



City of San Antonio **FY 2025** Proposed Budget

City Council Budget Worksession
Budget Amendments
September 17, 2024

Meeting Agenda

1. General Fund Major Revenues Update
2. Two-Year Budget Review
3. CPS Revenue
4. Property Tax Appraisals
5. ARPA Funds Allocation
6. Potential Budget Amendments Review
and Discussion



General Fund Revenues



Since the Budget was proposed on August 15, revenues have been evaluated based on actual receipts and we anticipate that overall FY 2024 revenues will exceed projections included in the FY 2025 Proposed Budget in the General Fund by \$2.5 million

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Two-Year Budget General Fund

(\$ in Millions)	FY 2025 Proposed	FY 2026 Plan
Beginning Balance	\$212.0	\$142.5
Revenues	1,612.4	1,665.1
Expenses	1,671.6	1,727.3
FY 2026 Reductions		(8.2)
Reserves	\$152.8	\$88.5
Reserves as a % of Revenues	19%	15%

- \$8.2 million needed in reductions to balance FY 2026
- \$2.5 million in additional general fund revenue recommended to offset FY 2026 cuts

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CPS Policy included in Proposed Budget

City Payment from Off-System Sales

Revenue from off-system sales is capped at \$10 million annually with any City payment from off-system sales above \$10 million reserved in a CPS Energy Capital Reserve Fund with any shortfall in the City's payment base budget at year end deducted from the fund to determine the amount eligible to be transferred to CPS Energy for resiliency and reliability initiatives

City Payment Base Budget

City payment in excess of 10% over the City's adopted City payment base budget (adopted budget plus 10%) allocated to the following authorized purposes based upon percentages to be determined by the City:

- CPS Energy resiliency and reliability projects; and
- City's Resiliency Energy Efficiency and Sustainability Fund (REES)

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CPS Energy Payment

(\$ in millions)	Estimate (Oct to Aug)	Actual (Oct to Aug)	Variance
Base payment	\$387.6	\$378.2	(\$9.4)
Off-system sales	\$10.0	\$40.6	<u>\$30.6</u>
		Balance	<u>\$21.2*</u>

*\$21.2 million eligible to be transferred to CPS Energy to be finalized upon receipt of September 2024 City Payment; B Session to be scheduled for November 2024 to provide update to City Council

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Property Tax

The Board of Directors of the Bexar Appraisal District (BCAD) recently considered changes to the annual reappraisal process and approved:

- Continuing with an Annual Appraisal Plan, and
- Effective Tax Year 2025 (Fiscal Year 2026) protested values will freeze and roll forward into Tax Year 2026 (Fiscal Year 2027)

Two-year Freeze of Protested Values:

- Will increase number of protests received by BCAD
- Negative impact on future City property tax revenue
- Not able to calculate the exact impact based on information available today

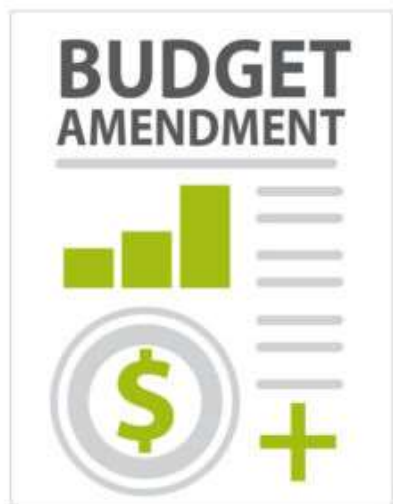
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ARPA Funds Allocation

- \$2.5 million available for allocation
 - At budget proposal \$2.76 million
 - City Council approved \$250,000 to Building Brighter Communities for relocation services



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Potential Budget Amendments to the Proposed FY2025 Budget

- A list of 17 potential budget amendments we have heard from Council Members over the past 4 weeks was sent to your offices yesterday

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