions which can cause neighborhood deterioration. This Town Plan also envisions the City adopting property maintenance standards that are reasonable, understandable, and enforceable while

avoiding overly burdensome regulations. In addition, the Town Plan encourages future City leaders to remain attentive and responsive to resident and business feedback on the burden of property maintenance standards. Following these guidelines will help maintain a healthy balance between community interest and individual property rights.

### **The tear down and rebuild of older homes**

The City also has authority to regulate the redevelopment of existing residential lots. As homes age, the properties they sit on accumulate value. There is a growing trend of demolishing older homes and building entirely new structures in their place. Some home buyers understandably want to construct a modern home meeting their desired amenities and tastes in our desirable City.



When this new home is constructed, it is treated as a new build and must meet all current City zoning and technical code standards. The City currently charges no fee for a demolition permit to tear down a building, lowering the overall costs of a redevelopment project.

This redevelopment of existing lots increases the property values of those parcels and grows property values across the City. As the City nears total build-out in the next 5 to 10 years, redevelopment activity will be one of the few remaining drivers of property value growth in the City. This trend should therefore not be made more difficult by the City. This Town Plan envisions future City leaders avoiding implementing new regulations that make the redevelopment of old residential properties more expensive or burdensome.



## Municipal Talent Management and Retention

Shavano Park's development into a premier community of Bexar County in the last ten to twenty years owes much to the leadership and talent of the City's paid professional staff.

While the City presently has high-performing and professional Police, Fire, Public Works/Water and Administration departments led by a City Manager, this was not always the case. Staff is a significant budgetary cost to the City, a cost that is anticipated to grow in future years due to inflation, labor market competition, and rising healthcare costs. These challenges may be compounded by the fact that Shavano Park is a small and quiet town that, while desirable to live in, is professionally unattractive to some Police and Fire candidates, making recruitment more difficult. This Town Plan encourages future City Councils to make fiscally prudent decisions necessary to hire and retain the professional staff of the City.

**This Town Plan identifies the following Issues and Action Steps for the City in future Municipal Talent Management and Retention:**

### Issues:

- Small cities struggle to keep up with labor market competition from larger cities
- City has limited control over Inflation rates, health insurance costs or labor competition
- High customer service expectations by community
- Small city size limits promotion opportunities within departments
- Employees and candidates desire working with up to date and functional equipment
- Many Police & Fire candidates prefer careers in communities with more crime and fires
- Administrative staff required to perform multiple job tasks and roles
- Budget priorities compete with fiscal requirements and constraints

### Action Steps:

- Make fiscally prudent decisions necessary to hire and retain a professional City staff
- Annually identify positions and job skills which are hardest to hire and retain and focus resources on those positions
- Maintain City website as digital face of the City for potential applicants
- Offer increased training opportunities and hiring incentives
- Maintain annual compensation study / reviews and periodic employee surveys
- Put a premium on developing and retaining key leadership positions in City departments
- Focus on team-building and consider offering affordable work perks
- Encourage Directors to propose innovative incentives and to stress work/life balance

## Development of a Professional City Staff

Incorporated as a municipality in 1956 with little annual revenue, the City was formed and operated by volunteers for many years. In addition to the elected officials, positions such as the Fire Chief, Town Marshal, City Clerk, Building Inspector, Tax Assessor Collector, and Water Board were filled by residents. As responsibilities increased, part-time and full-time staff were incrementally added. In 1971, the City hired its first police officer, yet the Fire Department remained an all-volunteer force. A part-time municipal Court Clerk and Public Works Director was added in subsequent years. The first full-time Fire Chief was hired in 1991 and the first City Manager in 1997.



*Shavano Park Volunteer Fire Department in 1952*

Since the 1990's, the full-time staff has increased to 51 positions, which are supported by qualified contracted specialists (Attorney, Engineer, Building Inspector, Health Inspector, Judge, Prosecutor). For Shavano Park, municipal talent management and retention are influenced by a few broad factors: compensation; professional development, growth opportunities and job satisfaction.



*Shavano Park Fire Department in 2023*

**Compensation.** Throughout the evolution of Shavano Park, it has been a constant challenge to hire and retain professional staff while balancing competing demands and limited revenues. The Fire and Police Departments have often been a training ground for other agencies as some of our best leave for greener

pastures. Nevertheless, over the years highly talented staff have contributed significantly to the City's growth into a premier community within Bexar County. The City has built high-performing and professional Police, Fire, Public Works and Administrative departments led by the City Manager and Directors. Resourcing the City staff's compensation is the most significant expense and represents about 75% of the annual General Fund Budget or 49.4% of all combined annual funding.





The City conducted extensive compensation Studies in 2012, 2016, and again in 2021. In each case, the city's compensation levels were generally in the bottom 1/3 range (with some exceptions). After each study, Council approved measures to move the compensation level to at least the 50% level, which was made possible by revenue from the increasing residential and commercial

development. In 2023, the City's compensation remains competitive, but will continue to be challenged by factors such as inflation, rising healthcare costs, and local hiring demand. See page 71 of the Long-term City Finances focus area to see the Town Plan's compensation future forecasts.

**Professional Development.** An advantage of being a small organization is that a single employee usually has complete responsibility for a function or job (e.g. the Court Clerk facilitates all facets of the court office responsibilities as opposed to four or five clerks working various tasks). This affords an employee an excellent opportunity to fully develop skill sets in functional areas. Additionally, most employees are assigned secondary or backup responsibilities and roles. This broadens their development and skill sets. A disadvantage to the small organization is that some of the responsibilities may not be as complex as those of larger municipalities.



*Police and Fire employees at Blattman Elementary*

**Growth Opportunities.** Another disadvantage to a small organization is that there are limited opportunities for promotion or movement to lateral jobs. Fire, Police, and Public Works do have several layers of supervision within a single department, but only within that department.

**Job Satisfaction.** This aspect is an intangible measure that, for the most part, is individually based. Factors likely include: a challenging work atmosphere, work-life balance, recognition and rewards, the culture of the department, and having responsibility.

## **The Impact of Inflation, Labor Competition and Healthcare Costs**

In the last decade, inflation, wages and healthcare costs remained fairly steady and manageable for many organizations. These metrics drastically changed in 2022.

- For the last decade, the average annual rate of inflation was only 2.42% according to the Bureau of Labor Statistics' Consumer Price Index. In 2022, however, the inflation rate spiked to 6.4%.
- Likewise, the average annual wage increase for the last decade was only 3.30% according to the Social Security Administration's Average Wage Index. In 2021, however, the average annual wage increase was 8.89%.
  - Specific trends seen regionally in the labor market is the growing difficulty to hire and retain paramedics and law enforcement officers.
- The same upward trend is also seen in healthcare costs; for the last decade the average annual cost increased by 3.1% according to the Bureau of Labor Statistics' Medical Care Consumer Price Index, but in 2022, the rate spiked to 4.98% over the last half of 2022.

These fiscal challenges have been afforded without property tax rate increases due to steady City growth and property value accumulation. Between 2017 and 2023 the City property tax assessments increased by 6.8% annually. Between 2013 and 2023 the only City property tax increase was by \$0.01 cent in 2022 to pay for the debt associated with the voter-approved \$10M street reconstruction project bond (see page 65 for the Public Infrastructure section of the Town Plan).

## **Challenges of Meeting Compensation Without City Development and Growth**

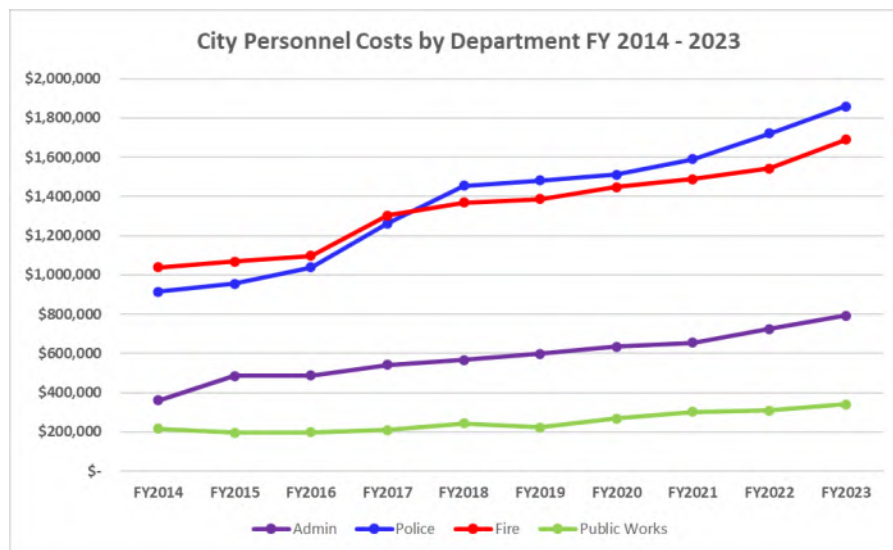
Annual personnel cost will be challenging to fund as the City becomes built-out over the next five years (see page 71 for the long-term City finances focus area of this Town Plan). Without new properties being developed, all the funding for a professional City staff will be borne by existing properties and sales tax generation. Here are examples of recent trends in inflation, labor competition and healthcare and their impact on City finances:



*Shavano Park Public Works Department in 2023*



- The impact of inflation in 2022 on City budget was mostly felt in gasoline fuel costs to run City vehicles and items with micro-chips. For example, the Police Department spent \$72,154 on fuel costs in 2022 compared to \$39,426 in 2021. In 2022, two new police cars were unable to be deployed for ten months due to supply chain shortages related to police packages (lights, radar and other equipment with microchips). The City has seen price increases on all networking and computer equipment since mid-2021 ranging from 20% to 50%.



**Table 1. Note: Analysis does not include Water employees funded by the Water Utility that is used by only a portion of the City.**

- The City's total personnel cost (including salaries, healthcare, retirement and benefits) has increased on average 4.5% each year for the past decade (see Table 1). Recent labor market pressures are being felt most acutely in the City's Police and Fire Departments. As previously discussed, the City Council in 2022 authorized a 6.5% wage increase for all employees with an additional 0.5% increase for lower-wage employees to address inflation across all departments. In addition to these wage increases, paramedics received increased certification pay in 2022. In 2022, the Fire Department had three open paramedic positions for the majority of the year. In response, the Fire Department started offering part-time paramedic positions for the first time to offset the shortage and developed a plan to hire paramedic-only applicants and pay for their fire certification training. In early 2023, the City Manager is considering further hiring incentives as it anticipated that this market competition for a limited pool of qualified individuals will continue in Police and Fire Departments.
- In 2022, the City's health insurance provider issued an 18% rate increase for existing employee healthcare plans. City Council approved an 11.3% increase to the monthly

contribution of the City to employee healthcare plans in the Fiscal Year 2022-2023 Budget to help cover the rate increase.

Hiring and retaining high quality employees is one of the hardest, but most important aspects of operating a high-performing organization. This Town Plan encourages future City Councils to make fiscally prudent decisions necessary to hire and retain a professional City staff. Financial resources are not unlimited, however, so future City Councils and City Managers should annually identify positions and job skills which are hardest to hire and retain and focus resources on those positions.



## Public Infrastructure

**Public Infrastructure describes the facilities, systems, and structures that often are taken for granted but are essential to quality of life in a community. Although most Shavano Park public infrastructure is owned and operated by the City, other systems are provided by private or outside agencies. Shavano Park furnishes and maintains public buildings, streets, drainage, greenbelts, and the water system. In the past, the City rarely had the necessary funds available to provide an infrastructure of the highest quality. With the City's growth into a premier City of Bexar County, the residents and businesses now expect high quality infrastructure. Because much of the City's infrastructure was constructed in the 1950s to the 1970s, the City likely will face significant infrastructure maintenance requirements in the next five to ten years. This Town Plan encourages future City Councils to pursue grant funding and responsible budgeting for these challenges, but it also acknowledges the role debt financing will play in the future renewal of the City's public infrastructure.**

### **Public Infrastructure Table of Contents**

This focus area of the Town Plan covers a multitude of topics; here is the table of contents with links to each section for ease of navigation:

1. **City Streets** . . . . . page 48
2. **NW Military**. . . . . page 51
3. **Bike and Pedestrian Pathways**. . . . . page 53
4. **Water System**. . . . . page 54
5. **Drainage**. . . . . page 56
6. **Municipal Tract**. . . . . page 59
7. **Fiber Internet Service**. . . . . page 60

Issues and Action Steps are on the next page.

## This Town Plan identifies the following Issues and Action Steps in Public Infrastructure:

### Issues:

- Residents and businesses demand quality infrastructure yet funds are limited
- Deteriorating streets nearing expected end-of-life
- No comprehensive street assessment for Phases 2, 3, or 4 of the City's Street Maintenance Plan
- City will have little to no street after completion of Bond/Federal projects in 2024/2025
- Two remaining pre-planned drainage projects (Elm Springs and Turkey Creek) will cost more than \$4 million
- Some drainage problems exceed the City's ability to pay
- Residents desire bike and pedestrian connectivity
- Preference to keep the Muni-tract natural and support wildlife while providing amenities for citizens
- Not all residences have natural gas or fiber internet service available
- Aging water distribution system
- Limited water fund reserves to pay for water distribution system renewal

### Action Steps:

- Pursue grant funding options at State and Federal level for street, drainage, and water system renewal
- Long-term financial planning to ensure the City's debt burden remains manageable
- Successfully complete the \$10M Bond project and \$4M Federal projects to build resident trust in City's capability to tackle large infrastructure projects
- Monitor the conditions of the streets and as needed conduct a comprehensive street assessment with projected costs and timelines for Phases 2, 3, and 4
- Prioritize and sequence infrastructure maintenance and replacement
- Consider pedestrian and bicycle improvements including Cliffside Dr. access point
- City to coordinate with and encourage utility providers to extend gas and fiber internet services to residents desiring the services
- Complete a comprehensive water model to better anticipate future capital requirements
- Consider Capital Replacement / Sinking Funds for future water infrastructure replacement
- City must explore new means to fund large drainage projects

## City Streets

Shavano Park, like all cities, is responsible for maintaining and reconstructing its 20 miles of public streets. The average street lifespan is 20 to 30 years, and with good maintenance, 40 to 50 years. Most of the streets were built before 1980 (with some dating back to the original development) and are deteriorating. As of 2022, the City had only \$1.3M dollars saved toward maintaining and restoring its streets, but the total cost to maintain and repair them was in the millions. Street reconstruction and maintenance are anticipated to be the largest expense challenges facing Shavano Park over the next 20 to 30 years. Residents who participated in the Town Plan expressed support for the street projects and were glad the City was planning ahead; but expressed concerns with traffic and access to homes during construction.

### *Failing City Streets in Old Shavano Park*



The City will prioritize street repair in the worst areas, while simultaneously implementing a maintenance program for other areas. Once those problem areas are completed, the next worst streets may be planned and repaired. In 2022, the City developed a phased-in approach for street repair to be implemented over the next 20 years. This phased-in approach helps the City afford the work with a minimal impact on each annual budget and property tax rate (see map on next page).

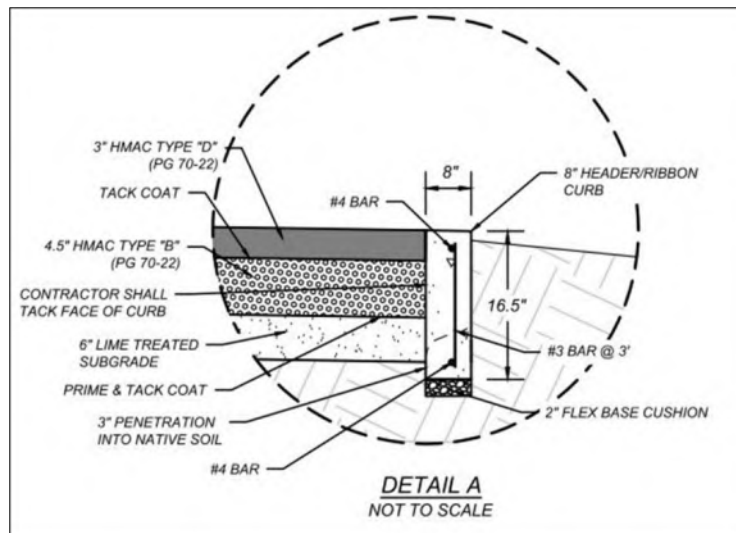
A comprehensive assessment measured the pavement condition indexes of street sections throughout Old Shavano Park and confirmed the streets in many areas of the City are near failure. In 2022, the City took action to address the deteriorating streets by initiating the first major street maintenance project since 2004. Voters approved a \$10M Bond to fully reconstruct six miles of streets in Old Shavano Park (Phase 1 – Red on map). In the same year, the City also secured \$4M via a federally-funded Community Project Funding Request in the 2023 Federal Budget from the office of Congressman Tony Gonzales (TX-23) and the United States Congress. The City will use these funds on De Zavala Road to improve drainage facilities, add bike lanes and sidewalks, and re-pave the surface. The drainage and accessibility improvements of this project will be discussed in subsequent section.





Shavano, Wagon Trail, Windmill; (2) repaving of the Post Oak Way entrance (from Lockhill-Selma); and (3) complete reconstruction of the cul-de-sacs of Elm Spring, Honey Bee, Hunters Branch, Hunters Branch South, and Turkey Creek. All existing street material will be removed and new street material installed. The new streets will feature a new 8-inch “ribbon curb” flush with the street (not raised – see Exhibit 1). This curb confines the roadway structure, reducing edge failures and adding significant life to the street.

**Exhibit 1 – Bond Project Street Reconstruction**



In order to afford the annual debt payments for the 2022 voter-approved Bond, the City increased the ad valorem property tax rate by \$0.01. In addition, the City added its \$1.3M dollar street maintenance fund to keep the tax rate increase to just \$0.01. See page 62 for the Long-term City Finances focus area of this Town Plan for more information. Once Phase 1 and Phase 1A of the Street Maintenance Plan are complete in 2024-2025, the City is forecast to have exhausted its street maintenance fund, meaning all future street maintenance costs must be borne by grant funding or debt financing. See page 69 of the Long-term City Finances focus area of the Town Plan to see the forecasted financial costs of these street infrastructure projects.

**PHASE 1A – De Zavala Road.** This phase will accomplish the re-paving of De Zavala Road with the addition of dedicated bike lanes, sidewalks, and raised curbs, and improve the drainage. This project will compete for federal funding. See page 56 for De Zavala Road drainage improvements and page 53 for De Zavala bike and accessibility improvements.

**PHASE 2 - Old Shavano Park West neighborhood.** The streets in this area were built in the 1970s and are in decent condition largely because of their curbs. The most deteriorated areas of Old Shavano Park West are proposed to be repaired in the \$10M Bond Election. The City already repaired the Arrow Mound cul-de-sac in the fall of 2021 because of its severe deterioration. Cul-de-sacs in Old Shavano Park West are in worse shape than the streets because of turning stress from larger vehicles like trash and delivery trucks. The cul-de-sacs of Turkey Creek, Honey Bee, Elm Spring, Hunters Branch, and Hunters Branch South are all included in the Bond Election for Phase 1.

**PHASE 3 - Shavano Creek and Shavano Estates.** These streets were built in the late 1970s through the 1980s and are in good to decent condition. These streets all have curbs that help extend the life of the street. Shavano Creek’s main entrance at Post Oak Way and Lockhill Selma is included



**PHASE 4 - Lockhill-Selma and Pond Hill.** These two major thoroughways were constructed in the early to mid-2000s and are still in excellent condition. The City anticipates with regular maintenance like seal coating and crack sealing, these streets will endure for many more years. Future replacement of these streets will be significant and quite costly as they must be built to sustain heavy traffic and heavy vehicles like tractor-trailers.

NW Military Highway

The project is slated for completion by December 2023 and includes the following improvements to NW Military Highway in the City of Shavano Park (see Exhibit 2):

This diagram illustrates the proposed typical cross-section for FM 1535. The total width is 120' ROW (USUAL). The layout includes a 2' BERM on the left, a 10" CURB, a 5' BIKE LANE, a 6' S/W (Shoulder Width), and a VARIES section. The main travel lanes consist of a 11' LANE, a 11' LANE, a 12' TWLTL (Two-Way Left-Turn Lane) with two left-turn arrows, an 11' LANE, and an 11' LANE. The right side mirrors the left with a 6' S/W, a 10" CURB, a 5' BIKE LANE, and a 2' BERM. Slopes are indicated as 1.50% on the outer shoulders and 2.00% on the inner shoulders. The base is labeled as 4:1 USUAL and 3:1 MAX. The pavement structure includes SAWCUT and RESURFACE EXISTING PAVEMENT.

- Adding a continuous center-turn lane
- Adding dedicated sidewalks and bicycle lanes
- Pedestrian crossings at Pond Hill and De Zavala intersections with NW Military

- Adding a traffic signal at the Pond Hill Road intersection
- Installing raised medians between Loop 1604 and Wagon Trail Road (improving safety)
- Multiple drainage improvements to prevent increased stormwater runoff (storm sewer, expanded culverts)
- Partial reconstruction of residential driveways to safely tie into the expanded highway
- VIA covered bus stop installed near Pond Hill Road and NW Military Highway

This project, while making many accessibility and safety improvements to the highway, is also distressing to many residents because of the removal of so many trees in the right-of-way to make way for the movement of utilities, installation of the storm sewer, and pavement expansion. The City worked closely with TxDOT during the engineering planning and initial construction phases to save as many trees as possible, but the reality of the construction project meant few were saved. In response, the 2021 City Council established the NW Military Highway Beautification Committee.

Many residents who participated in the Town Plan process spoke about the loss of trees on NW Military as damaging to the beauty of the City and also expressed concern about a large strip of concrete and asphalt dividing the City in two. Planting trees near the highway is not possible under TxDOT regulations nor is planting trees over the utilities next to the highway allowable. This limits the areas the City can plant trees. The NW Military Beautification Committee has considered beautification alternatives to planting trees such as native wildflower gardens, bushes and decorative features. The City will work with TxDOT to determine what is possible in beautifying NW Military after construction and identify possible funding sources. The Governor's Community Achievement Awards is one such potential funding vehicle for NW Military Highway beautification.



Keep Texas Beautiful, in partnership with the Texas Department of Transportation (TxDOT), has awarded the prestigious Governor's Community Achievement Awards (GCAA) to Texas communities for their outstanding overall efforts to keep their communities beautiful since 1969.

In 2023, ten winning communities will share \$2 million in landscaping awards from TxDOT, with the amount based on population size. If selected, the Keep Texas Beautiful program would award Shavano Park a \$110,000 grant. The funds may be used for landscaping projects in state rights-of-way. City staff and the NW Military Highway Beautification Committee will pursue this grant process and coordinate with TxDOT to achieve an actionable vision for landscaping and beautification of NW Military. The Town Plan supports and encourages these efforts to beautify NW Military.

The 2010 and 2018 Town Plans called for the creation of a network of sidewalks, bike lanes, and pathways to connect the City and provide access to nearby San Antonio trails and parks. Since 2018, significant progress has been made in creating this network but much work remains.

After these projects, there remain two portions of trails – one in San Antonio jurisdiction between De Zavala Road and Huebner Road (see dashes red in Exhibit 3) and a portion connecting NW Military to the north Salado Creek Greenway access point (green line near 1604).



### Exhibit 3 – Map of Current Sidewalk and Bike Lane Network

1. The City of San Antonio installed sidewalks from Basis School to De Zavala in 2022. Although this area is not located in Shavano Park, the City will continue to encourage the City of San Antonio to complete the sidewalks fully from Huebner to De Zavala.
2. The gap (in green) is currently on undeveloped land. Bitterblue, the City's primary developer is currently in pre-planning for the development of the lot. Hike/Bike paths will be constructed on the lot when it is developed.



## Water System

In 2009 during a severe state-wide drought, the City drilled into the Trinity Aquifer to diversify the City's water supply, establishing Well #9. Complications with the water from Trinity Aquifer required additional improvements and maintenance to the well and water system over the life of the well. In 2019, Trinity Well #9 was capped and "mothballed" due to ongoing maintenance costs and low water pumpage rates.

four well sites and pumps water through two distribution sites. The system is funded by Shavano Park water customers in a separate Water Fund. This Water Fund maintains all infrastructure, vehicles and materials of the Shavano Park Water Utility and six employees, four of whom split workload and pay 50/50 with Public Works and the City-wide General Fund. Much of the water infrastructure of the City dates to the original development of the neighborhoods. In Old Shavano Park east of NW Military, that means most water lines date to the 1950s and 1960s. In Old Shavano Park west of NW Military, water lines date to the 1960s and 1970s. Shavano Estates' water lines generally date to the 1980s. See page 73 of the Long-term City Finances focus area to see the forecasted long-term finances of the Water Utility.

Since 2018, the Shavano Park Water Utility has performed numerous upgrades to the system necessitated by street projects in the City – specifically the TxDOT NW Military Highway project, and the City's 2022 Street Bond Project. In both instances, the water lines must be lowered or relocated to remove conflicts with street reconstruction or other utility work. Along NW Military the Water Utility has replaced 3,000 linear feet of water lines and five major crossings. All new pipe replaces aging Asbestos Cement (AC) water lines. The installation and manufacturing of AC water lines ceased in North America in the late 1970s due to health concerns associated with the manufacturing process of AC pipes and the possible release of asbestos fibers from deteriorated pipes. The Shavano Park Water Utility maintains quarterly water quality testing for asbestos levels in the system to ensure asbestos levels remain within the safe, State-mandated, range.

In preparation for the Street Reconstruction Bond Project that commences in 2023, the Water Utility has been replacing all long water service lines that cross under the streets that will be reconstructed plus ten water main crossings. These water lines were shallow and in conflict with the street reconstruction. It made the most sense to replace the aging lines now before reconstructing streets (see page 50 for discussion on the 2022 Street Reconstruction Bond Project).

The lack of a full and proper mapping and assessment of the water system is the greatest challenge to predicting the City's future water capital and debt financing needs. Such an assessment combined with a water model of the system would enable the Water Utility to:

- Plan capital replacements by identifying the age and material of water mains to determine their usable life
- Determine the appropriate water main size for future installation based on the number of home service connections and water usage
- Ascertain whether additional booster pumps are needed for improved fire suppression capability
- Improve the City's ISO Rating; the water system accounts for 40% of the total points and a model could help identify actions to improve the score (see page 19 for more information on the City's ISO Rating)
- Determine whether additional water capacity (i.e. storage tanks) is needed

## Drainage

Shavano Park is situated between the Texas Hill Country to the north and the lower-lying areas of San Antonio proper to the south and has long experienced drainage challenges. These challenges intensified during the 1990s and 2000s with the rapid development within and around Shavano Park. Drainage was a focus area of the 2010 and 2018 Town Plans and a significant focus of the City from 2016-2021 after the completion of a Master Drainage Plan in 2017. Between 2017 and 2021 the City spent \$1,104,798 on drainage projects utilizing the City's drainage reserves in the Capital Fund.

Big Picture - Drainage Reserves	
City Drainage Reserves when started	\$ 1,320,746
Total Expenses 2017 - 2021	\$ (1,104,798)
Transfer to Street Fund for Bond Project (FY23)	\$ (215,948)
Remaining Drainage Reserves January 1, 2023	\$ (0)

This \$1.1M allowed the City to build three low water crossings on Chimney Rock, Bent Oak, and Windmill, clear multiple drainage pathways, and install a pump in a natural depression north of Wagon Trail. Exhibit 4 below shows the cost breakdown by project.

### *Exhibit 4 – Breakdown of Drainage Project Expenditures from 2017-2021*

Drainage Costs Breakdown (2016 - 2021)		
Engineer Planning	Anticipated Costs	Actual Expenses
KFW Engineering Task Order 4 (Chimney Rock)	\$ 60,307.00	\$ 60,252.39
KFW Engineering Task Order 5 (Bent Oak/Windmill)	\$ 58,800.00	\$ 56,807.76
KFW Engineering Task Order 6 (PER)	\$ 118,000.00	\$ 118,000.00
Engineering costs	\$ 237,107.00	\$ 235,060.15
Construction / Project		
Bent Oak Clearing	\$ 15,000.00	\$ 10,000.00
Windmill Culvert	\$ 280,746.64	\$ 322,550.00
Bent Oak Culvert	\$ 251,493.17	\$ 233,824.00
Chimney Rock Culvert	\$ 292,847.46	\$ 303,364.00
Wagon Trail Depression Pump	\$ -	Bitterblue
Kinnan Way Berm Clearing	\$ -	Bitterblue
Construction costs	\$ 840,087.27	\$ 869,738.00
Totals	\$ 1,077,194.27	\$ 1,104,798.15

There remain only three drainage projects identified in the 2017 Master Drainage Plan left to complete. Of the three, one is being accomplished with Federal Funding in the De Zavala improvement project. The remaining two are well beyond current City funding and require unanimous buy-in from property owners to secure drainage easement agreements.

### De Zavala Storm Water Culvert

The Federally-funded De Zavala project will capture water run-off from NW Military Highway and the Municipal Tract before it spills across De Zavala and into the yards along Painted Post and Ripple Creek (see Exhibit 5). The project will upgrade the existing culverts that convey water under De Zavala near the Municipal Tract. A 54-inch drain pipe running the length of De Zavala will capture the water and convey it to Olmos Creek.

This pipe (in red in Exhibit 5) will provide considerable relief to properties along Ripple Creek and Painted Post that flood during storm events. In early 2023, the De Zavala project is in the middle of the Engineering process and is anticipated to start construction in 2024.

*Exhibit 5 – Drainage near De Zavala*





### Turkey Creek and Elm Spring Drainage Projects

These drainage projects were studied in the 2020 Preliminary Engineering Report and the estimated cost at that time was \$4.4M, an amount well beyond City reserves. Both projects propose installing storm sewers to capture water flowing through the Turkey Creek/Honey Bee neighborhood and along Elm Spring to carry the water underground to the Olmos Creek basin. The Turkey Creek/Honey Bee project would remove all the homes located north of Long Bow Road from the existing floodplain. The Elm Spring project would prevent roadway flooding in small rain events as it does today. Aside from being costly, both projects will require homeowners to sign drainage easement agreements. Securing buy-in from all homeowners in the vicinity of the projects will be especially challenging.

The decision point to pursue these projects will be part of the scheduled Street Maintenance in Phase 2. These drainage projects could be packaged with street reconstruction in a future bond or grant-funded project. See page 70 for the financial implications of debt-funding these drainage projects. Residents who participated in the Town Plan supported City funding these projects with grant funding and packaging the drainage projects with the streets when they were reconstructed. Residents who participated did not support eminent domain being used by the City to secure easement on private property for these projects.

*Exhibit 6 – Remaining two drainage projects*



Project	Project Cost Estimate (2020)
Turkey Creek	\$ 3,069,770.96
Elm Spring	\$ 1,321,174.11
<b>Total</b>	<b>\$ 4,390,945.07</b>

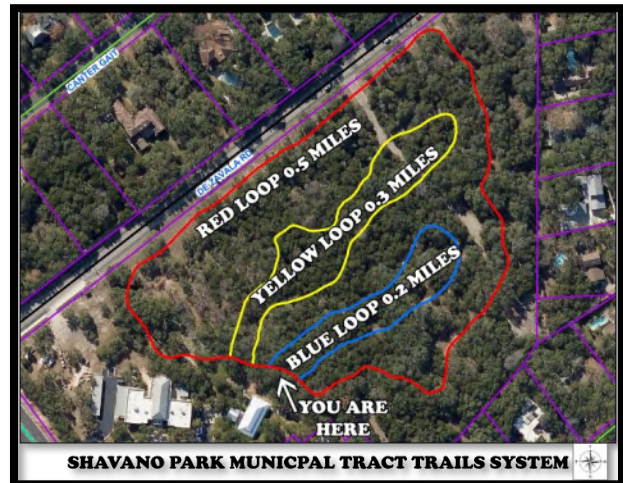


## Municipal Tract

The Municipal Tract consists of approximately 22 acres of land located in the center of the City northwest of the intersection of De Zavala Road and NW Military Highway. Rogers Shavano Ranch Inc. deeded the Municipal Tract to the City in 2000 to be used exclusively for "general municipal, municipal recreational, or other community-orientated purposes and/or facilities." This language prohibits development of the tract for residential or commercial purposes. The Municipal Tract was a major focus of the 2010 and 2018 Town Plans. Since the 2018 Town Plan, the City has constructed numerous Community facilities on the Municipal Tract:

- A 1-mile nature trail was constructed in 2019
- A large outdoor pavilion and playgrounds were constructed near City Hall in 2020-2021
- A KIA (killed-in-action) Veterans Memorial honoring three Shavano Park residents who died in combat was constructed in front of the pavilion in 2022.

Additionally, a farmer's market with 20-30 vendors began operating in the parking lot on Sundays.



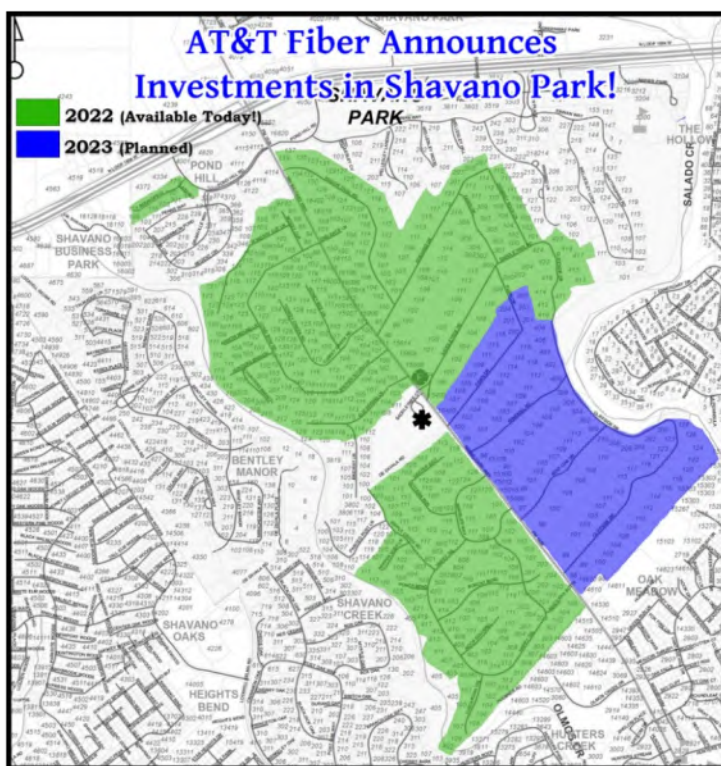
Incremental improvements to the Municipal Tract continue in 2023 with the construction of a shade structure over the playground equipment and the implementation of a trail improvement project funded by a \$10,000 donation from the Starr Family. See page 23 for the role the Municipal Tract plays in Community Engagement. Residents who participated in the Town Plan process stated a desire to preserve the existing natural habitat of the Municipal Tract.

This Town Plan encourages the City's future leaders to maintain and incrementally improve the Municipal Tract. Feedback from residents should assist in prioritizing the improvements. Possible considerations include additional parking, improvements to the nature trail, additional playgrounds, and recreational facilities.

### **Fiber Internet Service**

The City has limited influence over the private investment decisions of Internet Service Providers (ISPs), but in recent years many residents, City staff, and City Council questioned why Shavano Park did not have fiber direct to home like some other surrounding neighborhoods in north Bexar County. In 2022, the City Council articulated a vision and formed a resident-volunteer Internet working group to work with ISPs to bring fiber internet to Shavano Park. City Council's vision was to have fiber internet directly into the homes and businesses across the City to meet the digital demands of the future.

Fiber internet is using glass instead of copper to transmit internet data. The speed and reliability of glass are far higher than copper but glass is more expensive to produce and install. A glass line directly feeding into a home (fiber to the premises, or "FTTP") is relatively rare in the United States. When an ISP advertises High-Speed Internet, they are actually advertising that the backbone internet service in the subdivision or street is glass, but copper lines still feed into your home and generally maxes out at 300 megabits per second (fiber to the curb, or "FTTC"). FTTC increases the internet speed in the area but does not provide the 1+ Gigabit per second speeds and reliability of direct fiber or FTTP (Note: there are 1000 megabits in a single gigabit). Before the working group, only City business areas had access to fiber internet. The majority of the City had FTTC and some areas had only one FTTC provider (no competition).



During discussions with ISPs, the City learned of the challenges that have prevented fiber internet investments to date:

- 1) The amount of rock subsurface makes the final trenching to the home more expensive
- 2) The number of wide-spaced lots limits profitability
- 3) Investing in established neighborhoods is more expensive in general
- 4) Number of gated communities/homes and City solicitation rules make door-to-door sales difficult

In 2022, the Internet Working Group engaged all area ISPs to explore the feasibility of bringing fiber internet direct to homes in Shavano Park. The Working Group saw success with AT&T announcing direct-to-home fiber availability to over 400 homes with expansion plans for 2023 (see map). As of January 25, 2023, 268 residents have signed up for AT&T fiber internet service. The Internet Working Group continues to work to encourage and champion ISP investments in the digital infrastructure of the City. Residents who participated in the Town Plan expressed excitement to get fiber internet for their home. The Town Plan encourages the efforts of City Council and the Internet Working Group to bring fiber internet to all the homes and businesses of Shavano Park.



## Long-term City Finances

The wise stewardship of public monies by City leaders in the past is a key reason the City of Shavano Park is a premier community of Bexar County today. The City's history of fiscal conservatism means the City, in 2023, offers excellent municipal services while having one of the lowest property tax rates in Bexar County and a manageable debt burden. These conditions have stimulated the development of quality neighborhoods and businesses and a rise in property values over the last decade. The City faces challenges in maintaining this current position in the coming decade. The City will become built-out, causing a slow but steady reduction in year-over-year property tax base growth and construction permit revenues. Meanwhile repairing the City's deteriorating streets will require debt financing while the annual cost of maintaining a professional City staff and providing excellent municipal services is predicted to rise. In addition, the City's known drainage problems will require multi-million-dollar grant funding or debt financing to correct. Additionally, the water system has aging infrastructure and the available reserves are inadequate to fully address the issues. Long-term financing will be key to anticipating major expenses, saving for the coming bills, and ensuring property tax rates stay manageable. This Town Plan encourages future City Councils and City staff to incorporate long-term financial planning into the annual budget process.

The financial forecasts in this Town Plan are not formal recommendations nor have any legal binding. These financial forecasts simply try to illustrate possible future fiscal challenges facing the City. They are the City staff's fiscally conservative guess in spring 2023 amid uncertain economic times. All property tax rates, and possible bond debt issuances discussed are for future City Council and, when warranted, voter decision.



## **This Town Plan identifies the following Issues and Action Steps in Long-term City Finances:**

### **Issues:**

- Residents and businesses demand both quality infrastructure and quality municipal services yet resources are limited
- Primary fiscal pressures on City finances come from deteriorating infrastructure and rising personnel costs
- City has a AAA/Stable Bond Rating
- City receives about \$1M in sales tax revenue annually
- As City becomes built out, a significant drop in permitting revenues is anticipated
- City has Fund Balance reserves of \$2.5M to act as a 'rainy day fund'
- City has Capital Replacement reserves of \$1.7M and dedicates money in each annual budget for future capital replacement
- City Capital Replacement reserves have no money set aside for drainage projects
- Street Maintenance Fund reserves are anticipated to be exhausted in 2026
- Property values under the over 65 Tax Freeze have increased by 9.28% annually over the last 5 years; this reduces revenues City would receive from a property tax increase in future
- Water Utility fund has \$1.3M available on hand and is saving for well sites and storage tanks, but has limited reserves to replace aging service mains across the system

### **Action Steps:**

- Pursue sales-tax generating businesses to reduce tax burden on property owners
- Seek other revenue opportunities to reduce tax burden on property owners
- Pursue grant funding at State and Federal level for street, drainage, and water system renewal
- Continue the wise financial management practices and policies behind the AAA/Stable Bond Rating
- Future City Councils should protect the General Fund's Fund Balance
- Future City Councils should prioritize fully funding Capital Replacement Fund each year
- Future City Councils and City staff should incorporate long-term financial planning into the annual budget process
- City staff should propose a standardized bond project cycle to allow regular infrastructure renewal with minimal impact on property tax rates
- City should communicate future fiscal challenges and infrastructure needs transparently to residents
- Complete the mapping of water lines and conduct a water model analysis
- Develop a water mains replacement schedule and develop options for future funding
- Water Advisory Committee to conduct periodic Water Rate studies to ensure water user fees cover the Utility's expenses
- Water debt fee should be annually reviewed to ensure debt costs are



## **City's Fiscal Strength**

The City of Shavano Park's history of wise stewardship of the City's fiscal resources is a major reason why, in 2023, the City boasts excellent municipal services of police, fire, emergency medical, and public works, with community facilities and community events, while maintaining a reasonable debt burden and one of the lowest tax rates in Bexar County. These community traits have led to desirable neighborhoods, a strong sense of community, and an upscale business community as highlighted throughout this Town Plan. Five aspects of City finances illustrate the City's fiscal strength and fiscal conservatism: (1) Triple AAA Bond Rating, (2) manageable debt burden, (3) low property tax rate and robust tax base, (4) healthy capital reserves and (5) ample 'rainy day' fund. Each of these aspects will be discussed in detail in the following section. The Shavano Park Water Utility's finances will be discussed in a separate section at the end of this focus area.

### **Bond Rating**

In June 2022, the City received an "AAA/Stable" long-term rating from S&P Global Ratings as a part of the process for the City's May 2022 voter-approved \$10M Bond. This is the highest and best credit rating that may be issued. The S&P Global Ratings credit report identified the following key attributes for the City of Shavano Park:

Key credit considerations included in our view of Shavano Park:

- Advantageous location in the broad and diverse San Antonio metro area;
- History of strong financial performance and maintenance of very strong reserves;
- Strong financial management practices and policies, and strong institutional framework; and
- Very weak debt and contingent liability profile largely influenced by the current issue.



The S&P rating is a respected third-party opinion that validates the strength of the City's finances and institutions described in this Town Plan. The only note of caution was the City's debt obligations growing due to the May 2022 voter-approved \$10M Bond to reconstruct over six miles of public streets (see page 48 of Public Infrastructure for more details). The funding of public infrastructure will be a key fiscal challenge for the City in the future and is addressed later in this focus area.

Another respected third-party opinion of City finances is the Government Finance Officers' Association Distinguished Budget Award which reviews the City annual budget as a communication device to ensure fiscal transparency. See page 20 to read more about this award the City has won for seven consecutive years.

### **Manageable Debt**

The City has a history of maintaining low debt obligations. Before the Bond issuance in 2022, the last General Fund debt issued by the City was in 2000 for the purposes of building City Hall and completing street repair and drainage projects. Note the City in 2009 issued debt for Trinity Well, which while secured with property taxes, the annual debt payments are paid with water revenues. A statistic to illustrate the City's manageable debt is the debt service ratio. It is a widely accepted measure of sound financial management and a useful tool to understand the City's fiscal integrity. In the year before the 2022 Bond debt issuance, the debt service ratio was only 3.9%, meaning only 3.9% of the City's revenues were committed to debt. The most recent debt issuance increased the City's debt service ratio in 2023 to 14.92%. This increase is sizable but remains manageable – with the City requiring only a \$0.01 tax increase to help fund in 2023. This debt will fund the reconstruction of over six miles of public streets which are badly in need of repair.

### **Low Property Tax Rate and Robust Tax Base**

The City's property tax rate in 2023 is \$0.297742 per \$100 valuation. For Shavano Park's average taxable home value of \$937,404 in 2023, this means a \$2,791.05 tax levy for the City's portion of the total property tax bill. The chart below compares Shavano Park to other Bexar County communities that also provide full police, fire and emergency medical services to residents and businesses:

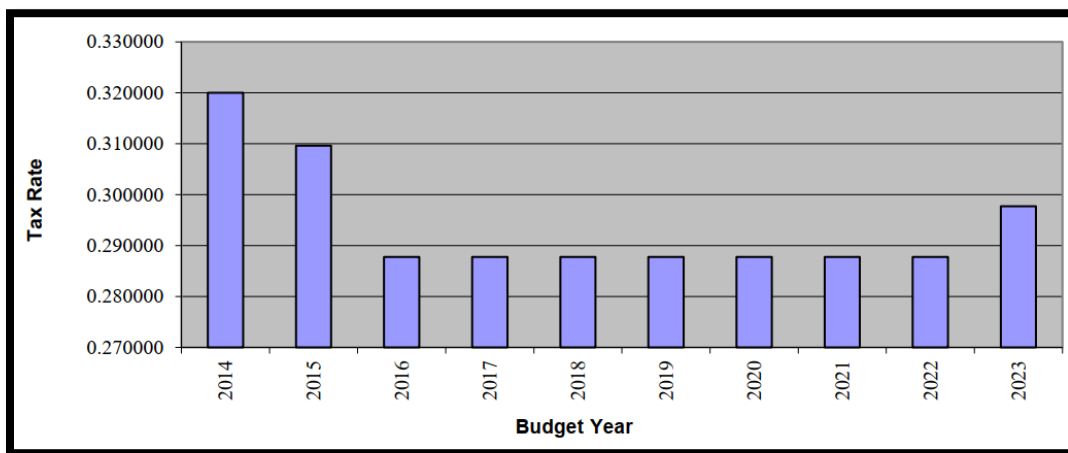
<b>City in Bexar County</b>	<b>Property Tax Rate</b>	<b>Average Shavano Park home value's tax levy (\$937,404)</b>
Shavano Park	0.297742	\$2,791.05
Helotes	0.316778	\$2,969.49
Alamo Heights	0.388051	\$3,637.61
Converse	0.421389	\$3,950.12
Leon Valley	0.484739	\$4,543.96
San Antonio	0.54161	\$5,077.07
Kirby	0.614126	\$5,756.84

The City of Shavano Park does not have the lowest property tax rates in the greater Bexar County area, but is among the lowest rate among cities that offer full services rather than contracting services out. The City's tax rate a decade ago in 2014 was \$0.32 per \$100 valuation and was

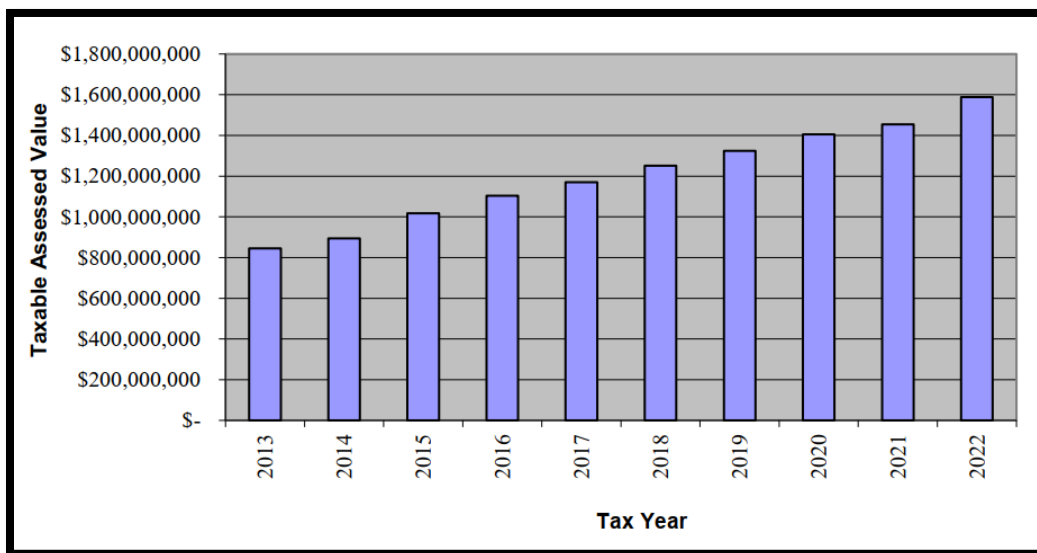
lowered to \$0.287742 between 2014-2016 and then held there until being raised by \$0.01 in 2023 with the recent Bond debt issuance (see Figure 1 next page).

The City has been able to afford increasing wages and increasing services (such as building the pavilion and playgrounds on the Municipal Tract in 2020) due to the new construction of residential and commercial buildings and the rapid rise in property values in the City over the last decade. The City's total taxable assessed value has nearly doubled in the last decade, from \$844 million to \$1.59 billion in 2023 (see Figure 2). Preliminary estimates from the Tax Assessor Office reveal total taxable assessed values are anticipated to rise to \$1.81 billion in 2024.

**Figure 1. Property Tax Rates 2014-2023**



**Figure 2. Total Taxable Assessed Values 2014-2023**



### **Capital Replacement Funds**

The City maintains \$2.08M in total capital replacement funds for all City departments. The capital funds serve as monies set aside for future capital purchases such as police vehicles, ambulances, and fire engines. The City budgets revenue annually for capital replacements based on a replacement schedule reflecting an estimated replacement cost and an item's useful life. The use of capital funds spreads out the effect of large purchases on the City's annual budgets. The capital funds assist in avoiding large expenditure swings from year to year, maintaining tax rates and ultimately saving the City money by not having to issue debt to acquire large items. An example of this in practice would be in February 2019, the City's capital fund was used to purchase a \$1,165,000 ladder truck to replace the City's aging 20-year-old fire engine without the need to acquire public debt. The City intends to fully fund the transfer to capital reserves every fiscal year, and in recent years has achieved this goal. The City's robust capital reserves are a tremendous fiscal asset of the City and contribute greatly to the City's fiscal strength. This Town Plan encourages future City Councils to prioritize fully funding capital reserves each year.

### **Reserve 'Rainy Day' Fund**

Like the State of Texas, the City maintains a 'rainy day' fund called the General Fund Balance Reserve. By Ordinance the fund balance must be between 25% to 50% of the City's annual operating budget. The current fund balance reserve is 39% of the 2023 annual budget of the City or \$2.43 million in reserves. Appropriation from the General Fund Balance Reserve requires the approval of the City Council and is only for one-time expenditures, such as capital purchases, and not for ongoing expenditures. The General Fund Balance Reserve has remained about \$2.43 million since the 2016 transfer of \$1.6M to the capital fund to pay for the construction of drainage projects (see page 56 of Public Infrastructure for details). While the amount of money in reserve has been static, the reserves as a percentage of the General Fund have trended downwards due to the growing annual budget. This General Fund Balance Reserve acts as an emergency 'rainy day' fund for the City and is a critical piece of the City's fiscal strength to weather unexpected emergencies like natural disasters, rapid economic downturns or other calamities. This Town Plan encourages future City Councils to protect and preserve the General Fund Balance Reserve.

### **City's Fiscal Challenges**

The City's two primary fiscal challenges are identified as focus areas of this Town Plan: (1) repair and maintenance of the City's *Public Infrastructure* (on page 40) and (2) the rising costs for the City's *Municipal Talent Management and Retention* (on page 46). Also taken into account in this section is the fact that the City is nearly built-out and has limited sales tax growth potential due to limited commercial land left for development (see page 28 for the Commercial Development focus area). A thorough understanding of those focus areas is recommended before proceeding to the long-term financial planning focus area.

The authors of this Town Plan believe long-term financial planning will be essential to overcoming the fiscal challenges ahead and encourages future City Councils and City staff to incorporate long-term financial planning into the annual budget process. This focus area of the Town Plan should also serve as a launching pad to assist future long-term financial planning by City staff and City Council.

### **Assumptions for all Long-term Financial Planning**

Before tackling the fiscal challenges, it is important to consider the assumed future revenue growth from property and sales tax. These predictions become the baseline upon which projected expenses and their impact on City tax rates and budgets will be applied. Briefly:

- **Property Taxes.** Assumed growth rate is 6% annually in property tax revenue through 2027 and 4% thereafter (note – this is the valuation growth, not from raising tax rates). The drop in 2027 is to account for no new residential builds being added to the tax rolls. This starting growth rate is a conservative rounded-down figure based on the 6.8% annual growth in property tax assessment value between 2017 and 2023.
- **Sales Taxes.** Assumed growth rate is 8% annually in sales tax revenue through 2026 and dropping to 4.5% thereafter. The growth rate moderates in 2026 because all vacant land zoned for commercial use will have been developed by year end. The starting growth rate is based on the City's sales tax growth rates in 2022 and 2023.
- **Tax Freeze Properties.** The Town Plan also assumes the number of tax frozen properties growing at a 6.45% rate annually based on historical data. As the number of tax frozen properties grows, any tax rate increase must be greater for remaining properties to allow the City to collect the same amount of revenue as if the tax freeze did not exist.
- **Salaries and Benefits.** The Town Plan assumes annual salary increases will decline as inflation subsides, falling from a 6.1% wage increase across all positions in 2024 to 4.1% overall in 2028. Healthcare costs are assumed to grow 10% in 2024 and to drop to an 8% growth rate by 2028, again due to declining inflation. Calculations for future Workers Compensation and pension payments are also included in the overall figures presented.

### **Other Assumptions:**

- Predictions assume the City will drawdown its \$1.5M in street reserves to offset debt payments (reducing tax burden from debt payments).
- Assumed 5% interest rate on all bonds. In 2023, it is especially difficult to predict where interest rates will be in the future. Interest rates on million-dollar bonds can have a major impact on affordability.
- Assumed 100% collection rate of property taxes. The City of Shavano Park's collection rate has historically exceeded 99.5%.



### **Fiscal Challenge: Public Infrastructure**

In the Public Infrastructure focus area of this Town Plan, we described the phased restoration of the City's streets (see page 49) and also identified the remaining drainage projects (see pages 57-58). This Public Infrastructure section will focus on these two infrastructure categories as they are both the largest cost challenges facing the City over the next 10 to 20 years.

Of these two categories, street reconstruction and maintenance is anticipated to be the largest expense challenge facing Shavano Park over the next 10 years. The City should monitor the conditions of the streets and as needed conduct a comprehensive street assessment of the streets in Phases 2, 3, and 4 of the City's Street Maintenance Plan (this is identified as an action step in Public Infrastructure focus area on page 47). While the exact cost of repair or reconstruction of the streets is unknown at this time, the City Engineer has provided the preliminary cost estimates reflected below.

Current estimated cost (using 2023 data) to repair the streets of Old Shavano Park (west of NW Military) in Phase 2, Shavano Estates and Shavano Creek in Phase 3 are as follows:

***Figure 3. Estimated Costs for Phase 2 and 3 Street Maintenance Plan***

<b>Subdivision &amp; Phase</b>	<b>Cost Estimate</b>
Phase 2 - Old Shavano Park (West)	\$ 3,140,000
Phase 3 - Shavano Creek	\$ 4,186,667
Phase 3 - Shavano Estates	\$ 4,762,333

Current plan schedule is for the City to begin Phase 2 in 2028 and Phase 3 in 2033. Both phases are predicted to require debt financing to accomplish. This will be challenging to fund as the City's \$10M bond will require payments until 2042. Using the above figures and dates, the City estimates the debt burden will reach its peak between 2034-2042 with a \$1.7M debt payment due each year. This would be an 84% increase in the City's annual debt payment compared to 2023 and could require the City's tax rate be raised \$0.050216 cents by 2034 to \$0.34796 per \$100 valuation in order to afford the street project debt by itself.

There is good news for the Street Maintenance Plan, however. The City's \$10M Bond project bids came in at \$7.5M (with engineering); meaning possibly \$2.5M may be available after the current project. While actual construction is yet to begin in early 2023, this opens up the possibility that some of the streets in Phase 2 and 3 can be done early using the May 2022 Bond monies, thus reducing future requirements.

**Figure 4. Estimated Costs for Drainage Projects**

<b>Project</b>	<b>Cost Estimate</b>
Turkey Creek neighborhood storm sewer	\$ 3,069,770
Elm Spring storm sewer	\$ 1,321,174

The fiscal challenges increase if the City decides to debt-fund the drainage projects rather than use state or federal grant funding. If the City took an additional \$4.4M to accomplish both drainage projects outlined in Public Infrastructure (see pages 57-58) they would likely be done as a part of the Phase 2 road project in 2028. In this scenario, there would be a 122% increase in the City's annual debt payment compared to 2023 and could require the City's tax rate to be raised \$0.070601 cents by 2034 to \$0.368343 per \$100 valuation to afford both the street and drainage projects. Doing the road work with the drainage projects makes practical sense and could result in some cost savings on the drainage projects.

It is clear though that pursuing state and federal funding for drainage should be a priority for City staff to avoid impacting property tax rates. City staff already began this effort by submitting both drainage projects to the Texas Water Development Board for funding consideration. In early 2023, the City was informed that both projects had been moved to priority funding. This is good news and increases the likelihood both projects could receive State grant funding.

#### **A Standardized Debt-Cycle Timeline**

An option to be considered is that the City issue 20-year debt to fund capital projects every five years. This will require four debt issuances (with the first already issued in 2022). Beginning in 2042 (when the 2022 debt is paid off), new debt may be issued without an increase (or a small increase) in debt payments. The cycle could continue as long as capital improvement requirements remain.

This bond-cycle process where a smaller number of streets are addressed every couple of years utilizing smaller amounts of debt could be a way to keep tax rates lower while still accomplishing the necessary street maintenance over time. This Town Plan encourages City staff to propose a standardized bond project cycle to allow regular infrastructure renewal to limit property tax rate increases. A possible street debt financing strategy using 20-year bond debt issuances is in Figure 5. There is much work for City staff to refine this possible strategy.

[illegible]

In the Municipal Talent Management and Retention focus area of this Town Plan, we described the rising costs of maintaining a professional city staff and excellent municipal services (see page 43). Between 2014 and 2023, the City total personnel cost (including salaries, health, retirement and benefits) increased by 4.5% on average. This Town Plan predicts a slightly faster rate of annual wage growth at 5.2% per year due to inflation and labor competition. See Figure 6's estimated annual personnel costs. Compensation costs are predicted to grow at a slower rate as current economic, rising healthcare costs and labor market conditions return back to pre-inflation trends.

Year	2023	2024	2025	2026	2027	2028
Personnel Cost	\$4,684,104	\$4,968,300	\$5,261,300	\$5,547,300	\$5,798,300	\$6,037,300
Annual Change		<b>\$ 284,196</b>	<b>\$ 293,000</b>	<b>\$ 286,000</b>	<b>\$ 251,000</b>	<b>\$239,000</b>
Percentage Change		5.7%	5.6%	5.2%	4.3%	4.1%

**Figure 7. Estimated Revenues 2023-2027 with Current Property Tax Rate**

Year		2023	2024	2025	2026	2027	2028
Revenues:							
Property Taxes		\$4,263,067	\$4,611,000	\$4,887,000	\$5,144,000	\$5,453,000	\$5,671,000
Sales Taxes		\$1,053,000	\$1,138,000	\$1,229,000	\$1,327,000	\$1,387,000	\$1,449,000

Other revenues	\$1,764,962	\$1,766,214	\$1,584,379	\$1,538,290	\$1,543,862	\$1,552,898
Total Revenues	\$7,081,029	\$7,515,214	\$7,700,379	\$8,009,290	\$8,383,862	\$8,672,898
Annual Increase		<b>\$434,185</b>	<b>\$185,165</b>	<b>\$308,911</b>	<b>\$374,573</b>	<b>\$289,036</b>

The drop in revenues in 2025 is primarily due to the end of American Rescue Act funding for capital purchases the City enjoyed from 2022 – 2024 combined with the predicted slowing of revenues due to the City reaching build-out.

Taking together all the fiscal estimates, the City is forecasted to be under on revenues from 2024 – 2026. The exhausting of the City’s Street Maintenance reserves to offset the annual debt payments after 2026 also plays a major role in the affordability of personnel costs in Figure 6.

**Figure 8. Estimated Expenditures 2023-2027**

Year	2023	2024	2025	2026	2027	2028
Expenditures:						
Personnel	\$4,684,104	\$4,968,300	\$5,261,300	\$5,547,300	\$5,798,300	\$6,037,300
Debt Service	\$959,103	\$960,282	\$958,696	\$914,100	\$757,565	\$883,390
Capital replacement:						
Purchases	\$663,990	\$292,490	\$171,490	\$214,490	\$136,000	\$483,000
Other Operating	\$1,312,277	\$1,192,800	\$1,228,400	\$1,265,100	\$1,302,900	\$1,341,800
Total Expenditures:	\$ 7,619,474	\$ 7,413,872	\$ 7,619,886	\$7,940,990	\$7,994,765	\$8,745,490
<b>Net Revenues over (under)</b>						
<b>Expenditures:</b>	<b>\$(538,445)</b>	<b>\$101,342</b>	<b>\$80,493</b>	<b>\$68,300</b>	<b>\$389,097</b>	<b>\$(72,592)</b>
Capital replacement Funding (savings)*:	\$297,241	\$323,477	\$307,158	\$294,660	\$293,507	\$287,128
<b>Net after Capital Replacement Funding:</b>	<b>\$(835,686)</b> **	<b>\$(222,135)</b>	<b>\$(226,665)</b>	<b>\$(226,360)</b>	<b>\$95,590</b>	<b>\$(359,720)</b>

\* Funding for future capital replacement (savings) is not a true expenditure but is shown to reflect the commitment of moneys

\*\*2023 is shown in negative balance because the City is utilizing Street Maintenance Fund Balance reserves (\$508,000) and Debt Fund balance reserves (\$51,800) to pay the debt service and a \$260,000 land purchase was made from capital reserves. The use of reserves kept the tax rate increase in 2023 to only \$0.01.

The mid-2020s are predicted to be a fiscally challenging time for the City. The City will become built out (slowing revenue growth), have nearly 14% of its annual operations committed to debt payments, have exhausted its street maintenance fund reserves, and generous federal funding

assistance will be largely over. These challenges are compounded by the fact the City has three subdivisions with road maintenance requirements that will likely come due in the late 2020s and early 2030s. This Town Plan encourages the City to pursue sales-tax-generating businesses and to seek other revenue opportunities to reduce the tax burden on property owners. This Town Plan also encourages City staff to pursue grant funding at State and Federal levels for street, drainage, and water system renewal.

The City in 2023 has many fiscal strengths: the highest bond rating available, a robust tax base with low property tax rates, and healthy financial reserves. The City's history of wise stewardship of financial resources and fiscal conservatism has put it in this position. The way ahead will be fiscally challenging. This Town Plan hopes that this focus area serves as a launching pad to help City staff incorporate long-term financial planning into the annual budget process and encourages future City Councils to incorporate long-term forecasting into their annual budget consideration. These efforts combined with the continued wise stewardship of the City's financial resources will help the City overcome the coming fiscal challenges.

### **Water Utility Long-term Finances**

The Shavano Park water system is funded directly by revenues collected from residential water sales. Variations in annual rainfall have a significant impact on revenues each year. During dry years, residents use significantly more water and the City collects more revenue from increased water sales due to the progressive tier fee structure in place. Water conservation awareness and practices have also impacted water usage and revenues as residents are using less water than they did 15 years ago. The City forecasts the annual budgeted revenue by averaging the previous five years' usage.

Thus, the development of the annual budget and long-term financial planning for the Shavano Park Water Utility is challenging due to the difficulty in predicting usage trends and whether future years will be wet or dry. Financial planning is also onerous because the Water Utility is inherently capital-intensive and large unexpected expenses occur when water wells, tanks, motors, and pumps require repair.

As previously detailed within the Infrastructure Focus area, the City has begun, but has not completed, an accurate mapping of the water mains within the distribution system, and a water model analysis has yet to be completed to identify areas within the entire distribution system that may require improvement. Generally, we know that the old water mains that are asbestos concrete or ductile iron will need to be replaced. However, replacement of old water mains is expensive and the water system cannot afford to replace them all at once. Anticipating the cost and schedule needed to replace the old water mains is arduous, at best.



Figure 8 on the next page forecasts the Water Utility annual budgets from 2023 to 2028. The calculations use the 5-year average annual rainfall totals, the same employee compensation cost predictions as previously mentioned, the scheduled capital replacements, and assumes no new debt. This short-term analysis may be used to demonstrate that revenues are expected to remain about the same (without rate increases) and expenses will increase, not accounting for water line replacement, creating financing challenges over the long term.

City staff is currently working with Bexar County to secure a \$750,000 grant using American Rescue Plan Act funds for the water system. This grant will assist the water fund in the short term by offsetting some capital improvement project costs.

**Figure 9. Near-Term Forecast for Water Utility Fund**

		FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Revenues:							
Water Revenues		\$ 1,003,600	\$ 1,055,450	\$ 1,055,668	\$ 1,056,257	\$ 1,056,869	\$ 1,057,506
Other revenues		54,524	84,095	78,825	78,346	77,963	79,627
Total Revenues		\$ 1,058,124	\$ 1,139,545	\$ 1,134,493	\$ 1,134,603	\$ 1,134,832	\$ 1,137,133
Expenses:							
Personnel		\$ 347,607	370,505	392,205	413,105	431,905	449,605
Debt Service		212,772	216,703	214,140	204,310	161,940	163,640
Bond Agent Fees		400	400	400	400	400	400
Capital Purchases		73,667	54,380	5,840	9,840	5,840	52,300
Other Operating		352,144	460,300	474,200	488,400	503,100	518,200
Transfer to General Fund		22,050	22,050	22,050	22,050	22,050	22,050
Total Expenses		\$ 1,008,640	\$ 1,124,338	\$ 1,108,835	\$ 1,138,105	\$ 1,125,235	\$ 1,206,195
Net Revenues over (under)							
Expenses		\$ 49,484	\$ 15,207	\$ 25,658	\$ (3,502)	\$ 9,597	\$ (69,062)
** Capital replacement:							
Funding (savings)		66,484	81,662	81,663	78,216	77,838	77,839
Net Revenues over (under)							
Expenses after Capital							
Replacement Fundings		\$ (17,000)	\$ (66,455)	\$ (56,006)	\$ (81,718)	\$ (68,241)	\$ (146,901)
Notes:							
Projections are on a budgetary basis of accounting.							
Interfund transactions have been eliminated to avoid overstating revenues and expenses							
** Not a true expense, but reflected to show the commitment of moneys and therefore unavailable for operating purposes							

It is noted that there has been no increase in most water usage fees for more than a decade. The Water Service Fee (based upon the size of the meter) has not changed since 2005 and the Water

Consumption fee tiers (based on gallons of water consumed each month) have not changed since 2010. In 2019, the City Council approved an increase in the Debt Service fee to prevent operating revenues from supporting debt payments. However, this fee has not been adjusted to reflect the utility's share of the State Infrastructure Bank (SIB) loan used to relocate water mains on NW Military Highway.

This Town Plan encourages the Water Advisory Committee to conduct periodic water rate studies to ensure water user fees cover the Utility's expenses. In addition, the City should complete the accurate mapping of the water mains and fund a comprehensive water model. A water main replacement schedule should be developed to more accurately predict future capital replacement costs. Finally, City staff should seek federal or state grant funding for remediation of aging pipes in the distribution system. Accomplishing all these tasks will increase the accuracy of financial forecasting and ensure the water system remains self-sufficient in its mission to provide high-quality water service to customers.



## Acknowledgements

**The City acknowledges and thanks all those who contributed to our  
Community's vision in this 2023 Town Plan:**

### **Residents of Shavano Park**

#### **Mayor and Council**

Bob Werner, Mayor  
Maggi Kautz, Mayor Pro Tem  
Albert Aleman, Alderman  
Konrad Kuykendall, Alderman  
Pete Miller, Alderman  
Lee Powers, Alderman

#### **Planning and Zoning Commission**

Carla Laws, Chairman  
Sean Fitzpatrick, Vice-Chair  
Donna Beladi, Commissioner  
Lori Fanning, Commissioner  
Vicky Maisel, Commissioner  
Bill Simmons, Commissioner  
William Stipek, Commissioner  
Cindy Teske, Commissioner  
Song Tan, Commissioner

#### **City board members, staff and community stakeholders**

Bill Hill, City Manager  
Curtis Leeth, Assistant City Manager  
Brenda Morey, Finance Director  
Brandon Peterson, Public Works / Water Director  
Gene Fox, Police Chief  
Darrell Dover, Fire Chief  
Al Walea, Chairman of Water Advisory Committee  
Bitterblue, Inc.