



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 1

Agenda Date: August 27, 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. Public Works
- B. Transportation
- C. Debt Management Plan & Capital Budget

BACKGROUND INFORMATION:

The City Manager presented the FY 2025 Proposed Budget to the Mayor and City Council on 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 Budgets for the Public Works Department, Transportation Department, Capital Program and Debt Management Plan will be presented on Tuesday, August 27 from 9:00 AM to 12:00 PM.

Public Works

The Public Works department oversees and directs the development and maintenance of publicly owned infrastructure. It is comprised of several divisions that monitor Traffic, Stormwater, Streets & Right of Way, and capital projects.

Divisional activities for the department include: pothole repairs, pavement markings and signage, engineering and infrastructure assessment of street, drainage, and transportation projects, reduce traffic congestion, manage the City's centralized traffic management system, enhance sidewalk and pedestrian ramp improvements, make ADA compliant improvements to sidewalks, curbs, and

wheelchair ramps, project management of horizontal, facility and park projects, street repair through improved street restoration standards, and Storm Water infrastructure maintenance. Additionally, the Department is responsible for the implementation and completion of the 2022 Bond Program.

The budget presentation on Tuesday, August 27, will provide an overview of the FY 2025 Proposed Budget for Public Works to include progress on the Infrastructure Management Program, the Capital Budget and other initiatives for the year. **Attachment 1** includes the FY 2025 Budget Pages for the Public Works and **Attachment 2** includes the FY 2025 Program changes.

Transportation

The City of San Antonio's Transportation Department is responsible for creating a safe, sustainable, and equitable, multi-modal transportation system for all San Antonio residents through its four programmatic areas: Vision Zero, SA Bikes, Multi-Modal Planning, and Quiet Zones.

The budget presentation on Tuesday, August 27, will provide an overview of the FY 2025 Proposed Budget for the Transportation Department to include an update on Vision Zero, the Bike Network Plan, Transit-Oriented Development as well as Complete Streets. **Attachment 3** includes the FY 2025 Budget Pages for Transportation and Attachment 4 includes the FY 2025 Program changes.

Debt Management Plan

Utilizing municipal bonds and other types of debt to fund public infrastructure is a valuable strategy for local Governments to spread the cost of long-term assets. The Debt Management Plan presentation will lay out the amount of outstanding debt, types of debt, and debt limits, included the debt that supports the City's Six Year Capital Improvement Plan.

Capital Budget

The FY 2025-2030 Six-Year Capital Improvement Plan (CIP) totals \$4.7 Billion and 446 projects. The CIP represents the City's long-range physical infrastructure development and improvement plan. Items in the six-year plan include new streets and sidewalks, drainage enhancement projects, park and library facility rehabilitation projects, aquifer land acquisition and linear park development, public health and safety enhancements, airport improvements, technology improvements, flood control projects, and municipal facility construction and refurbishment projects. The capital spending plan for FY 2025 totals \$860.2 million.

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.