



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 1

Agenda Date: August 30, 2022

In Control: City Council B Session

DEPARTMENT: Office of Management & Budget

DEPARTMENT HEAD: Justina Tate

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

City Council Worksession on the FY 2023 Proposed Budget

SUMMARY:

Staff presentation on the FY 2023 Proposed Budget focusing on, but not limited to, the following City policies and initiatives:

A.CPS Rebate

B. Animal Care Services

BACKGROUND INFORMATION:

The FY 2023 Proposed Budget was presented to City Council on August 11, 2022. The Proposed Budget reflects both City Council and Community priorities and invests in San Antonio's ongoing economic recovery by giving funds back to taxpayers through property tax relief and CPS Energy credits. The budget also focuses on the retention and recruitment of City employees and makes investments in infrastructure and facilities.

The Proposed FY 2023 Consolidated Annual Budget, comprised of all funds, excluding transfers, totals \$3.5 billion. The General Fund budget is \$1.5 billion; restricted funds such as Airport,

Development Services, Solid Waste, and Hotel Occupancy Tax total \$1.2 billion; and the Capital Budget totals \$641 million.

Following the presentation of the proposed budget, a series of City Council budget worksessions are scheduled from August 16 to September 14. At these sessions, City staff will review the budget proposals with the Mayor and City Council in detail. The budget is scheduled to be adopted on September 15 for the City's fiscal year that begins on October 1.

ISSUE:

A budget worksession is scheduled for Tuesday, August 30 from 2:00 P.M. to 5:00 PM. At this session, the City Council will discuss the CPS rebate and the FY 2023 Proposed Budget for Animal Care Services Departments.

CPS Energy Revenue

The City of San Antonio is the owner of CPS Energy (CPS). The CPS payment to the City represents the second largest source of revenue to the General Fund in FY 2023. CPS pays the City 14% of all gas and electric customer gross revenue as a return on investment. Revenues from CPS Energy are one of the most difficult revenues to forecast. Weather, natural gas prices, and other variables can significantly impact CPS revenues and the City's payment can fluctuate significantly from year to year. The FY 2023 Proposed Budget includes CPS revenues in the amount of \$392 million, an increase of 8.5% from the FY 2022 Adopted Budget. In FY 2022, the revenues estimated to be received are unusually high due to an extremely hot summer and natural gas prices. As a result, FY 2022 Estimate CPS revenues are projected to be \$75 million ahead of FY 2022 Adopted Budget.

The Electric Utility Customer Credit was initially presented to City Council on Tuesday August 16. At this session, City Staff proposed providing a credit to all customers of CPS Energy and a contribution to the Residential Energy Assistance Program (REAP) to assist eligible low-income residential customers. The REAP guidelines are proposed to be amended to provide additional flexibility for low-income customers to be able to access these funds.

Additional discussion will be held with City Council on this topic on August 30.

Animal Care Services

The City of San Antonio Animal Care Services (ACS) Department is the largest open-admission municipal shelter in South Texas. Serving San Antonio Residents, ACS resides on a 14-acre campus boasting a variety of programs in our community. Animal Care Services' mission is to encourage responsible pet ownership by promoting and protecting the health, safety, and welfare of the residents and pets of San Antonio through education, enforcement, and community partnership.

ACS is funded by the General Fund. The table below reflects the budget allocation within the FY 2023 Proposed Budget for the Animal Care Services Department.

FUND	FY 2023 PROPOSED BUDGET	AUTHORIZED POSITIONS
General Fund	\$21,359,311	178
TOTAL	\$21,359,311	178

Total General Fund investment in Animal Care Services is \$21.4 Million. The General Fund Budget includes improvements in the amount of \$1.2 million and 14 positions to support Field Operations, Clinic Staff, and Community Outreach. This includes the following items:

- Adds funds to maintain spay neuter surgeries at an estimate of 12,455 per year;
- Includes nine clinic staff positions and equipment to support daily operations;
- Adds five positions and equipment to expand the customer service team to improve the department's response to resident inquiries and 311 escalated calls;
- Adds funding to vaccine clinics to vaccinate 2,400 pets per year; and
- Includes funding to upgrade three play yard structures.

A detailed listing of the Animal Care Services Department's FY 2023 program changes is included in Attachment 1.

ALTERNATIVES:

This item is a scheduled worksession for the FY 2023 Proposed Budget.

FISCAL IMPACT:

This presentation provides briefings on the CPS Rebate and Animal Care Services Departments. The FY 2023 Budget is scheduled to be adopted by City Council on September 15, 2022.

RECOMMENDATION:

This item is a worksession for discussion of the FY 2023 Proposed Budget and is for briefing purposes only.