



2022



PROPOSED OPERATING & CAPITAL BUDGET



City Council "A" Session August 12, 2021
Presented by City Manager Erik Walsh

— Overview

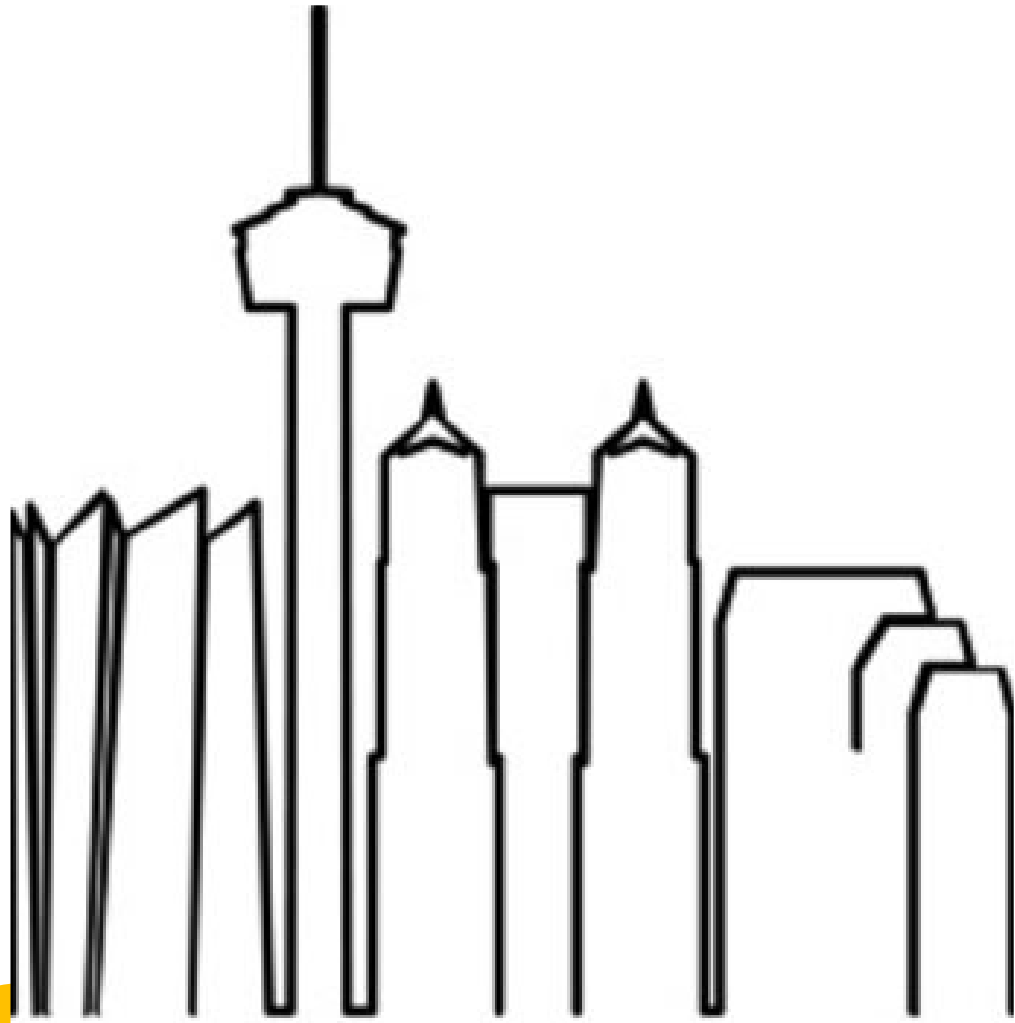
- Reflects faster fiscal recovery from COVID-19, but uncertainty remains
- Restores cuts planned for FY 2022 and increases compensation for employees with no increase to city property tax rate
- Focuses on critical services emerging from the pandemic
- Responds differently to certain calls for service informed by the community wide discussion about policing
- Makes investments to become a more resilient city



Community Strategic Investment Priorities

- Street and Sidewalks
- Public Health
- Senior Services
- Parks & Recreation
- Housing Affordability

Over 12,000 surveys
Two Telephone Town Hall Meetings – 465
Residents



Economic Outlook

- Local economy recovering, but uncertainty remains
- Consumer confidence strong while tourism and business travel recover at a slower pace
- Budget balances better revenue collection in some areas with federal funds aimed to assist local governments
- Budget achieves a two-year balance budget for FY 2022 & FY2023

COVID Impact on City Budget

- Significant impact on city revenues
- Budget reductions implemented in 2020 and 2021
- Civilian compensation frozen in 2021
- Recovery & Resiliency Plan implemented to address community needs



Recovery & Resiliency Plan

Housing Security

- 43,000 households assisted with rent, mortgage & utilities
- 10,000+ households assisted with benefits navigation

Workforce Development

- Over 2,500 individuals enrolled in training
- 389 participants employed

Small Business Support

1,870 business assisted with
\$45.5 million in grants

Digital Inclusion

Beyond the Classroom
connected 16 of 32
neighborhoods

Strategy: Use of Fiscal Recovery Funds

Focus

Financial
Stability

Revenue
Loss
Recovery

Immediate
Community
Needs

Phased Approach

Phase 1

- Stabilize City Budget & immediate community needs (FY2022 Budget)

Phase 2

- Leverage Funding & Community Priorities after budget adoption



Reflects faster fiscal recovery from COVID-19, but uncertainty remains

- Despite COVID, budget is balanced, and general obligation bond ratings are unchanged
- Budget reflects better revenue collections in sales tax and hotel occupancy tax while leveraging federal funds

Use of Fiscal Recovery Funds in the Proposed Budget

- Follows interim guidance
- Budget uses ARPA funds for FY 2020 revenue loss of \$97.5 million programmed over three years: 2021, 2022 & 2023

\$97.5 Million Revenue Loss Recovery

**\$46.5
Million
General
Fund**

**\$51.0
Million Hotel
Occupancy
Tax Fund**

FY 2022 Revenue Recovery

Sales Tax

14% higher
than FY 2021 Adopted

11% better
than FY 2019 Actuals

Hotel Occupancy Tax

15% higher
than FY 2021 Adopted

24% below
FY 2019 Actuals

Airport

44% higher
than FY 2021 Adopted

1.9% better
than FY 2019 Actuals

Uncertainty

From event cancellations to consumer behavior, coronavirus delta variant poses a risk of slowing the pace of economic recovery

FY 2022 Proposed Budget Spending Strategy



Pre-pandemic level of service



Restores budget cuts planned for FY 2022



Adds spending to address Community and City Council Priorities

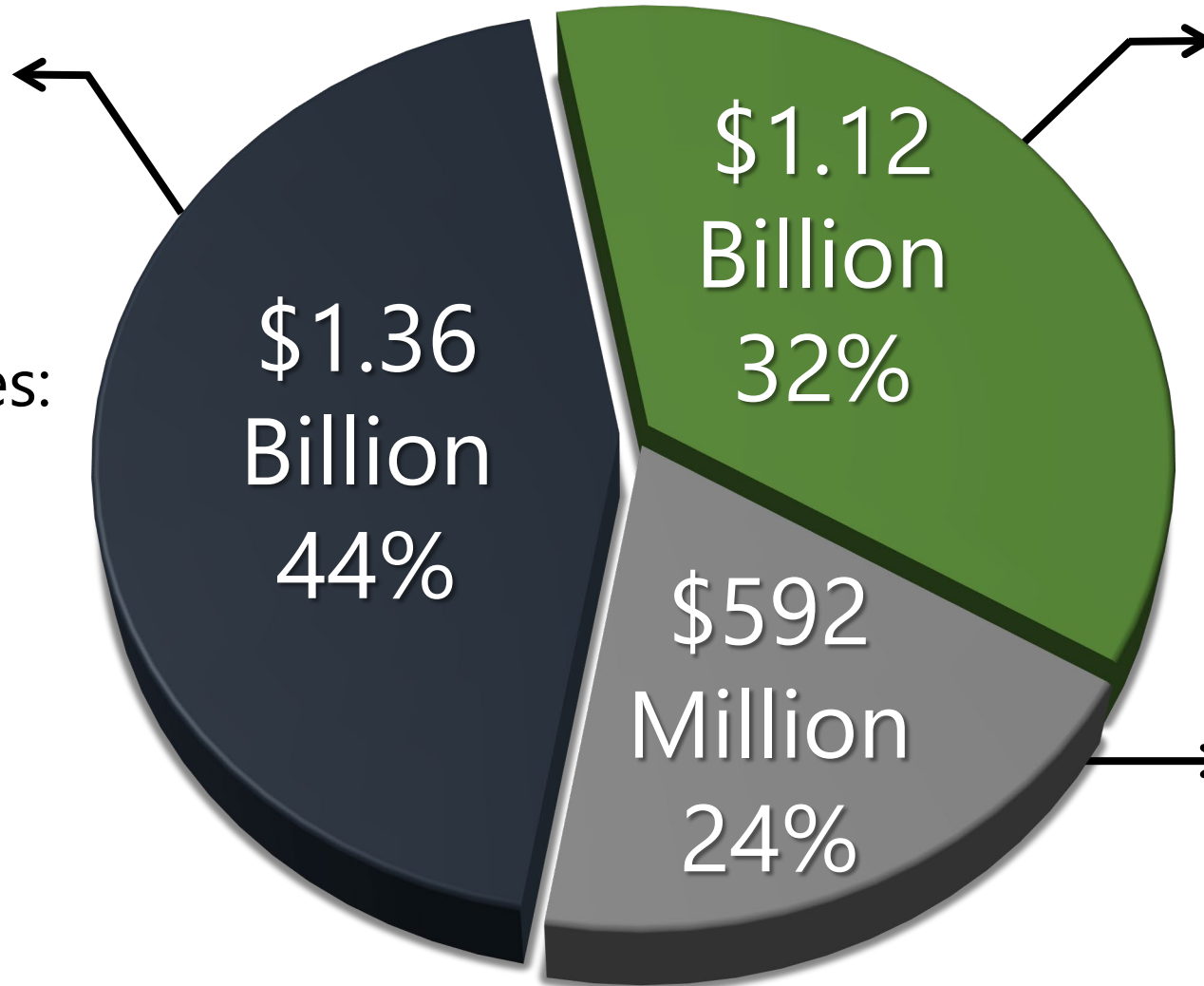


Balances new spending (one-time and recurring) to ensure budget sustainability

FY 2022 Proposed Total City Budget \$3.1 Billion

General Fund

Supports most basic City services:
Police, Fire,
Streets, Parks,
Library



Restricted Funds

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

Capital Program

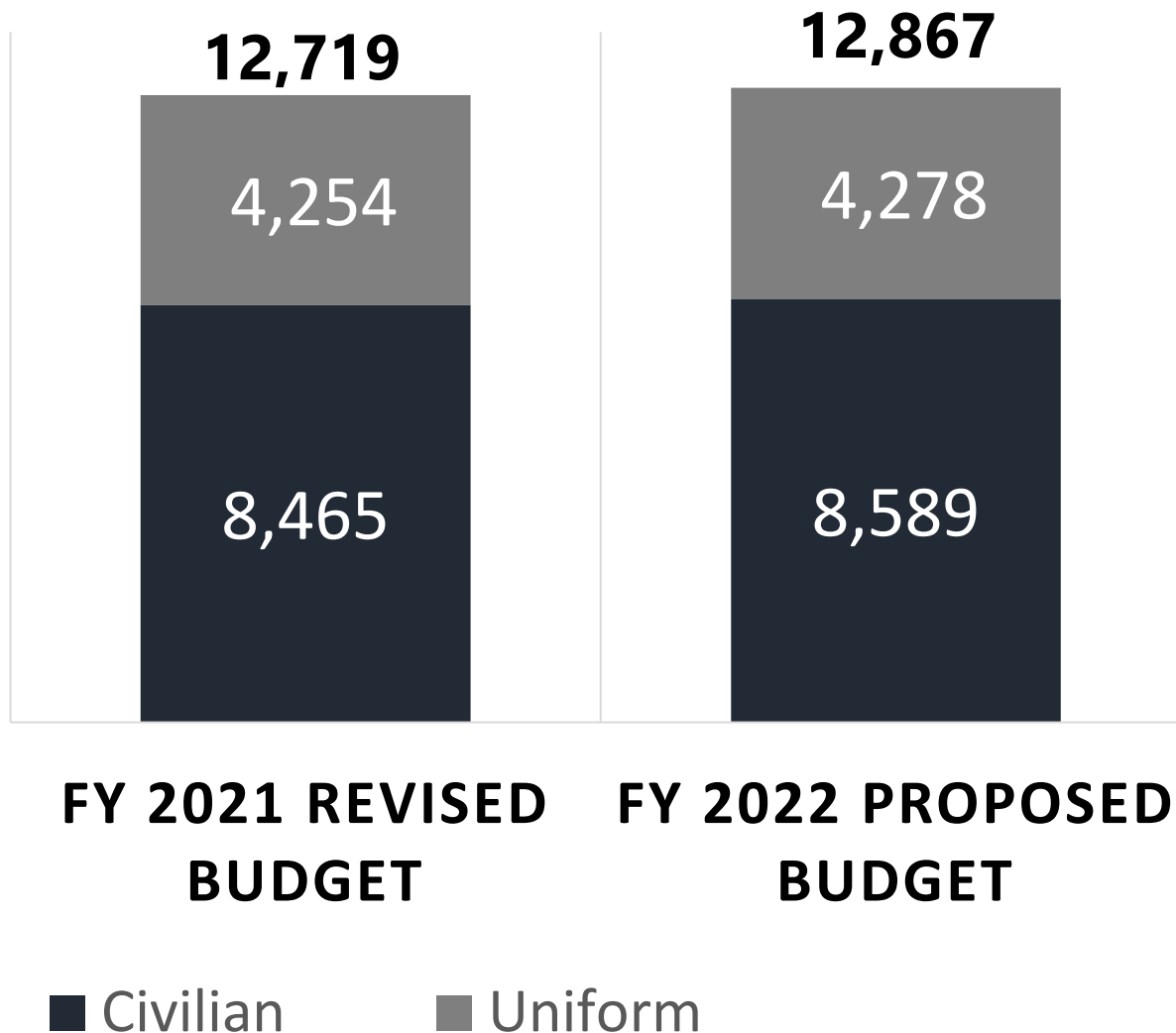
- 2017 bond projects
- Airport projects



Employee Compensation

- To address civilian compensation freeze in 2021, the budget proposes:
 - 5% Pay increase for all civilian employees
 - 4% Recurring
 - 1% Lump sum (one-time)
 - Entry wage: \$15.60/hour
 - Healthcare insurance premiums for civilians same as 2021
 - Civilian Pay Plan will be re-designed in 2022
- Pay and healthcare for Fire and Police Uniform Employees consistent with their collective bargaining agreements
- City will recognize important labor leader and civil rights activist César Chávez on Labor Day

FY 2022 AUTHORIZED POSITIONS

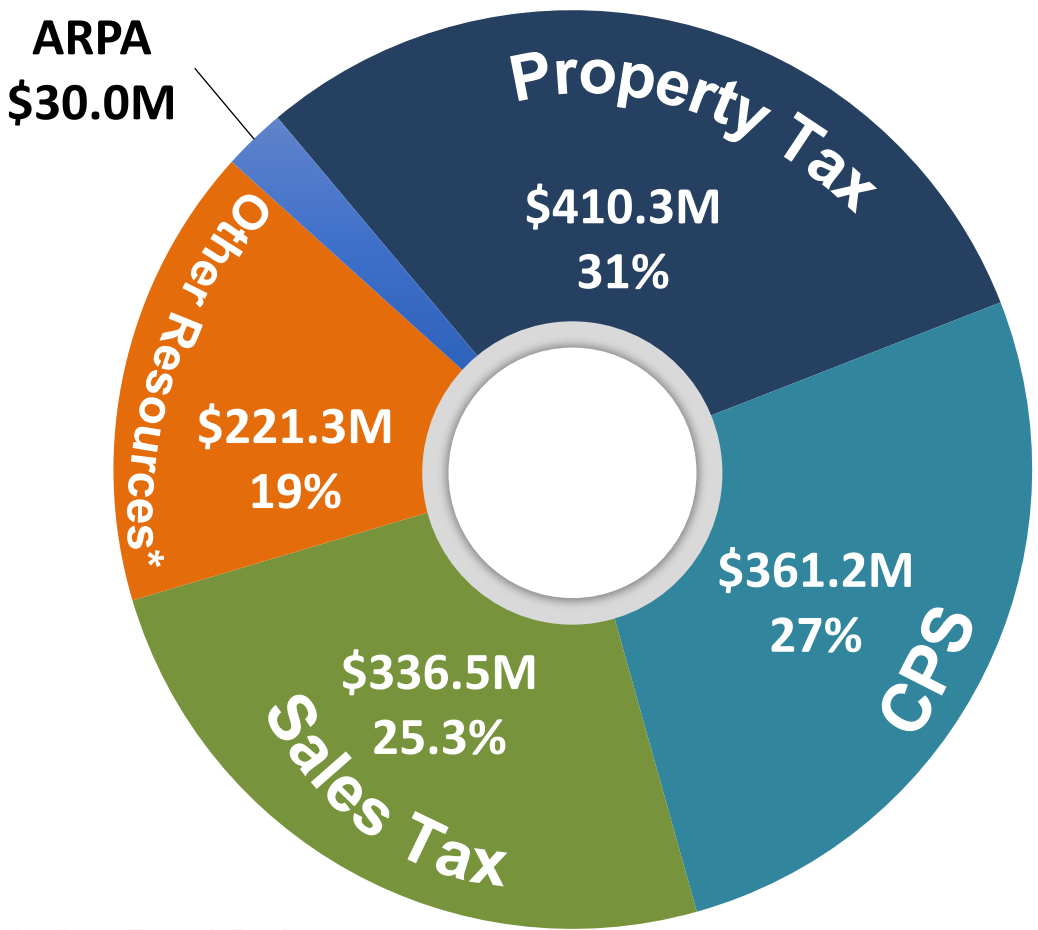


Budget Proposes:

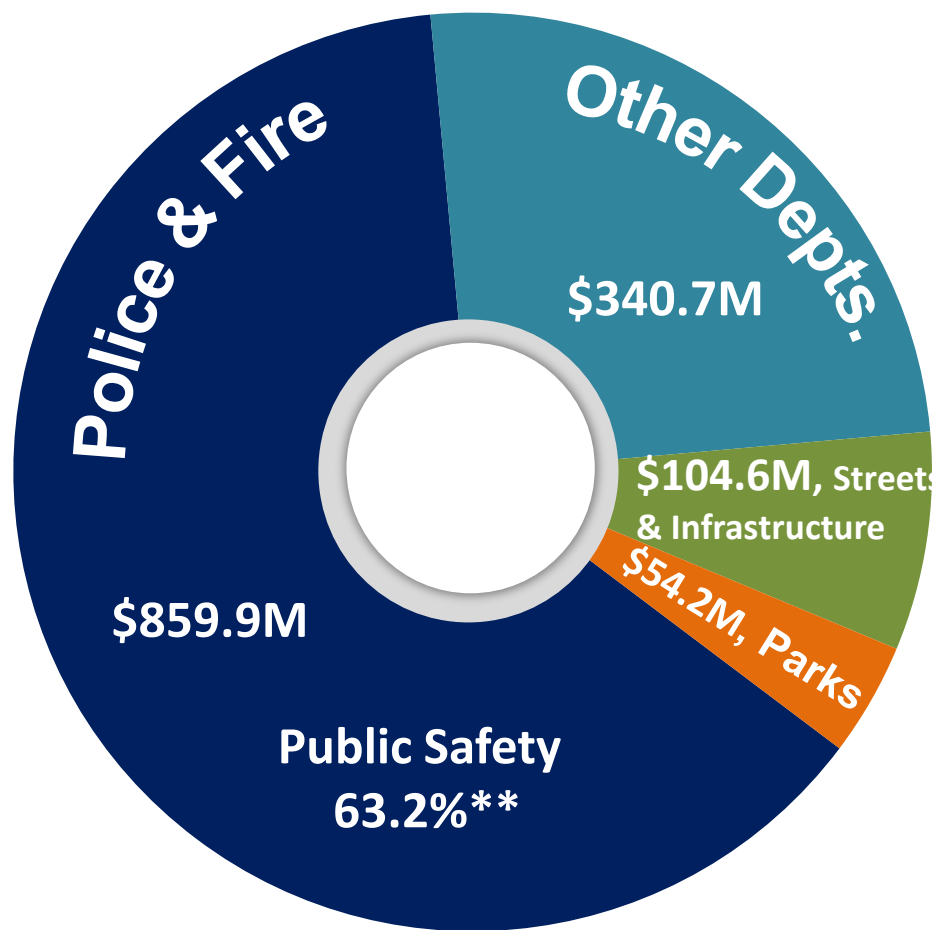
- 24 Uniform Positions
- 124 Civilians

FY 2022 General Fund Budget - \$1.36 Billion

Revenues



Expenses

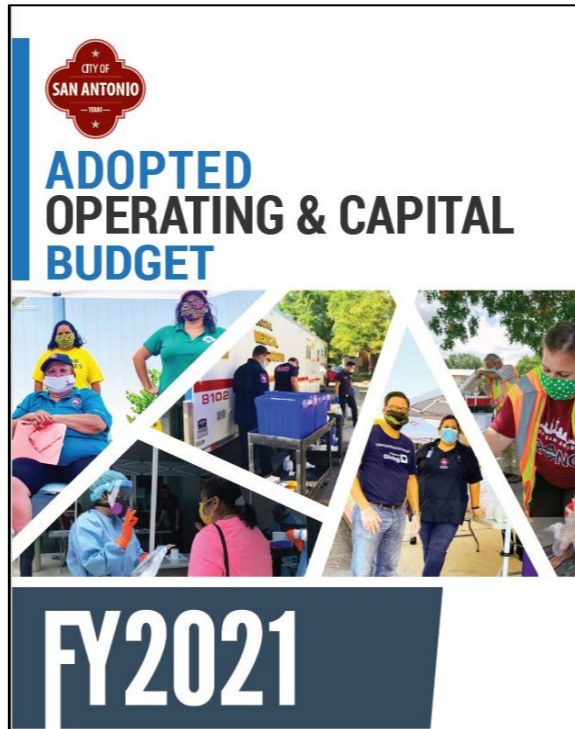


*Includes Fund Balance

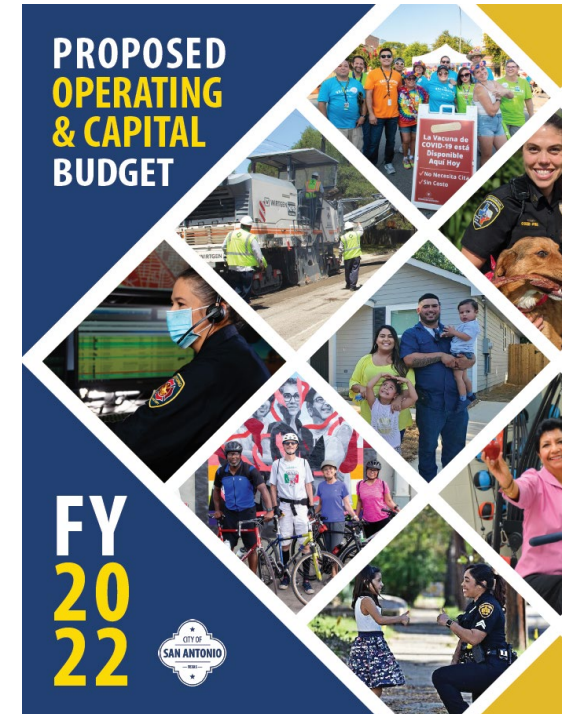
** Includes Parks Police

Year-over-Year Growth in the General Fund

**FY 2021 Adopted
\$1.287 Billion**



**FY 2022 Proposed
\$1.359 Billion**



**3.2% increase not including ARPA
5.6% increase including ARPA**

FY 2022 General Fund Revenues

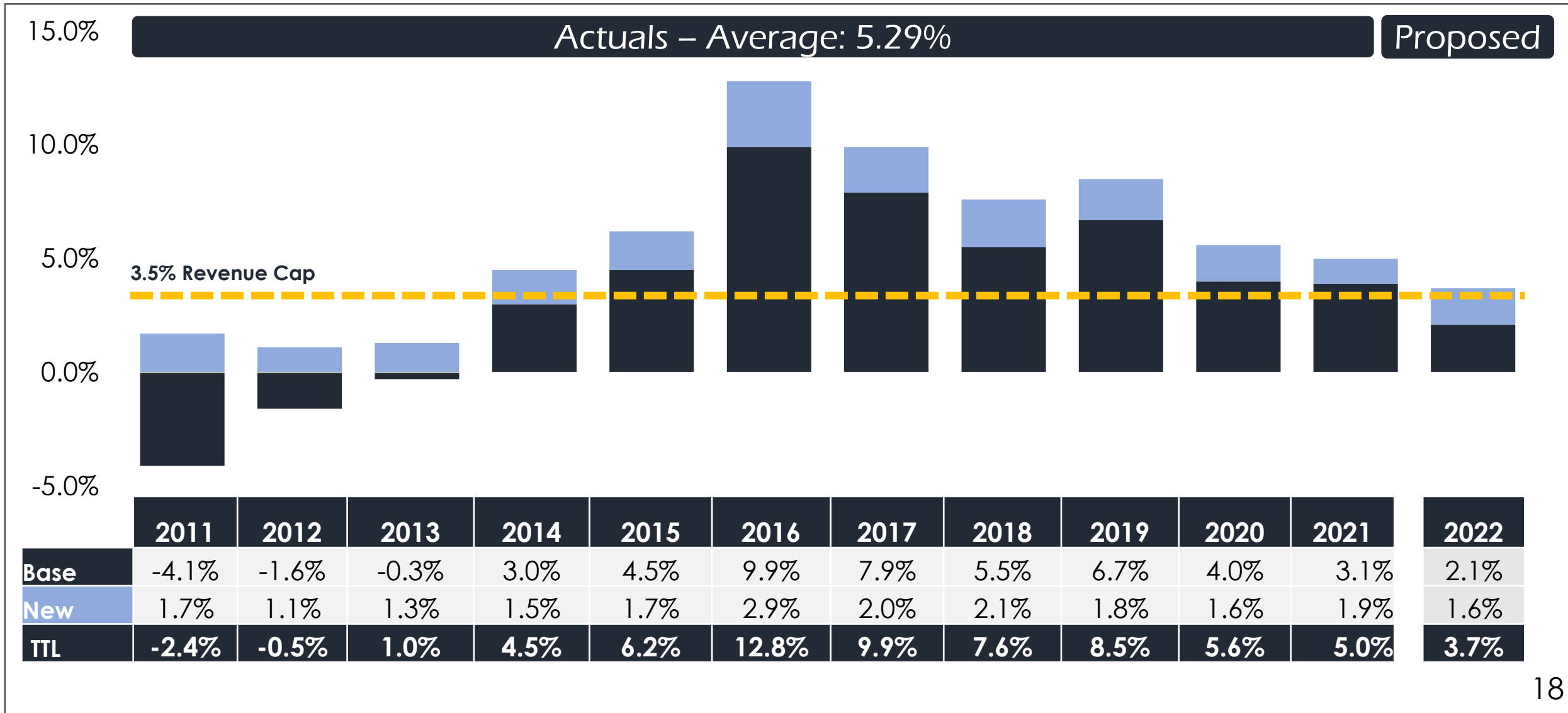
Growth Over FY 2021 Adopted Budget

**4.8% Higher
than FY 2021
Not Including
ARPA**

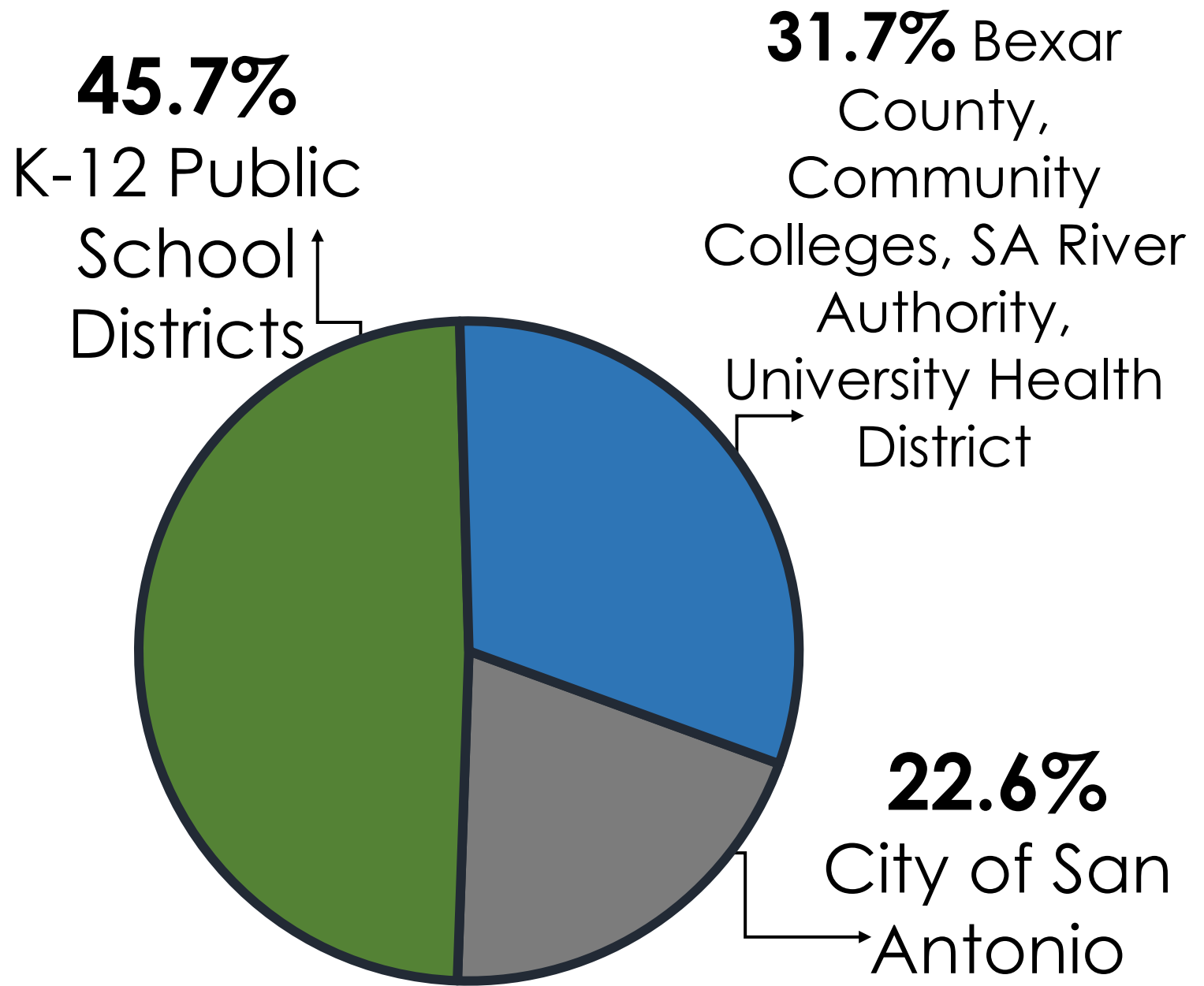
Revenue Source (\$ in Millions)	Amount	% Increase
Property Tax	\$12.4	3.1%
Sales Tax	41.2	13.9%
CPS Payment	9.7	2.8%
Other Revenue	(3.8)	-1.9%
ARPA Funds	30.0	

Property Tax

Taxable Valuation % Change from Prior Year



The City of San Antonio receives **22.6%** of the property tax bill



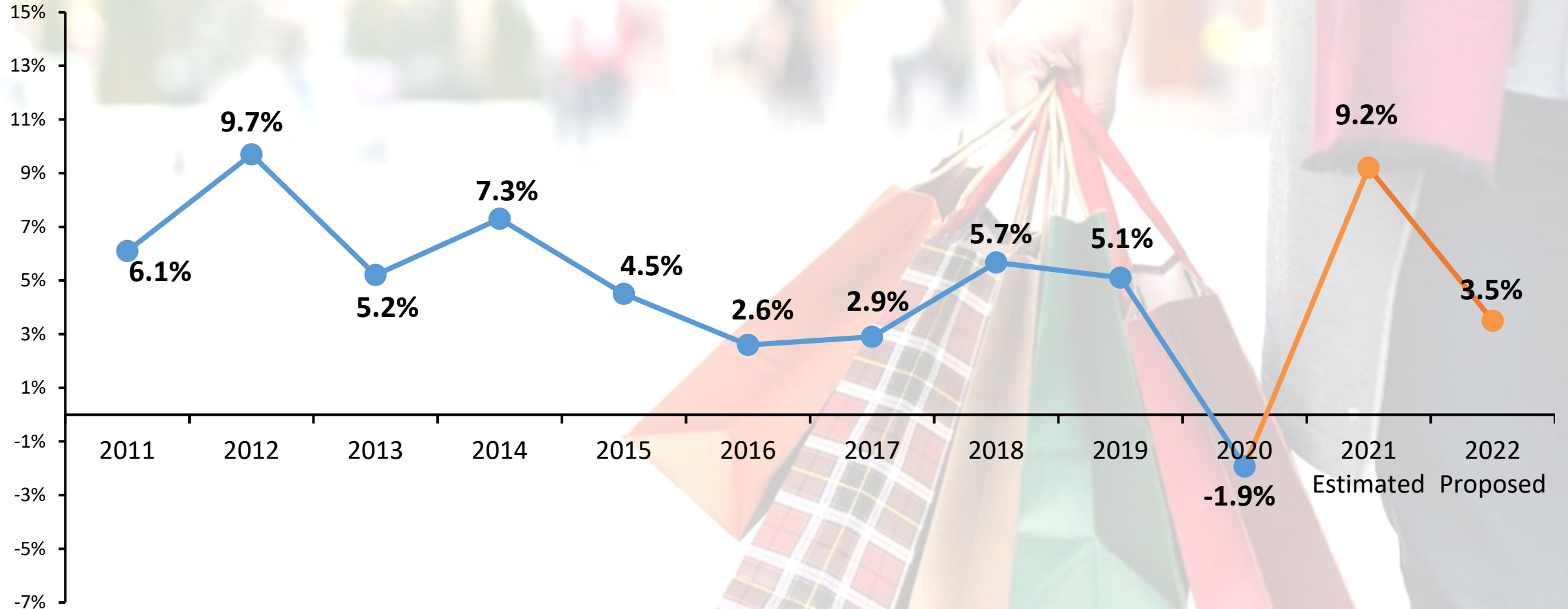
City Tax Relief

\$72.4 Million

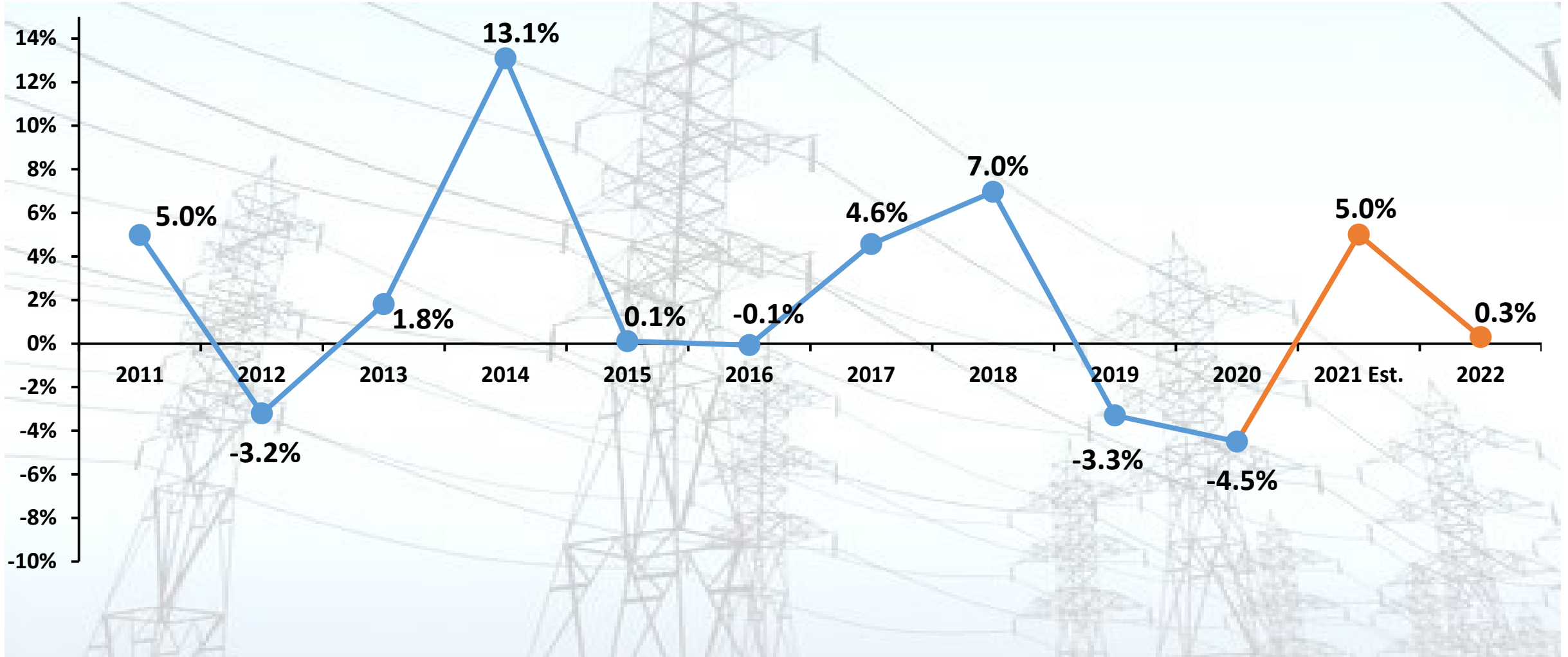
106,338 seniors & disabled
homestead exemptions &
frozen (45% of total) city tax payments

28,412 senior and disabled homeowners
pay **\$0** City Property Taxes

FY 2022 Sales Tax – Year over Year % Change



CPS Payment to City – Change from Prior Year Actual Collections





Community & Council Priorities



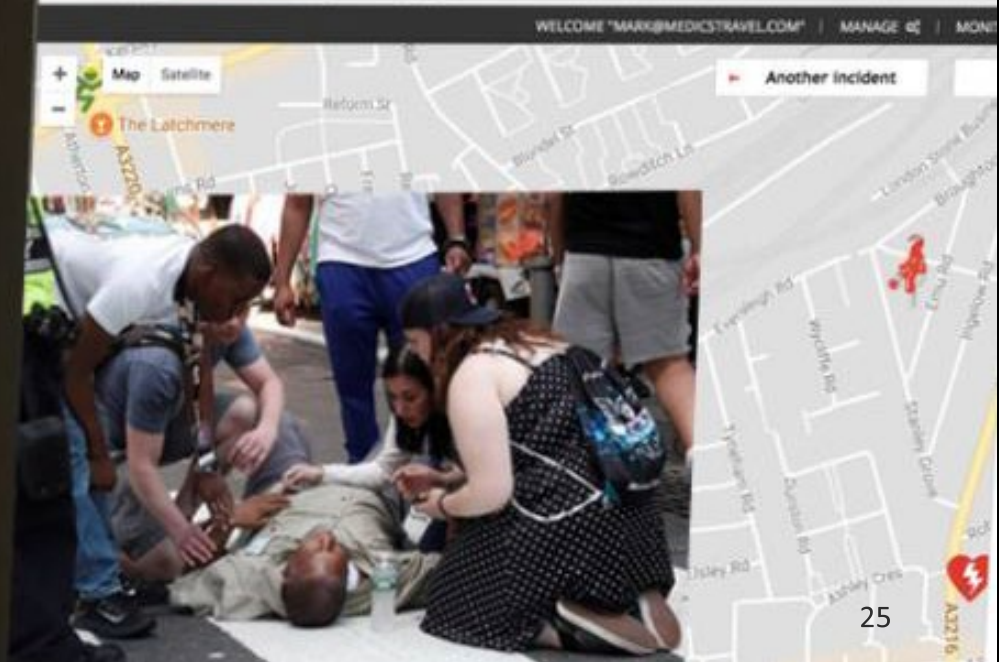
Public Health Metro Health Department

\$16.3 Million increase in funding

- \$11.4 Million for Year 1 of the Strategic Growth Plan funded with federal funds and Health Implementation Plan
- \$4 Million for a coordinated response to address Domestic Violence and Mental Health in partnership with Police and Fire Departments
- COVID-19 emergency expenses through grants, health implementation, and ARPA

Public Health Fire Department

- \$1.1 million increase to expand the Fire Department clinical dispatch program
- Allows 911 dispatcher to provide telemedicine to residents freeing up ambulance and paramedic resources to critical emergencies



POLICE SERVICES

Foundational Issues

Accountability
Discipline Process
Hiring & Training
Transparency &
Data
Community
Engagement

Expectations

Role of Police
Encounters
with Police
Calls for
Service

Input

City Council
Public Safety
Committee
Neighborhood
Associations
Stakeholder
Groups

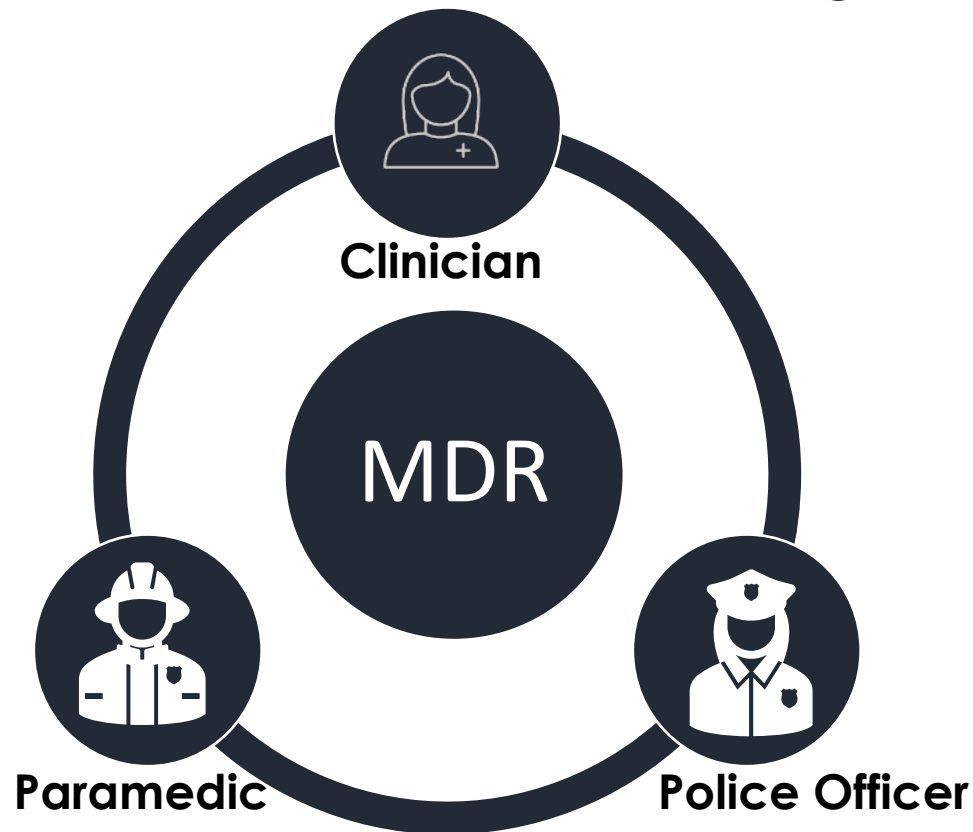
Response Alternatives & Funding

Key Areas:
Violence
Prevention
Homeless
Mental Health
Alternatives:
City Departments
Other Providers

Police Services Review

Strengthen Response for Mental Health & Family Violence Calls

Multidisciplinary Response Team for Mental Health – Pilot Program



- Team Approach: Mental Health Professional, Advocate, EMS and Police
- On-scene Advocates Trained in Triage for Family Violence, Mental Health and Homeless
- Crisis de-escalation
- Handoff to Services that maintain sustained support
- Total additional investment: \$4.8 Million



Police Services Review Addressing Community Expectations

- \$5.8 Million added for street light program and development of a street light index
- \$1.8 Million added for 15 new police officer positions
 - 12 SAFFE Officers
 - 3 Downtown bike patrol



Police Services Review

Partnerships with City Departments to address calls



- Animal Related calls transfer to Animal Care Services
 - \$404,000



- Firework Calls transfer to Fire Department
 - Arson Division will handle calls during New Year's and 4th of July - \$71,000



- Loud Music Calls
 - Pilot program with Code Enforcement to evaluate response and enforcement - \$75,000

Affordable Housing Investment



**\$32.8
Million**

General Fund

- \$14.1 Million
 - Minor repair
 - Owner occupied
 - Under one roof

Grants

- \$18.7 Million in federal grants



Community Navigators

- **Family Support** will direct families and individuals to fair housing resources, options and assistance
- **Financial Counselors** will focus on issues facing older adults, including identity theft, scams, and reverse mortgages
- **Homeless Prevention Navigators** will continue program funded by CARES to assist individuals with existing programs to prevent homelessness
- Additional investment: \$739,000



Resiliency \$8.5 Million

- Replacement of critical building systems at key public safety facilities
- Purchase of generators for some fire stations and police substations
- Identify 4 resiliency hubs across the City
- Resiliency study/analysis
- Community emergency preparedness education



Street Maintenance \$110 Million

4,190 Centerlines maintained

76.7% Average Network Pavement
Condition Index up from 72.8 in
2018

1,286 Street Projects in FY 2022

Sidewalks

\$20.8 Million Sidewalk Investment

(\$6.1 Million 2017 Bond & \$14.7 Million ATD)

New Sidewalks

Fills 54.5 miles of
gaps

Sidewalk Repair

Repairs 2 miles
(Equates to 6.55
useable miles)

Total Miles

61 Miles of
Usable Sidewalks



Vision Zero

\$6.2 Million

Design and construction of mid-block crossings across corridors of the City

Proposes Strategy to achieve \$20 Million in FY 2023

Bike Master Plan

\$2.7 Million

Plan will engage community to identify residents' bicycle needs, and safety concerns to inform the plan's future bicycle typologies

Integrates Howard W. Peak Greenway Trails system

Economic Development

- Restores \$4.9 million
 - Economic development incentives
 - Housing incentives
 - Fee waivers
- Adds \$550,000 directed to bonding assistance to do business with City and other large organizations





Diversity, Equity, and Inclusion Office

- Budget combines functions from three different departments into the Office of Diversity, Equity, and Inclusion
- Office will be focused on addressing diversity, equity, and inclusion to ensure a unified strategic direction, reduce duplication of efforts, and create a “one stop shop”
- Existing positions are used to create this new department with a total of 17 positions

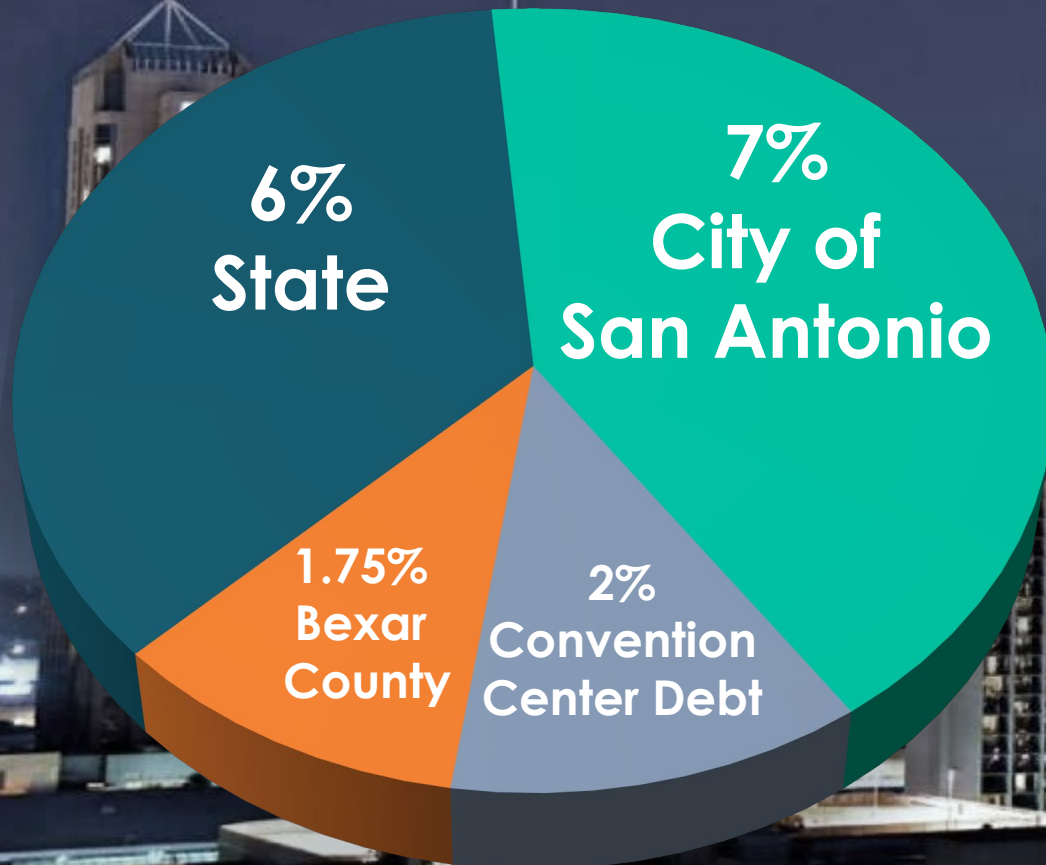


Language Access

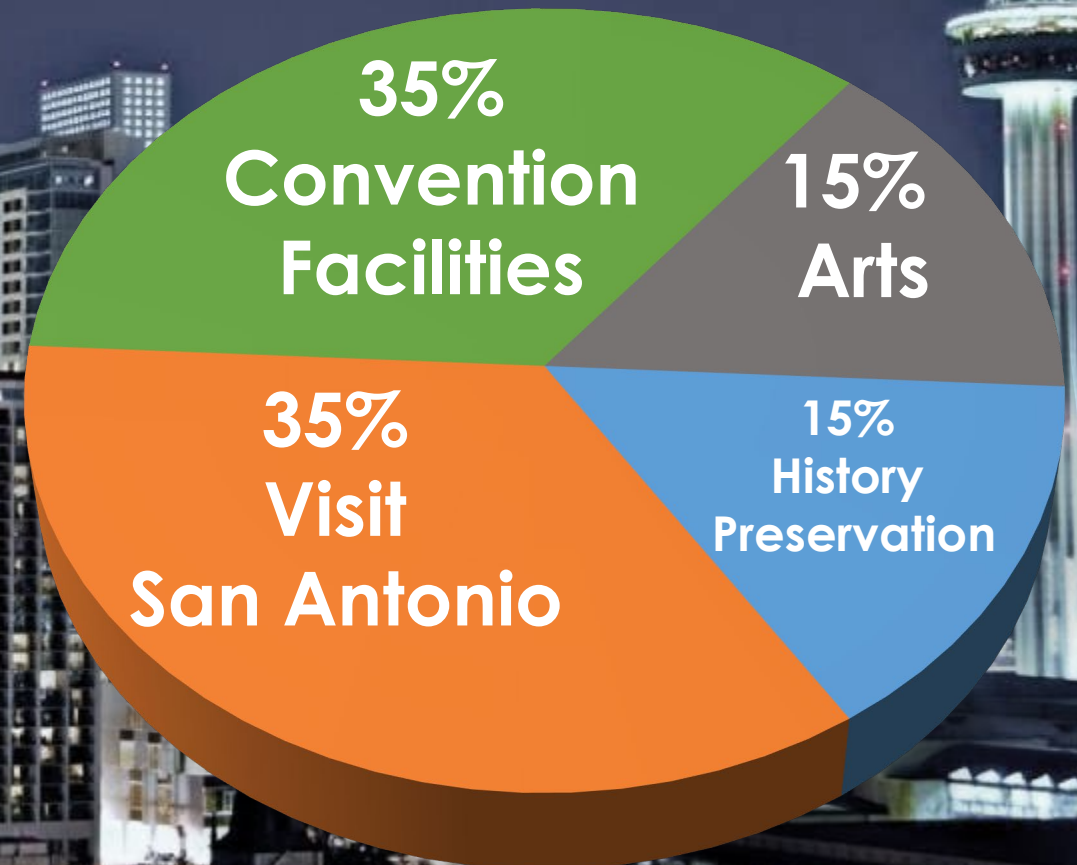
- Adds resources for development and implementation of a Language Access Plan
- Will ensure meaningful access to city programs and activities for persons with Limited English Proficiency
- Funds are added for Spanish and American Sign Language interpretation at all city council committee meetings
- Total investment: \$255,000

Hotel Occupancy Tax Rate

HOT Rate: 16.75%



COSA HOT Tax Allocation



Hotel Occupancy Tax Related Revenue (\$ in Millions)



	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 Estimate	FY 2022 Proposed
HOT Tax	\$81.3	\$85.8	\$91.6	\$93.5	\$52.1	\$57.6	\$71.1
Convention Center	16.1	18.5	21.2	19.9	10.2	4.9	15.6
Alamodome	9.9	12.5	11.7	12.6	6.0	7.6	10.3

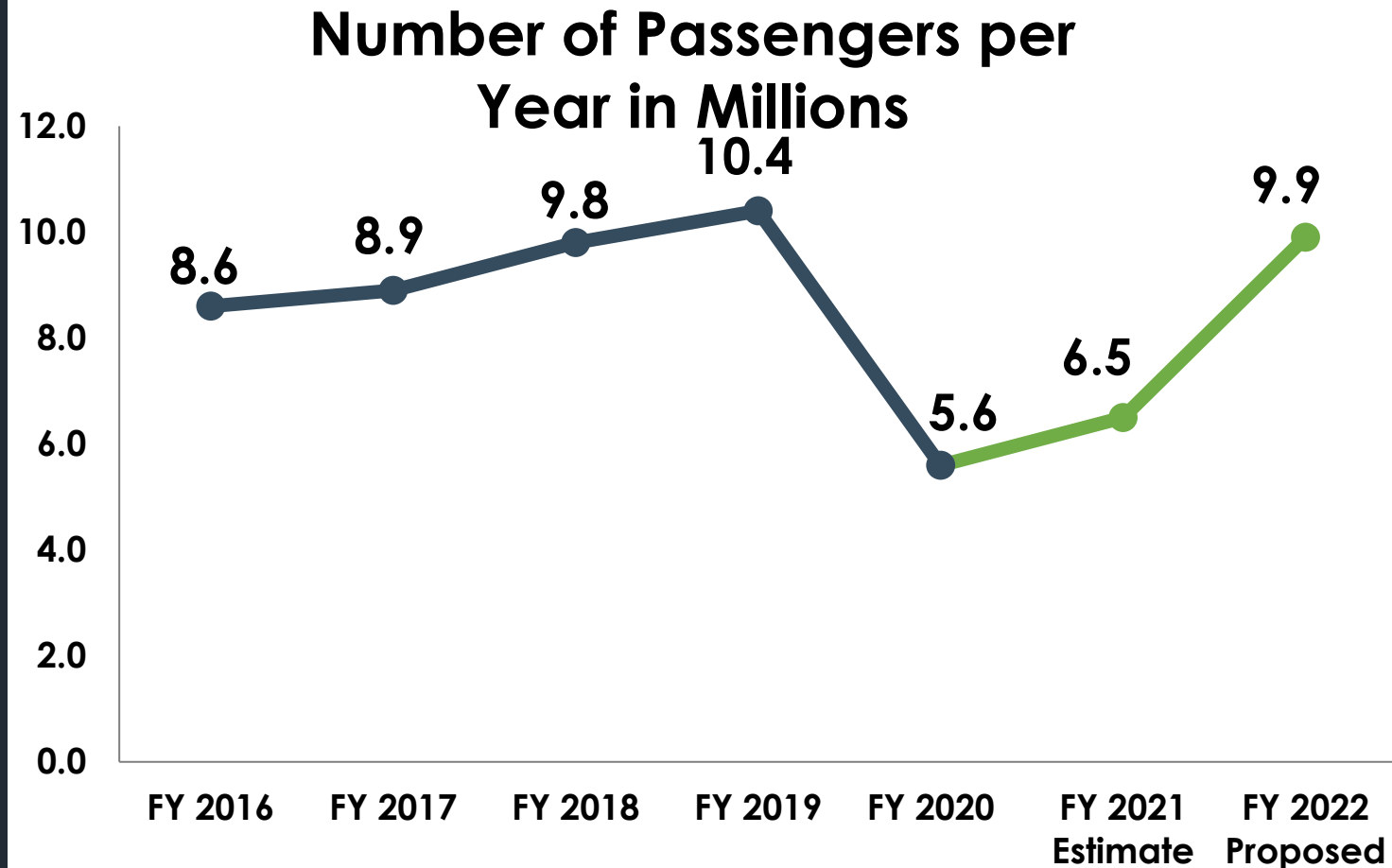


Hotel Occupancy Tax Allocations

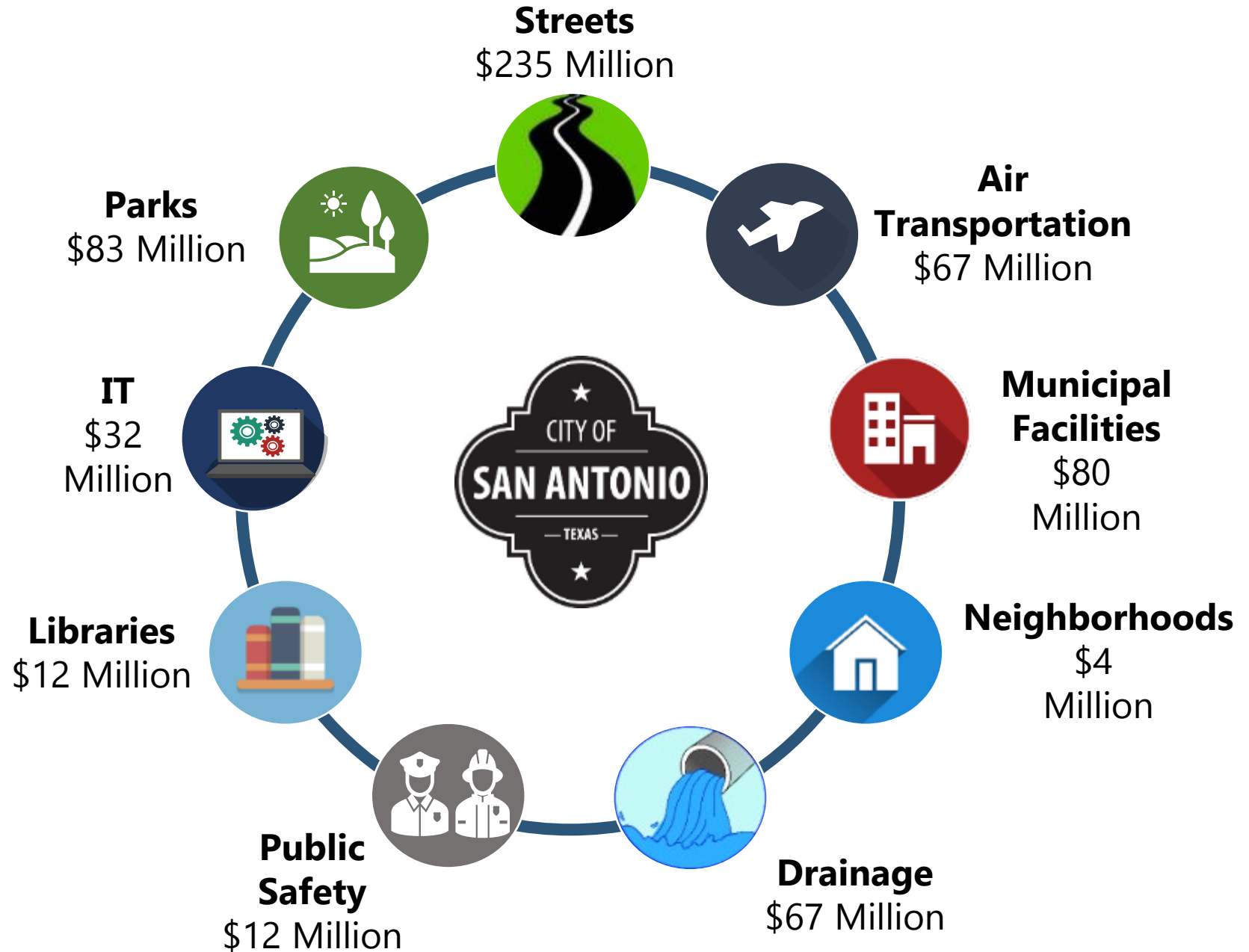
- Restores funding for Convention Center & Alamodome to support upcoming conventions and events
- Increases Arts & Culture Department from \$8.9 million in FY 2021 to Proposed \$10.9 million in FY 2022
- Maintains contribution to Visit San Antonio to 35% of Net HOT Tax Collections

Airport Operations

Full recovery to pre-pandemic levels anticipated by FY 2022



FY2022 Capital Budget \$592 Million



Capital Budget Highlights

New Projects

- \$26 Million in Neighborhood Drainage Projects funded with Stormwater and Regional Facilities Funds
- \$10 Million for City Council Infrastructure Projects (\$1 Million per District)
- \$4.25 Million for City Facilities Maintenance
- \$3.5 Million for Library Repairs



Proposed use of City Initiated TIRZ Funds (Pending Board approval)

TIRZ	Project	\$ Requested
Houston	Alameda Theater	7.4 Million
	Park Police for San Pedro Creek	235,000
Inner City	La Villita	850,000
	Affordable Housing	1 Million
	Ella Austin	250,000
Westside	Market Square	500,000
	Park Police for San Pedro Creek	235,000
Midtown	Affordable Housing	1 Million
Mission Drive Inn	Mission Drive In Marquee Roof	150,000

Proposed 2022-2027 Bond Program

\$1.2 Billion Program

No change to City Property Tax Rate

AUGUST - SEPTEMBER
2021



**Recommended
Projects**

OCTOBER - DECEMBER
2021



**Committee Community
Meetings**

JANUARY - FEBRUARY
2022



Call for Election
Mayor & City Council Action

MAY
2022



Bond Election
Public Vote

Next Steps



City Council Budget Work Sessions
(Aug. 17 – Sept. 15)



Community Input
(Aug. 16 – Aug. 30)



2 Public Hearings
(Sept. 8 – Sept. 14)



Budget Adoption
September 16



2022



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