



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 1

Agenda Date: September 4, 2024

In Control: City Council Budget Work Session

DEPARTMENT: Office of Management & Budget

DEPARTMENT HEAD: Justina Tate

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

City Council Work Session on the FY 2025 Proposed Budget

SUMMARY:

Staff presentation on the FY 2025 Proposed Budget focusing on, but not limited to, the following City policies and initiatives:

- A. Convention and Sports Facilities
- B. Arts and Culture
- C. Visit San Antonio

BACKGROUND INFORMATION:

The City Manager presented the FY 2025 Proposed Budget to the Mayor and City Council on August 15, 2024.

About the City Budget

The FY 2025 Proposed Budget is \$3.96 billion for all funds and \$1.67 billion for the City's General Fund. To mitigate rising costs the budget proposes \$36.6 million in spending reductions over the next two years. These reductions were accomplished by transferring expenses from the General

Fund to our Capital Budget and other funds, reducing development incentives, aligning workforce development spending, and adjusting department's budgets to actual spending and service demands. These reductions allow the city to remain resilient and continue investing in the top priorities of the community.

The need to be more resourceful and mindful of spending is due to expenses growing faster than revenue and revenue growth returning to pre-pandemic levels. There is no change to the City's property tax rate.

The Proposed Budget reflects both the priorities of the City Council and the community. Investments in key, core areas are proposed while continuing to support the services the community expects. These priorities include Streets and Sidewalks, Animal Care Services, Public Safety, services to assist the Homeless and Encampment Cleanups, and Affordable Housing.

Budget Worksessions

Department Directors will be presenting their budgets in detail to the City Council at a series of budget work sessions that begin on August 21 and culminate on September 18.

Community Input:

Eleven townhall meetings across the City are taking place beginning August 19 and ending on August 31. At these meetings the public will have an opportunity to provide their feedback on the proposed budget.

Additionally, 2 public hearings on the City's Property Tax Rate and Proposed Budget will be held on September 4 and September 12 at City Council Chambers.

Budget Adoption:

The budget is scheduled to be adopted on September 19 for the City's fiscal year that begins on October 1. By City Charter the Budget must be approved before September 27.

ISSUE:

The FY 2025 Proposed Operating and Capital Budgets for Convention and Sports Facilities, Arts and Culture, and Visit San Antonio will be presented on Wednesday, September 4 from 2:00 P.M. to 5:00 PM.

Convention and Sports Facilities

The Convention and Sports Facilities Department (CSF) oversees the operation and management of the Henry B. Gonzalez Convention Center, the Lila Cockrell Theatre, the Alamodome and the Carver Community Cultural Center. These multi-purpose facilities are used for conventions, sporting events, corporate meetings, trade shows, consumer shows, performing arts events, concerts, and a variety of civic, religious, and private functions. The Community and Visitor Facilities Fund was established in FY 2004 to account for revenues and expenditures generated from all convention and sports related activities operated by the Convention and Sports Facilities (CSF) Department. Additionally, CSF receives General Fund support for the Carver Community

Cultural Center, which provides access to facility space rental, arts, education, and artistic performance opportunities.

The budget presentation will provide an overview of the FY 2025 Proposed Budget for Convention and Sports Facilities. Attachment 1 includes the FY 2025 Budget Pages for the department, Attachment 2 includes the FY 2025 Program Changes, and Attachment 3 includes the FY 2025 Revenue Enhancements.

Arts and Culture

The Arts and Culture Fund was created in FY 2007 to account for expenses generated in support of San Antonio arts and cultural programming. The Arts and Culture Fund receives 15% of the net HOT allocations. With oversight by the San Antonio Arts Commission and its Committees, the Department of Arts & Culture enriches the quality of life in San Antonio by leading and investing in arts and culture through initiatives including Arts Agency Funding, Cultural Events & Exhibits, Public Art, and the San Antonio Film Commission.

The budget presentation will provide an overview of the FY 2025 Proposed Budget for Arts and Culture. Attachment 4 includes the FY 2025 Budget Pages for the department.

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 nonprofit 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 up to 35% of the HOT revenue budget net of the debt service payments related to the Convention Center Expansion. The FY 2025 Proposed Budget recommends an allocation of \$28,406,668 for Visit San Antonio.

The budget presentation will provide an overview of the FY 2025 Proposed Budget for Visit San Antonio.

ALTERNATIVES:

This item is a scheduled work session for the FY 2025 Proposed Budget.

FISCAL IMPACT:

This item is a work session for discussion of the FY 2025 Proposed Budget and is for briefing purposes only.

RECOMMENDATION:

This item is a work session for discussion of the FY 2025 Proposed Budget and is for briefing purposes only.