

CITY OF SAN ANTONIO

6+6

FISCAL YEAR 2013

SIX PLUS SIX

BUDGET AND FINANCE REPORT

Prepared by
Office of Management & Budget and Finance Department
May 29, 2013



FY 2013 SIX PLUS SIX BUDGET AND FINANCE REPORT

REVENUES AND EXPENSES

- 2nd QUARTER ACTUALS UNAUDITED (OCTOBER 1, 2012 TO MARCH 31, 2013)
- SIX MONTH PROJECTION (APRIL 1, 2013 TO SEPTEMBER 30, 2013)

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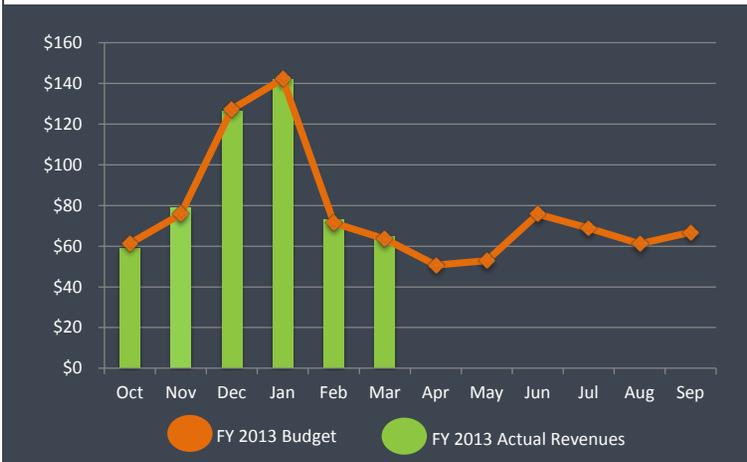
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6+6 FY 2013 SIX PLUS SIX BUDGET AND FINANCE REPORT

GENERAL FUND REVENUES

City of San Antonio

ALL SOURCES (\$ in Millions)



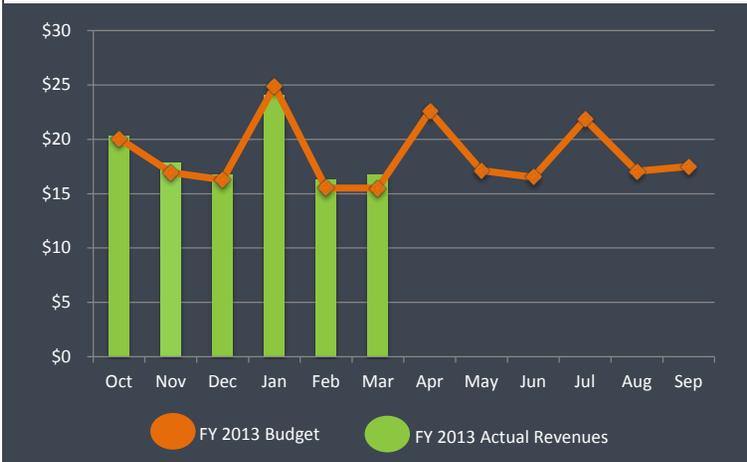
	FY 2013 Adopted Budget	6 Month Actuals	Variance Favorable (Unfavorable)
Oct	\$ 61.34	\$ 59.05	\$ (2.29)
Nov	75.76	78.98	3.22
Dec	127.37	126.32	(1.05)
Jan	142.30	141.96	(0.34)
Feb	71.32	73.29	1.97
Mar	63.59	64.89	1.30
Apr	50.70		
May	52.98		
Jun	75.70		
Jul	68.92		
Aug	61.27		
Sep	66.90		
Total	\$ 918.15	\$ 544.49	\$ 2.81

CURRENT PROPERTY TAX (\$ in Millions)



	FY 2013 Adopted Budget	6 Month Actuals	Variance Favorable (Unfavorable)
Oct	\$ 7.87	\$ 7.81	\$ (0.06)
Nov	29.70	29.90	0.20
Dec	77.60	77.61	0.01
Jan	82.18	82.02	(0.16)
Feb	21.76	21.84	0.08
Mar	2.49	2.49	0.00
Apr	0.60		
May	1.96		
Jun	11.30		
Jul	6.67		
Aug	0.49		
Sep	0.22		
Total	\$ 242.85	\$ 221.69	\$ 0.08

CITY SALES TAX (\$ in Millions)



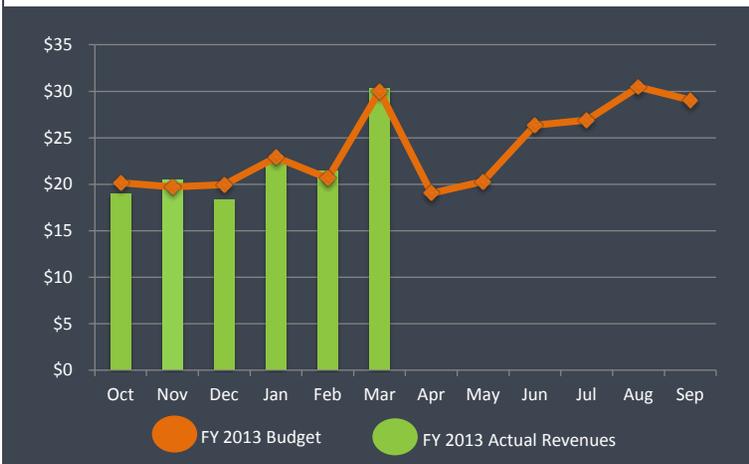
	FY 2013 Adopted Budget	6 Month Actuals	Variance Favorable (Unfavorable)
Oct	\$ 20.08	\$ 20.29	\$ 0.22
Nov	16.95	17.87	0.92
Dec	16.27	16.76	0.49
Jan	24.87	24.08	(0.79)
Feb	15.53	16.26	0.73
Mar	15.50	16.80	1.30
Apr	22.60		
May	17.13		
Jun	16.51		
Jul	21.85		
Aug	17.06		
Sep	17.49		
Total	\$ 221.84	\$ 112.05	\$ 2.86

6+6 FY 2013 SIX PLUS SIX BUDGET AND FINANCE REPORT

GENERAL FUND REVENUES

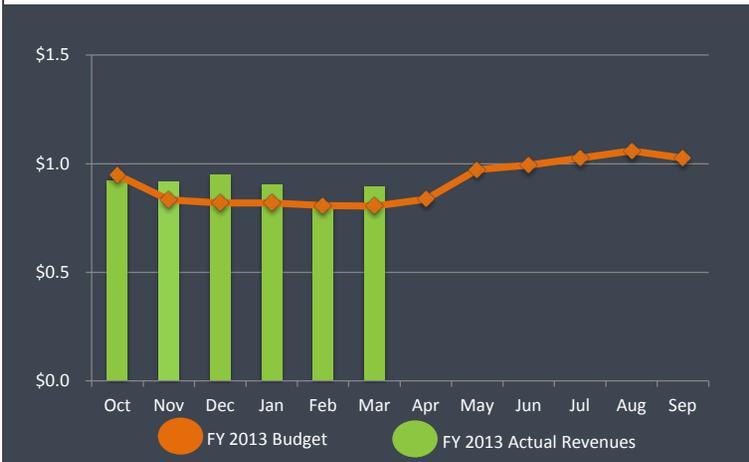
City of San Antonio

CPS ENERGY (\$ in Millions)



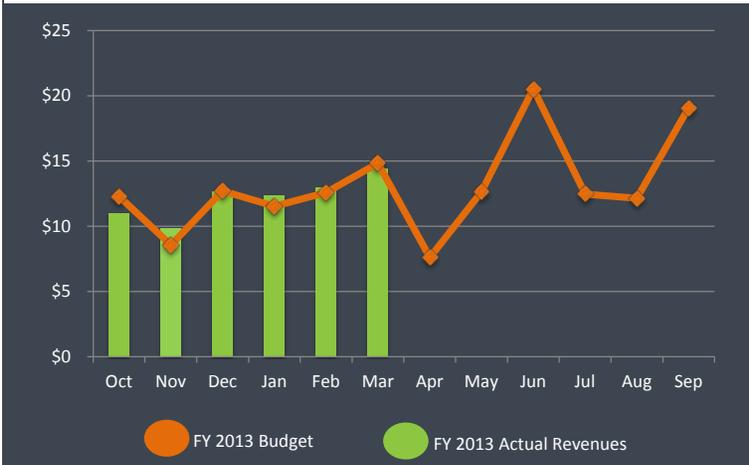
	FY 2013 Adopted Budget	6 Month Actuals	Variance Favorable (Unfavorable)
Oct	\$ 20.16	\$ 19.01	\$ (1.15)
Nov	19.71	20.43	0.72
Dec	19.96	18.31	(1.65)
Jan	22.91	22.55	(0.35)
Feb	20.64	21.41	0.77
Mar	30.02	30.29	0.27
Apr	19.04		
May	20.29		
Jun	26.36		
Jul	26.90		
Aug	30.46		
Sep	29.06		
Total	\$ 285.51	\$ 132.00	\$ (1.40)

SAN ANTONIO WATER SYSTEM (\$ in Millions)



	FY 2013 Adopted Budget	6 Month Actuals	Variance Favorable (Unfavorable)
Oct	\$ 0.95	\$ 0.92	\$ (0.03)
Nov	0.83	0.92	0.08
Dec	0.82	0.95	0.13
Jan	0.82	0.91	0.09
Feb	0.81	0.81	0.01
Mar	0.80	0.90	0.09
Apr	0.84		
May	0.97		
Jun	0.99		
Jul	1.03		
Aug	1.06		
Sep	1.03		
Total	\$ 10.95	\$ 5.41	\$ 0.38

OTHER REVENUES (\$ in Millions)



	FY 2013 Adopted Budget	6 Month Actuals	Variance Favorable (Unfavorable)
Oct	\$ 12.29	\$ 11.02	\$ (1.27)
Nov	8.56	9.86	1.30
Dec	12.72	12.69	(0.03)
Jan	11.53	12.40	0.87
Feb	12.58	12.97	0.38
Mar	14.83	14.41	(0.42)
Apr	7.62		
May	12.63		
Jun	20.54		
Jul	12.47		
Aug	12.14		
Sep	19.10		
Total	\$ 157.01	\$ 73.34	\$ 0.83



FY 2013 SIX PLUS SIX BUDGET AND FINANCE REPORT

GENERAL FUND REVENUES

City of San Antonio

	FY 2013 Adopted Budget ¹	FY 2013 6-Month Budget	FY 2013 6-Month Actuals ²	6-Month Variance Favorable (Unfavorable)	FY 2013 Estimate	12 Month Variance Favorable (Unfavorable)
AVAILABLE FUNDS						
Beginning Bal. (Excluding Financial Reserves)	\$ 71,140,842				\$ 79,425,742	\$ 8,284,900
REVENUES						
Current Property Tax	\$ 242,846,289	\$ 221,602,224	\$ 221,687,052	\$ 84,828	\$ 242,846,289	\$ 0
1 City Sales Tax	221,837,083	109,191,817	112,052,733	2,860,916	226,916,376	5,079,293
2 CPS Energy	285,505,538	133,397,538	131,996,025	(1,401,513)	284,105,118	(1,400,420)
Business & Franchise Tax	31,051,849	15,537,662	15,620,001	82,339	31,078,419	26,570
Liquor by the Drink Tax	4,910,010	2,500,000	2,543,514	43,514	5,139,008	228,998
Delinquent Property Tax	2,714,230	1,978,491	2,292,906	314,415	2,714,230	0
Penalty & Interest on Delinquent Property Taxes	1,677,100	832,911	1,071,762	238,851	1,957,446	280,346
Licenses & Permits	7,178,736	3,003,070	3,010,410	7,341	7,247,440	68,704
3 San Antonio Water System	10,947,561	5,031,563	5,407,254	375,691	11,767,234	819,673
Other Agencies	7,701,353	3,135,143	2,976,037	(159,106)	7,866,953	165,600
Charges for Current Services						
General Government	5,718,265	2,103,191	2,116,430	13,239	5,717,988	(277)
Public Safety	29,420,334	11,604,692	12,082,893	478,201	29,863,135	442,801
Highways & Streets	530,489	227,390	193,240	(34,150)	548,148	17,659
Health	2,904,110	1,475,781	1,476,265	484	2,868,621	(35,489)
4 Recreation & Culture	10,842,203	4,584,693	4,603,197	18,504	10,642,876	(199,327)
5 Fines	14,550,997	7,437,756	7,466,358	28,602	14,369,816	(181,181)
Miscellaneous Revenue						
6 Sale of Property	4,792,610	1,884,505	1,657,536	(226,970)	4,136,499	(656,111)
7 Use of Money & Property	2,209,878	1,027,058	1,029,844	2,786	1,981,950	(227,928)
Interest Earnings	599,176	312,892	309,758	(3,134)	725,316	126,140
Recovery of Expenditures	2,487,980	1,275,293	1,276,238	945	2,713,333	225,353
Miscellaneous	385,361	192,680	195,000	2,320	320,526	(64,835)
8 Interfund Charges & Transfers	1,667,687	755,001	772,253	17,253	1,456,441	(211,246)
TOTAL REVENUE	\$ 892,478,839	\$ 529,091,350	\$ 531,836,705	\$ 2,745,356	\$ 896,983,162	\$ 4,504,323
Transfers from Other Funds	25,671,269	12,650,679	12,650,679	0	25,671,269	0
TOTAL REVENUE AND TRANSFERS	\$ 918,150,108	\$ 541,742,029	\$ 544,487,385	\$ 2,745,356	\$ 922,654,431	\$ 4,504,323
TOTAL AVAILABLE FUNDS	\$ 989,290,950	\$ 541,742,029	\$ 544,487,385	\$ 2,745,356	\$ 1,002,080,173	\$ 12,789,223

NOTES

1. Adopted Budget consists of Original Budget for the fiscal year adjusted for ordinances approved by City Council throughout the fiscal year.
2. Actual figures are unaudited.



FY 2013 SIX PLUS SIX BUDGET AND FINANCE REPORT

GENERAL FUND REVENUES

City of San Antonio

Variance Explanation

- 1 **Sales Tax:** This revenue has shown continued growth and will exceed budgeted revenue projections by 2.3% due to a favorable economic outlook.
- 2 **CPS Energy:** Revenues are lower than anticipated due to a milder winter than forecasted.
- 3 **San Antonio Water System:** SAWS revenues are favorable due to an 8.4% rate increase that was approved by the City Council in February and was not included in the original City Budget.
- 4 **Recreation & Culture:** River Barge Commissions was anticipated to increase 7% over last year's sales. However new business model ventures such as ticket kiosk stations have not generated additional revenue. Therefore the sales forecast of revenue growth has been revised to 3% over last year's sales.
- 5 **Fines:** Fines revenues are projected to be below budget due to lower than anticipated parking violations issued than in prior year.
- 6 **Sale of Property:** This revenue category is negatively impacted by the sale of a property, which was budgeted in the General Fund. The property was determined to be program income for the Community Development Block Grant (CDBG). Additionally, sales in the City's impound facility have been less than budgeted.
- 7 **Use of Money & Property:** Interest charged on outstanding uncollectable payments to the City related to prior-year code violations are anticipated to be lower than budget.
- 8 **Interfund Charges & Transfers:** A portion of the Health Department grants were less than budgeted. These grants include Women, Infants, and Children (WIC) and Public Health Emergency Preparedness (PHEP), resulting in reduced indirect costs transfers.



FY 2013 SIX PLUS SIX BUDGET AND FINANCE REPORT

GENERAL FUND EXPENSES

City of San Antonio

	FY 2013 Adopted Budget ¹	FY 2013 6-Month Budget	FY 2013 6-Month Actuals ²	6-Month Variance Favorable (Unfavorable)	FY 2013 Estimate	12 Month Variance Favorable (Unfavorable)
APPROPRIATIONS						
1 Animal Care Services	\$ 10,914,929	\$ 5,271,071	\$ 5,270,858	\$ 213	\$ 11,045,791	\$ (130,862)
Center City Development	1,260,420	648,597	619,601	28,996	1,260,420	0
City Attorney	7,505,372	3,767,949	3,730,092	37,857	7,505,372	0
City Auditor	2,711,570	1,341,807	1,296,819	44,988	2,711,570	0
City Clerk	2,821,877	1,387,809	1,336,851	50,958	2,821,877	0
City Manager	3,139,096	1,769,934	1,769,666	268	3,139,096	0
Code Enforcement Services	11,422,978	5,190,659	5,190,524	135	11,422,978	0
Communications & Public Affairs	1,245,599	633,163	606,420	26,743	1,245,599	0
Customer Service & 311 System	3,344,269	1,697,771	1,695,897	1,874	3,344,269	0
Downtown Operations	6,048,750	2,829,528	2,750,163	79,365	6,048,750	0
Economic Development	2,417,100	1,227,255	1,197,531	29,724	2,417,100	0
Finance	8,065,339	3,975,161	3,974,970	191	8,065,339	0
Fire	251,246,885	128,623,905	128,569,315	54,590	251,246,885	0
Health	11,123,357	5,312,341	5,312,169	172	11,123,357	0
Human Resources	3,833,012	1,942,616	1,896,067	46,549	3,833,012	0
Human Services	18,864,942	6,694,697	6,653,281	41,416	18,864,942	0
Intergovernmental Relations	1,191,799	539,260	516,479	22,781	1,191,799	0
Library	33,393,899	16,596,828	16,512,416	84,412	33,393,899	0
Management & Budget	2,681,045	1,320,350	1,297,642	22,708	2,681,045	0
Mayor and Council	6,068,180	3,035,611	2,784,119	251,492	6,068,180	0
Municipal Court	13,157,312	6,376,549	6,375,979	570	13,157,312	0
Municipal Elections	1,494,247	87,751	86,700	1,051	1,494,247	0
Parks and Recreation	59,001,992	27,287,344	27,281,956	5,388	59,001,992	0
Police	360,382,596	183,303,230	183,302,319	911	360,382,596	0
Public Works	63,404,276	18,335,000	18,334,330	670	63,404,276	0
Outside Agencies	19,463,557	6,839,470	6,839,470	0	19,463,557	0
2 Non-Departmental	49,248,233	20,569,630	20,434,856	134,774	48,516,586	731,647
One-Time Projects	5,794,280	957,738	957,738	0	5,794,280	0
Transfers	18,369,893	9,303,625	9,303,625	0	18,369,893	0
TOTAL APPROPRIATIONS	\$ 979,616,804	\$ 466,866,649	\$ 465,897,852	\$ 968,797	\$ 979,016,019	\$ 600,785
TOTAL AVAILABLE FUNDS	\$ 989,290,950	\$ 541,742,029	\$ 544,487,385	\$ 2,745,356	\$ 1,002,080,173	\$ 12,789,223
GROSS ENDING BALANCE	\$ 9,674,146	\$ 74,875,380	\$ 78,589,533	\$ 3,714,153	\$ 23,064,154	\$ 13,390,008
LESS BUDGETED RESERVES						
Financial Reserves (Incremental Amount for 9%)	2,837,576				2,837,576	0
Reserve for 2-Yr. Balanced Budget Plan	6,836,570				20,226,578	13,390,008
Ending Balance	\$ 0				\$ 0	\$ 0
BUDGETED RESERVES SUMMARY						
Total Annual Budgeted Financial Reserves	\$ 88,165,512				\$ 88,165,512	
Annual Budgeted Financial Reserves as a % of Appropriations	9.0%				9.0%	

NOTES

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FY 2013 SIX PLUS SIX BUDGET AND FINANCE REPORT

Variance Explanation

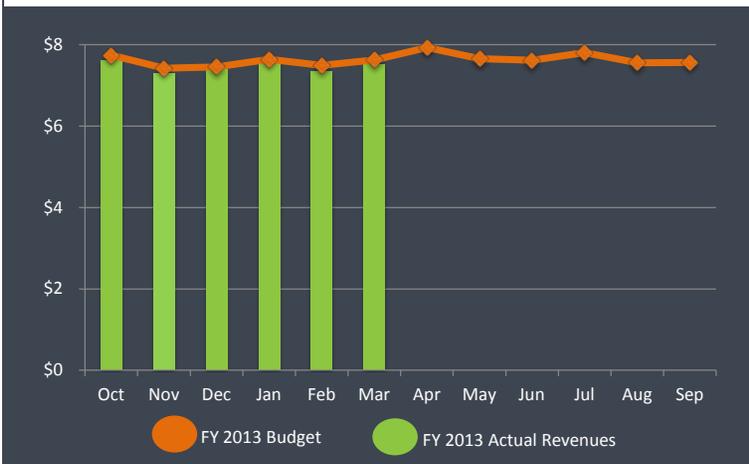
- 1 **Animal Care Services:** The department is anticipated to have additional expenses due to higher animal intake than budgeted. The FY 2013 Budget assumed a Live Release Rate of 70%; however the Department has achieved a Live Release Rate of 78% for the first six months of the Fiscal Year.
- 2 **Non-Departmental:** Savings in the non-departmental account are anticipated primarily due to less than anticipated expense in the fuel contingency.

6+6 FY 2013 SIX PLUS SIX BUDGET AND FINANCE REPORT

ENTERPRISE AND RESTRICTED FUNDS

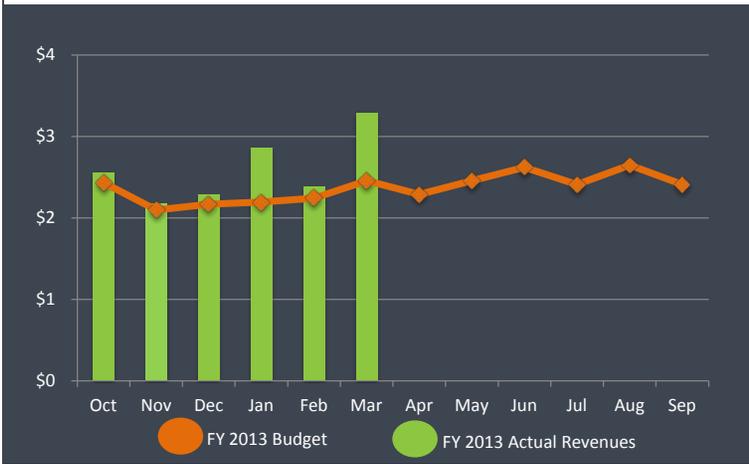
City of San Antonio

SOLID WASTE MANAGEMENT REVENUES (\$ in Millions)



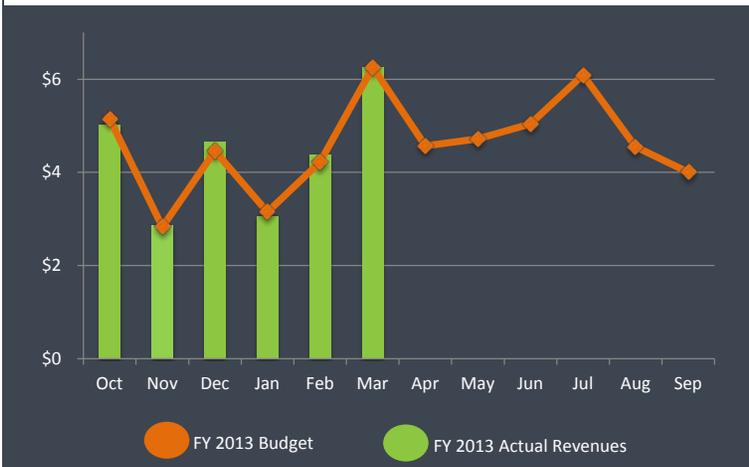
	FY 2013 Adopted Budget	6 Month Actuals	Variance Favorable (Unfavorable)
Oct	\$ 7.74	\$ 7.61	\$ (0.13)
Nov	7.42	7.29	(0.14)
Dec	7.45	7.39	(0.06)
Jan	7.65	7.61	(0.04)
Feb	7.49	7.35	(0.14)
Mar	7.63	7.51	(0.12)
Apr	7.94		
May	7.66		
Jun	7.62		
Jul	7.81		
Aug	7.56		
Sep	7.57		
Total	\$ 91.54	\$ 44.76	\$ (0.63)

DEVELOPMENT SERVICES REVENUES (\$ in Millions)



	FY 2013 Adopted Budget	6 Month Actuals	Variance Favorable (Unfavorable)
Oct	\$ 2.43	\$ 2.56	\$ 0.13
Nov	2.10	2.17	0.08
Dec	2.17	2.29	0.12
Jan	2.19	2.86	0.67
Feb	2.24	2.39	0.15
Mar	2.46	3.30	0.84
Apr	2.29		
May	2.46		
Jun	2.62		
Jul	2.41		
Aug	2.65		
Sep	2.41		
Total	\$ 28.43	\$ 15.58	\$ 1.98

HOTEL OCCUPANCY TAX REVENUES (\$ in Millions)



	FY 2013 Adopted Budget	6 Month Actuals	Variance Favorable (Unfavorable)
Oct	\$ 5.14	\$ 5.02	\$ (0.12)
Nov	2.83	2.86	0.03
Dec	4.46	4.66	0.20
Jan	3.15	3.05	(0.10)
Feb	4.22	4.39	0.17
Mar	6.26	6.26	0.00
Apr	4.57		
May	4.72		
Jun	5.04		
Jul	6.09		
Aug	4.55		
Sep	4.00		
Total	\$ 55.04	\$ 26.24	\$ 0.18



FY 2013 SIX PLUS SIX BUDGET AND FINANCE REPORT

ENTERPRISE AND RESTRICTED FUNDS

City of San Antonio

	FY 2013 Adopted Budget ¹	FY 2013 6-Month Budget	FY 2013 6-Month Actuals ²	6-Month Variance Favorable (Unfavorable)	FY 2013 Estimate	12 Month Variance Favorable (Unfavorable)
Enterprise Funds						
Airport Fund						
Revenues	\$ 88,523,996	\$ 46,720,969	\$ 47,996,274	\$ 1,275,305	\$ 90,077,581	\$ 1,553,585
Expenses	88,239,190	35,779,609	34,349,682	1,429,927	88,164,195	74,995
Development Services Fund						
1 Revenues	28,429,313	13,594,406	15,575,311	1,980,905	30,559,147	2,129,834
Expenses	27,347,318	12,368,086	12,048,066	320,020	26,768,890	578,428
Parking Fund						
Revenues	9,109,587	4,477,000	4,655,435	178,436	9,372,148	262,561
Expenses	9,168,185	4,517,149	4,087,734	429,416	8,803,666	364,519
Solid Waste Management Fund						
2 Revenues	91,538,084	45,389,619	44,758,177	(631,442)	90,262,077	(1,276,007)
Expenses	90,861,879	43,567,305	43,239,476	327,829	90,185,481	676,398
Market Square Fund						
Revenues	2,443,237	1,060,973	1,068,831	7,858	2,444,252	1,015
Expenses	2,559,984	933,271	835,291	97,980	2,391,581	168,403
Restricted Funds						
Advanced Transportation District Fund						
Revenues	12,845,308	6,322,820	6,605,875	283,055	13,013,011	167,703
Expenditures	6,150,670	2,735,487	2,684,492	50,995	6,150,128	542
Capital Projects	14,575,000	2,090,248	1,687,011	403,237	12,660,078	1,914,922
Capital Improvements Management Services Fund						
Revenues	18,968,704	7,009,734	7,047,131	37,397	18,982,885	14,181
Expenditures	18,968,704	9,324,762	9,123,410	201,352	18,953,816	14,888
Facility Services						
Revenues	14,923,268	7,461,634	7,469,317	7,683	14,931,092	7,824
Expenditures	16,644,463	6,690,261	6,568,604	121,656	16,612,933	31,530
Fleet Services						
Revenues	43,983,396	21,225,358	21,334,286	108,928	43,889,712	(93,684)
Expenditures	43,948,618	21,232,154	21,362,654	(130,499)	43,796,084	152,534
Information Technology Services						
Revenues	40,821,072	20,045,209	20,301,490	256,282	40,926,482	105,410
Expenditures	44,764,656	23,212,759	22,802,428	410,330	44,727,029	37,627
Purchasing & General Services						
Revenues	5,212,042	2,642,757	2,673,456	30,700	5,234,123	22,081
Expenditures	5,166,585	2,633,952	2,488,944	145,008	5,123,474	43,111

NOTES

1. Adopted Budget consists of Original Budget for the fiscal year adjusted for ordinances approved by City Council throughout the fiscal year.
2. Actual figures are unaudited.
3. Funds with FY 2013 expenses budgeted higher than revenues utilize fund balance to maintain a balanced fund.



FY 2013 SIX PLUS SIX BUDGET AND FINANCE REPORT

Variance Explanation

- 1 **Development Services Revenues:** Revenues are projected to be above budget due to higher than anticipated residential platting activity in the first six months of the fiscal year.
- 2 **Solid Waste Revenues:** Solid Waste revenues are projected to be less than the budgeted amount due to projected recycled commodity pricing being lower than anticipated.



FY 2013 SIX PLUS SIX BUDGET AND FINANCE REPORT

ENTERPRISE AND RESTRICTED FUNDS

City of San Antonio

	FY 2013 Adopted Budget ¹	FY 2013 6-Month Budget	FY 2013 6-Month Actuals ²	6-Month Variance Favorable (Unfavorable)	FY 2013 Estimate	12 Month Variance Favorable (Unfavorable)
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Restricted Funds

Hotel Occupancy Tax & Hotel Occupancy Tax Supported Funds

Revenues

	Hotel Occupancy Tax	\$ 55,035,000	\$ 26,061,008	\$ 26,241,008	\$ 180,000	\$ 55,035,000	\$ 0
1	Convention Center	11,451,374	5,778,241	6,313,462	535,221	12,205,373	753,999
2	Alamodome	7,819,493	3,993,935	4,450,803	456,868	8,237,124	417,631
3	Other Revenues	584,606	342,303	502,582	160,279	744,885	160,279

Expenditures

	Community & Visitors Facilities	35,571,957	17,504,595	17,243,620	260,975	35,571,957	0
	Convention & Visitors Bureau	19,554,055	9,134,522	9,074,954	59,568	19,552,447	1,608
	Culture & Creative Development	8,036,279	3,867,691	3,864,600	3,091	8,033,208	3,071
	History & Preservation	7,974,213	3,741,571	3,741,571	0	7,974,213	0
	Other Expenses	2,853,570	1,426,785	1,426,785	0	2,853,570	0

Right of Way Management Fund

4	Revenues	2,059,502	857,065	789,408	(67,657)	1,516,497	(543,005)
	Expenditures	1,884,041	817,325	808,104	9,222	1,778,616	105,425

Storm Water Operations Fund

	Revenues	38,368,076	19,107,826	19,381,620	273,794	38,388,912	20,836
	Expenditures	39,228,510	18,888,205	19,008,554	(120,349)	39,228,510	0
	Capital Projects	2,475,000	207,355	152,200	55,155	2,475,000	0

Storm Water Regional Facilities Fund

5	Revenues	2,875,311	1,514,186	1,664,137	149,951	4,439,855	1,564,544
	Expenditures	1,009,610	496,759	515,939	(19,180)	1,009,330	280
	Capital Projects	6,500,000	0	(62,736)	62,736	6,500,000	0

Self-Insurance Funds

Employee Benefits Fund

6	Revenues	101,539,555	50,725,007	50,553,951	(171,056)	100,676,365	(863,190)
7	Expenditures	106,177,638	53,853,497	57,230,262	(3,376,765)	109,077,638	(2,900,000)
8	Reserve for Claims Fluctuation	7,415,157	0	(3,547,821)	3,547,821	3,651,968	3,763,189

Liability Fund

	Revenues	10,808,959	5,404,480	5,479,054	74,574	10,881,107	72,148
	Expenditures	12,668,773	4,543,012	4,343,312	199,700	12,668,773	0

Workers' Compensation Fund

	Revenues	18,904,910	8,952,455	8,899,000	(53,455)	18,856,786	(48,124)
	Expenditures	18,510,253	6,462,910	6,382,139	80,771	18,409,363	100,890

NOTES

1. Adopted Budget consists of Original Budget for the fiscal year adjusted for ordinances approved by City Council throughout the fiscal year.
2. Actual figures are unaudited.
3. Funds with FY 2013 expenses budgeted higher than revenues utilize fund balance to maintain a balanced fund.

6+6 FY 2013 SIX PLUS SIX BUDGET AND FINANCE REPORT

ENTERPRISE AND RESTRICTED FUNDS

City of San Antonio

Variance Explanation

- 1 **Convention Center:** Favorable variance is the result of actual events exceeding rental projections.
- 2 **Alamodome:** Increased revenue due to events in the 2nd quarter, such as the Texas Rangers baseball games and the Alvarez-Trout boxing match.
- 3 **Other Revenues:** Above budget due to higher than expected recovery of expenditures for the Rock & Roll Marathon event and recovery of additional fees related to the Hotel Occupancy Tax.
- 4 **Right of Way Revenues:** Revenues are reduced due to less demand in Right-of-Way point repair inspections and re-inspections.
- 5 **Storm Water Regional Facilities Revenues:** The Fee-In-Lieu of On Site Detention (FILO) fee structure was updated and approved by City Council on January 31, 2013. The additional revenue reflects the change in fee structure.
- 6 **Employee Benefits Revenues:** Employee Benefits Fund revenues are anticipated to be lower than budget due to an increase in participation in the City's Value Plan and less than budgeted participation in the Premier Plan. Employee premiums in the Premier Plan are higher than the Value Plan thus resulting in less than budgeted premium revenue for Fiscal Year 2013.
- 7 **Employee Benefits Expenditures:** The Employee Benefits Fund expenses are anticipated to be over budget by 3% in FY2013. The increase is due to higher than anticipated medical claims. Some of the medical plans have realized more utilization than originally budgeted, resulting in more costs.
- 8 **Employee Benefits Reserve for Claims:** The Reserve for Claims [Operating Reserves] is a one-month reserve established annually to cover operational needs in case large unanticipated claims occur. As a result of claim activity in Fire and Police as well as unexpected plan migration changes, the reserve will be utilized to cover Employee Benefit's unfavorable year ending variance.