



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 1.

Agenda Date: 8/31/2016

In Control: City Council B Session

DEPARTMENT: Office of Management and Budget

DEPARTMENT HEAD: John Woodruff

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

City Council Worksession on the FY 2017 Proposed Budget

SUMMARY:

Staff presentation on the FY 2017 Proposed Budget focusing on, but not limited to, the following City Departments:

A. Parks & Recreation

B. World Heritage

C. Tricentennial

D. Arts Agency Funding

E. Convention & Sports Facilities

F. Aviation

BACKGROUND INFORMATION:

The FY 2017 Proposed Budget was presented to the Mayor and City Council on August 18, 2016. The FY 2017 Proposed Budget reflects City Council policy direction, community priorities, and begins the implementation of the SA Tomorrow Comprehensive Plan. The Budget focuses on five key areas: 1) Fiscal responsibility, 2) Investing in streets and sidewalks, 3) Enhancing public safety and quality of life of city neighborhoods, 4) Promoting our world heritage site and preparing for the City's Tricentennial Celebration; and 5) Building a strong foundation to place San Antonio as a leader in "Smart Cities" initiatives.

The Proposed FY 2017 Consolidated Annual Budget, comprised of all funds excluding transfers, totals \$2.5 billion. The General Fund budget is \$1.14 billion; restricted funds, including Aviation, Development Services, Solid Waste and Hotel Occupancy Tax, total \$823 million; and the Capital Budget totals \$585 million. The Proposed Budget adds a net of 151 new positions for a total of 12,183 authorized positions.

The Proposed General Fund Budget is structurally balanced, keeps public safety spending at 65.9%, and maintains financial reserves at 15%. The budget supports a proposed general obligation bond program for 2017 to 2021 of \$850 million with no city property tax rate increase.

Following the presentation of the proposed budget a series of City Council budget worksessions are scheduled from August 24 to September 7. 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 15 for the City's fiscal year that begins on October 1.

ISSUE:

A Budget Worksession is scheduled for Wednesday, August 31 from 2:00 p.m. to 5:00 p.m. at the Municipal Plaza "B" Room. At this session, the City Council will be presented with the FY 2017 Proposed Budget for World Heritage, Tricentennial, Arts Funding, Convention & Sports Facilities, Parks & Recreation, and Aviation.

Parks & Recreation

The Parks and Recreation Department operates the City's recreational programs and develops and maintains City-owned parks, swimming pools, gymnasiums, sports facilities, greenways, recreation centers, and the Botanical Gardens. The FY 2017 Proposed Budget allows for the continued service delivery of the City's park system, which includes 15,572 park acres, 202 miles of park and greenway trails, 30 community centers, 23 outdoor swimming pools and various other park amenities.

FUND	FY 2017 PROPOSED BUDGET	AUTHORIZED POSITIONS
General Fund	\$49,369,769	434
Parks Environmental Fund	7,023,447	94
Tree Mitigation Fund	2,323,728	3
City Cemetery	282,508	1
Parks Development and Expansion 2015 Venue Projects	302,854	0
Edwards Aquifer Land Acquisition 2015 Venue Projects	385,450	0
Grants	1,407,688	0
Capital Projects	36,933,897	0

Total	\$98,029,341	532
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The total FY 2017 General Fund Proposed Budget includes \$874,993 for new linear greenways, operations and maintenance of the greenways, and development and maintenance of new park acreage and amenities. The Proposed Budget includes \$64,610 to continue the Mobile Fit San Antonio program that was initially funded in June 2013 as part of a grant. This program provides fitness and health resources to neighborhoods across the city.

The FY 2017 Proposed Budget includes an efficiency of \$42,692 and eliminates one vacant Administrative Associate, as result of the new online registration system.

World Heritage

The FY 2017 Proposed Budget recommends \$3.8 Million for World Heritage. \$2.8 million is recommended for streets and sidewalk improvements adjacent to the missions; \$500,000 is funded from the General Fund to implement the World Heritage Plan, which includes trail beautification wayfinding, improvements, land use plan and zoning initiatives, and a mobile website; \$250,000 funded from the Hotel Occupancy Tax Business Development to preserve legacy businesses, facilitate development of local and authentic businesses, and incent businesses that support cultural heritage tourism gaps in the buffer zone; and \$256,000 for personnel and other expenses.

Additionally, the FY 2017 proposed budget re-organizes the Mission Marquee program and operations of the Spanish Governor's Palace under the World Heritage Office. Below is a summary of the FY 2017 Proposed Budget for World Heritage.

FUND	FY 2017 PROPOSED BUDGET	AUTHORIZED POSITIONS
Capital Budget for Streets and Sidewalks	\$2,800,000	0
General Fund - Workplan Implementation	500,000	0
Hotel Occupancy Tax - Business Development Incentive fund	250,000	0
General Fund - Support Staff and Operating costs	256,839	2
Total World Heritage	\$3,806,839	
General Fund: Spanish Governor's Palace and Mission Marquee (Operations, Maintenance, and Programming)	\$347,300	2

The FY 2017 program change detail for World Heritage is included in Attachment I and II.

Tricentennial

The Tricentennial Office was established in FY 2016 to coordinate the development and execution of San Antonio's 300th anniversary in 2018. The Tricentennial Office provides support to the San Antonio Tricentennial Commission in planning efforts, identification of potential partners, creation of unique celebration identity, and integration of existing and recurring events into the celebration framework.

The FY 2017 Proposed budget adds 3 temporary positions (\$247,788) to assist with the coordination of

activities related to the City's 300th anniversary, a sculpture trail for (\$100,000) and resources to support program activities such as education, marketing and commemorative week (\$975,000). The FY 2017 program change detail for Tricentennial is included in Attachment II.

FUND	FY 2017 PROPOSED BUDGET	AUTHORIZED POSITIONS
Hotel Occupancy Tax	\$1,813,125	5 ⁽¹⁾

1) The FY 2017 Proposed Budget adds 3 temporary positions. The FY 2016 Budget authorized 2 positions.

Arts & Culture

The FY 2017 Arts and Culture Proposed Budget is \$10,835,182. The Arts and Culture Department is funded primarily by the Hotel Occupancy Tax (HOT) at the maximum percent allowed by State law of 15% of net HOT allocations, or \$9,643,478, a portion of this amount or \$6,177,800 is dedicated to support arts agencies.

The Art program funding of \$6,177,800 is distributed on a competitive basis and is managed by the Department of Arts and Culture. Applications are reviewed by an independent evaluation committee and recommendations are developed in concert with the San Antonio Arts Commission. The FY 2017 Proposed Budget allocates the \$6,177,800 in funding to 51 unique Arts Agencies. The FY 2017 represents year one of the two year funding cycle. Below is a summary of the FY 2017 Arts and Culture Proposed Budget.

FUND	FY 2017 PROPOSED BUDGET	AUTHORIZED POSITIONS
Hotel Occupancy Tax	\$9,643,478	12
Capital Budget - Public Art San Antonio	580,954	6
Community and Visitor Facilities Fund - Film Commission (HOT Tax Fund)	519,750	2
General Fund - Luminaria	50,000	0
Grants	41,000	0
Total	\$10,835,182	20

The FY 2017 Proposed Budget includes a total of \$200,000 for the implementation of the Film Commission Strategic Plan. The FY 2017 program change detail for Arts & Culture is included in Attachment III.

Convention and Sports 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 is funded by the revenues generated by the Convention Center, the Alamodome and it also receives supplemental funding from the Hotel Occupancy Tax (HOT). 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 2017 budget for the Convention and Sports Facilities Department is \$49,688,084. This is comprised of the Department's Operations Budget of \$42,137,324, the Carver Budget of \$1,550,760 and the Capital Improvement and Expansion Budget of \$6,000,000.

FUND	FY 2017 PROPOSED BUDGET	AUTHORIZED POSITIONS
Community & Visitor Facilities Fund	\$42,137,324	334
General Fund-Carver	1,083,726	7
Carver Special Revenue Fund	467,034	7
Capital Projects	6,000,000	0
Total	\$49,688,084	348

Aviation Department

The Aviation Department's FY 2017 Proposed Budget is operated as an enterprise system, principally funded by the following funds, Aviation Operation and Maintenance Fund, and other Restricted Funds. Below is a summary of the funding and position counts that would be authorized by the FY 2017 Proposed Budget.

FUND	FY 2017 PROPOSED BUDGET	AUTHORIZED POSITIONS
Aviation Operation and Maintenance Fund	\$92,050,327	473
Passenger Facility Charge Fund	16,808,204	0
Customer Facility Charge Fund	75,522,050	0
Capital Projects	133,906,880	0
Total	\$318,278,461	473

The San Antonio Airport System is comprised of the San Antonio International Airport and Stinson Municipal Airport facilities. The San Antonio International Airport serves as a gateway for residents and visitors who are conducting business, visiting other locations or enjoying our City as a leisure or business destination. The mission of the Aviation Department is to innovatively manage our airports to provide a positive customer experience while supporting economic development.

The Airport Operations & Maintenance Fund is an enterprise fund that supports airport operations and debt service expenses entirely through user fees paid by airlines, passengers and other tenants who use the airport. Airline related revenues include commercial aircraft landing fees, areas in the airport terminal building leased for ticket counters, office space, and passenger gate waiting areas and aircraft parking areas. Examples of non-airline revenues generated by the airport include parking fees, rental car fees, airport food, beverage, and retail concessions, and lease of other airport buildings and property for uses including aircraft maintenance, flight instruction, and hangars.

The Aviation Operation and Maintenance Fund FY 2017 Proposed Budget includes \$273,303 in improvements and adds five positions to provide resources for operations, air service development and capital project

management.

The Aviation Department recommends a parking rate increase of \$1 dollar for the short term and the long term parking garage maximum daily rate. With this increase the short term maximum parking garage rate would increase from \$24 to \$25; and the long term maximum parking garage rate would increase from \$11 to \$12 per day. These increases would be effective April 2017.

ALTERNATIVES:

This item is a scheduled worksession for the FY 2017 Proposed Budget.

FISCAL IMPACT:

This presentation provides a briefing on the major initiatives within World Heritage, Tricentennial, Arts Funding, Convention, Sports Facilities, Parks & Recreation and Aviation. The FY 2017 Budget is scheduled to be adopted by City Council on September 15, 2016.

RECOMMENDATION:

This item is a worksession for discussion of the FY 2017 Proposed Budget and is for briefing purposes only