



City of San Antonio

Agenda Memorandum

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Agenda Date: 8/26/2015

In Control: City Council Special Session

DEPARTMENT: Office of Management and Budget

DEPARTMENT HEAD: Maria Villagomez

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

City Council Worksession on the FY 2016 Proposed Budget

SUMMARY:

Staff presentation on the FY 2016 Proposed Budget focusing on, but not limited to, the following City Departments:

- A. Convention and Visitors Bureau
- B. Convention and Sports Facilities
- C. Center City Development and Operations Department
- D. Department of Culture and Creative Development
- E. Government and Public Affairs

BACKGROUND INFORMATION:

The FY 2016 Proposed Budget was presented to the Mayor and City Council on August 6, 2015. The FY 2016 Proposed Budget reflects City Council policy direction and community priorities. The Budget decreases the City's property tax rate, increases funding to streets and sidewalks, and maintains public safety spending below

66% of the General Fund. Additionally, budgeted financial reserves are maintained at 15% of General Fund revenues. The budget proposal does not recommend any layoffs of uniform or civilian employees.

The Proposed Consolidated Annual Budget, comprised of all funds excluding transfers, totals \$2.5 billion. The General Fund budget is \$1.1 billion; restricted funds, including Aviation, Development Services, and Solid Waste, total \$780 million; and the FY 2016 Capital Budget is \$670 million.

Following the presentation of the proposed budget a series of city council budget worksessions are scheduled from August 11 to September 9. At these sessions City staff will review the budget proposals with the Mayor and City Council in detail. The budget is scheduled to be adopted on September 10 for the City's fiscal year that begins on October 1.

ISSUE:

A budget worksession is scheduled for Wednesday, August 26, 2015 from 10:00 A.M. to Noon and 2:00 pm to 5:00 pm at the Municipal Plaza "B" Room. At this session, the City Council will be presented with the FY 2016 Proposed Budget for Convention and Visitors Bureau, Convention and Sports Facilities, Center City Development and Operations, Culture and Creative Development, and Government and Public Affairs.

Convention and Visitors Bureau

The mission of the Convention and Visitors Bureau (CVB) is to promote and market San Antonio as a premier leisure visitor and convention/ meeting destination for the purpose of positively affecting the City's economy. The department receives funding to support these operations from the Hotel Occupancy Tax revenue collected by the City. The FY 2016 transfer to the CVB Fund is \$21.3 million or 34% of the \$62.2 million net HOT Fund appropriations.

The FY 2016 Proposed Budget for the Convention and Visitors Bureau Fund is \$21,575,928 and authorizes 79 positions. Additionally, the Convention and Visitors Bureau manages the Visitors Information Center. The FY 2016 Proposed Budget for the Visitor Information & City Store Fund is \$686,296 and authorizes 12 positions.

The FY 2016 Proposed Budget includes improvements of \$1,475,000 to market San Antonio, and for the Convention Center Grand Opening Event and Cultural Heritage Programming. These improvements include redirections from FY 2015 savings to provide for enhanced marketing efforts. Additionally, \$2,954,475 is included for annual contractual obligations with various nationally prominent organizations to successfully ensure the selection of San Antonio as the destination for their major conventions, meetings, and/or events. The FY 2016 Program Change detail is included in Attachment I.

Convention and Sports Facilities

The mission of the Convention and Sports Facilities Department is to proudly deliver excellent event experiences in premier facilities. The Convention and Sports Facilities (CSF) Department is responsible for operating the Henry B. Gonzalez Convention Center (which includes the Lila Cockrell Theatre), the Alamodome, and the Carver Community Cultural Center. The CSF department generates revenues and receives supplemental funding to support facility operations from the Hotel Occupancy Tax (HOT) revenue collected by the City. The Carver receives its funding from the General Fund, Carver Special Revenue Fund, and supplemental funding from the Carver Development Board.

The total proposed FY 2016 budget for the Convention and Sports Facilities Department is \$152,743,164. This is comprised of the Department's Operations Budget of \$40,570,818, the Carver Budget of \$1,474,430 and the

Capital Improvement and Expansion Budget of \$110,697,916.

FUND	FY 2016 PROPOSED BUDGET	AUTHORIZED POSITIONS
Community & Visitor Facilities Fund	\$40,570,818	333
General Fund-Carver	1,024,596	7
Carver Special Revenue Fund	449,834	7
Capital Projects	110,697,916	0
Total	\$152,743,164	347

The FY 2016 Proposed Budget includes improvements of \$1,708,063 mainly for staffing and maintenance for operations at the newly expanded Henry B Gonzales Convention Center and for the Alamodome. The FY 2016 Program Change detail is included in Attachment II.

In FY 2016, the Department proposes to collect an additional \$155,072 per year in revenue for Audio Visual fees at the Alamodome and revised rental fees at the Convention Center.

Additionally, the FY 2016 General Fund Budget includes revised revenues for the Carver Center for facility rentals, equipment rentals and cleaning fees.

The FY 2016 Revenue detail is included in Attachment III.

Center City Development and Operations Department

The Center City Development and Operations Department facilitates livability, commerce, infrastructure and prosperity for a vibrant center city.

The Proposed Budget for the Center City Development and Operations includes funding from the General Fund and other Restricted Funds. Below is a summary of the funding and position counts included within the FY 2016 Proposed Budget.

FUND	FY 2016 PROPOSED BUDGET	AUTHORIZED POSITIONS
General Fund - Center City Operations	\$12,628,173	65
General Fund - HPARC Contribution	1,687,694	0
General Fund - Land Bank	90,000	0
General Fund - Brownfields Program	81,377	1
General Fund - Inner City Incentives	2,000,000	0
Parking Fund	9,065,608	91
Market Square	2,452,755	7
Capital Projects	1,380,000	0
Total	\$29,385,607	164

The Department's FY 2016 Proposed Budget reorganizes the management and operations of Market Square, La Villita, Spanish Governor's Palace, and Mission Marquee Plaza from Department of Culture and Creative Development to Center City Development & Operations Department (CCDO).

The Department's FY 2016 Proposed General Fund Budget includes \$381,540 in improvements for Yanaguana Garden, La Villita, and Travis Park. Additionally, the proposed budget adds \$500,000 to increase the Inner City Reinvestment Infill Police fee waiver program to \$2,000,000.

The General Fund Budget also adds new fees for the Mission Marquee Plaza Rental in the amount of \$7,000.

The Department's FY 2016 Proposed Parking Fund Budget includes reductions of \$51,349 and eliminates four vacant part-time Parking Attendants positions due to efficiencies and technology improvements at the Central Library Garage. The proposed budget also updates parking revenues which will generate an additional \$168,580.

The Department's FY 2016 Proposed Market Square Fund includes a reduction of \$24,674 and eliminates 2 vacant part-time Parking Attendants. The proposed budget also updates parking fees at the Market Square Parking Garage which will generate an additional \$199,698.

The FY 2016 program change detail for Center City Development and Operations is included in Attachment IV and the FY 2016 Revenue detail is included in Attachment V.

Culture and Creative Development

The mission of the Department of Culture and Creative Development is to lead the creative environment by supporting arts and cultural organizations, individual artists, and events that improve the quality of life for San Antonio. The department receives funding from the Hotel Occupancy Tax revenue collected by the City at the maximum 15% of net HOT allocations, or \$9.3 million, to support its services.

The FY 2016 Culture and Creative Development Proposed Budget is \$10,441,745. Part of this fund's expenditures is directed to non-City owned facility agencies that support the arts, totaling \$5,970,296.

FUND	FY 2016 PROPOSED BUDGET	AUTHORIZED POSITIONS
Culture and Creative Development Fund-Operating	\$3,409,396	14
Culture and Creative Development Fund-Public Art San Antonio	562,962	6
Culture and Creative Development Fund-Arts Agencies	5,970,296	0
Community and Visitor Facilities Fund-Film Commission	456,158	2
Grants	42,933	0
Total	\$10,441,745	22

In the FY 2016 Proposed Budget includes a total of \$349,992 for San Antonio Tricentennial to develop a comprehensive marketing campaign for San Antonio's Tricentennial in 2018. Additionally, new revenues in the amount of \$10,500 are included for the Plaza de Armas Storefront Gallery & Exhibit Hall Rental. The FY 2016

program change detail for Culture and Creative Development is included in Attachment VI and the FY 2016 Revenue detail is included in Attachment VII.

Government & Public Affairs

Government & Public Affairs is a newly created department which consolidates the City's Intergovernmental Relations Department, Communications & Public Affairs Department, and the Office of Military Affairs. The Government & Public Affairs Department will strategically communicate accurate information about City initiatives, policies and services and advocate on behalf of the City's local, state and federal interests.

The total FY 2016 Proposed Budget for the Government & Public Affairs is \$7,070,503 and would authorize 72 positions. The Budget includes \$125,028 in improvements and adds one communications strategist position and one position for studio facilities and equipment administration. The FY 2016 program change detail for Government & Public Affairs is included in Attachment VIII.

ALTERNATIVES:

This item is a scheduled worksession for the FY 2016 Proposed Budget.

FISCAL IMPACT:

This presentation provides a briefing on the major initiatives within the Convention and Visitors Bureau, Convention and Sports Facilities, Center City Development and Operations, Culture and Creative Development, and Government and Public Affairs. The FY 2016 Budget is scheduled to be adopted by City Council on September 10, 2015.

RECOMMENDATION:

This item is a worksession for discussion of the FY 2016 Proposed Budget and is for briefing purposes only.