

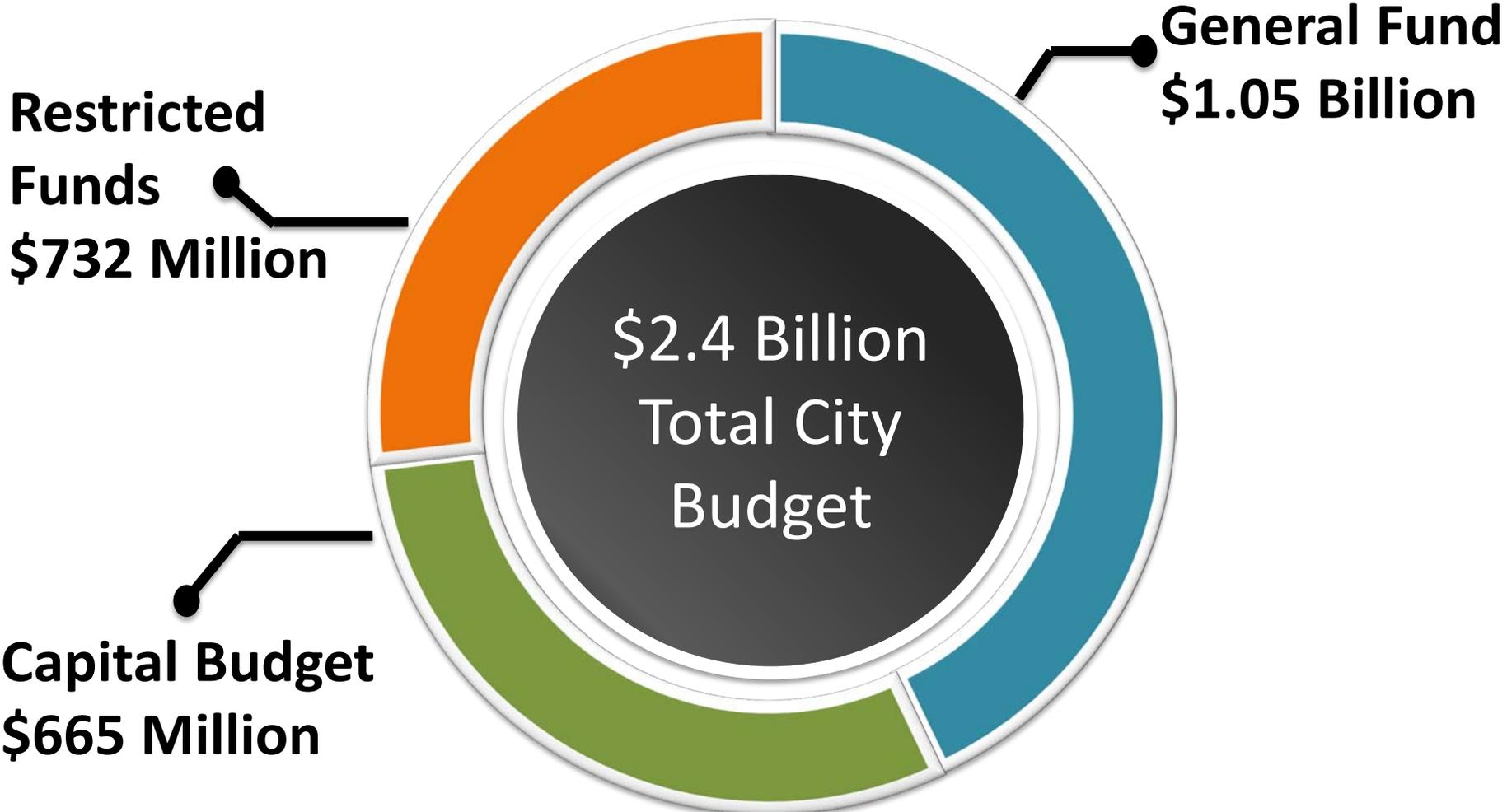
FY 2015 Six Plus Six Financial Report & FY 2016 to FY 2020 Five Year Financial Forecast



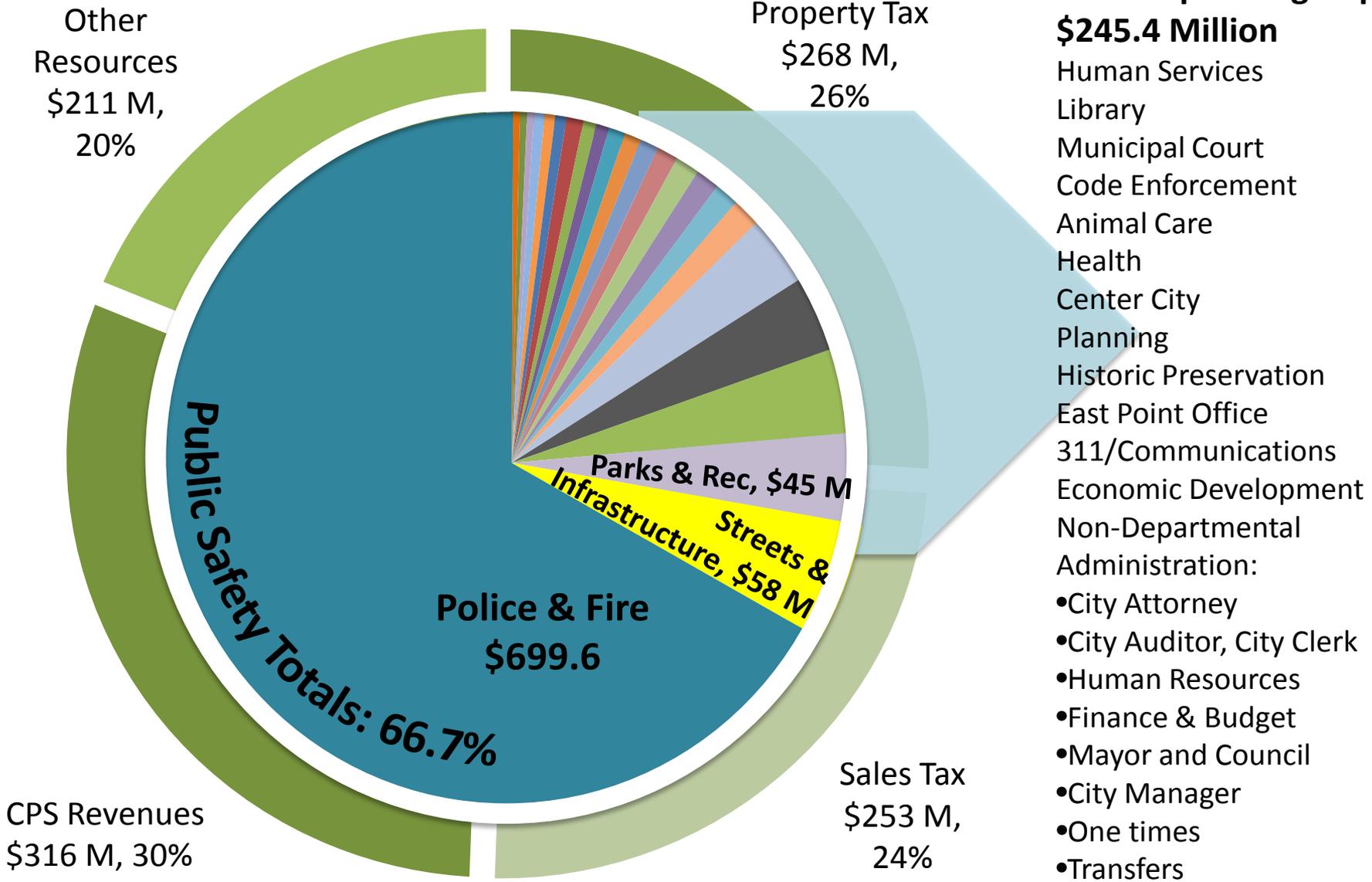
City Council “B” Session
May 13, 2015

Presented by: María Villagómez, Budget Director

FY 2015 City Budget



FY 2015 General Fund Budget - \$1 Billion



Other Operating Depts – \$245.4 Million

- Human Services
- Library
- Municipal Court
- Code Enforcement
- Animal Care
- Health
- Center City
- Planning
- Historic Preservation
- East Point Office
- 311/Communications
- Economic Development
- Non-Departmental Administration:
 - City Attorney
 - City Auditor, City Clerk
 - Human Resources
 - Finance & Budget
 - Mayor and Council
 - City Manager
 - One times
 - Transfers

FY 2015 General Fund Amendment

\$14 Million Budget Amendment approved by City Council on November 2014 to increase uniform employee healthcare



\$8.9 Million in
Deferred Street
Projects



\$3.4 Million in
Police Uniform
Vacancies



\$2 Million by
Delaying Paramedic
Training Class

General Fund Six Plus Six Financial Report



General Fund Six Plus Six Financial Report



- FY 2015 projected year-end financial position is better than at budget adoption
- Includes lump sum payment to uniform employees consistent with March 20 collective bargaining proposal
- Maintains a 15% General Fund ending balance consistent with City's Financial Policies



General Fund Revenues

FY 2015 Projections



- ✓ \$20 Million in projected additional revenue primarily from CPS and Sales Tax

Revenue Source (\$ in Millions)	FY 2015 Adopted Budget	FY 2015 6+6 Estimate	Variance
Property Tax	\$268	\$268	\$0
Sales Tax	253	263	10
CPS	316	329	13
Other	195	192	(3)
Total	\$1,032	\$1,052	\$20

Sales Tax Revenues



✓ Sales Tax Revenues are better than last year, but year-to-date collections lag other Major Cities in Texas

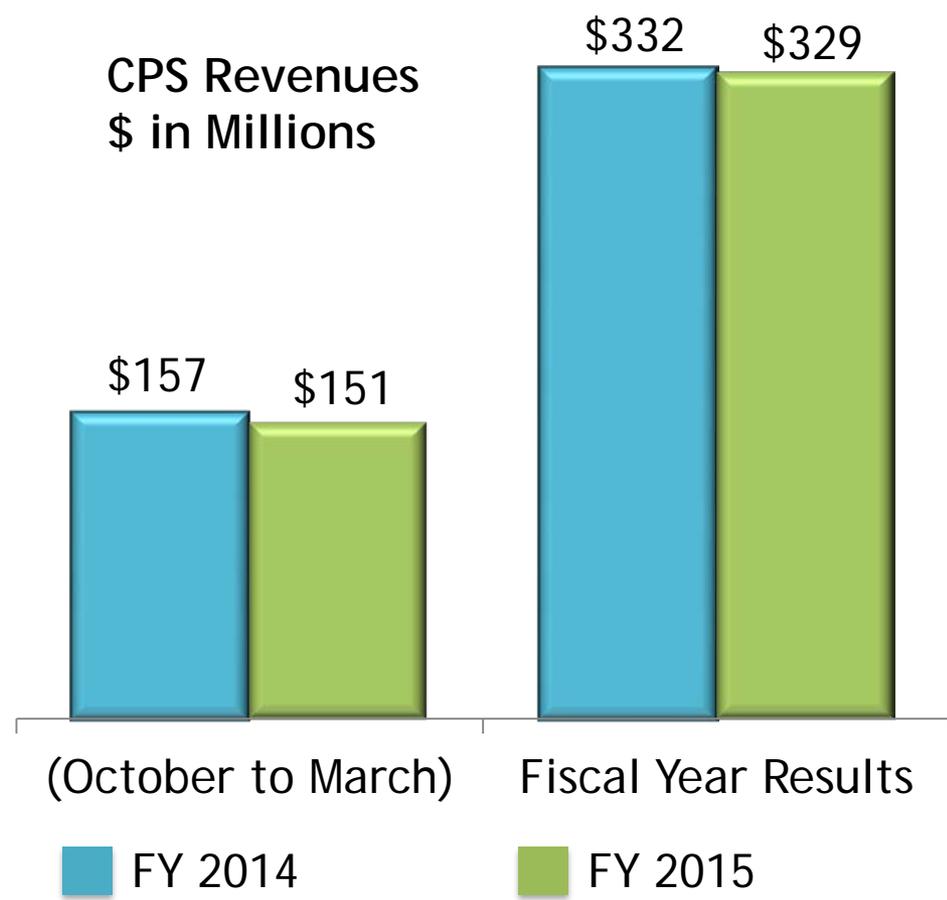
City	May 2015 ¹ (% change over May 2014)	2015 Jan to May (% change over 2014)
Austin	9.26%	6.74%
Dallas	8.73%	7.01%
Houston	6.21%	6.33%
Fort Worth	4.94%	6.97%
San Antonio	2.16%	5.24%

Note 1: May receipts reflect March Sales Tax
Source: Texas Comptroller of Public Accounts



CPS Revenues

- CPS Revenues lower in FY 2015 when compared to FY 2014
- Electric Reliability Council of Texas forecasts that state has an 80% chance temperatures will be normal or below normal



General Fund Expenditures FY 2015 Projections



- ✓ \$4.2 Million in net savings in Department Budgets primarily from lower fuel prices
- ✓ General Fund departments within budget with a few exceptions:
 - Code Enforcement: \$370,000
 - Fire Department: \$420,000
 - Municipal Elections: \$630,000

City Wide Fuel Savings



**\$6.2 Million in
Fuel Savings
anticipated in FY
2015**

\$3.7 Million savings in General Fund

\$2.5 Million savings in Restricted Funds

FY 2015 General Fund 6+6 Projection Summary



- ✓ \$13 Million in better FY 2014 ending balance
- ✓ \$24 Million in additional FY 2015 revenue and less expense
- ✓ \$37 Million ending balance reserved to balance FY 2016 and for collective bargaining
- ✓ FY 2015 Projected ending balance is 15.6% of General Fund revenues; on target to achieve 16% as expected by Moody's rating agency

FY 2015 Employee Healthcare Costs



Uniform claims 14%
higher than FY 2014

Civilian claims (3%)
below FY 2014

Additional Uniform healthcare increases the Employee Benefits Deficit by \$2.1 million to a total of \$22.7 million

Financial Forecast



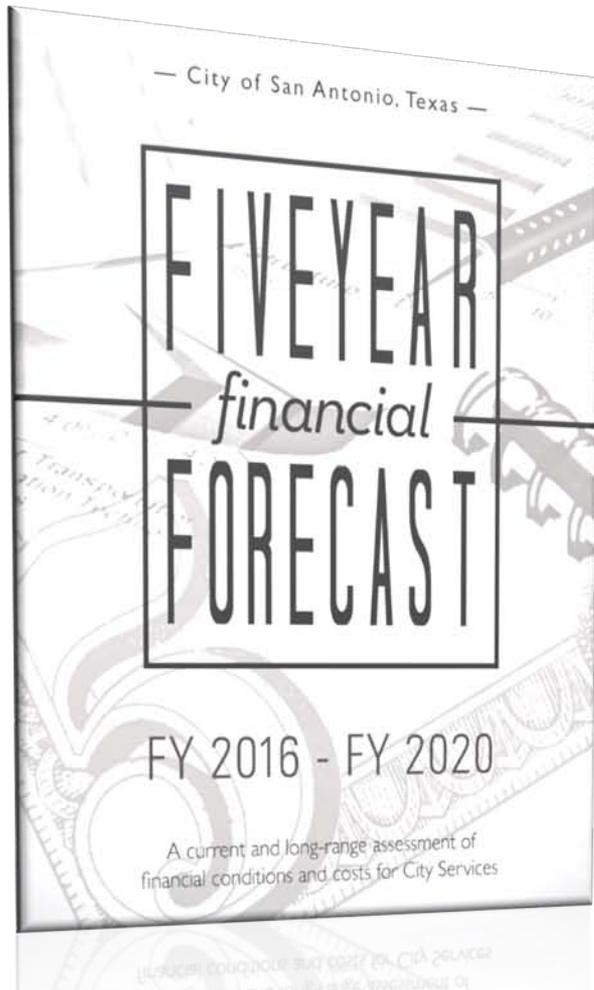
What is the Financial Forecast?



- Early financial outlook for the City as the budget development process begins for FY 2016
- Initiates Council Policy discussions for budget
- Financial Forecast **is not** a budget

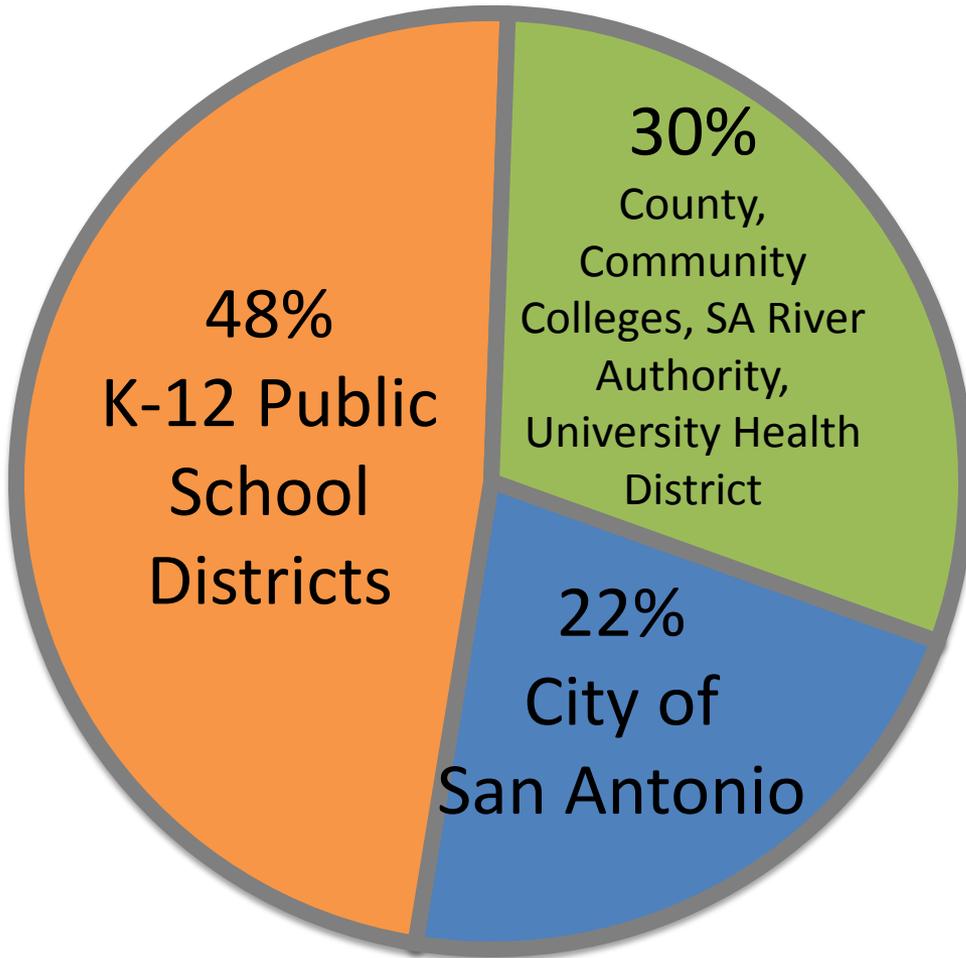


General Fund Forecast



- Manageable challenge in FY 2016 of less than \$1 million
- Reflects public safety spending at the City's March 20 Collective bargaining Proposal level
- Maintains the general fund ending balance at 15% every year of forecast
- Structurally balanced by FY 2017

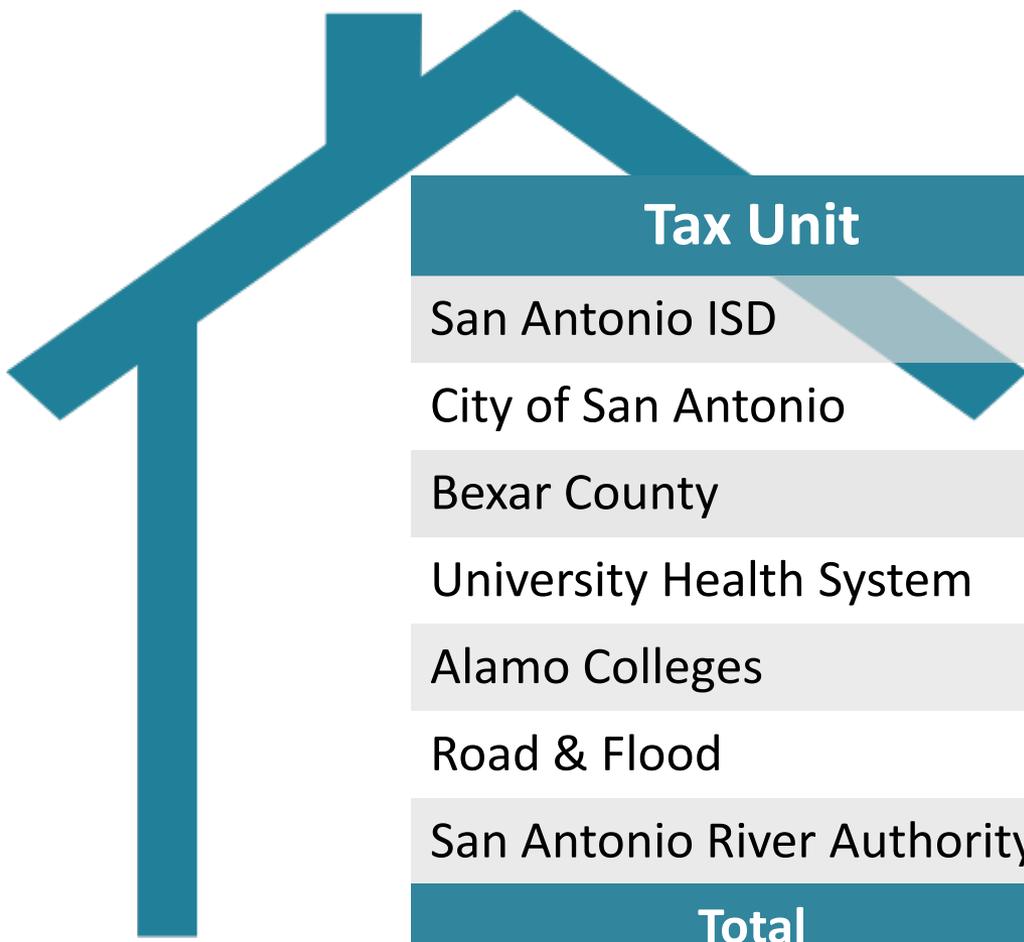
Distribution of Property Tax Bill



- The City of San Antonio's receives less than 25% of the property tax bill

** Includes Alamo Colleges, Bexar County, University Health Systems, Road & Flood, San Antonio River Authority*

Property Tax Bill for Average Homestead - \$135,609*



Tax Unit	Tax Bill	Share
San Antonio ISD	\$1,668	48.2%
City of San Antonio	767	22.1%
Bexar County	385	11.1%
University Health System	375	10.8%
Alamo Colleges	202	5.8%
Road & Flood	41	1.2%
San Antonio River Authority	23	0.7%
Total	\$3,460	100%

*Based on July 2014 property certified tax roll

Property Tax Appraisal Process Bexar Appraisal District



January 1

Bexar Appraisal District

Appraises Property for tax purposes

April 30

Deadline for filing exemption application with **Bexar Appraisal District**

June 1

Deadline for filing protest of appraised value with **Bexar Appraisal District**

End of July

City of San Antonio receives certified tax roll

October 1

Bexar County Tax Office mails Property tax bills

Preliminary Property Tax Estimates for Fiscal Year 2016



Taxable Value Increase*	
Gross Taxable Value Increase	15.64%
Minus Appeals, Protests, and Corrections	(6.14%)
Net Taxable Value % Change	9.50%
Property Tax Revenue*	
Gross Property Tax Revenue	\$70.6 Million
Minus:	(\$35.0 Million)
• Appeals, Protests, and Corrections, Exemptions, Delinquencies, & TIRZ Payments	(\$13.3 Million)
• Debt Service	
Net Property Tax Revenue to the General Fund	\$22.3 Million

**Preliminary numbers. The Bexar Appraisal District will release the Property Tax Certified Roll by July 25, 2015.*

Property Tax Value Growth



Property Tax Value Growth	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Base Valuation	6.45%	4.0%	1.5%	1.5%	1.5%
New Improvements	3.05%	2.5%	3.0%	1.5%	1.5%
Total	9.50%¹	6.5%	4.5%	3.0%	3.0%
Additional Revenue to General Fund (\$ in Millions)²	\$22	\$19	\$14	\$10	\$10

Note 1: After appeals, protests, and corrections

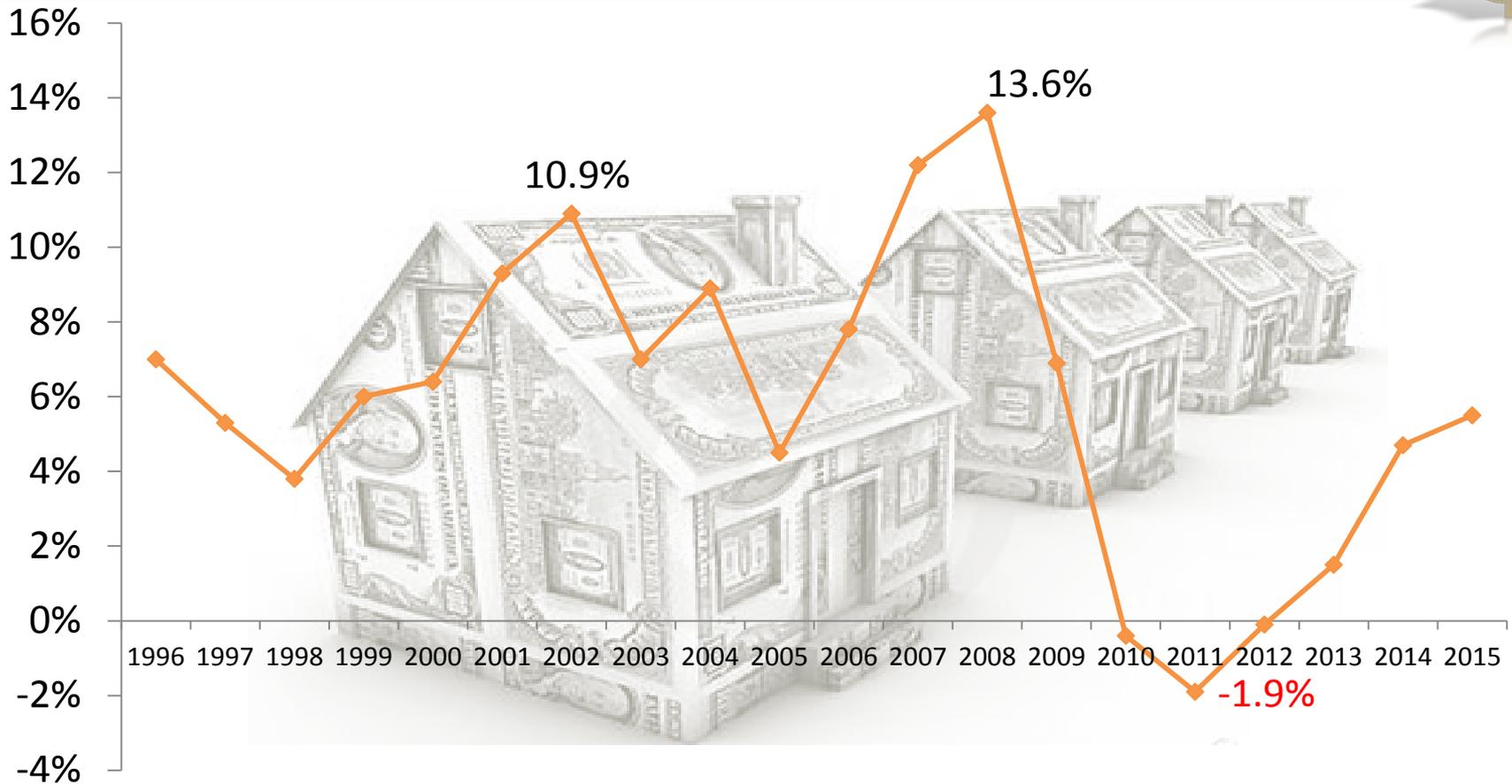
Note 2: The Financial Forecast projects a 5.1% annual average property tax revenue increase

Property tax rate of 56.56 per \$100 in valuation is maintained during the forecast period





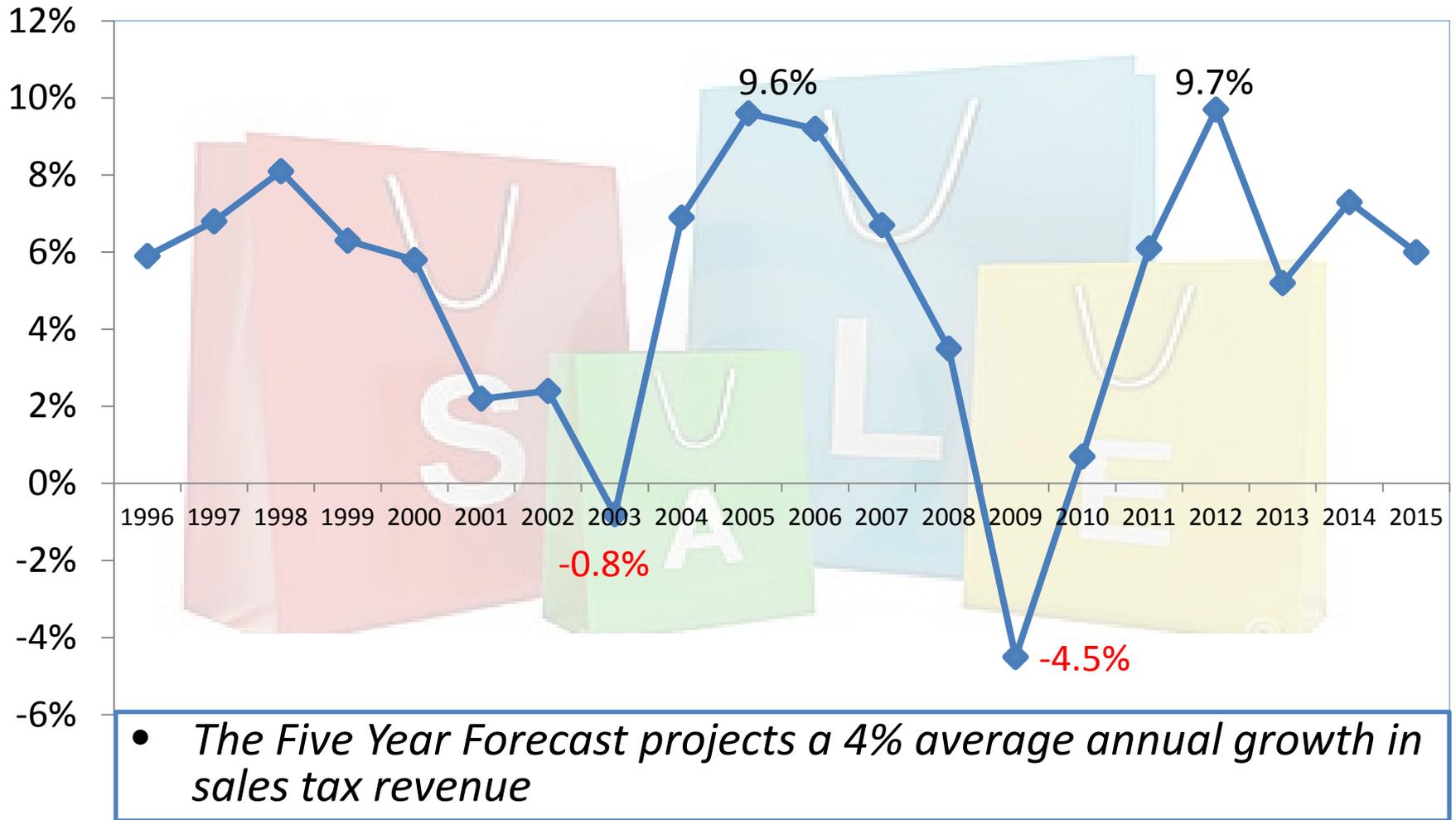
Property Tax Revenue % Change from Prior Year's Actual Collections



- *City's Property Tax Rate has not increased in the last 22 years, it has been decreased 3 times since 2007*

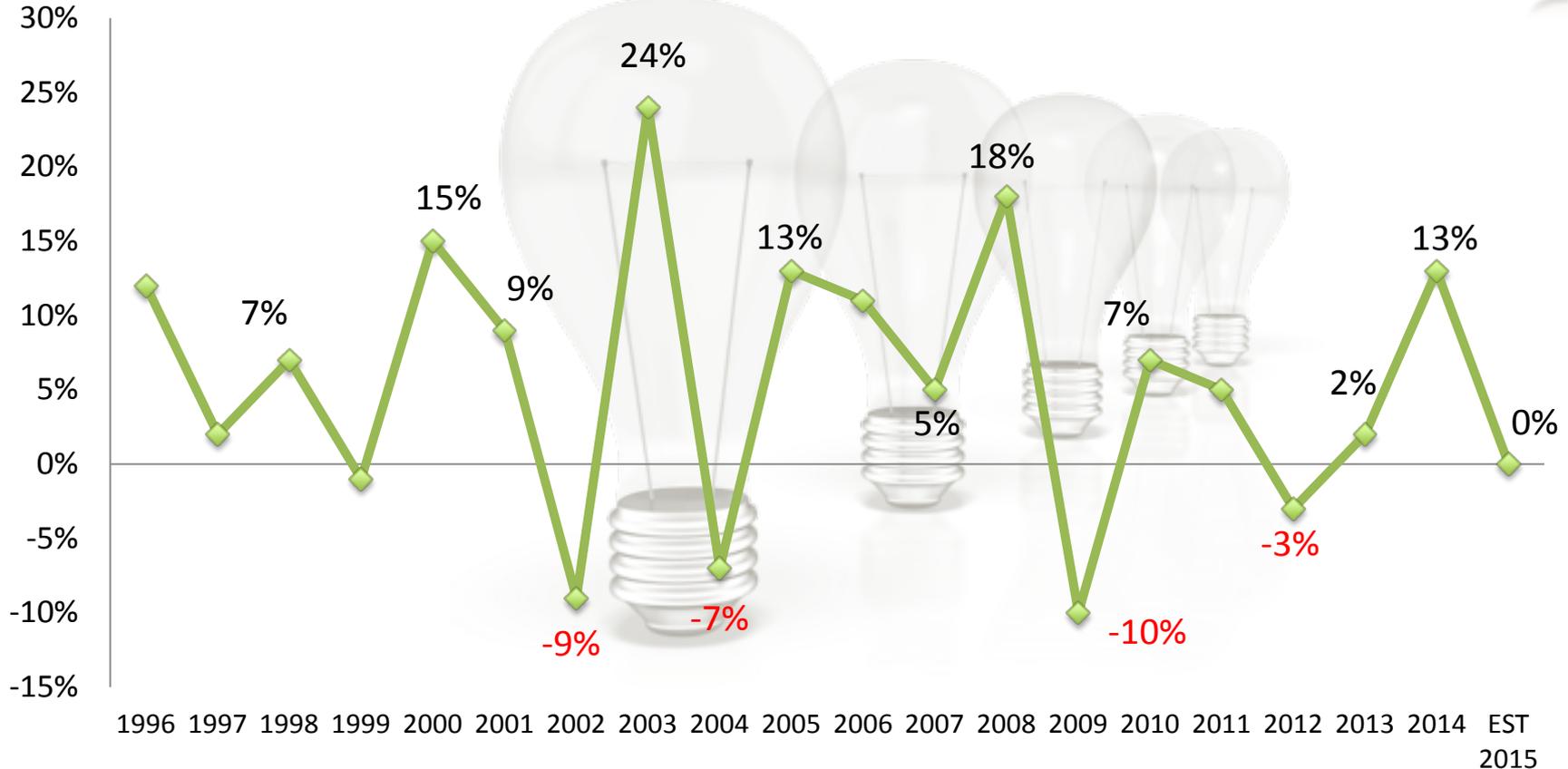
Sales Tax

% Change from Prior Year's Actual Collections



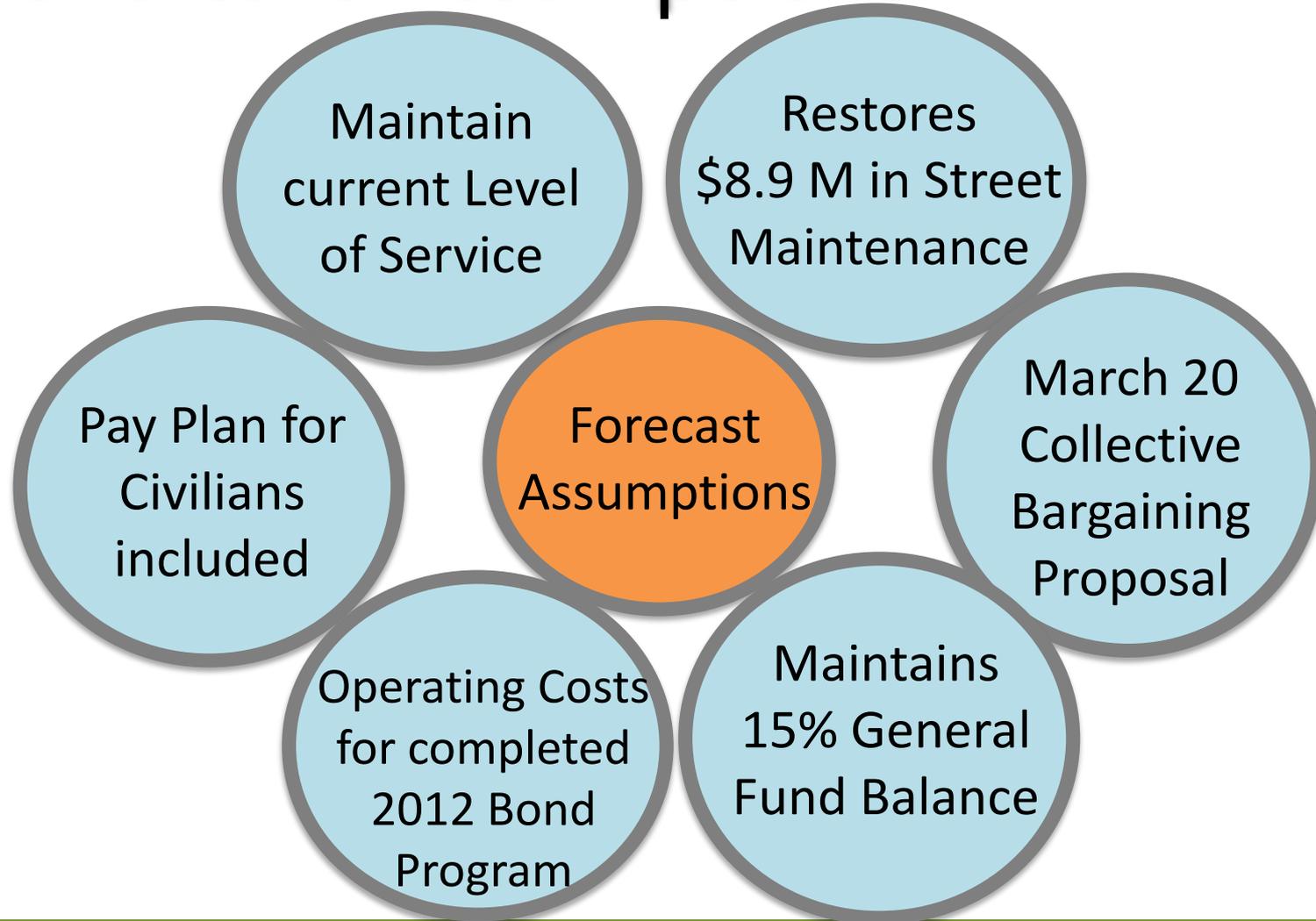
CPS Payment to City

% Change from Prior Year's Actual Collections



- *The Five Year Forecast projects a 2.6% average annual growth in CPS revenue*

General Fund Forecast Expenditure Assumptions



Comparison of Collective Bargaining Proposals



	City Proposal March 20	SAPOA Proposal March 17
Increase in Wages over Life of the Contract (FY 2015 to FY2018)	\$46.3 Million	\$79 Million
Healthcare Costs to City per Employee	\$12,485	\$14,196
Percentage of General Expenditures	Maintains Public Safety expenses within 66%	Increases Public Safety expenses close to 70%

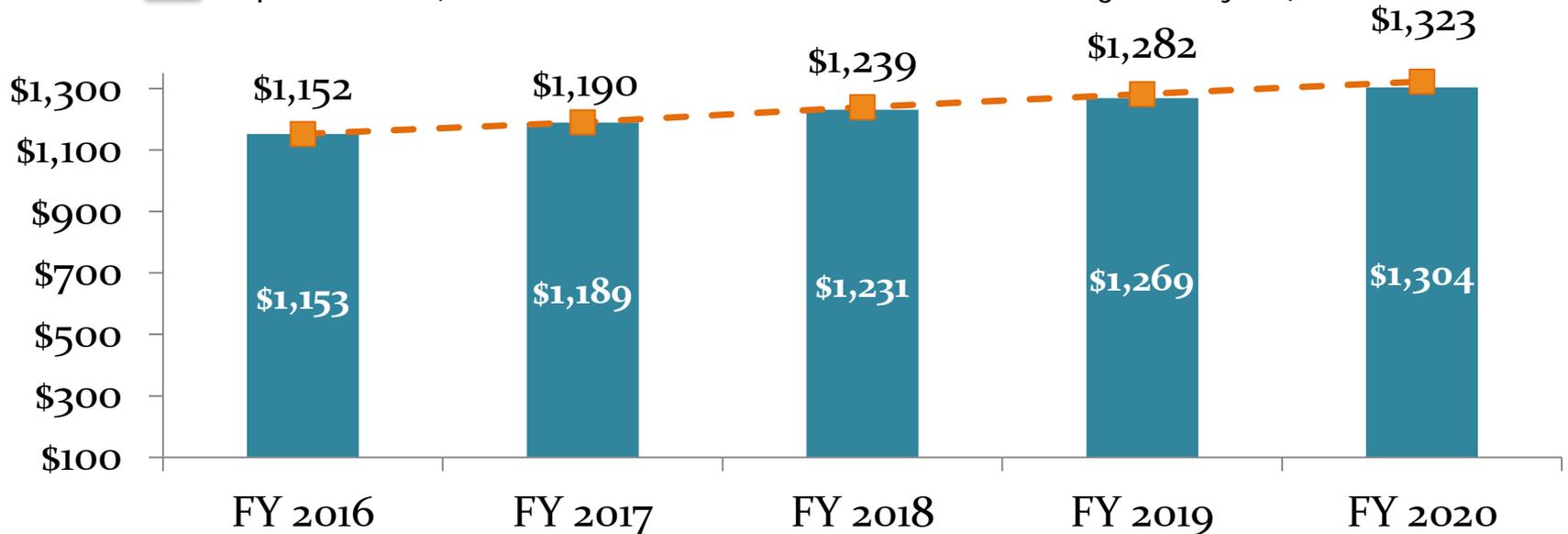
General Fund

Five Year Forecast (in Millions)



Reflects Public Safety Expenses consistent with City's March 20 Labor Proposal

- Revenues - Includes Beginning Balance
- Expenditures (Includes Set Aside of Reserves for following Fiscal year)



**Surplus
(Deficit)**

(\$0.7)

\$1.5

\$8.3

\$13.2

\$18.4

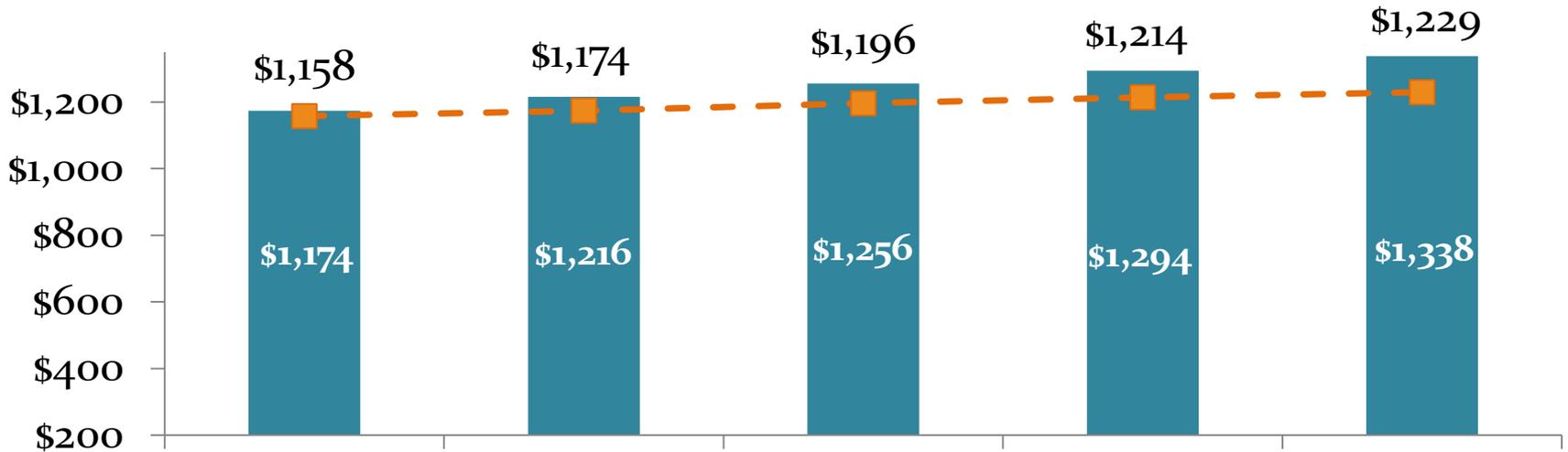
General Fund

Five Year Forecast (in Millions)



Reflects Public Safety Expenses with SAPOA's March 17 Labor Proposal

- Revenues - Includes Beginning Balance
- Expenditures (Includes Set Aside of Reserves for following Fiscal year)



	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
(Deficit)	(\$16.4)	(\$41.8)	(\$59.7)	(\$80.0)	(\$108.6)

Incremental deficit; assumes no budget reductions

2016 Budget Policy Issue

City South Annexation

- Limited Purpose annexation approved by City Council in January 2014
- Areas eligible for full purpose annexation in January 2017
- If annexation moves forward, police and fire positions would be added as part of FY 2016 Budget
- Not included in the Forecast Projections

Funding Requests



General Fund FY 2015 Funding Requests	Amount (\$ in Millions)
<i>Animal Care Services Marketing and Education</i>	<i>0.15 to 0.5</i>
<i>SA2020-Grant Match</i>	<i>0.15</i>
<i>My Brother's Keeper Program</i>	<i>0.08</i>
<i>Claude Black Youth Leadership Summer Employment Program Challenge-Match</i>	<i>0.05</i>
<i>Education Strategic Plan</i>	<i>0.05</i>
<i>Gun Shot Detection (Shot Spotter) Pilot Initiative</i>	<i>0.40</i>
<i>Park Security at Greenway Trail System</i>	<i>0.1</i>
<i>Total</i>	<i>\$0.98 to \$1.3 Million</i>

- \$1 Million General Fund Contingency Available

Non-General Fund FY 2015 Funding Requests	Amount (\$ in Millions)
<i>B-Cycle (HOT and Energy Efficiency Funds)</i>	\$0.12
<i>Workforce Development with Alamo Colleges (Economic Development Incentive Fund)</i>	\$0.10
<i>Cyber-Security for partially funding position at Chamber of Commerce (Economic Development Incentive Fund)</i>	\$0.05
<i>Pedestrian Safety Improvement Plan (ATD Fund and balances from completed streets projects)</i>	\$1.0
<i>Ella Austin Building— Emergency Plumbing Repairs (Facilities Fund)</i>	\$0.02
Capital Budget FY 2015 Funding Requests	
<i>Springvale Street Project (Capital Projects Fund Balance)</i>	\$1.0
<i>Pedestrian Crossing at Floyd Curl (Balance from completed street projects)</i>	\$0.18 to \$0.23

FY 2016 General Fund Funding Requests	Amount (\$ in Millions)
<i>Implementation of Comprehensive Plan</i>	\$0.50 to \$0.65
<i>Local Initiatives Support Corporation</i>	0.5
<i>Ella Austin – Auditorium Renovation</i>	1.6
<i>Body Cameras Phase I Implementation</i>	0.5
<i>Northern Hills Settlement and Acquisition</i>	2.5
<i>Northwest Area Recreation Center Property Acquisition (\$1.3 Million over 3 years)</i>	1.3
<i>Total</i>	\$6.9 to \$7.1 Million

Restricted Funds



Development Services Fund FY 2015 Results and Projections



→ Financial update for FY 2015 is positive when considering Fund Balance

2nd Quarter Results

→ \$508,000 in less revenue

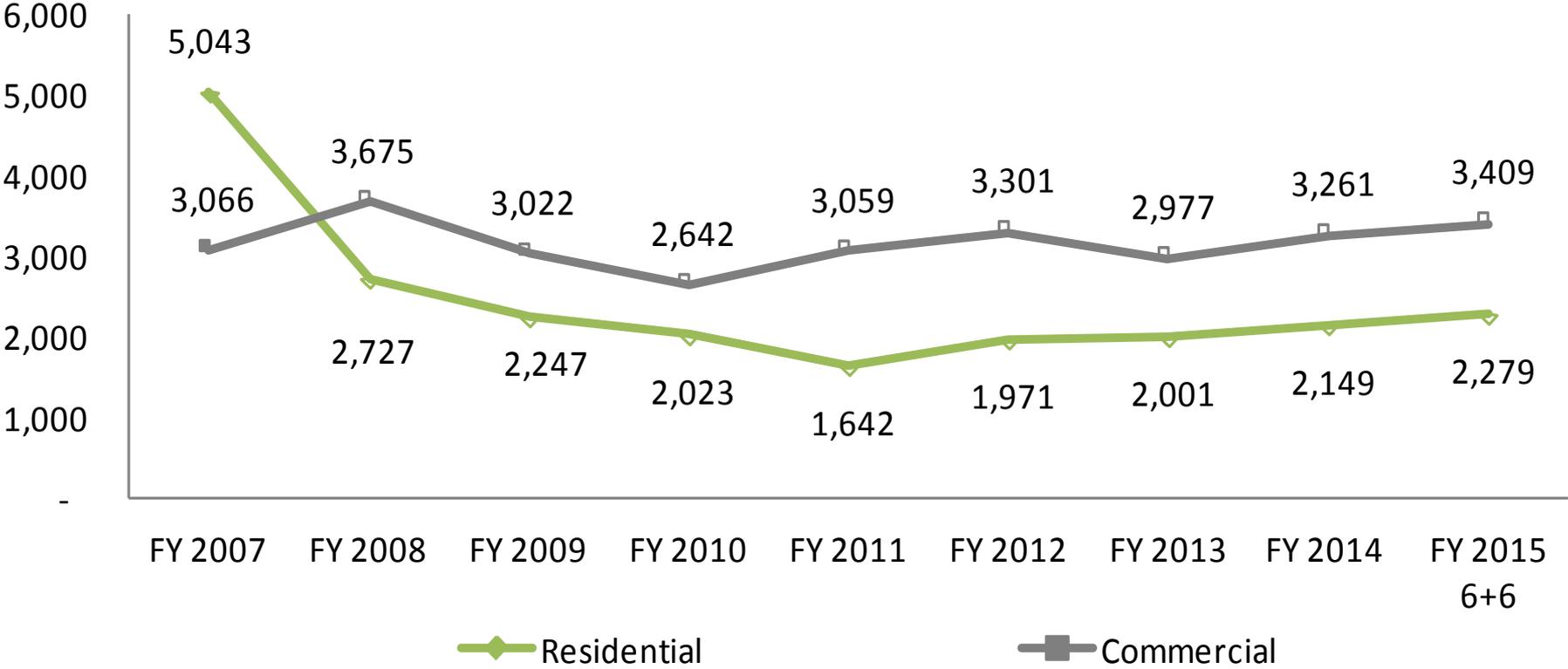
→ \$72,000 in less expense

FY 2015 Projection

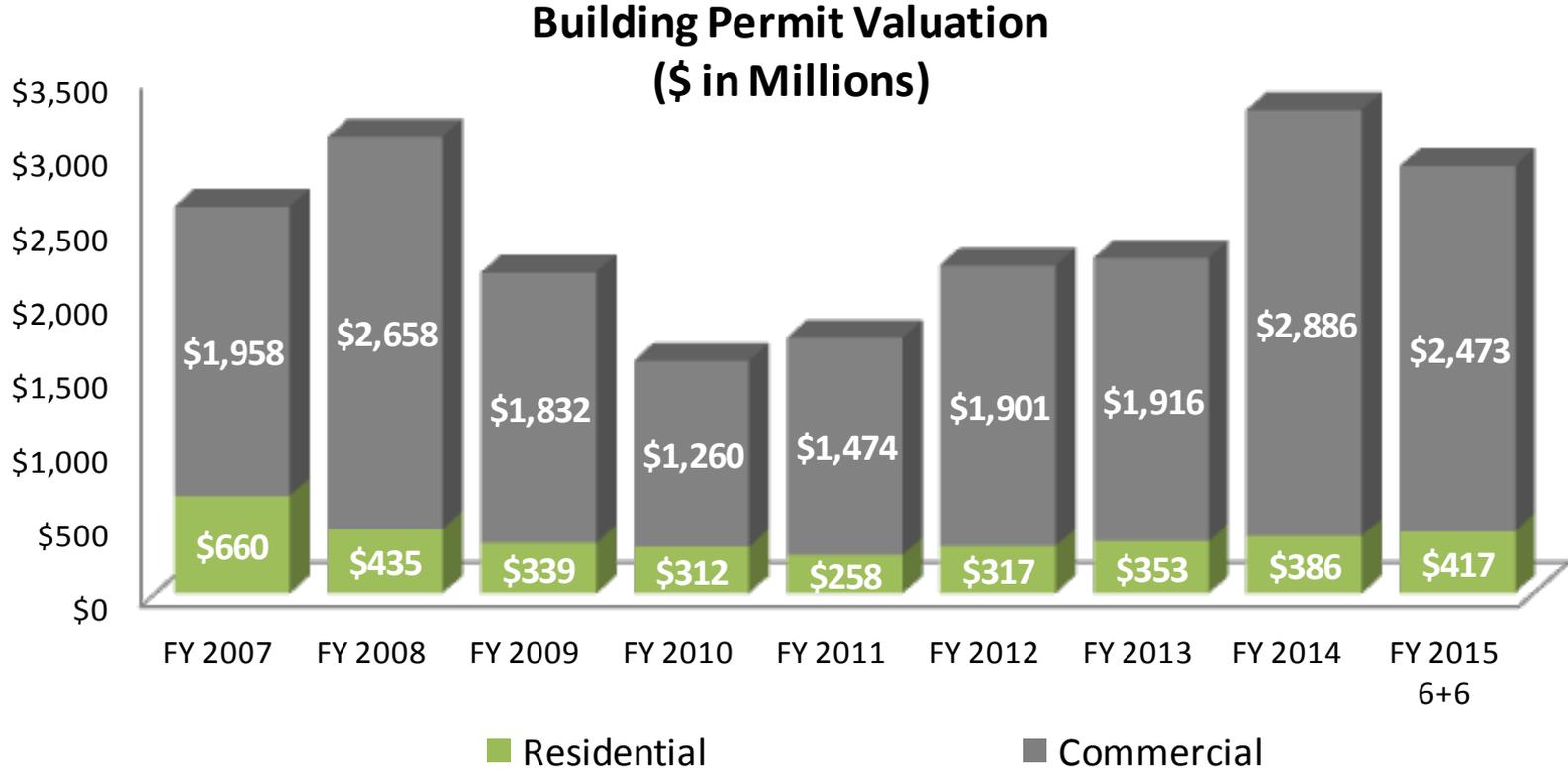
→ \$798,000 in less revenue

→ \$186,000 in less expense

Development Services Fund Building Permit Activity



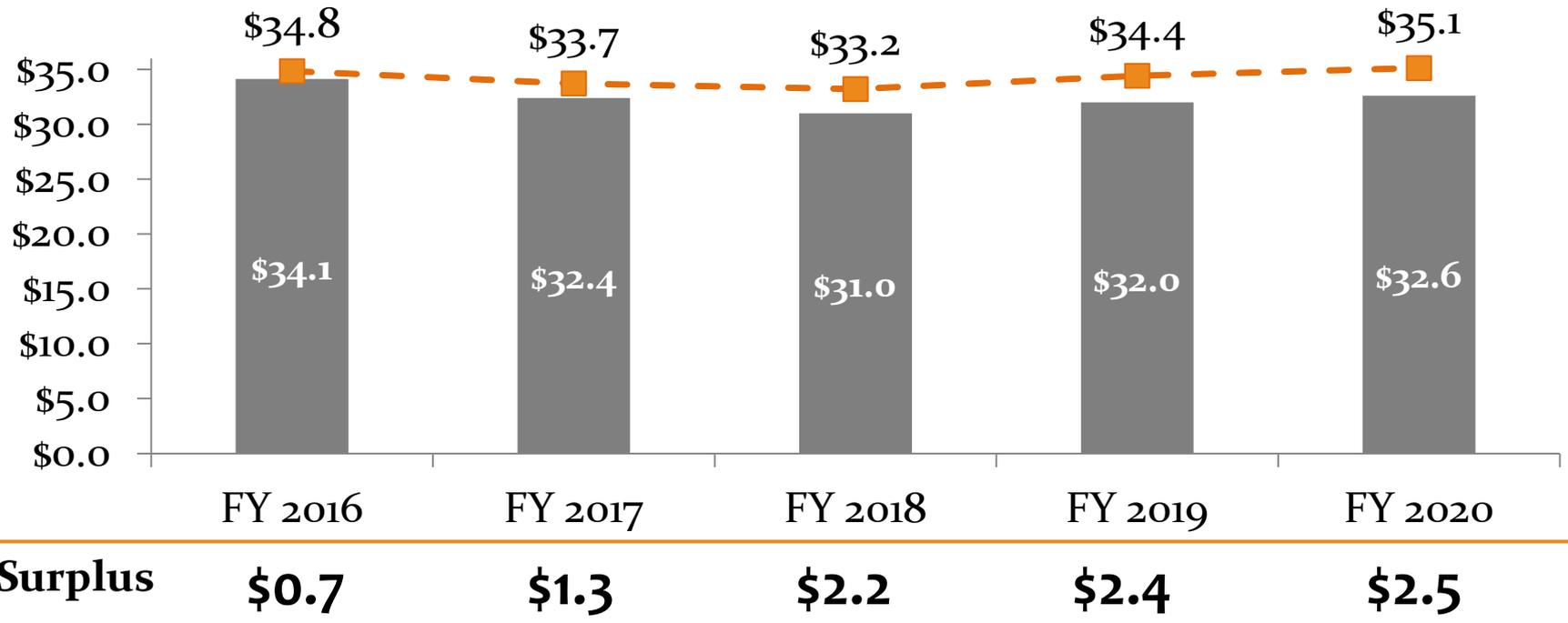
Development Services Fund Building Permit Valuation



Development Services Fund 5-Year Forecast (\$ in Millions)



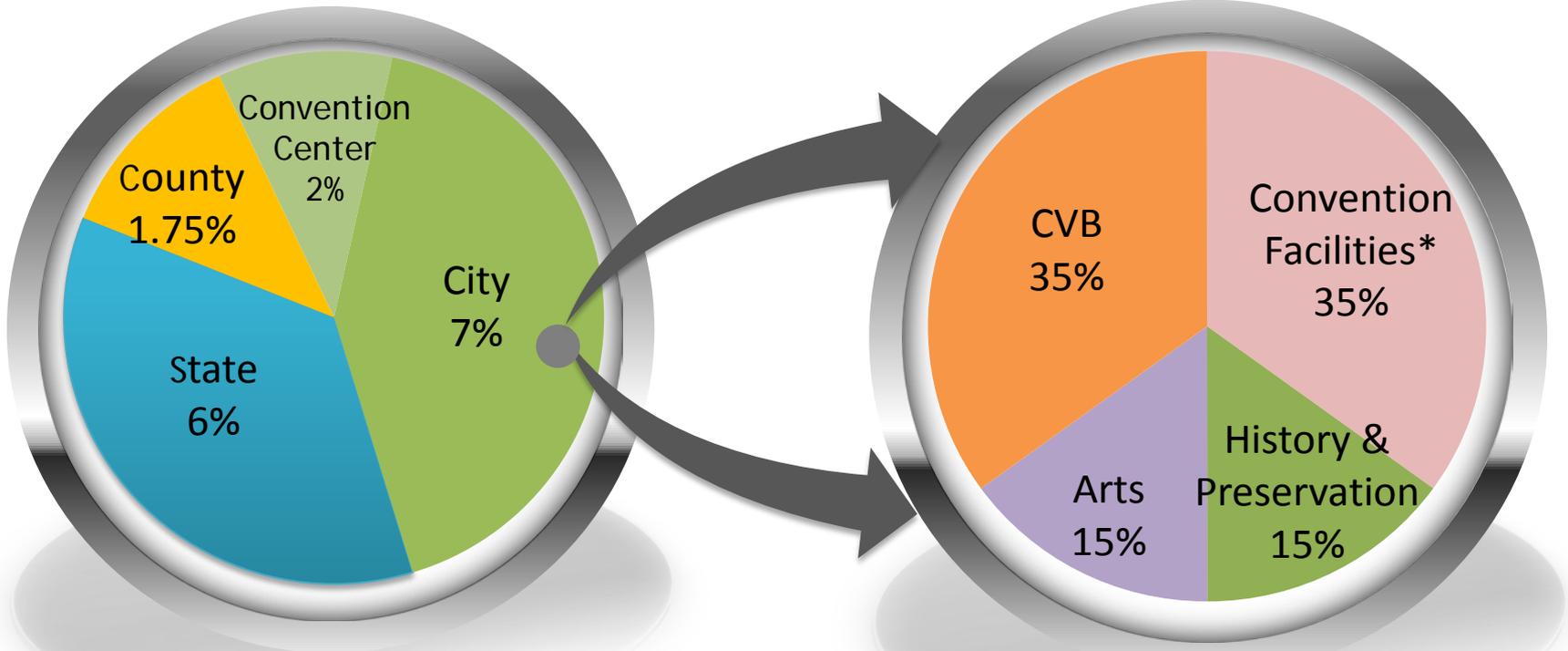
■ Revenues (Includes Fund Balance)
■ Expenditures (Includes amount added to Financial Reserves)



Hotel Occupancy Tax (HOT) and Allocation

Hotel Occupancy Tax Rate (16.75%)

Allocation of HOT 7% Rate to City



* Department supported by Alamodome and Convention Center Revenues

Hotel Occupancy Tax Fund (HOT) FY 2015 Results and Projections



Financial update for FY 2015 is positive:

➔ HOT Tax projected at \$820,000 more than budget

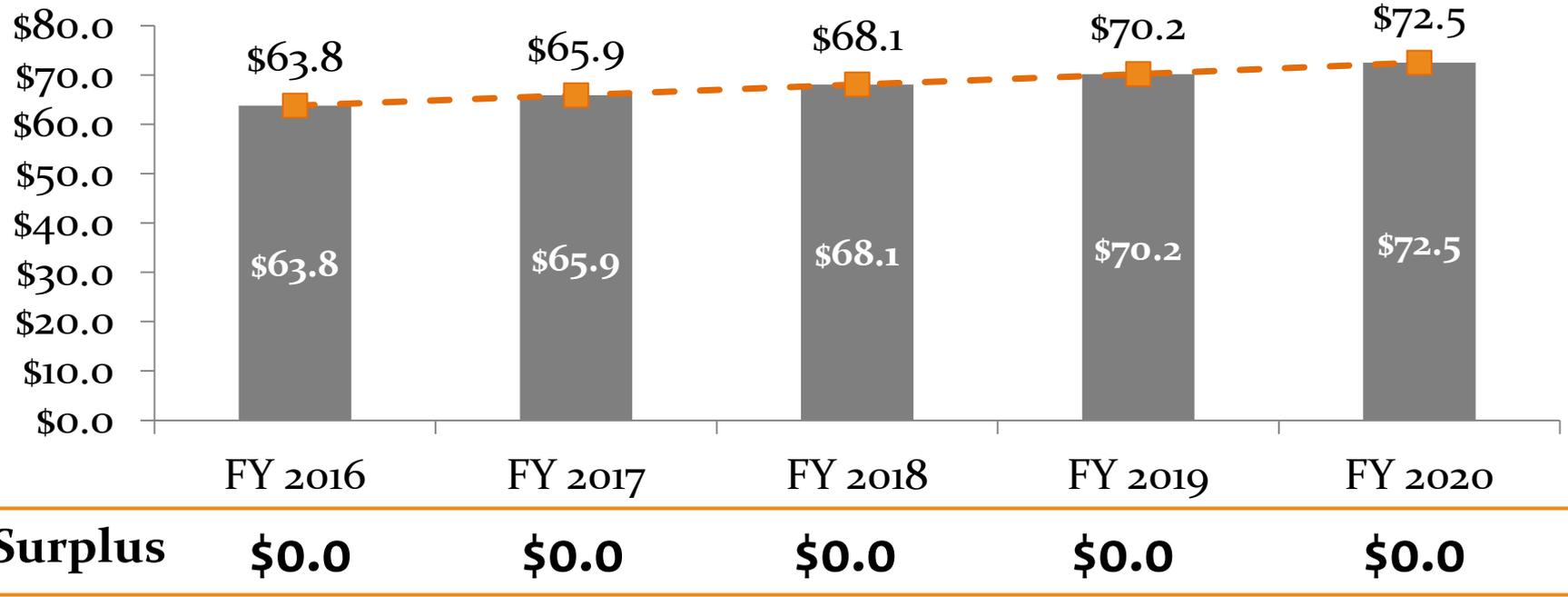
➔ Departments supported by Hotel Occupancy Tax within Budget



Hotel Occupancy Tax 5-Year Forecast (\$ in Millions)



■ HOT & Miscellaneous Revenues
■ Expenditures



Solid Waste Fund

FY 2015 Results and Projections



Financial updated for FY 2015 is positive:

➔ \$5.6 Million better than budget

2nd Quarter Results

➔ \$242,000 in more revenue

➔ \$4.4 Million in less expense

FY 2015 Projection

➔ \$485,000 in more revenue

➔ \$5.1 Million in less expense

Solid Waste Fund Variable Rate Pricing (VRP)



18 Month Rollout with
Continuous Neighborhood Outreach



Begins October 2015 (FY 2016)



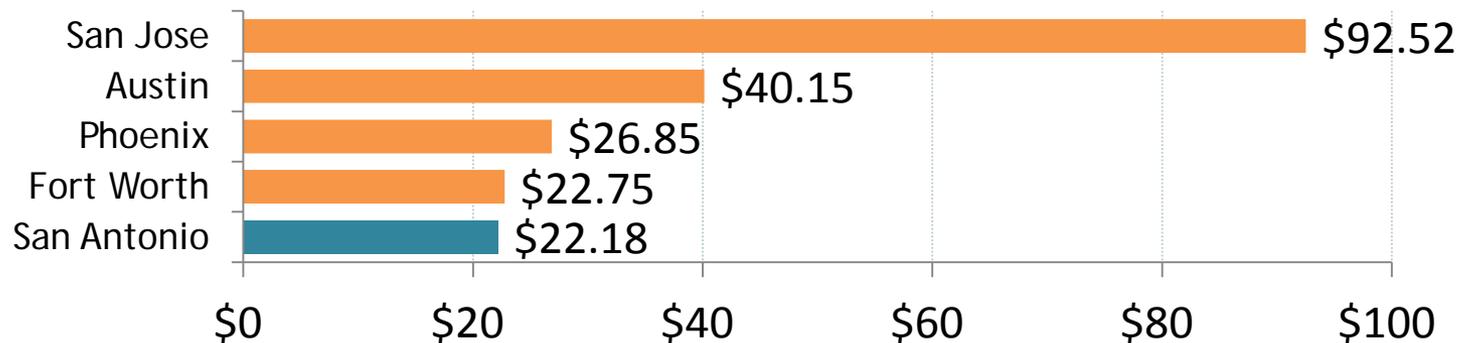
To be Completed April 2017 (FY 2017)

Solid Waste Fund Projected Fee Schedule



Monthly Fee	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Small Cart	\$20.93	\$20.43	\$20.43	\$19.93	\$19.93	\$19.43
Medium Cart		\$20.93	\$21.68	\$22.43	\$23.18	\$23.18
Large Cart	\$20.93	\$22.18	\$24.43	\$26.93	\$29.93	\$33.18
Small to Large Difference	\$0.00	\$1.75	\$4.00	\$7.00	\$10.00	\$13.75

Monthly Fee for Large Garbage Cart

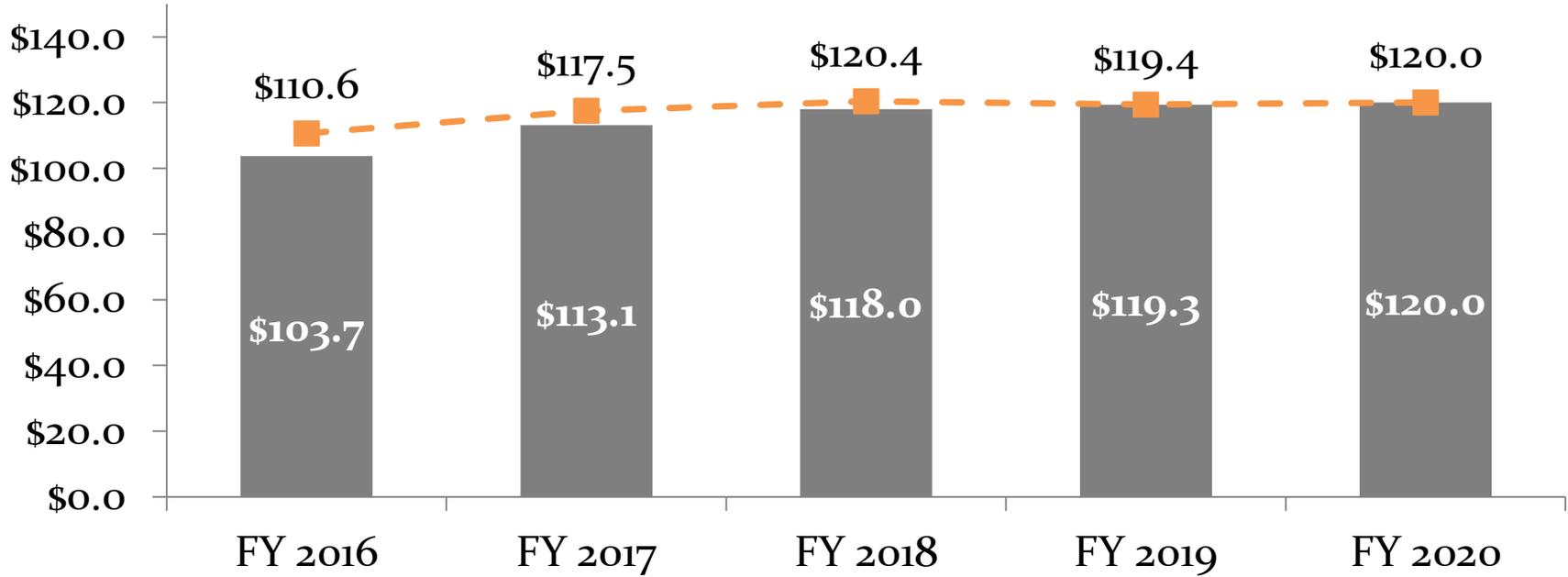


Solid Waste Fund

Five Year Forecast (\$ in Millions)



■ Revenues (Includes Beginning Balance)
■ Expenditures



Surplus	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
	\$6.86	\$4.43	\$2.39	\$0.08	\$0.03

FY 2015 Mid-Year Adjustment



FY 2015 Recommended Mid-Year Adjustment - General Fund

General Fund	FY 2015 Budget	FY 2015 Revised Budget	FY 2015 Mid Year Adjustment
Revenues	\$1,031.9	\$1,051.9	\$20.0
Expenses	\$1,048.4	\$1,044.2	(\$4.2)

Increases to General Fund Departments

- Municipal Elections - \$630,000
- Code Enforcement - \$370,000
- Fire Department - \$420,000

Title Reclassifications in the Fire Department

1 Fire Engineer & 1 Lieutenant	To	2 District Chief positions
-----------------------------------	----	-------------------------------

FY 2015 Recommended

Mid-Year Adjustment - Restricted Funds

- Convention & Visitors Bureau - In anticipation of receiving positive news regarding World Heritage Designation in July 2015, \$300,000 increase for marketing and promotion
- Convention Sports Facilities - \$411,000 for emergency electrical repair and suite improvements
- Right-Of-Way Fund -\$119,000 to move employees to Transguide Location



Next Steps in Budget Process



Budget Development Strategy



**Community &
Employee
Input for Budget**



**City Council
Policy Direction
for Budget**



**Proposed Budget
Development
Review**



**Adopted
Budget**



Community Engagement



1) MeetUps



Host meetings where people already are

2) Social Media



#SASpeakUp

3) MeetUp Fair



- Department booths
- A Budget booth
- Innovative Ideas booth

4) Online



Online tool to learn and share priorities

ACS Strategic Plan Enhancement



ACS Strategic Plan Enhancement



Adding “Engage & Educate Community” to ACS Strategic Priorities

\$150,000 to
\$500,000 Annually

Creation of ACS Outreach Division



Adds 3 new positions to promote responsible pet ownership in the community



Allow ACS to speak at 100 HOA/Community Meetings, Canvas 25,000 homes, & meet with 1,500 residents in one-on-one setting



\$150,000 Annually

Marketing Enhancement



Enhances current marketing efforts to promote responsible pet ownership



Increases gross media impressions to 10 Million annually



\$70,000 in FY 2015 and \$120,000 in FY 2016

Enhancement to ACS's Positive Incentive Program



Add resources to positively incentivize pet owners to spay/neuter, microchip, and vaccinate pet



Funds 2,700 additional spay/neuter surgeries & 5,000 microchips and 5,000 vaccinations



\$200,000 annually

Addition of Community Animal Trainer



Adds 1 Animal Trainer Position to provide free community pet training classes in the community



Funds basic training for 1,500 pets through 100 training classes annually



\$60,000 annually

FY 2015 Six Plus Six Financial Report & FY 2016 to FY 2020 Five Year Financial Forecast



City Council “B” Session
May 13, 2015

Presented by: María Villagómez, Budget Director