

# Proposed Operating & Capital Budget FY 2023

---



**Presented by  
Erik Walsh, City Manager**

**City Council "A" Session  
August 11, 2022**





# **FY 2023 Proposed Budget**

- Built on City Council and Community Priorities
- Gives money back to residents
- Invest in the retention and recruitment of employees
- Makes significant investments in infrastructure and major City facilities
- Invests in Community



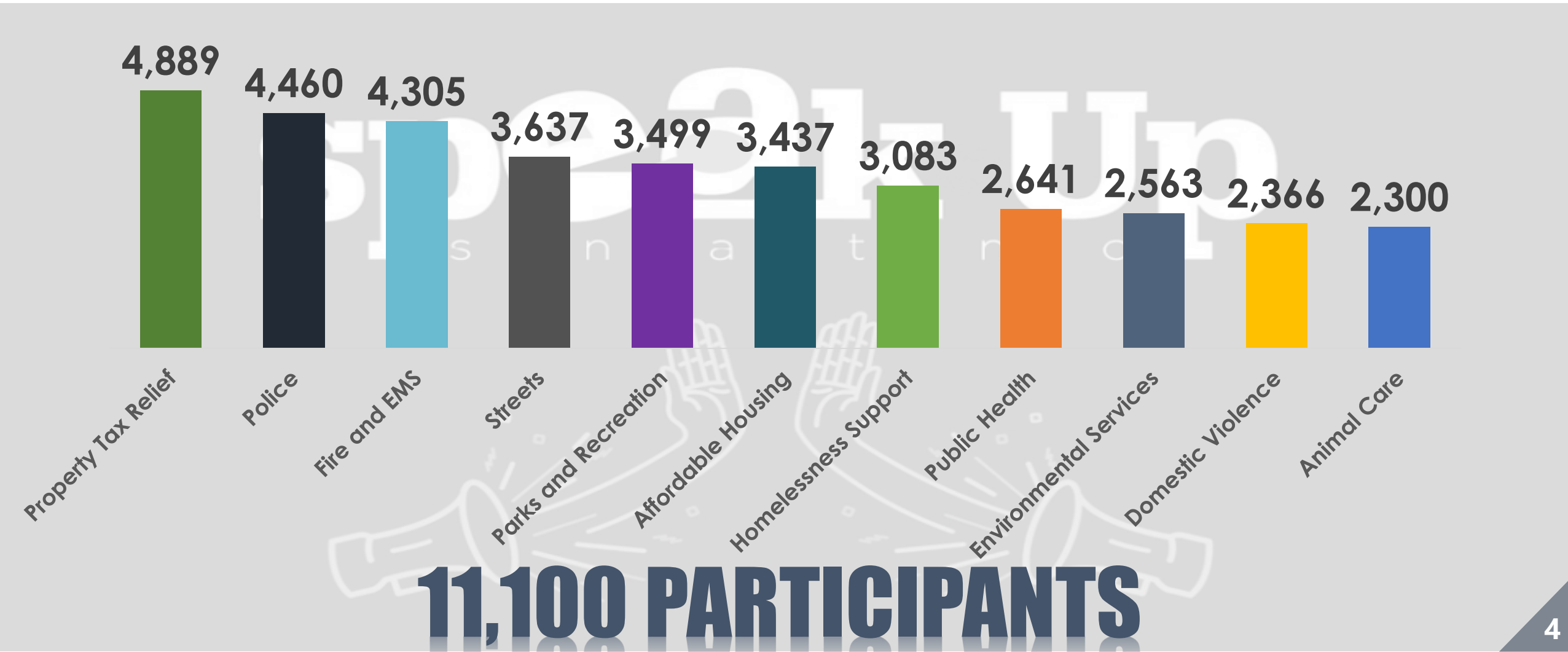


## SASpeak Up

- 10 Budget Town Hall across the City in May and July
- Survey: June 4 to July 8, 2022
- Promoted through paid digital, radio/television advertising, City facilities, festivals, farmer's markets, door hangers, and yard signs

# FY 2023 Community Service Priorities

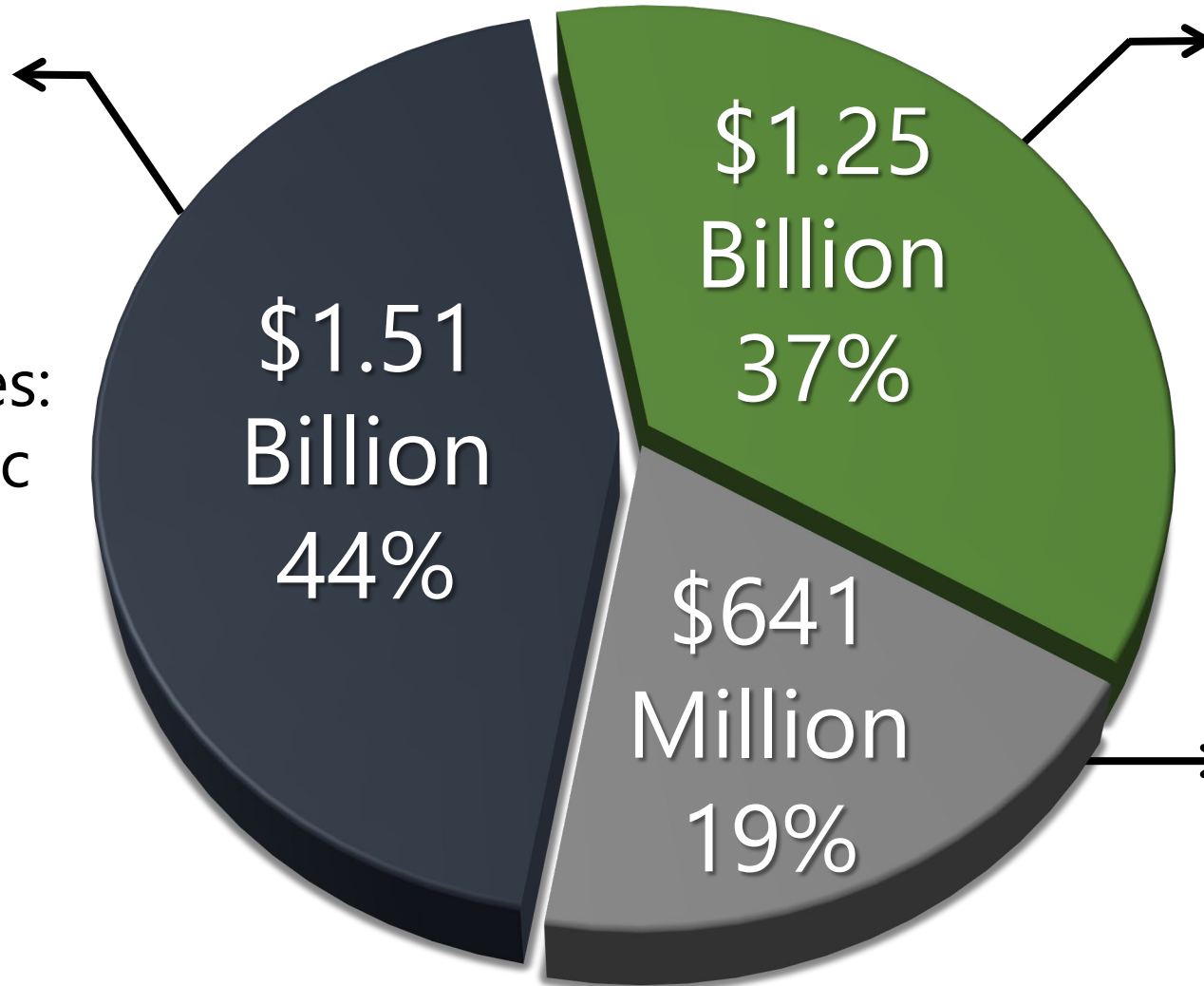
Five most important City Services



# FY 2023 Proposed Total City Budget \$3.4 Billion

## General Fund

Supports most basic City services: Police, Fire, Public Works, Parks, Library



## Restricted Funds

- Airport Fund
- Development Services
- Hotel Occupancy Tax
- Solid Waste
- Grants

## Capital Program

- 2022 bond projects
- Airport projects

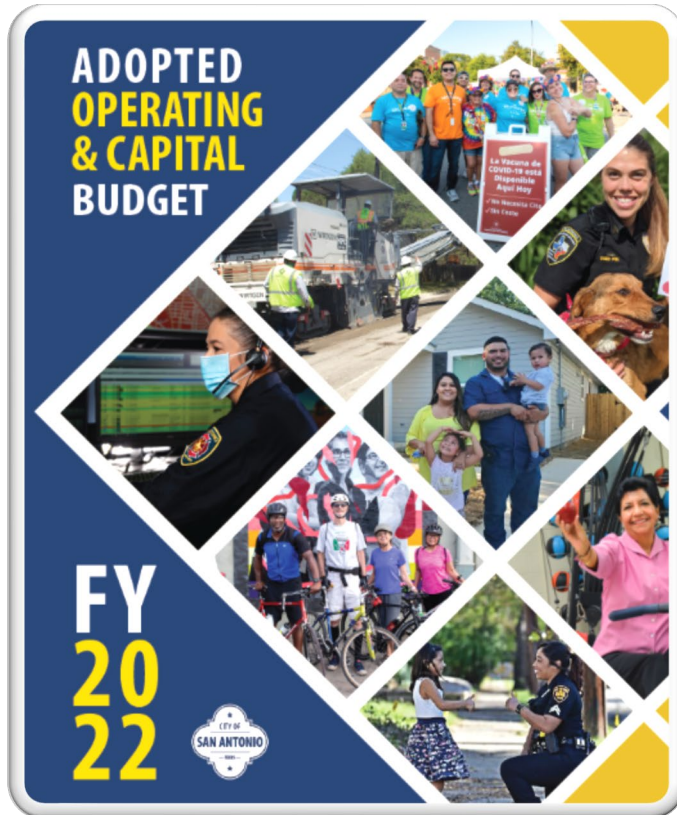


# American Recovery Plan Act (ARPA)

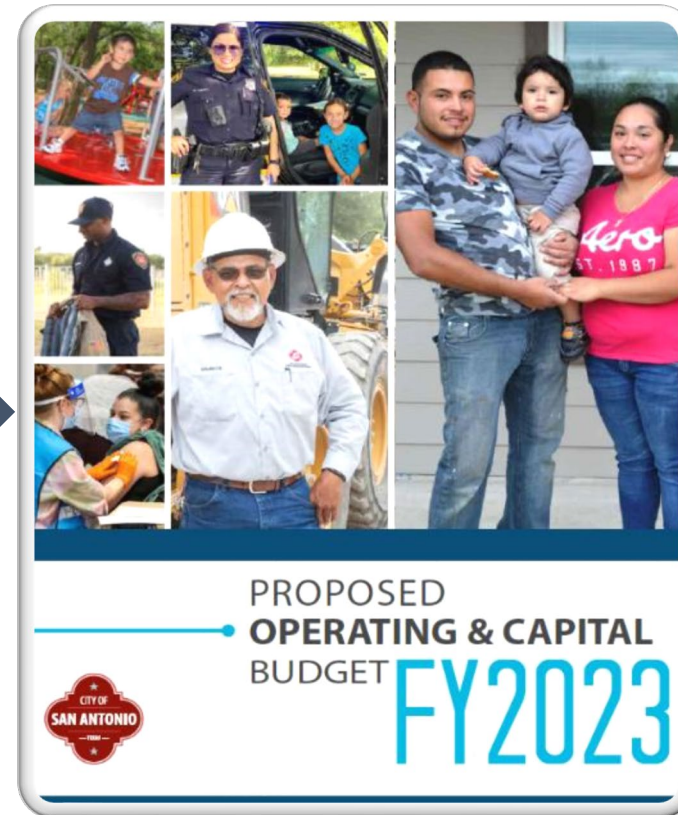
- **\$490 Million Awarded**
  - State and Local Fiscal Recovery Funds
  - Housing Emergency Assistance
  - Health Disparities
  - Airport
- **\$156.4 Million included in FY 2023 Proposed**



# Year-over-Year Growth in the General Fund



**\$1.36 Billion**



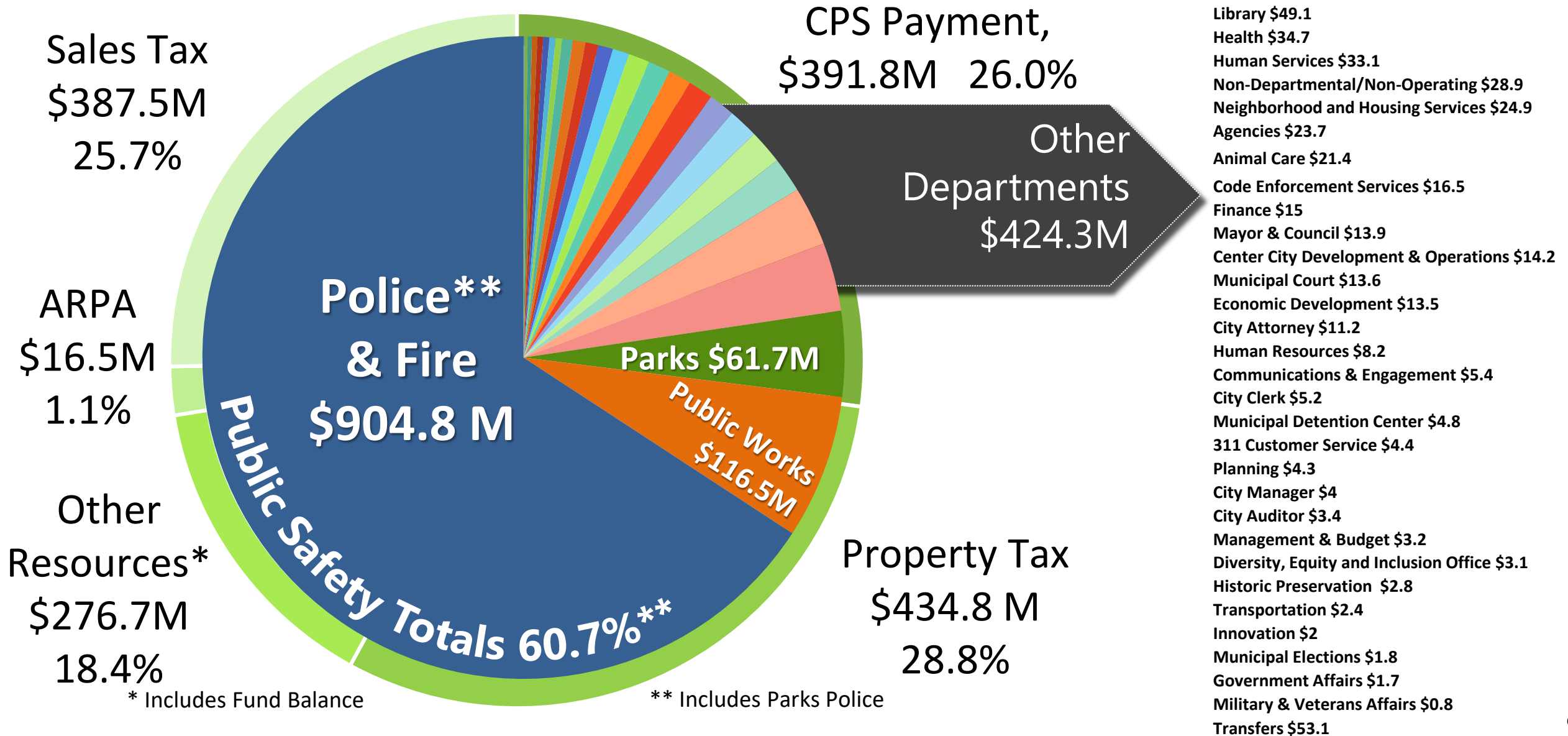
**\$1.51 Billion**

**7.2%**  
increase  
operating  
expenses  
only

**11%**  
increase  
overall



# FY 2023 General Fund Budget: \$1.5 Billion





# Relief to Residents

**FY 2023 Budget provides  
\$72.5 Million in relief to residents**

**Property Tax  
Relief**

**\$22.5 Million**

**Customer  
Energy Credit**

**\$50 Million**

# City Property Tax Relief



Homestead  
Exemption  
0.1% → 10%



Disabled Person  
Exemptions  
\$12,500 → \$85,000



Over 65  
Exemptions  
\$65,000 → \$85,000

## \$95 Million in Property Tax Relief

240,500

San Antonio  
Homesteads

7,000

Disabled Persons

102,000

Seniors Over 65

**\$250,000: Educate residents on protesting property values and filing exemptions**



# City Property Tax Rate

## Reduces City Property Tax Rate

FY 2022 Rate (in cents)	FY 2023 Rate (in cents)	Rate Reduction
55.827	54.161	1.67

Per \$100 in value

# Customer Energy Credit

## **\$50 Million back to CPS Energy Customers**

- \$5 million to assist eligible low-income residential customers
- \$45 million: Credit to all CPS Energy customers
  - Based on July energy usage
  - Average credit \$31 on October bills



# General Fund Revenues

Revenue	FY 2022 Adopted	FY 2022 Estimate	FY 2023 Proposed
Property Tax	\$410.4	\$410.4	\$434.8
City Sales Tax	336.6	376.2	387.5
CPS Energy	361.2	436.3	391.8
Other Revenues	192.7	215.2	221.6
ARPA	30.0	30.0	16.5
Total	\$1,330.9	\$1,468.1	\$1,452.2

# Today's Job Market

## The Market

- 9% Inflation
- 4% unemployment rate in Texas
- Higher than average job growth

## City of San Antonio

- 9.7% vacancy rate
- Turnover Peaked
- 57% decline in average number of applications received per job posting





# Investment in Employees - \$53 Million



- 5% Across the Board
- Market Adjustment of at least 2%
- Entry Wage Increase to \$17.50
- 20% Healthcare Premium Reduction



# Infrastructure Maintenance - \$154.4 Million

	Amount (\$ in Millions)
Street Maintenance	\$116.0
Sidewalks	21.0
Pavement Markings	5.7
Neighborhood and Mobility Program (NAMP)	4.5
Warranted Traffic Signals	2.8
Alley Maintenance	2.25
Bike Facilities	1.0
Guard Rails	1.0
Quiet Zone	0.2
<b>Total</b>	<b>\$154.4</b>

**\$13 Million more  
in Infrastructure  
Maintenance as  
compared to FY  
2022**



# SA Forward Plan

**\$5.8 Million**  
**Health Improvement**



## Five Year Investment Plan

- Initially funded by grants and Health Implementation plan
- Fully funded by General Fund by Year 5
- FY 2023 transitions \$3.8 Million to the General Fund

## Partnership with UT School of Public Health San Antonio

- Helps establish a school of public health to develop next generation of health leadership
- \$2 Million in FY 2023
- \$10 Million over five years

# Mental Health: Multidisciplinary Team Response to 911 Calls (SA CORE)

## \$2 Million

- 12-Month Pilot Program Launched in April 2022
- Will evaluate in April 2023
- FY 2023 Budget sets aside \$2 million to enhance dispatch services at 911 floor for mental health calls and possible SA CORE expansion after pilot concludes



# Affordable Housing

**\$136 Million**

**FY 2023 Investment**



- Aligned with Community
- 2,500 Housing Units from \$136 Million
- FY 2023 – FY 2027 Estimated Investment: \$316 Million
  - \$150 Million in Bond Funding
  - \$70 Million in General Fund
  - \$96 Million in CDBG, HOME and other grants
- Adds 2 housing navigators

# Parks and Recreation

- **\$7.7 Million** Renovations/improvements at 17 park facilities
- **\$10 Million** Edwards Aquifer Protection Program
- **\$1.5 Million** for operations of new facilities, parks and linear creekways
- **\$400,000** to enhance summer youth programming



**\$19.6 Million**  
**Parks & Recreation**  
**Improvements**



# Public Safety - Police



**\$13 Million**  
**Police Improvements**

- **Violent Crime Prevention**
  - UTSA Study
  - COPS grant for 50 officers (\$3.6 Million)
- **\$1.5 Million for SAPD North St. Mary's Station**
  - 28 Police supervisors
  - 7 civilian positions
- **\$6.2 Million Collective Bargaining Agreement**
  - 3.5% increase effective April 1
- **\$1.7 Million - Replacement of In-Car Video System**

# Public Safety - Fire

- **\$581,000 - Medical First Responder Unit at Fire Station 24**
  - 6 positions
- **\$1.3 Million Ladder Company**
  - 15 positions
- **Collective Bargaining Agreement**
  - \$7.1 Million



**\$9 Million**  
**Fire Improvements**



# Library

- **\$3.2 Million** Renovations/Improvements at 8 Library facilities
- **\$1.5 Million** library materials total budget of \$6.7 Million
- **\$74,000** Operating expenses for expanded Texana area at Central Library



**\$4.7 Million**  
**Library Services**

# Human Services

- **\$1.3 Million** for homeless outreach and hotline
- **\$1.2 Million** six month funding to support the lease and operations of the high acuity homeless hotel
- **\$816,000** for operations of the District 4 Heritage Center
- **\$500,000** for Older Adult Technology Services (OATS) for Seniors
- **\$100,000** for Seniors in Play

## \$3.9 Million

### Human Services Improvements





# Economic Development Opportunities



**\$10 Million**

**Economic Development  
Opportunities**

- **\$5.5 Million** for City-wide Economic Development Opportunities
- **\$500,000** supports small, minority, and women-owned businesses public procurement opportunities
- **\$2.5 Million** for City Fee Waivers
- **\$1.5 Million** for Inner City Incentive Development

# Animal Care Services

**\$2.4 Million**

**Animal Care Improvements**



- **\$934,000** operations improvements
  - Enhance Clinic services operations
  - Expand customer service teams
- **\$1.2 Million** for ACS Emergency Overflow and Transport kennels
- **\$228,000** to upgrade play yards



# San Antonio International Airport

**Total Budget  
\$137.1 Million**

- Revenues ahead of pre-pandemic levels
- Passengers continue to grow to 2019 levels
- New airlines and routes
- Expansion of 3 gates in 2023
- Implementation of Terminal Development Program underway





# Airport Expansion and Terminal Development Program

- Largest City capital project
- Major economic generator for the region
- Resources added to manage and deliver
  - 30 new positions for Airport and support departments





# Hotel Occupancy Tax Related Revenue (\$ in Millions)

- HOT Tax and Alamodome revenues recover in FY 2023
- Convention Center revenues expected to recover in FY 2024



	FY 2019	FY 2020	FY 2021	FY 2022 Estimate	FY 2023 Proposed
HOT Tax	\$93.5	\$52.1	\$63.3	\$93.9	\$101.2
Convention Center	19.9	10.2	4.3	15.6	18.1
Alamodome	12.6	6.0	8.5	11.0	13.0



# Convention Center & Alamodome Building Improvements

- Over \$160 Million over the next six years
  - Preventative Maintenance
  - Capital Replacements
  - Facility Improvements
- **\$35.3 Million** included in FY 2023





# Arts and Culture Funding



- **\$7.2 Million** for Arts Agencies funding
- **\$312,000** restores film incentives
- **\$15.7 Million** included in 2022 Bond over five years

# Development Services

**Total Budget  
\$48.6 Million**



**Customer Service Support -  
\$104,000**

- 2 positions for Customer Advocate Permit Counter/Call Center Team

**Short Term Rentals - \$137,000**

- 2 positions to assist with the short term rental program

**Strike Team - \$195,000**

- 2 positions to increase proactive and reactive investigations



# Solid Waste Management

- **Route Rebalance- \$722,000**
  - 15 side load operators to reduce number of houses on each route
- **Additional Illegal Dumping Crew- \$846,000**
  - 5 positions to increase illegal dumping collections
- **Phases Out Commercial Brush Drop Off**
- **FY 2024 Solid Waste Fee Increase**
  - Plan to increase Solid Waste Fee in FY 2024 to cover additional operation expenses
  - Fee last increased in FY 2019

**Total Budget  
\$143.7 Million**



# Sustainability

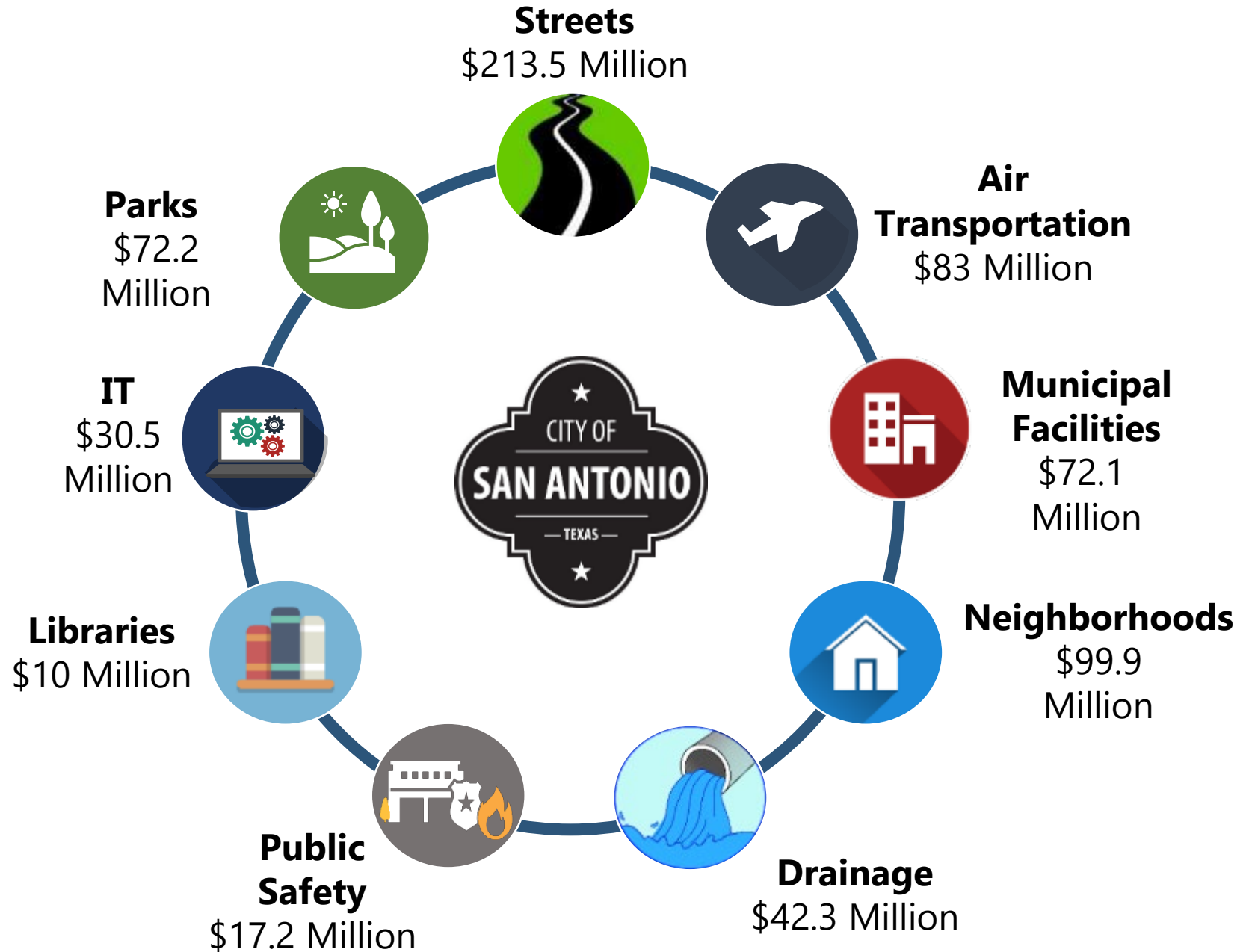
- SA Ready Climate Action and Adaption Plan approved October 2019
  - \$219,000 - 3 positions for the SA Climate Ready Objectives
- Energy Efficiency Program – 6 projects in FY 2023
  - \$131,000 - 2 positions for implementation and to assist other capital projects

**FY 2023 Budget  
\$3.4 Million**





# FY2023 Capital Budget \$641 Million





# 2022 Bond Program \$1.2 Billion

- Largest Bond program in City's history
- Delivered over five years
- \$160 million included in FY 2023
- Increase capacity to manage and deliver
  - 38 new positions in nine departments



# 2022 Bond Spending Plan

Propositions (Amounts in Millions)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Affordable Housing	\$99	\$24	\$16	\$10	\$2
Streets, Bridges & Sidewalks	\$29	\$67	\$91	\$144	\$139
Parks & Recreation	\$15	\$63	\$58	\$84	\$52
Drainage & Flood Control	\$9	\$23	\$26	\$55	\$57
Public Safety Facilities	\$5	\$9	\$10	\$36	\$19
Library & Cultural Facilities	\$2	\$12	\$11	\$23	\$10
<b>Total Spending Plan</b>	<b>\$160</b>	<b>\$197</b>	<b>\$212</b>	<b>\$352</b>	<b>\$279</b>

# City Council Budget Work Sessions

*(Aug. 17 – Sept. 14)*



**Community Input**  
*(Aug. 15 – Sept. 1)*



**2 Public Hearings**  
*(August 31– Sept 8)*



**Budget Adoption**  
*September 15*

**Next Steps**

The diagram features a large green circle on the left with the text "Next Steps" inside. Four lines radiate from the right side of this circle to four smaller circles, each containing an icon and a corresponding text block. The steps are: 1. City Council Budget Work Sessions (Aug. 17 – Sept. 14) with a person at a whiteboard icon. 2. Community Input (Aug. 15 – Sept. 1) with a group of people icon. 3. 2 Public Hearings (August 31– Sept 8) with a calendar icon. 4. Budget Adoption (September 15) with a clipboard icon.



# Proposed Operating & Capital Budget FY 2023

---



**Presented by  
Erik Walsh, City Manager**

**City Council "A" Session  
August 11, 2022**