

PROPOSED FY 2021 OPERATING & CAPITAL BUDGET

City Council "A" Session
August 6, 2020



Presented by City Manager Erik Walsh



FY 2021 Proposed Budget

- Balanced despite economic uncertainty
- Lower than FY 2020 by \$7.7 Million
- Focused on COVID-19 Response and Recovery
- Strategic investments in public health, homeless, housing, and mental health
- Resumes historic investments in streets and sidewalks
- Guided by maintaining services to community and avoiding city employee layoffs

SASpeak Up

- Virtual Budget Town Hall held with each district from June 18 to June 24
- Survey opened June 18, 2020
- Open through July 31, 2020
- Distributed via NextDoor, social media, stakeholder groups, City departments, COSA texts and past survey respondents



I have Bright Ideas!

#SASPEAKUP

FY 2021 Community Service Priorities





Developed 4 Progress and 3
warning indicators – noting
weekly changes in
COVID-19 trends




Community Response
Coalition
150+ partners
Advise Health Staff

COVID-19: Ongoing Response



City Capacity
3,000 Free Tests per Day
Total Testing Capacity
7,500 Tests per Day



Redeployed staff to assist
Metro Health with:
Case investigation, Congregate
setting monitoring, calls, and
email responses

COVID-19 Recovery & Resiliency

\$190.9 Million

Workforce
Development



\$75
Million

Housing
Security



\$50.5
Million

Small
Business



\$38.1
Million

Digital
Inclusion



\$27.3
Million



Embedding Equity

Equity is just and fair inclusion into a society in which all, including all racial and ethnic groups, can participate, prosper, and reach their full potential

Budget Equity Tool

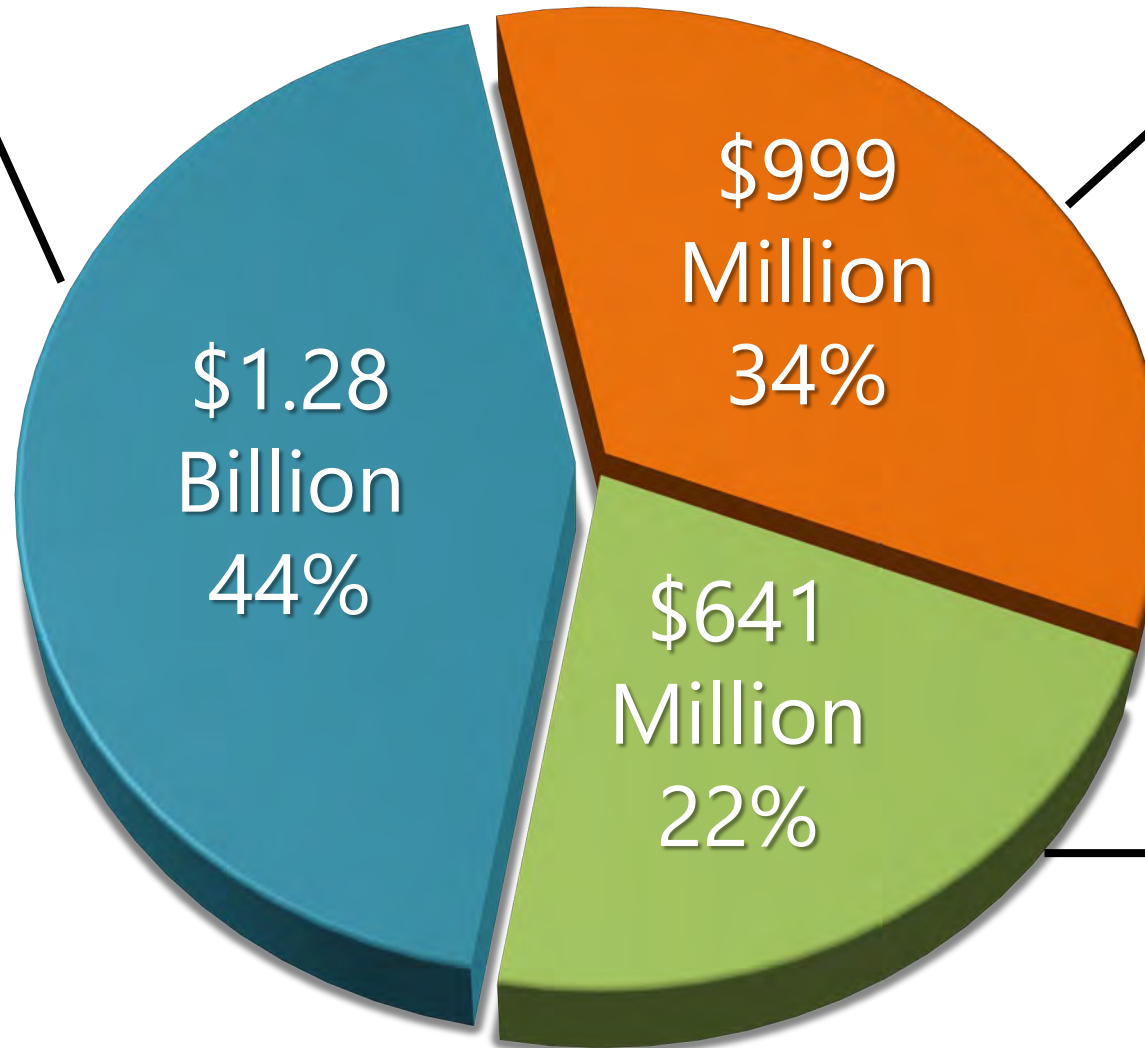
The Budget Equity Tool is used with all Departments and includes a strengths and opportunities review identifying highlights and commitments for Fiscal Year 2021

Equity is advanced by the ongoing work of normalizing concepts, organizing staff and operationalizing equitable policies, practices and procedures

FY 2021 Proposed Budget \$2.9 Billion

General Fund

Supports most basic City services: Police, Fire, Streets, Metro Health, Parks, Human Services



Restricted Funds

- Airport Fund
- Development Services
- Hotel Occupancy Tax
- Solid Waste
- Storm Water
- Grant/CARES

Capital Budget

- 2017 Bond Programs
- Airport Projects

Impact of COVID-19 on City Revenues

\$127 Million

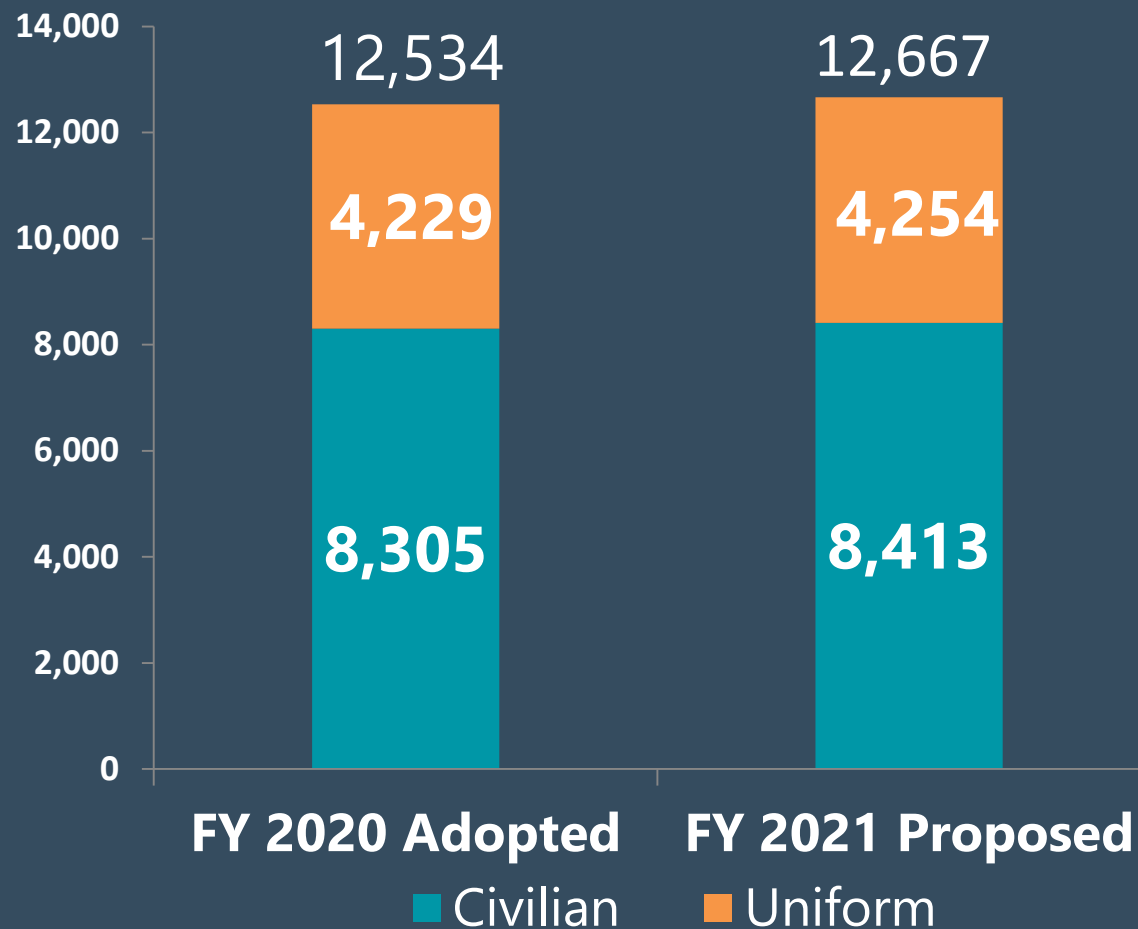
\$24 Million
General Fund

FY 2021 Projected Revenue
Loss compared to FY 2020
Adopted Budget

\$103 Million
Restricted Funds

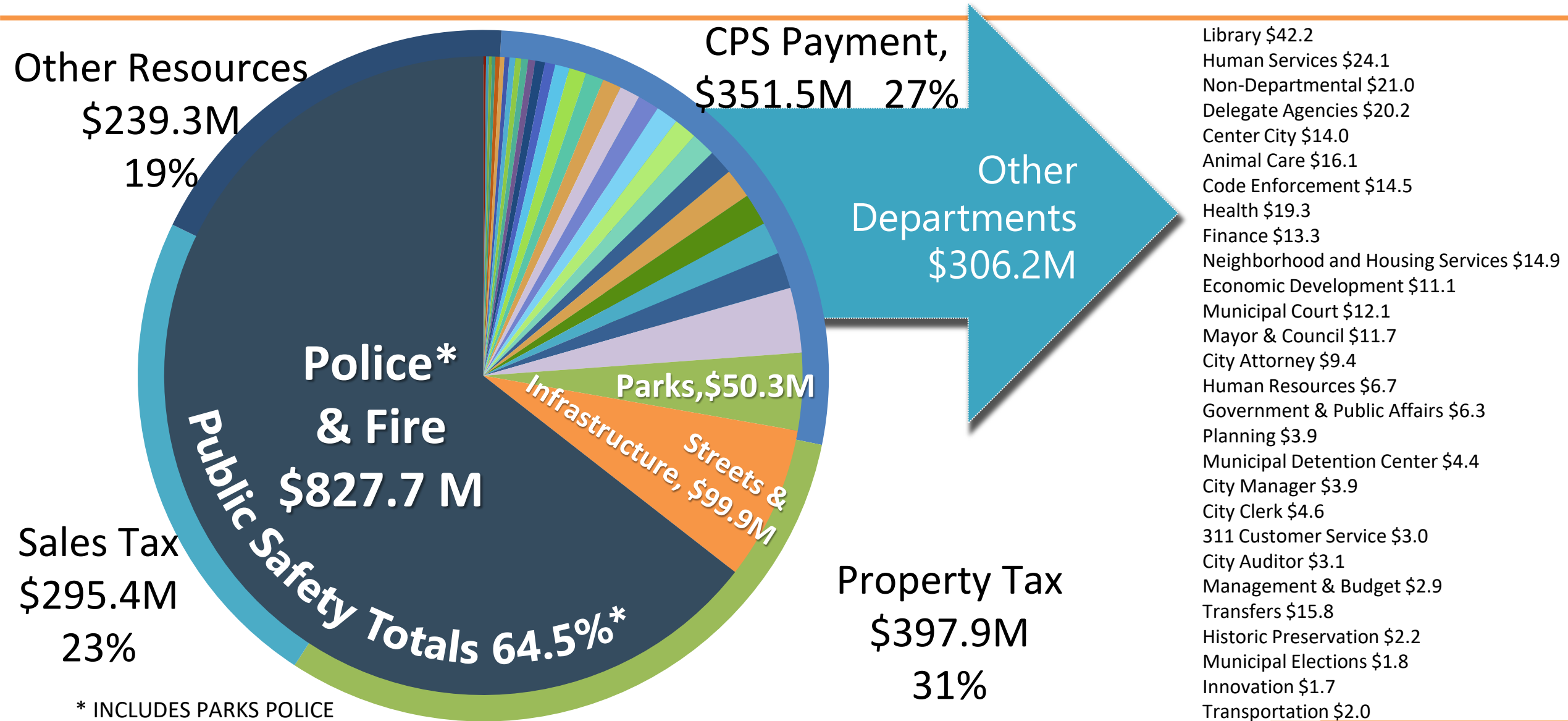
Measures taken to keep budget balance in the General Fund and restricted funds

FY 2021 Proposed Budget Positions



- Adds 108 Civilian Positions
 - No Layoffs
 - 65 of 108 are conversions of temporary to full-time positions
 - Accommodates redeployment of employees from Convention Center, Alamodome, and Arts
- Adds 25 Police Officer positions for Domestic Violence support

FY 2021 Proposed General Fund Budget \$1.28B



City Property Tax Rate

Property Taxable Value

FY 2021

Base Values	3.1%
New Values ¹	1.9%
Total	5.0%

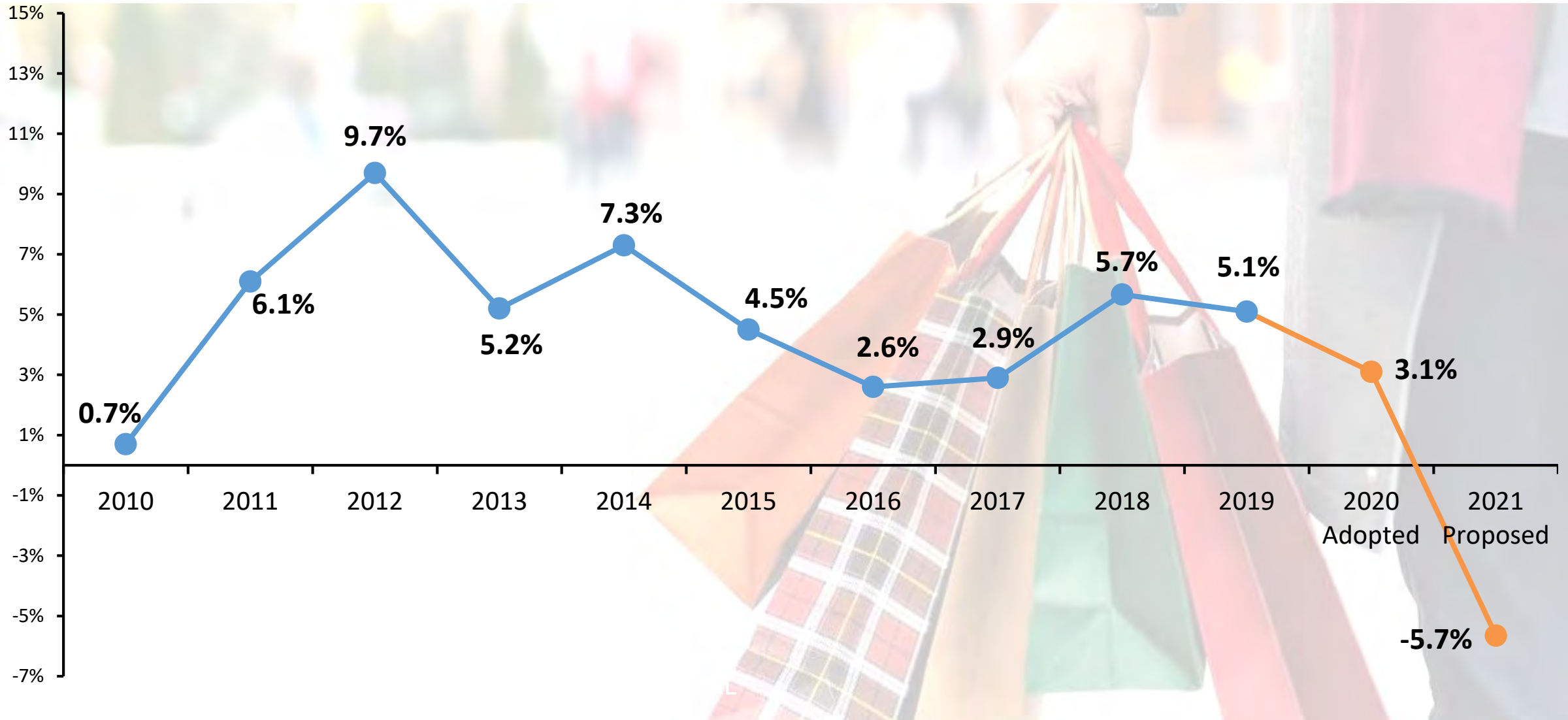
Property Tax Rate	\$0.55827
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1. Includes new improvements of 1.7% and Annexations of 0.2%

Property Rate

- No proposed change
- SB2 limits growth in property tax revenue to 3.5%
- Proposed Tax Rate Growth is 2.23%; well below SB2 cap of 3.5%

FY 2021 Sales Tax – Year over Year % Change



General Fund Changes from Trial Budget Presented on June 18, 2020

FY 2021 & FY 2022 Deficit (June)

(\$109 Million)

More Revenue – over three years

\$31 million

Net expense – over three years

(9 million)

Proposed FY 2021 and Planned FY 2022

87 Million

FY 2021 & FY 2022 Deficit

\$0.0

General Fund Reductions

\$ in Millions
No Pay Increases, freeze hiring, and Other Adjustments
Street Maintenance
Police Overtime
Suspend Economic Incentives
Suspend Consultant Services
Expired Agreement with Hemisfair Park
Other Operating Reductions
Workforce Development Agencies
Unpaid Furlough Days
Total

Proposed Budget		
FY 2021	FY 2022	Total
\$14.0	\$12.2	26.2
8.0	16.2	24.2
3.4	4.4	7.8
5.5	5.5	11.1
1.4	1.4	2.8
1.7	1.7	3.4
1.6	1.2	2.8
2.2	0	2.2
0	6.5	6.5
\$37.8	\$49.2	\$87

Police Services

Foundational Issues

Accountability
Discipline Process
Hiring & Training
Transparency & Data
Community Engagement

Expectations

Role of Police
Encounters with Police
Calls for Service

Input

City Council
Public Safety Committee
Neighborhood Associations
Grassroots Organizations
Business Groups
Schools & Universities

Response Alternatives & Funding

Key Areas:

Violence Prevention

Homeless

Mental Health

Alternatives:

City Departments

Other Providers

Timeline

Draft Plan to City Council by April 2021

Violence Prevention Division - \$8.9 Million

Gun Violence	Domestic Violence	Child & Youth Violence
<ul style="list-style-type: none">• Violence Outreach Workers• Hospital-Based Violence Interruption• School-Based Restorative Justice	<ul style="list-style-type: none">• Crisis Response Team & Domestic Violence High-Risk Team	<ul style="list-style-type: none">• Triple P Parenting• ACES & Trauma-Informed Care• Too Good for Violence
FY 2021 - \$1.3 Million (16 new positions)		
<ul style="list-style-type: none">• Partnership with Cure Violence• Expands Stand Up SA to Westside• Expands Hospital-Based Violence Interrupters	<ul style="list-style-type: none">• Transitions Crisis Response Team to shared Metro Health/SAPD• Establishes Domestic Violence High-Risk Team	<ul style="list-style-type: none">• Unifies programs in Metro Health• Expands Child Abuse Prevention programming

Domestic Violence

\$1.6 Million Reallocated
25 Police Officers – COPS Grant

- Detectives specializing in family violence
- Enhanced coverage during night and weekend
- Advocacy and Crisis Response Assistance



Mental Health: Total Investment \$6 Million



**Mental Health &
Drug Treatment
services**



**Clinicians to support
SAPD Mental Health
Unit and Homeless
Outreach**



**Support for
Children and
Families**

**FY 2021: Adds \$500,000 for an alternative
mental health response option**

Addressing Homelessness – building trust

- Expand Homeless Outreach Team created through the Recovery and Resilience Plan
- Create 11 District Outreach Teams (1 per district & Downtown)

Identify

Teams will canvas designated areas
Homeless Connections Hotline

Build Trust Assess Needs

Repeated positive encounter
Ongoing Relationships
Standardized assessment tool

Coordinate & Connect

Case Management
Mental Health/Substance Use Treatment
Shelter/Housing

Transition

Permanent Housing
Long term case management
Supportive Service

Community Services



Affordable Housing Investment



**\$25.0
Million**

- \$25.0 Million: City Grants (HOME and CDBG) and General Fund
- Shifts focus from production to displacement prevention & Household Stabilization

Street Maintenance & Reconstruction

\$102 Million Street Investment

\$43 Million

Deferred Projects

\$29.5 Million

Condition of
Street Network

\$29.5 Million

Size of Street
Network

1,268 Projects & 371 Centerline Miles

Sidewalk

\$18 Million Sidewalk Investment
(\$13 Million 2017 Bond & \$5 Million ATD)

New Sidewalks

Fills 60 miles of
gaps

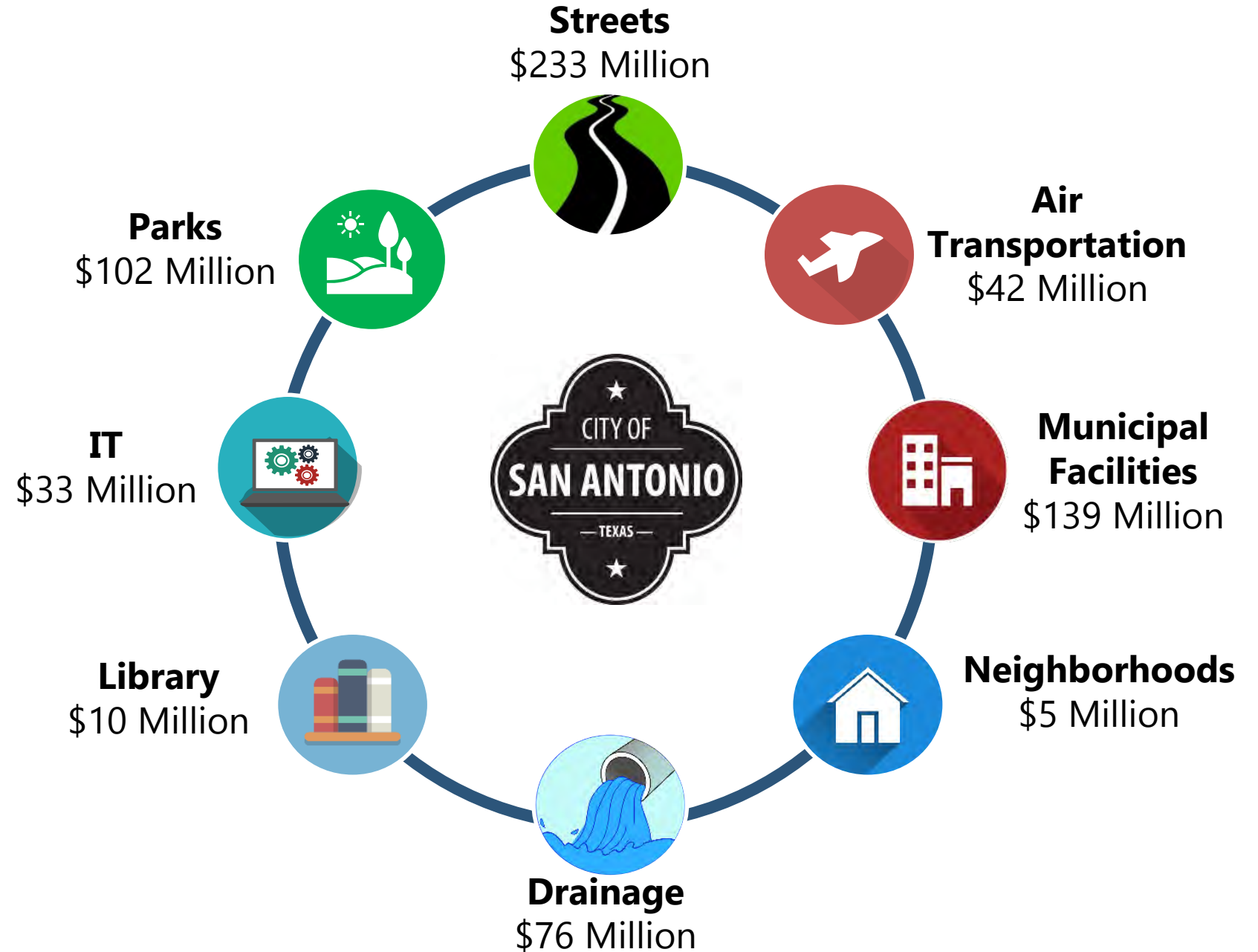
**Almost 67
Miles of
Usable
Sidewalks**

Sidewalk Repair

Repairs 2 miles
(Equates to 6.55
useable miles)

FY2021 Capital Budget

\$641 Million



\$ 13.4 Million
Streets, Bridges, Alleys,
Warranted Signals

\$ 11.0 Million
Drainage Projects

\$ 4.1 Million
Library
Improvements

**New
Capital
Projects**

\$ 4.8 Million
Park
Improvements

\$ 5.8 Million
Facility
Improvements

Transportation Department

Created in 2020 with existing positions and resources

Department Responsibilities

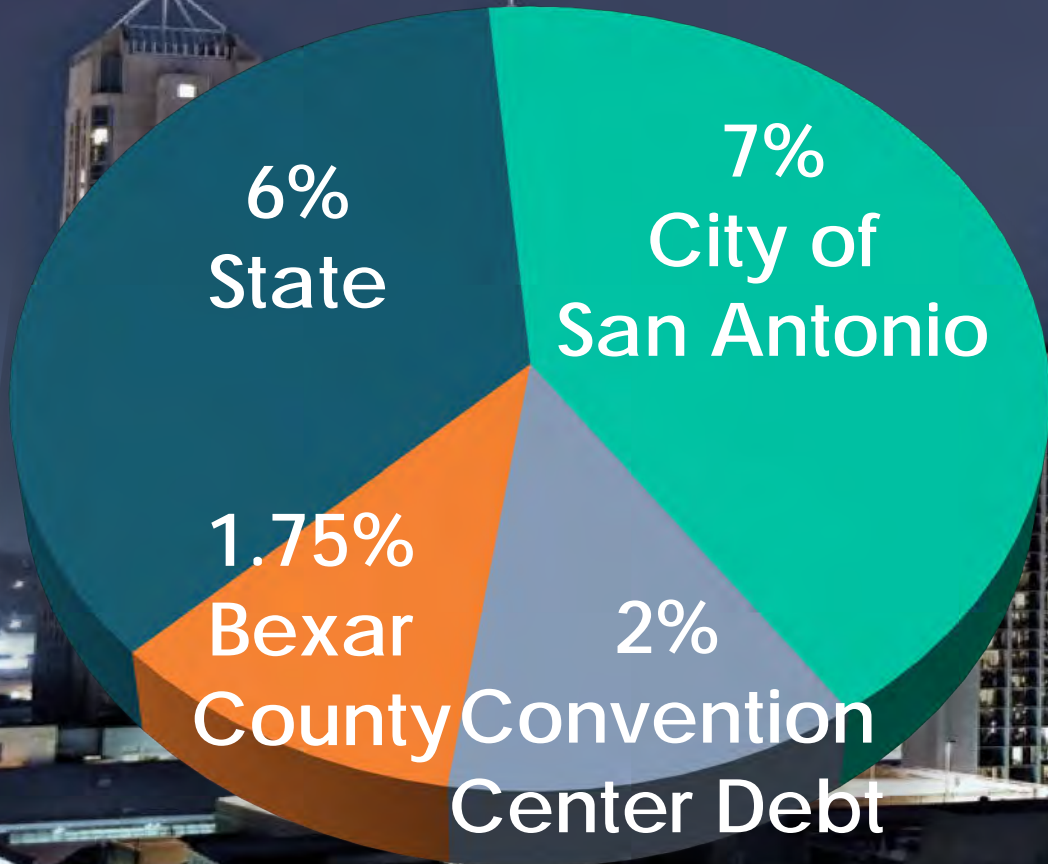
Transportation
Planning

Transportation
Demand

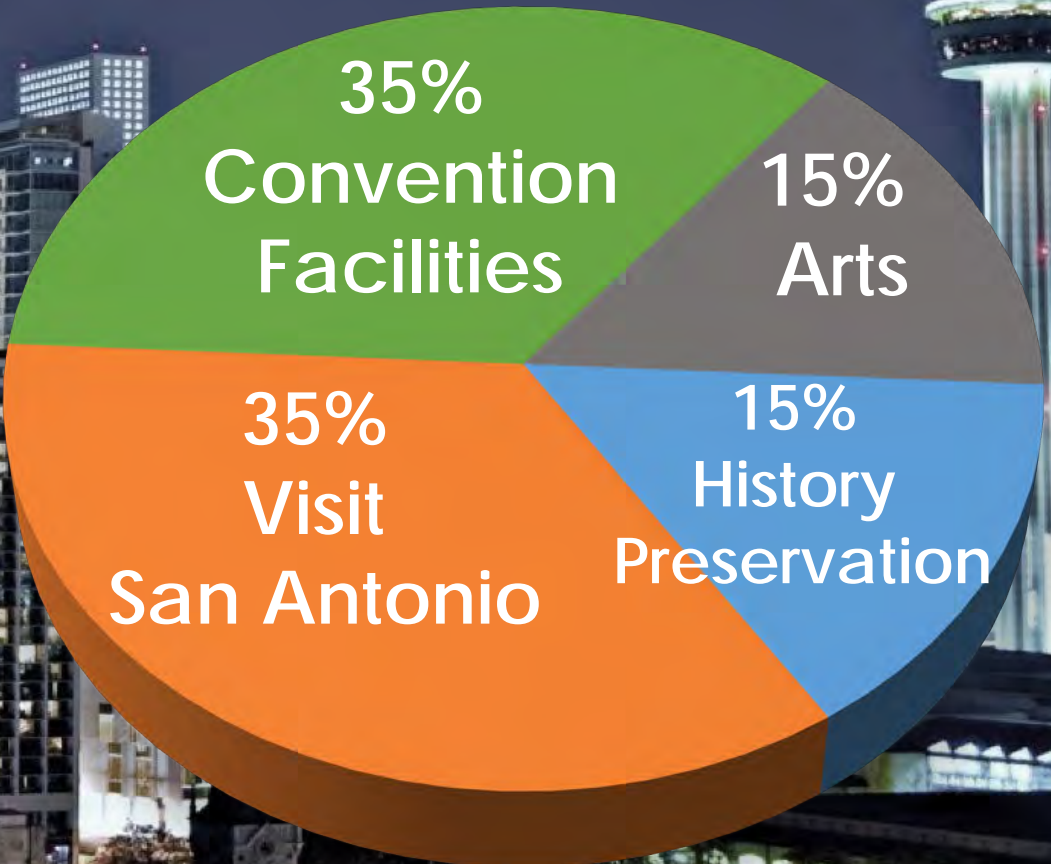
Multimodal
Transportation

Hotel Occupancy Tax Rate

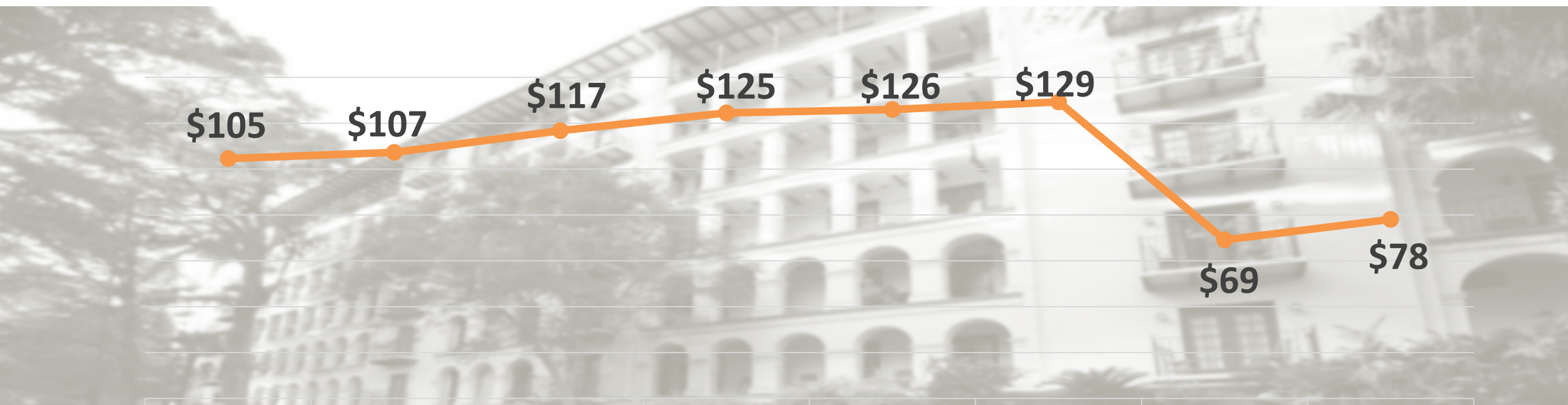
HOT Rate: 16.75%



COSA HOT Tax Allocation



Hotel Occupancy Tax Related Revenue (\$ in Millions)



	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 Adopted	FY 2020 Estimate	FY 2021 Proposed
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 Adopted	FY 2020 Estimate	FY 2021 Proposed
HOT Tax	\$79.2	\$81.3	\$85.8	\$91.6	\$93.5	\$96.1	\$53.4	\$61.7
Convention Center	14.3	16.1	18.5	21.2	19.9	20.5	9.9	9.1
Alamodome	11.1	9.9	12.5	11.7	12.6	12.7	5.8	7.3

Hotel Occupancy Tax Supported Departments

Fund (\$ in Millions)	FY 2020 Adopted	FY 2021 Proposed	Variance
Community Visitors Facility ^a	\$54.4	\$34.8	(\$19.6)
Arts & Culture ^b	11.5	8.9	(2.6)
Visit San Antonio	25.0	15.1	(9.9)
History and Preservation	10.7	6.5	(4.2)
Total	\$101.6	\$65.3	(\$36.3)

a. To offset the Community Visitors Facility reduction the General Fund is transferring \$5.9 Million in FY 2021

b. To offset the reduction to the arts agencies, there is a one time transfer from the General Fund workforce development agencies of \$1.6 million

Employees assigned to HOT Fund

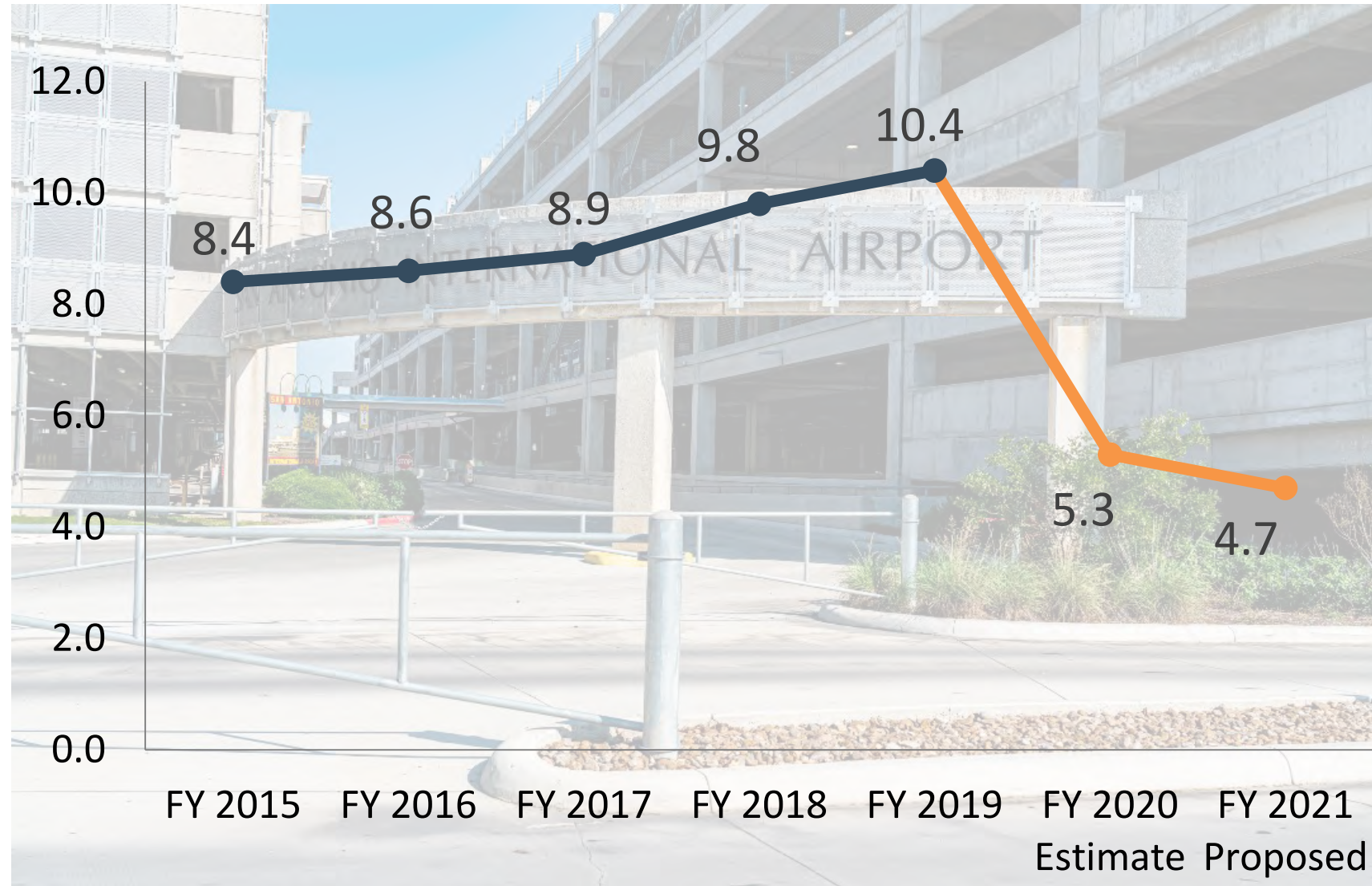
Facility - Function	FY 2020 Authorized	FY 2021 Proposed
Convention Center	272	101
Alamodome	72	41
Arts and Culture	20	15
Finance	5	0
Total	369	157

FY 2021 Arts & Culture Funding

Fund (\$ in Millions)	FY 2020 Adopted	FY 2021 Proposed	Variance
Hotel Occupancy Tax	\$10.7	\$6.5	(\$4.2)
Public Art San Antonio	0.7	0.7	0
General Fund	0.1	1.7	1.6
Recovery & Resiliency	0	2.6	2.6
Total	\$11.5	\$11.5	\$0

Airport Passengers (in Millions)

- 49% decrease in Passenger in FY 2020
- 11% decrease in Passenger in FY 2021
- \$33.8 Million projected revenue loss in FY 2021

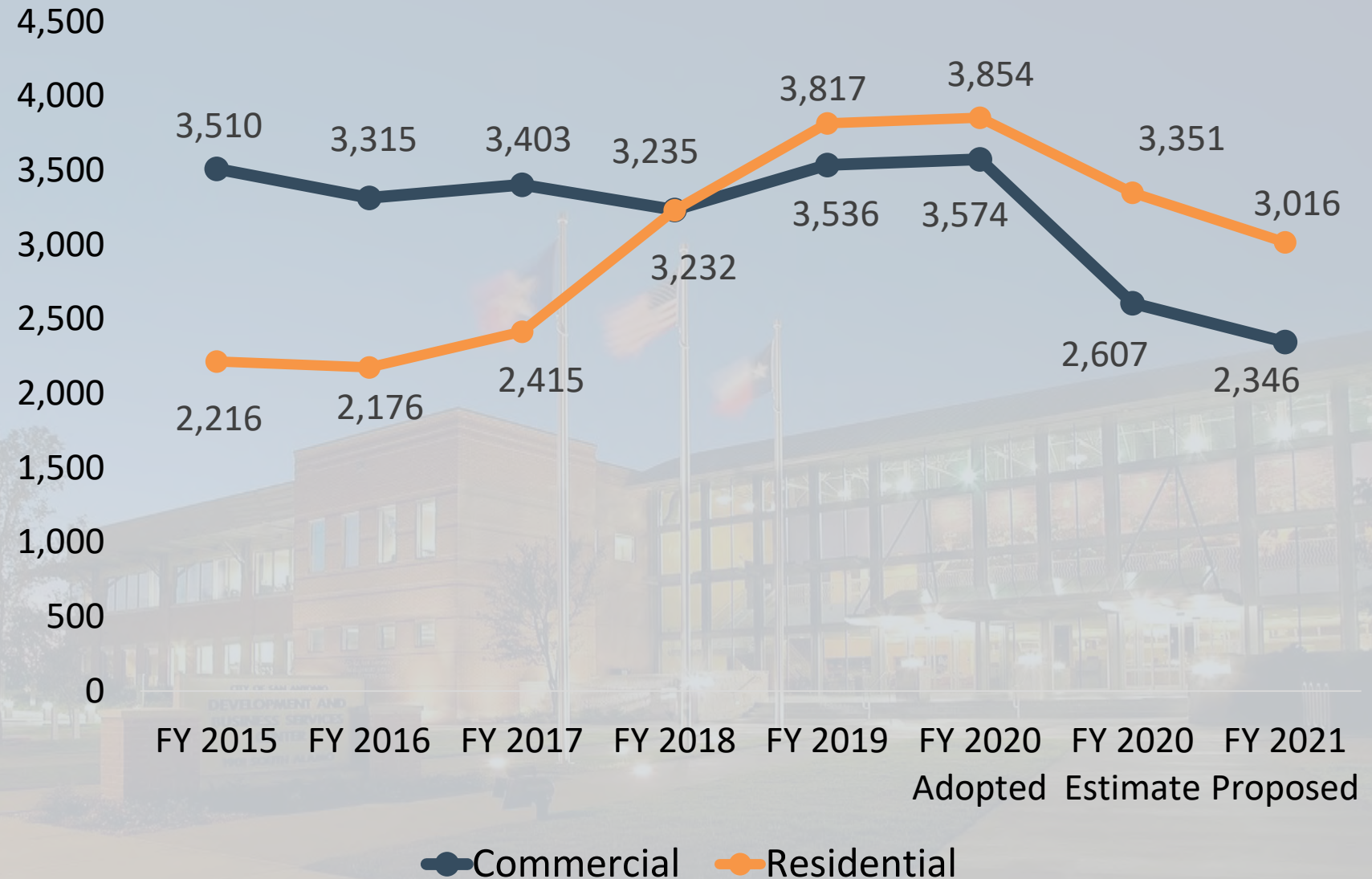


Airport Enterprise Fund – Actions to Mitigate Revenue Loss

- Less funding for Capital Projects
- Reduced operating expenses
- Reduced debt service requirements
- Use of Reserve Funding

Development Services – Permit Activity

- FY 2020 Permits decreased by 13.1% (residential) and 27.1% (commercial)
- FY 2021 Permits decreased by 10% (residential) and 10% (commercial)
- \$3 Million projected revenue loss in FY 2021



Development Services Enterprise Fund- Actions to Mitigate Revenue Loss

- Holding 37 position vacant
- Less operational expenses
- Use of Reserve Funding

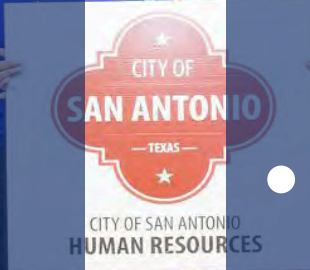
City Employees

Civilian Employees

- No Layoffs
- No Pay Increases
- Furloughs Planned in FY 2022

Uniform Employees

- Pay Increases Consistent with Collective Bargaining Agreements
- Police: 5% Salary Increase
- Fire: 2% Salary Increase; 1% Lump Sum Payment



Other Benefits

- Civilian Healthcare Benefits
- No Changes Proposed to Healthcare Benefits
- 10% Reduction to Health Insurance Premiums for FY 2021
- Recognize Juneteenth as one of the City's 13 paid Holidays



Next Steps



City Council Budget Work Sessions

(Aug. 11 – Sept. 16)



Community Input
(Aug. 16 – Sept. 1)



2 Public Hearings
(Sept. 2 – Sept. 10)



Budget Adoption
September 17

Budget Work Session Dates

Tuesday, August 11	COVID – 19 Update & General Fund Budget
Wednesday, August 12	Police CBA Resolution, Results of Public Safety Listening Sessions, Police Budget
Tuesday, August 18	Health, Human Services & Delegate Agencies
Wednesday, August 19	Economic Development, Neighborhood and Housing Services
Tuesday, August 25	Public Works and Capital Budget Debt Management Plan
Wednesday, August 26	Hotel Occupancy Tax Fund, Airport
Tuesday, September 1	Employee Healthcare Benefits and Restricted Funds
September 2 & 8	Open
September 9 & 16	Budget Amendments

Budget Transparency OpenGov Cloud-based financial tool



In Summary

- Uncertainty remains
- Continue strong financial management
- Focus on response and recovery programs
- City team committed to continuing service to the community

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