



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 1

Agenda Date: August 28, 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. Human Services (DHS)
- B. Neighborhood and Housing Services (NHSD)
- C. American Rescue Plan Act (ARPA)
- D. Health

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. There 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 Human Services, Neighborhood and Housing Services, ARPA, and Health will be presented on Wednesday, August 28 from 2:00 P.M. to 5:00 PM.

Human Services. The Department of Human Services (DHS) promotes life-long success by connecting people to early education and childcare subsidy assistance, education, emergency assistance, homeless prevention and intervention supports, older adult programming, and migrant support services.

The budget presentation will provide an overview of the FY 2025 Proposed Budget for Human Services to include homeless investment, senior services, and delegate agencies. Attachment 1 includes the FY 2025 Budget Pages for the department, and Attachment 2 includes the FY 2025 Program changes.

Neighborhood and Housing Services. Neighborhood and Housing Services Department is responsible for implementing the Strategic Housing Implementation Plan with the goal to produce or preserve over 28,000 homes by 2031. This includes development of affordable housing development, housing preservation and rehabilitation, housing access and stability programs. Additionally, the Department oversees major and minor home rehabilitation and repair, rental assistance, homebuyer assistance and coordinated housing support.

The budget presentation will provide an overview of the FY 2025 Proposed Budget for Neighborhood and Housing Services to include housing investments, and an update on the housing programs provided by the City. Attachment 3 includes the FY 2025 Budget Pages for the department, and Attachment 4 includes the FY 2025 Program changes.

American Rescue Plan Act. On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law, which was intended to provide aid for public health and economic recovery from the COVID-19 pandemic and address the negative effects that were exacerbated by the pandemic on vulnerable individuals, businesses, and communities. The City of San Antonio was awarded \$326.9 million in State and Local Fiscal Recovery Funds (SLFRF) made available through ARPA that must be obligated by December 2024 and spent by December 2026. In addition to SLFRF, the City has received other ARPA grants, including Airport, Health, and Housing Assistance. The budget presentation will provide a financial update on ARPA programs.

San Antonio Metropolitan Health District. Metro Health provides vital public health services in San Antonio and Bexar County. Public Health services include regulatory functions, emergency planning and disaster response, preventive health, clinical and laboratory services, communicable disease control, violence prevention, behavioral and mental health services, performance improvement, and advancing health equity, social justice, and policy change.

The budget presentation will provide an overview of the FY 2025 Proposed Budget for Health to include an update on SA Forward, mental health, and domestic violence prevention. Attachment 5 includes the FY 2025 Budget Pages for the department, and Attachment 6 includes the FY 2025 Program changes.

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.