

**CITY OF SAN ANTONIO
OFFICE OF THE CITY MANAGER**

TO: Mayor & Council

FROM: Erik J. Walsh, City Manager

COPY: Executive Leadership Team

SUBJECT: **City Council Goal Setting Session Report for FY 2021 Budget**

DATE: July 6, 2020

This correspondence transmits the results of the City Council Goal Setting Session for the development of the FY 2021 Proposed Budget.

On June 26, 2020, the City Council Budget Goal Setting Session for the FY 2021 Budget was held at the Henry B. Gonzalez Convention Center. The purpose of this work session was to obtain City Council policy direction for the upcoming budget.

The policy direction received at this session along with the community feedback from over 14,000 SA SpeakUp public engagement participants will be used to develop the budget. The SA SpeakUp effort will continue to until July 31st.

I believe that the goal setting session was very productive and I want to thank the Mayor and Council for the conversation we had. It was a difficult conversation, but I really appreciate the feedback.

I will present the Proposed FY 2021 Budget to City Council on August 6. Please let me know if you have any questions.

City Council Budget Goal Setting Session

Summary Report

For the FY 2021 Budget and FY 2022 Plan

June 26, 2020



Every year, the City of San Antonio conducts a budget goal setting session for the development of the City's annual budget. The purpose of this Session is to obtain City Council policy direction that will guide the development of the upcoming fiscal year budget.

The session for the FY 2021 budget was convened on Friday June 26, 2020, at the Henry B. Gonzalez Convention. This session was hosted by the City Manager with the Mayor and City Council participating and presentations by executive leadership staff. The City's fiscal begins October 1 and ends September 30th. The summary information below will guide the City Manager in the development of the FY 2021 budget and FY 2022 plan.

Five policy focus areas were discussed during the session: 1) Financial Policies and Community Input on Trial Budget, 2) Police Budget, 3) Public Health and Community Resiliency and Recovery Plan, 4) Streets and Transportation, and 5) Hotel Occupancy Tax Fund.

SUMMARY OF CITY COUNCIL DISCUSSION OUTCOMES

- Endorse Financial Policies with some flexibility.
- Overall support for Trial Budget with potential funding alternatives to increase funding for streets and continue support to arts.
- Develop a long term plan for police services that focuses more on social services than solely relying on police response.
- Continue focus and investment on Public Health strategic plan priorities.
- Endorse \$10 million contribution to VIA over the next five years with flexibility for route frequency in FY 2021.

BUDGET DISCUSSION – POLICY AREAS

The following highlights the city council discussion and outcome for each of the policy areas. These points reflect key ideas and insights from Council members for either action or study.

Financial Policies

The Mayor and Council support the Financial Policies:

- Maintain a minimum General Fund ending balance of 15%.
- Manage structural balance in the General Fund.
- Address Internal Fund deficits within 3 to 5 years.
- Annually review the impact of the State imposed 3.5% Property Tax Cap on service delivery and provide a recommendation on whether to adjust the Property Tax Rate.
- Annually review property tax relief with a focus on homeowners.
- Annually review and periodically adjust Fees and Charges to provide for cost recovery, inflation, consumer relief, and/or alignment with policy goals.

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Flexibility on Financial Policies

- Examine the General Fund and Capital Budget Contingencies in FY 2021 under the current financial environment as presented in the FY 2021 Trial Budget.

Additional budget request related to Financial Policies

1. Revisit and potentially reduce the percentage of public safety spending in the general fund. Additionally, work to establish five, ten, fifteen, and twenty-year goals to significantly reduce the 66%.

Police Budget

Conclusion on Police Budget

- Request that the Public Safety Committee reviews police programs and budget in detail and make recommendations for potential redirection of services and/or funds.
- Identify funding within the existing police budget to fund the City's match for the 2021 COPS grant.
- Examine amending COPS grant application to allow for potential investment on non-profits who provide domestic violence services.
- Find a balance in the budget where proper investment is placed on community needs and reducing over time the percentage of the budget allocated to public safety services.
- Review and recommend enhancements to police cadet training and annual police training.
- Enhance violence prevention and community engagement programs.
- Evaluate holding positions that become vacant as a result of retirements to fund other programs.

Additional budget request related to Police

1. Study programs like Crisis Assistance Helping Out On The Streets (CAHOOTS).
2. Study if Towing services managed by Police department could fit in a different department.
3. Maintain police funding and do not decrease the number of police officers.

Public Health & Resiliency and Recovery Plan

Conclusion on Public Health & Resiliency and Recovery Plan

- Support the implementation of the Resiliency and Recovery Plan presented and the next steps:
 - Monthly Reporting Dashboards
 - Develop Pillars Co-Branding/Marketing Strategy
 - Scale existing strategies and implement new strategies
 - Begin monthly reports to City Council

City Council Budget Goal Setting Session

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- Support of the Public Health Strategic Plan focus areas and funding for FY 2021
 - Advanced Childhood Experiences (ACEs) and Trauma Informed Care
 - Violence Prevention
 - Standup SA Program
 - Triple P program
 - Too Good for Violence
 - Violence and Domestic Violence

Additional budget request related to Public Health

1. Study alternatives to set aside funding to address health disparities.
2. Provide some alternative for addressing individuals with physical and cognitive disabilities beyond programs already provided by Metro Health.

Streets and Transportation

Conclusion on Streets, Sidewalks, and Transportation

- Majority of City Council supportive of the recommended funding for the street maintenance program and approach to allocate the funding in FY 2021:
 - \$19.5 Million allocated based on size of district's network
 - \$19.5 Million allocated based on condition of district's network
 - \$43 Million dedicated to deferred projects
- Support for sidewalks (new sidewalks and maintenance of existing)
- Endorse \$10 million contribution to VIA over the next five years with flexibility for route frequency in FY 2021
- Support the acceleration of 2017 bond projects.

Additional budget request related to Street and Transportation

- Concern about reducing the funding for street maintenance, find additional funding for street maintenance through debt capacity, city initiated tax increment reinvestment zones (TIRZ), or other sources.
- Develop a dashboard report of NAMP projects by Council District.

Hotel Occupancy Tax Fund

Conclusion on the Hotel Occupancy Tax -Arts

- Focus on finding creative ways to fund the arts, provide opportunities to artists in existing funded projects city-wide, and look at every possible way the City can support the Arts.
- Identify other revenue streams for the Arts, rather than relying solely on the Hotel Occupancy Tax (potentially look at TIRZ funding)

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Additional budget requests for Hotel Occupancy Tax Fund

1. Find alternatives for furloughed employees.

Wrap-Up and Adjourn

Following the budget prioritization discussions, the meeting was adjourned by Mayor Nirenberg.