FY 2017 Three Plus Nine Financial Report

City Council “B” Session
Presented by Justina Tate, Budget Director
March 8, 2017
PRESENTATION OVERVIEW

1st Quarter Financial Status Report
1st Quarter Results of Budget Initiatives
FY 2018 Recommended Budget Calendar
FY 2017 Total City Budget: $2.5 Billion

- **General Fund**: $1.14 Billion
- **Restricted Funds**: $824 Million
- **Capital Budget**: $585 Million
FY 2017 General Fund Budget: $1.14B

CPS Payment
$342.7
30%

Property Tax
$317.5
28%

Sales Tax
$275.8
24%

Other Resources
$207.0
18%

Police* & Fire
$751 M

Public Safety Totals 65.7%

* INCLUDES PARKS POLICE

Other Operating Departments - $253 M
- Human Services
- Library
- Center City
- Code Enforcement
- Animal Care
- Health
- Finance
- Municipal Court
- Economic Development
- City Attorney
- Mayor & Council
- Government & Public Affairs
- Human Resources
- Planning
- City Clerk
- City Manager
- Municipal Detention Center
- City Auditor
- Management & Budget
- Transfers
- Historic Preservation
- Municipal Elections
- Innovation
- Eastpoint
- Non-Departmental
### General Fund Revenues

FY 2017 First Quarter Results

<table>
<thead>
<tr>
<th>Revenue Source ($ in Millions)</th>
<th>1\textsuperscript{st} Quarter Variance</th>
<th>FY 2017 3+9 Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>1.6</td>
<td>0</td>
</tr>
<tr>
<td>CPS Energy</td>
<td>0.9</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>2.3</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4.8</strong></td>
<td><strong>$2.0</strong></td>
</tr>
</tbody>
</table>
Three Plus Nine Revenues- Property Tax
($ in Millions)

- Certified Tax Roll received from Bexar Appraisal District in July
- Little deviation in the revenue received between Budget and estimate

<table>
<thead>
<tr>
<th>1st Quarter</th>
<th>FY 2017 Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>Budget</td>
</tr>
<tr>
<td>Actual</td>
<td>$317.5</td>
</tr>
<tr>
<td>Variance</td>
<td>$317.5</td>
</tr>
<tr>
<td></td>
<td>Estimate</td>
</tr>
<tr>
<td></td>
<td>$317.5</td>
</tr>
<tr>
<td></td>
<td>Variance</td>
</tr>
<tr>
<td></td>
<td>$0</td>
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</table>

$171.8 in First Quarter

<table>
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<tr>
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<tbody>
<tr>
<td>Budget</td>
<td>$171.8</td>
</tr>
<tr>
<td>Actual</td>
<td>$171.8</td>
</tr>
<tr>
<td>Variance</td>
<td>$0</td>
</tr>
</tbody>
</table>

Variance $0

Budget = Estimate
Three Plus Nine Revenues- Sales Tax
($ in Millions)

1st Quarter

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>$65.1</td>
<td>$66.7</td>
</tr>
<tr>
<td>Actual</td>
<td>$66.7</td>
<td></td>
</tr>
<tr>
<td>Variance</td>
<td>$1.6</td>
<td></td>
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</tbody>
</table>

FY 2017 Estimate

<table>
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<tr>
<th></th>
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<tbody>
<tr>
<td>Budget</td>
<td>$275.8</td>
<td>$275.8</td>
</tr>
<tr>
<td>Estimate</td>
<td>$275.8</td>
<td>$0</td>
</tr>
</tbody>
</table>

Sales tax collected in January was $1.5 Million below budget

October  $24
November $21
December $20
January  $30

$29

✓
Three Plus Nine Revenues - CPS Energy ($ in Millions)

1st Quarter
Budget $71.2
Actual $72.1
Variances $0.9

FY 2017 Estimate
Budget $342.7
Estimate $342.7
Variances $0

October
Budget $26
Actual $27

November
Budget $22
Actual $22

December
Budget $23
Actual $23

January
Budget $27
Actual $26

CPS collected in January was $1.2 Million below budget.
Three Plus Nine-General Fund Expenses

$3.9 million in less expense in Department Budgets

- $1 million Injunction on FLSA Overtime
- $630,000 Fuel Savings
- $2.3 million Department savings
General Fund FY 2017 1st Quarter Financial Results

$7.1 M  +  $2.0 M  +  $3.9 M = $13.0 M

Additional Beginning Balance for FY 2017
FY 2017 Projected Revenue Favorable Variance
FY 2017 Projected Expenditure Favorable Variance

Better Ending Balance projected for FY 2017 Budget
General Fund Preparing For FY 2018

• City still faces challenges related to:
  – Potential revenue caps
  – Requested City Council amendments not approved in September
  – Expenses related to Tornado damage on February 19 and 20

• Recommend that the better ending balance be reserved
Restricted Funds

Hotel

Occupancy

Development

Services

Solid

Waste
Hotel Occupancy Tax Rate

Adopted FY 2017 Hotel Occupancy Tax (HOT) Rate (16.75%)

- State: 6%
- County: 1.75%
- City: 7%
- Convention Center: 2%

Adopted Allocation of City’s 7% of HOT Rate

- VisitSA: 35%
- Convention Facilities*: 35%
- Arts: 15%
- History & Preservation: 15%

* Department supported by Alamodome and Convention Center Revenues
Hotel Occupancy Tax Fund Revenues

1st Quarter

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actuals</th>
<th>Variance</th>
</tr>
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<tbody>
<tr>
<td>$14.5 M</td>
<td>$14.5</td>
<td>$14.7</td>
<td>$0.2</td>
</tr>
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FY 2017 Estimate

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<td>$65.7 M</td>
<td>$65.7</td>
<td>$65.9</td>
<td>$0.2</td>
</tr>
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</table>
Hotel Occupancy Tax Fund Expenses

Departments supported by HOT tax within Budget

- Convention Facilities
- Visit SA
- Arts & Culture
Development Services Fund Revenues

1st Quarter

$7.0 M Budget
$6.8 M Actual
$200,000 Below Budget

FY 2017 Estimate

$32.7 M Budget
$32.8 M Estimate
$100,000 Above Budget
Development Services Fund Expenditures

1st Quarter

$7.0 M Actual

$7.1 M Budget

$100,000 Below Budget

FY 2017 Estimate

$31.3 M Estimate

$31.7 M Budget

$400,000 Below Budget
Solid Waste Fund Revenues

**1st Quarter**

- **Budget**: $25.8 M
- **Actual**: $26.7 M
- **$900,000 Above Budget**

**FY 2017 Estimate**

- **Budget**: $104.9 M
- **Estimate**: $106.7 M
- **$1.8 M Above Budget**
Solid Waste Fund Expenditures

1st Quarter

Budget: $26.8 M
Actual: $26.2 M

$600,000 Less Spending

FY 2017 Estimate

Budget: $113.3 M
Estimate: $112.7 M

$600,000 Less Spending
Budget Initiatives
1st Quarter Highlights
Street Maintenance Program

$64 Million to complete 889 Projects

40 Projects will be completed in FY 2018

1st Quarter
- 135 Projects

2nd Quarter
- 133 Scheduled Projects

3rd Quarter
- 277 Scheduled Projects

4th Quarter
- 304 Scheduled Projects
Sidewalk Program

$15 Million for 28.19 miles

1st Quarter
3.78 Miles
Completed

2nd Quarter
6.22 Miles

3rd Quarter
9 Miles

4th Quarter
9.19 Miles
Smart Cities

✓ Wi-Fi at 10 Parks: Completed by June 2017

✓ Illegal Dumping Cameras: 10 locations identified, completed by June 2017
Other Budget Initiatives

Faith-Based Liaison – Added $70,000
✓ Position has been filled
✓ First worksession with Faith Based Community in April

Translation Services – Added $230,000
✓ Expand level of translation services to Community
✓ Translation services provided at City Council meetings
FY 2018 Recommended Budget Calendar

- Recommended budget calendar sets dates and events for FY 2018 Budget
- Receive input from City Council, and if necessary, adjust budget development schedule accordingly
- Final calendar to be distributed to City Council and posted for public notification by March 15
FY 2018 Recommended Budget Calendar

- **May 10**: 6 + 6 Report and Five-Year Financial Forecast
- **May 11**: Mid-Year Budget Adjustment Ordinance
- **June 28**: City Council Budget Goal Setting
- **August 10**: FY 2018 Proposed Budget
- **Aug – Mid Sept.**: City Council Budget Worksessions & Community Input
- **September 14**: FY 2018 Budget Adoption
FY 2018 Public Outreach

- Implemented new approach for pre-proposed public outreach for FY 2017 Budget
- Teams comprised of City Staff and volunteers attended events
- Over 5,100 surveys were collected by attending 9 events
FY 2018 Public Outreach

- Over 20 Community-wide Events to “meet people where they are”
- Surveys available in Spanish and English
- Use of Social Media and Nextdoor.com to promote Outreach
- Podcast
SUMMARY

• General Fund financial position is slightly better than at budget adoption

• Financial challenges exist for 2018

• Recommend reserving better ending balance until mid-year review
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