



City of San Antonio

Agenda Memorandum

File Number:18-4955

Agenda Item Number: 1.

Agenda Date: 8/29/2018

In Control: City Council B Session

DEPARTMENT: Office of Management and Budget

DEPARTMENT HEAD: Justina Tate

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

City Council Worksession on the FY 2019 Proposed Budget

SUMMARY:

Staff presentation on the FY 2019 Proposed Budget focusing on, but not limited to, the following City policies and initiatives:

- A. Convention & Sports Facilities (Including Visit San Antonio)
- B. Arts & Culture
- C. World Heritage

BACKGROUND INFORMATION:

The FY 2019 Proposed Budget was presented to City Council on August 9, 2018. The budget is balanced as required by law and reflects the City's continued commitment to providing public services and programs that enhance the quality of life for the San Antonio residents. Guided by the City Council policy direction and community input, the proposed budget focuses on streets and sidewalks, affordable housing, and filling police vacancies with no increase to the City's property tax rate.

The Proposed FY 2019 Consolidated Annual Budget, comprised of all funds, excluding transfers, totals \$2.8 billion. The General Fund budget is \$1.26 billion; restricted funds such as Airport, Development Services, Solid Waste, and Hotel Occupancy Tax total \$889 million; and the Capital Budget totals \$690 million.

Following the presentation of the proposed budget a series of city council budget worksessions are scheduled

from August 14 to September 5. 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 13 for the City's fiscal year that begins on October 1.

ISSUE:

A budget worksession is scheduled for Wednesday, August 29 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 2019 Proposed Budgets for the Convention & Sports Facilities, Arts & Culture, and World Heritage departments. Additionally, Visit San Antonio will present its budget for FY 2019.

Convention & Sports Facilities

The Proposed FY 2019 Budget for the Convention & Sports Facilities includes funding from the General Fund and Restricted Funds. Below is a summary of the funding and position counts that would be authorized by the FY 2019 Proposed Budget.

FUND	FY 2019 PROPOSED BUDGET	AUTHORIZED POSITIONS
Community & Visitor Facilities Fund	\$46,615,267	344
Community & Visitor Facilities Fund (Non-Departmental)	3,305,300	0
General Fund (Carver Community Cultural Center)	1,139,218	7
Carver Special Revenue Fund	504,342	7
Convention & Sports Facilities State Reimbursement Fund	1,781,852	0
Convention Center Lease Payment Fund	25,332,504	0
Capital Projects	4,350,000	0
Total	\$83,028,483	358

The Proposed FY 2019 Budget funds the operation and maintenance of the Henry B. Gonzalez Convention Center, Alamodome, and Carver Community Cultural Center facilities. The Proposed Budget in Non-Departmental includes \$2,623,676 for hosting obligations to support 37 major conventions, meeting and events. The Proposed Budget recommends \$182,866 for five additional security guard positions for the Convention Center which hosts over 800,000 attendees annually and \$343,018 for temporary maintenance workers to provide support during peak operational periods. Additionally, the proposed budget adds \$36,609 to the Carver Fund for event coordination.

Visit San Antonio

In September 2016, the City Council approved a Destination Marketing Agreement (DMA) with Visit San Antonio (VSA) which transitioned the City's former Convention & Visitors Bureau into an independent non-profit agency. VSA's work will continue to market and promote the City as a destination for conventions and leisure travel. As part of the DMA, the City will target an annual allocation to VSA equal to 35% of the HOT revenue budget net of the debt service payments related to the Convention Center Expansion. The FY 2019

Proposed Budget recommends an allocation of \$23,751,358 for Visit San Antonio.

Arts & Culture

The Proposed FY 2019 Budget for the Department of Arts & Culture includes funding from Restricted Funds. Below is a summary of the funding and position counts that would be authorized by the FY 2019 Proposed Budget.

FUND	FY 2019 PROPOSED BUDGET	AUTHORIZED POSITIONS
Arts & Culture Fund	\$10,229,153	12
Public Art San Antonio	712,668	6
SA Film Commission (Community & Visitor Facilities Fund)	539,830	2
Total	\$11,481,651	20

The FY 2019 Proposed Budget maintains funding for Arts & Culture at 15% of Hotel Occupancy Tax (net of debt service transfers for the Convention Center Expansion Project). The City Council adopted new arts agency funding policies during FY 2018 which changed the funding cycle from two years to three years and established a funding scale based on the size of the arts agency's operating budget. FY 2019 represents year one of the new three year arts agency funding cycle. Attached is a schedule with the funding recommendations for Arts Agencies in FY 2019.

World Heritage

The Proposed FY 2019 Budget for the World Heritage Office includes funding from the General Fund. Below is a summary of the funding and position counts that would be authorized by the FY 2019 Proposed Budget.

FUND	FY 2019 PROPOSED BUDGET	AUTHORIZED POSITIONS
General Fund	\$1,326,120	5
Total	\$1,326,120	5

The World Heritage Office maximizes the economic impact of the World Heritage and Creative City designations and enhances the experience for visitors and residents through the implementation of the Work Plans and related projects.

ALTERNATIVES:

This item is a scheduled worksession for the FY 2019 Proposed Budget.

FISCAL IMPACT:

This presentation provides a briefing on the major initiatives within the Convention & Sports Facilities, Arts & Culture, and World Heritage departments. The FY 2019 Budget is scheduled to be adopted by City Council on

September 13, 2018.

RECOMMENDATION:

This item is a worksession for discussion of the FY 2019 Proposed Budget and is for briefing purposes only.