



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 1.

Agenda Date: 8/21/2019

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 2020 Proposed Budget

SUMMARY:

Staff presentation on the FY 2020 Proposed Budget focusing on, but not limited to, the following City policies and initiatives:

- A. Sustainability
- B. Center City Development Office
- C. Economic Development

BACKGROUND INFORMATION:

The FY 2020 Proposed Budget was presented to City Council on August 8, 2019. 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 strong families and children, police, streets, sidewalks and transportation, affordable housing, and property tax relief.

The Proposed FY 2020 Consolidated Annual Budget, comprised of all funds, excluding transfers, totals \$2.9

billion. The General Fund budget is \$1.27 billion; restricted funds such as Airport, Development Services, Solid Waste, and Hotel Occupancy Tax total \$937 million; and the Capital Budget totals \$715 million.

Following the presentation of the proposed budget a series of city council budget worksessions are scheduled from August 13 to September 11. 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 12 for the City's fiscal year that begins on October 1.

ISSUE:

A budget worksession is scheduled for Wednesday, August 21 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 2020 Proposed Budgets for the Sustainability, Economic Development, Center City Development and Operations.

Sustainability

The Proposed FY 2020 Budget for the Sustainability Department includes funding from Restricted Funds. Below is a summary of the funding and position counts that would be authorized by the FY 2020 Proposed Budget.

FUND	FY 2020 PROPOSED BUDGET	AUTHORIZED POSITIONS
Solid Waste Operating & Maintenance Fund	\$1,319,557	5
Energy Efficiency Fund	1,399,359	4
Total	\$2,718,916	9

The FY 2020 Proposed Budget includes \$235,000 to engage the community, institutions, and the business community in the implementation of the SA Tomorrow Sustainability Plan as well as the ongoing discussion and formulation process for the SA Climate Ready plan.

Additionally, the FY 2020 Proposed Budget includes \$50,000 in one-time funding to engage a consultant experienced in economic analysis to estimate the costs and benefits of potential sustainability policies as part of the implementation of the SA Tomorrow Sustainability and SA Climate Ready Plans. The FY 2020 Proposed improvements for Sustainability are detailed in Attachment 1.

Economic Development

The Proposed FY 2020 Budget for the Economic Development Department 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 2020 Proposed Budget.

FUND	FY 2020 PROPOSED BUDGET	AUTHORIZED POSITIONS
General Fund	\$7,971,739	38
General Fund- Workforce Development Agencies	3,665,023	0

Economic Development Incentive Fund	2,490,742	0
Starbright Industrial Corporation Fund	1,662,609	0
Total	\$15,790,113	38

The FY 2020 General Fund appropriation for Economic Development is \$11,796,186 of which \$2,161,838 is transferred to the Economic Development Incentive Fund (EDIF) and \$1,662,609 is transferred to the Starbright Industrial Development Corporation Fund.

The Economic Development Department collaborates other agencies to foster job creation and investment in targeted industries including advanced manufacturing, aerospace, cybersecurity and information technology, biosciences, and new energy. Economic Development works to empower small, minority, and women owned businesses and entrepreneurs in starting and growing local businesses through participation of City contracts, services provided through LaunchSA and access to capital. Economic Development also focuses on alignment of local industry workforce needs with training providers through SA Works and invests in delegate agencies to provide training and support for distressed populations to ensure inroads into the growing San Antonio economy.

The FY 2020 Proposed Budget includes \$2.5 million for city-wide incentives to stimulate the creation and retention of jobs and investment in San Antonio in a globally competitive environment.

The FY 2020 Proposed Budget includes a total of \$100,000 in reductions for SAWorks funding (\$50,000) and the elimination of the Austin SA Corridor Membership (\$50,000). The FY 2020 Proposed Budget reductions are included in Attachment 2.

Center City Development & Operations Department

The Proposed FY 2020 Budget for the Center City Development & Operations Department 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 2020 Proposed Budget.

FUND	FY 2020 PROPOSED BUDGET	AUTHORIZED POSITIONS
General Fund	\$16,952,446	68
Inner City Incentive Fund	2,000,000	0
Parking Operation & Maintenance Fund	10,366,177	91
Market Square Fund	2,343,088	6
City Tower & Garage Fund	6,108,385	5
Capital Projects	11,143,682	0
Total	\$48,913,778	170

The total Center City Development and Operations FY 2020 Proposed General Fund Budget is \$18,952,446 of which \$2,000,000 is transferred to the Inner City Incentive Fund. The total Market Square FY 2020 Proposed Budget is \$2,568,244, of which \$225,156 is transferred to the Parking Operating and Maintenance Fund. The

total City Tower and Garage Fund FY 2020 Proposed Budget is \$6,188,988 of which \$80,603 is transferred to the Parking Operating & Maintenance Fund.

General Fund

The FY 2020 Proposed Budget maintains current service levels for the Center City Development & Operations Department. The budget continues funding \$2.5 million towards the City Fee Waiver Program which fosters development including targeted industries, small business, affordable housing, owner-occupied and historic rehabilitation projects.

The FY 2020 Proposed Budget also includes increases to Riverbarge and Tower of the Americas tickets. A \$1 per ticket increase to Riverbarge ticket prices is included as per the scheduled increase included in the concessioner contract, and is estimated to generate \$1.2M which is included in the FY 2020 Proposed General Fund revenues. In addition, \$0.50/ticket increases are proposed to both Riverbarge and Tower of the Americas tickets which would generate \$1 million to be utilized for homeless initiatives.

Parking Operating & Maintenance Fund

The Parking Fund was established in FY 1980 to account for revenues and expenditures associated with the operation and maintenance of the City's parking structures, parking areas, and required debt service for outstanding bonds.

The Budget also includes \$9.4 million for capital investment in parking facilities including improvements and deferred maintenance for existing garages and lots as well as funding for the design and construction of a new parking garage for downtown.

City Tower & Garage Fund

The City Tower & Garage Fund was established in FY 2018 to account for revenues and expenditures associated with the operation and maintenance of the City Administrative Building. Effective August 1, 2019, the City assumed ownership of the former Frost Bank Tower (City Tower) and became responsible for operation and maintenance for the building and the adjacent parking structure. The FY 2020 Proposed Budget includes funding for 5 new positions to operate the City Tower Garage.

The FY 2020 Proposed Budget Improvements and Revenues for Center City Development and Operations Departments are included in Attachment 3.

ALTERNATIVES:

This item is a scheduled worksession for the FY 2020 Proposed Budget.

FISCAL IMPACT:

This presentation provides a briefing on the major initiatives within the Sustainability, Economic Development, and Center City Development Office departments. The FY 2020 Budget is scheduled to be adopted by City Council on September 12, 2019.

RECOMMENDATION:

This item is a worksession for discussion of the FY 2020 Proposed Budget and is for briefing purposes only.

