



FY 2013 Six Plus Six Financial Report FY 2014 to FY 2018 Five Year Financial Forecast

City Council “B” Session
May 29, 2013

Presented by
Sheryl Sculley, City Manager
María Villagómez, Budget Director

Presentation Overview

- Financial Status of current FY 2013 Budget – Six Plus Six Budget and Finance Report
 - General Fund
 - Restricted Funds
- Impact of Federal Sequestration on City's Grants
- FY 2013 Mid-Year Budget Adjustment
- Five Year Financial Forecast – FY 2014 to FY 2018
 - General Fund
 - Solid Waste Fund
- Next Steps in FY 2014 Budget Development Process



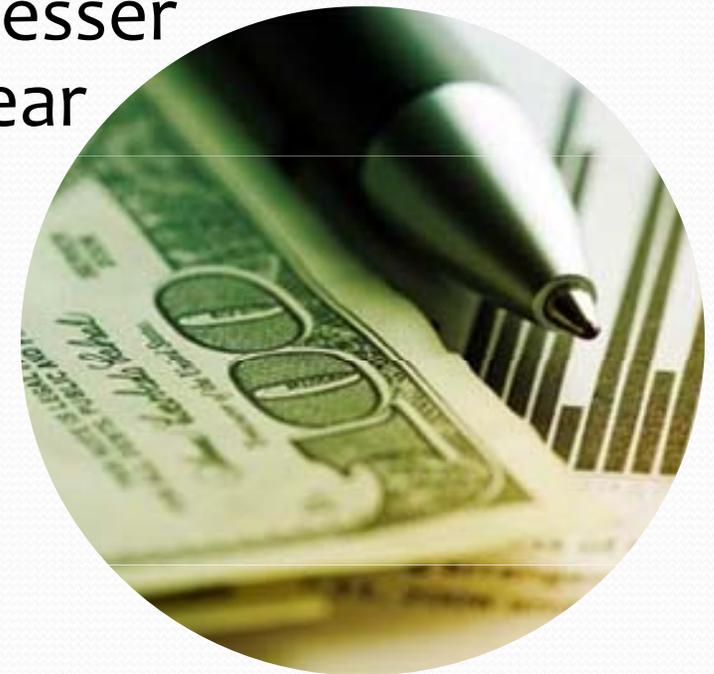
General Fund FY 2013 Financial Condition Summary

- Financial update for FY 2013 is positive; financial challenges exist for FY 2014
- FY 2013 2nd Quarter results: \$3.7 Million better than budget
- FY 2013 annual projection: \$5.1 Million or 0.5% better than General Fund budget



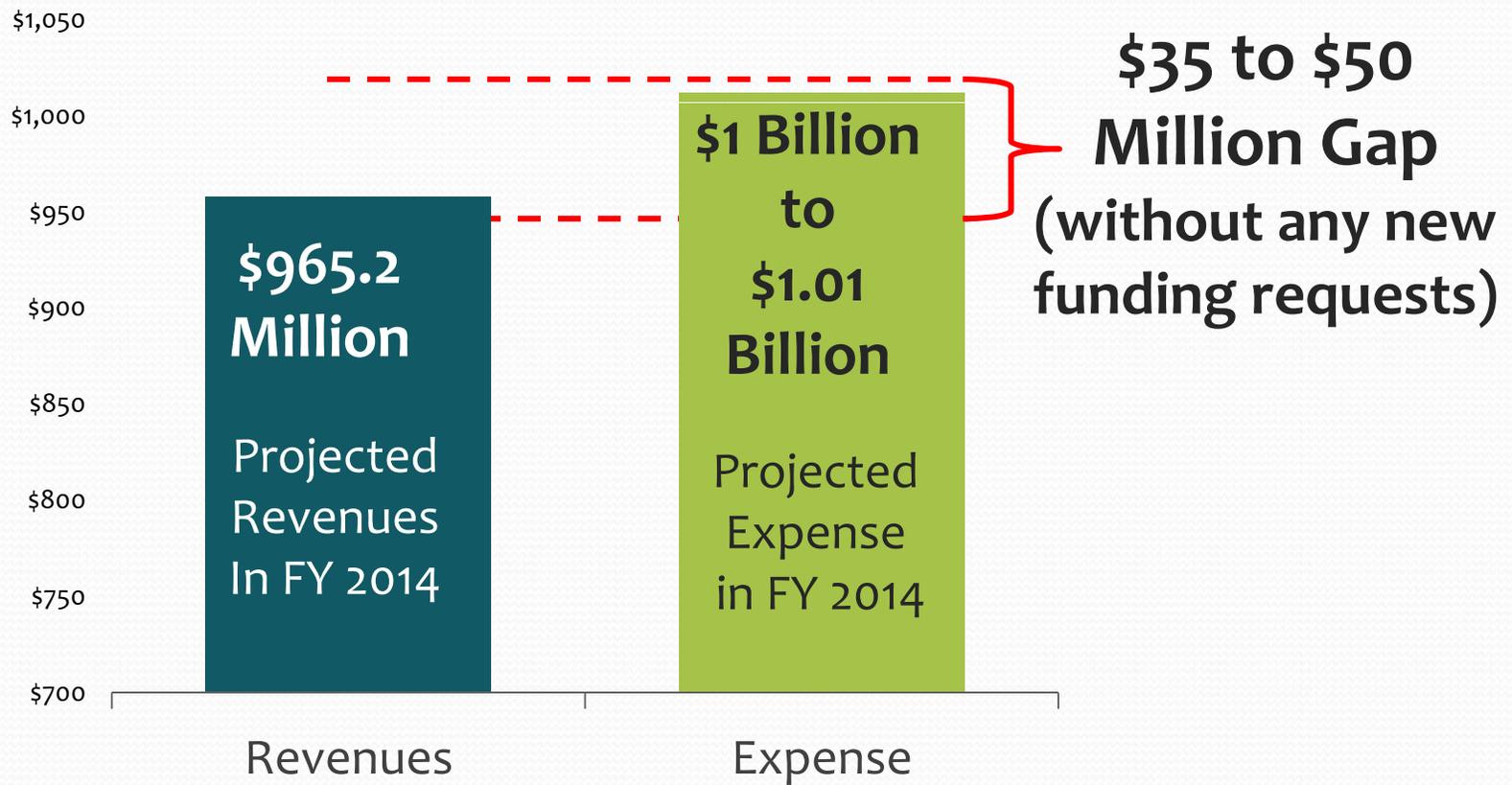
General Fund Five Year Forecast Summary

- A \$35 to \$50 Million financial gap is projected for FY 2014 Budget
- Financial Gap results from expenditures growing at faster pace than revenues and lesser beginning balance from prior year
- Overall General Fund revenues in FY 2014 projected to increase by 2.4% while expenditures projected to grow by 3.5%



General Fund FY 2014 Financial Gap

- Significant gap in budget for FY 2014 exists to fund at current service levels



Close out of 2007 Bond Program

- 2007 Bond Program close out currently underway
- Savings from completed projects are anticipated
- Savings amount will be presented to City Council at June 25 Goal Setting Session
- Recommendations for use of savings may include using one-time funds for FY 2014 Street Maintenance Projects scheduled within IMP to offset FY 2014 Projected General Fund Gap



Budget Information for City Council

August/September Budget Worksessions

- City Council Budget Worksessions take place after budget is proposed and provide overview of department budgets and proposals recommended within budget
- Input is encouraged by the June 25th Goal Setting Session should the Council desire to have particular budget information presented during the worksessions





FY 2013 Six Plus Six Financial Report
FY 2014 to FY 2018 Five Year Financial
Forecast

Presented by
María Villagómez, Budget Director

FY 2013 Budget Facts

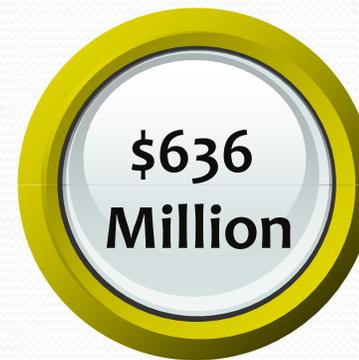
\$2.3 Billion Consolidated Budget



**General
Fund**



**Restricted
Funds**

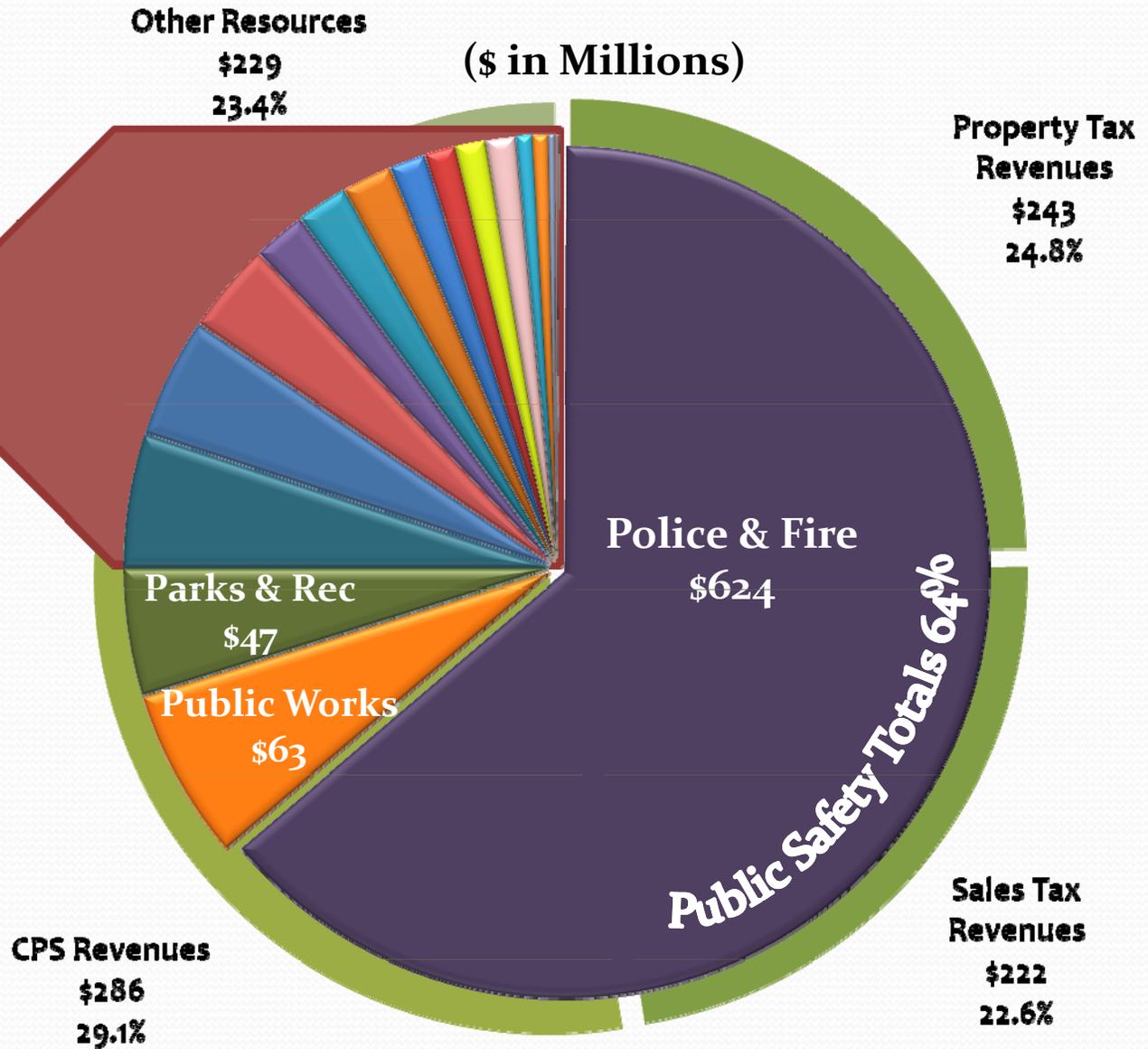


**Capital
Improvements
Program**

General Fund Available Resources Distributed Over Major Spending Areas

Other Operating Depts - \$246 Million

- Center City
- Economic Development
- Special Projects
- Downtown Operations
- Animal Care
- Health
- Code Enforcement
- Municipal Court
- Transfers
- Human Services & Agencies
- Library
- Administration:
 - *City Attorney
 - *City Auditor
 - *City Clerk
 - *Human Resources
 - *Finance & Budget
 - *City Manager
 - *Communications
- Non-Departmental



FY 2013 ADOPTED BUDGET \$979,616,804



General Fund

Six Plus Six Financial Report

6+6

General Fund FY 2013 2nd Quarter Financial Summary

- Financial condition for first six months (Oct – March) favorable by \$3.7 Million
- General Fund Revenues up \$2.7 Million over adopted budget
 - Property Tax at budget
 - Sales Tax up \$2.9 Million
 - CPS Revenues down \$1.4 Million
 - Other revenues up \$1.2 Million
- Less spending of \$1 Million in General Fund Expenditures



6+6

General Fund FY 2013 Six Plus Six Financial Summary

- Financial condition improves over remaining six months (April – Sept) by additional \$1.4 Million primarily due to more sales tax revenues
- Total FY 2013 Annual General Fund variance (Oct – Sept) \$5.1 Million better than budget
 - \$4.5 Million in more revenue
 - \$600,000 in less spending



6+6

General Fund Revenue Variance (\$ in Millions)

- \$4.5 Million in more revenue projected in FY 2013
(October to September)

(\$ in Millions)	FY 2013 Budget	FY 2013 Projection	Year End Variance
Property Tax	\$242.8	\$242.8	\$0
Sales Tax	221.8	226.9	5.1
CPS Payment	285.5	284.1	(1.4)
Other Revenue	168.0	168.8	0.8
Total	\$918.1	\$922.6	\$4.5

6+6

FY 2013 General Fund Summary

(\$ in Millions)	FY 2013 Budget	FY 2013 Re-Est.	Variance
Beginning Balance	\$71.1	\$79.4	\$8.3
Total Revenues	918.1	922.6	4.5
Total Expenditures	979.6	979.0	0.6
Added Ending Balance for FY 2013 Budget			\$13.4

- \$8.3 million better FY 2012 ending balance
- \$5.1 million in more revenue and less expense in FY 2013
- \$13.4 million added to FY 2013 \$6.8 million 2-Year Budget Reserve



General Fund

FY 2014 to FY 2018 Financial
Forecast

5-Yr

General Fund Forecast

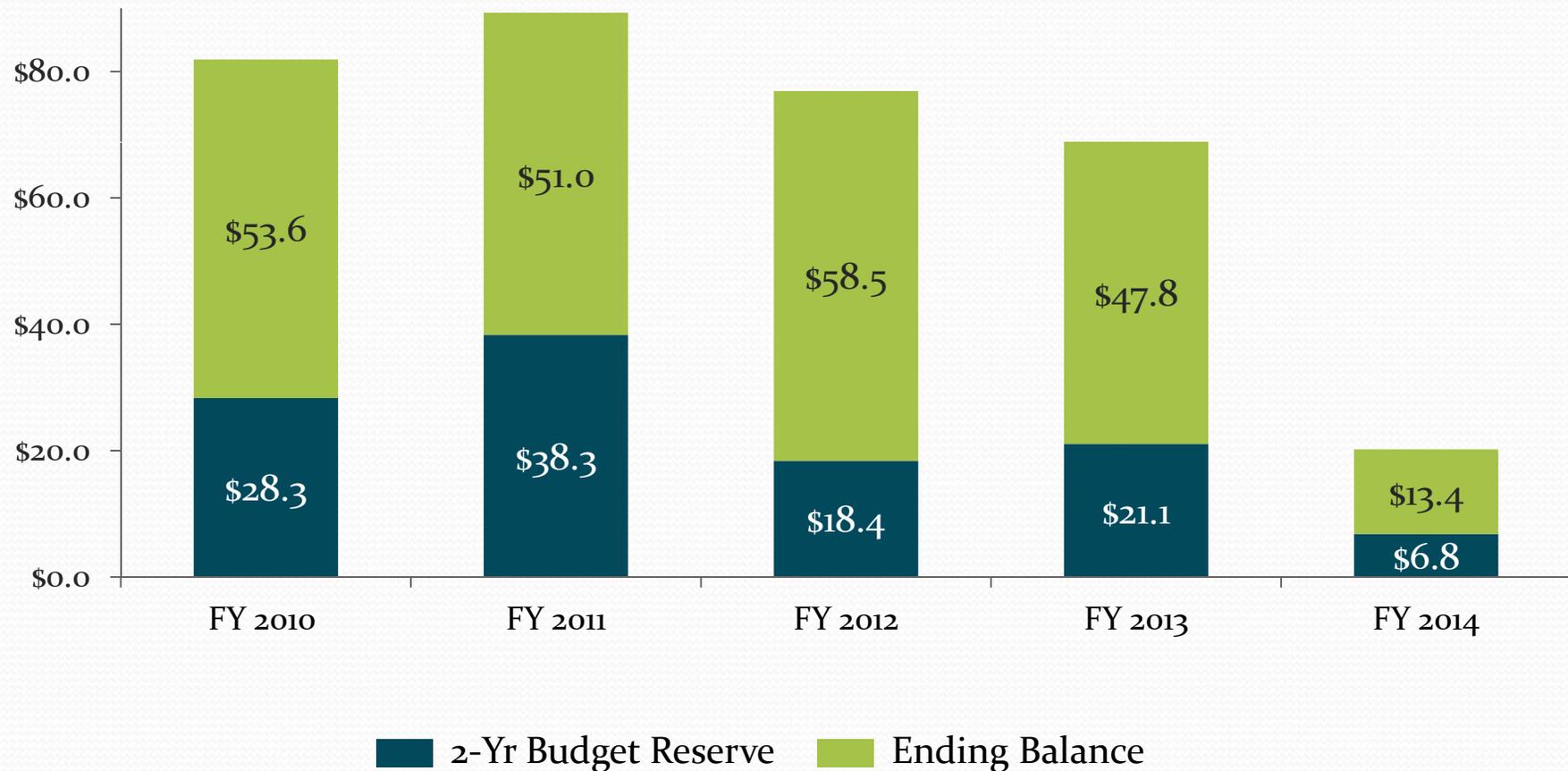
- Financial challenge projected for FY 2014 between \$35 million and \$50 million
- Gap results from expenditures growing at faster pace than revenues and lesser beginning balance from prior year
- Overall General Fund revenues projected to increase by 2.4% while expenditures projected to grow by 3.5%



5-Yr

General Fund Beginning Balance (\$ in Millions)

- FY 2014 Forecast uses \$20.2 Million Beginning Balance from FY 2013 Actual



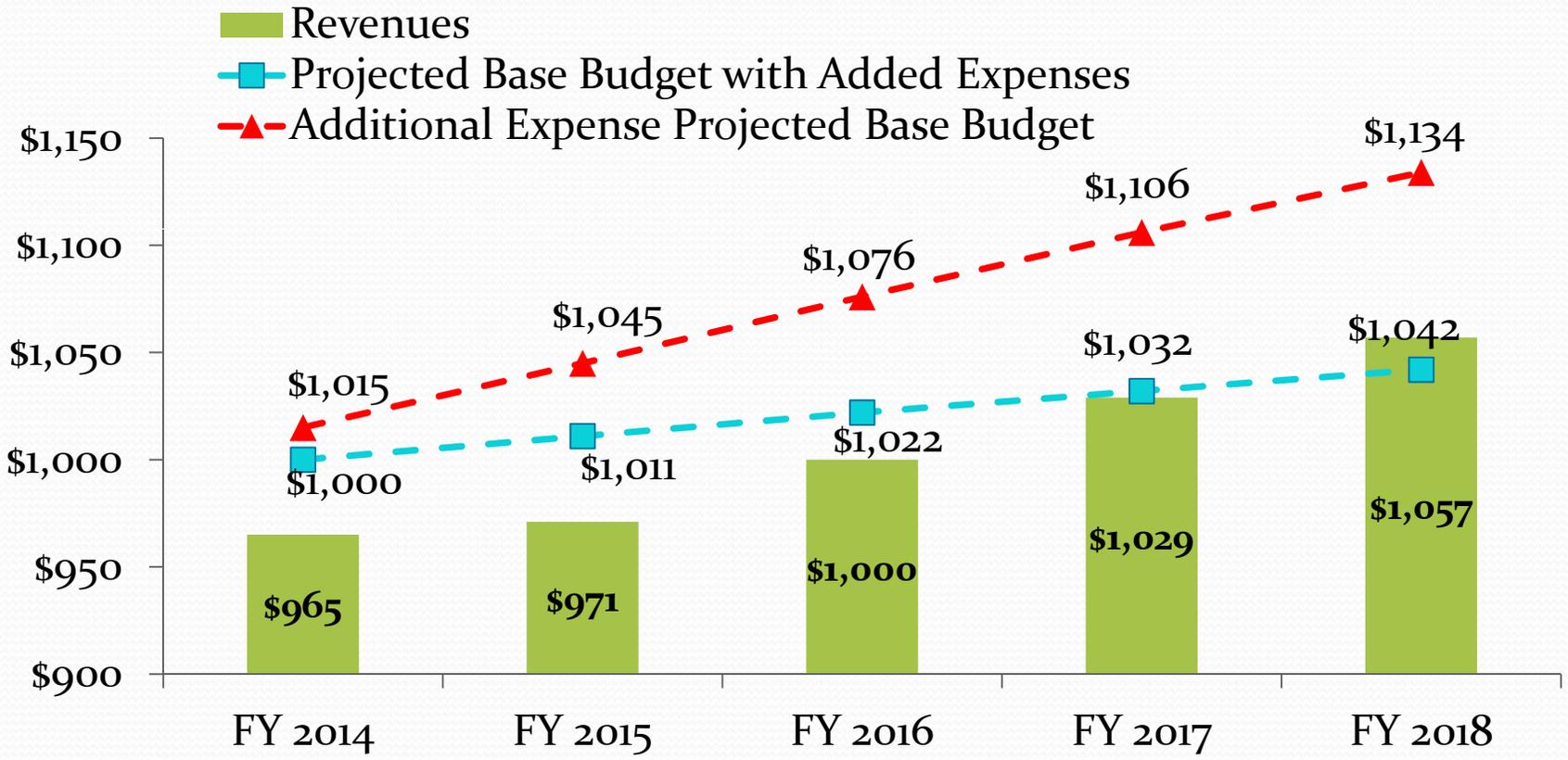
5-Yr

General Fund Forecast (\$ in Millions)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Available Resources	\$965	\$971	\$1,000	\$1,029	\$1,057
Expenditures	\$1,000	\$1,011	\$1,022	\$1,032	\$1,042
Ending Balance	(\$35)	(\$40)	(\$22)	(\$3)	\$15
Additional Expenditures	\$15	\$34	\$53	\$73	\$93
Ending Balance	(\$50)	(\$74)	(\$75)	(\$76)	(\$78)

5-Yr

General Fund Forecast (\$ in Millions)



Projected Ending Balance	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	(\$35) to (\$50)	(\$40) to (\$75)	(\$22) to (\$75)	(\$3) to (\$76)	\$15 to (\$78)

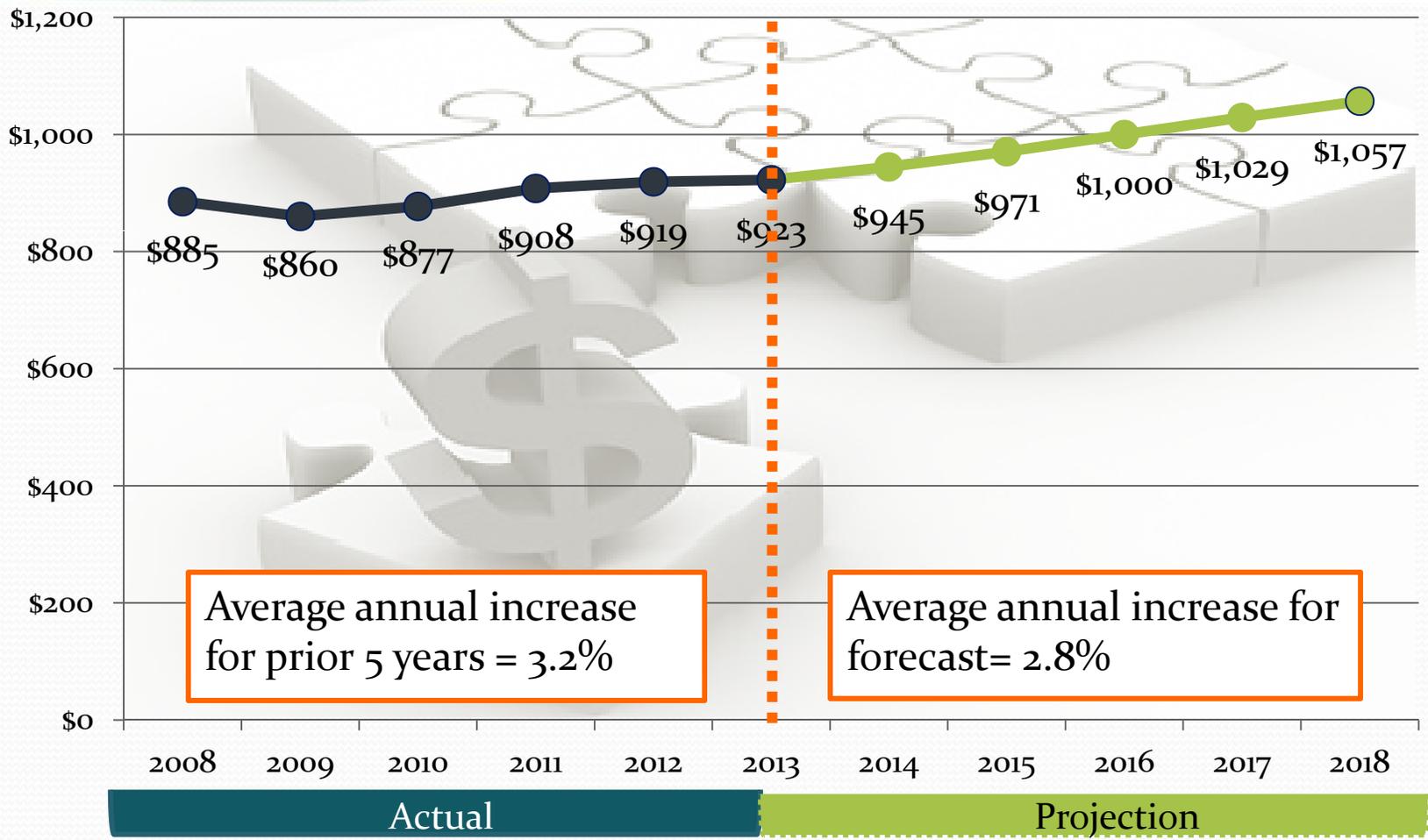


Unfunded Requests not included in Forecast

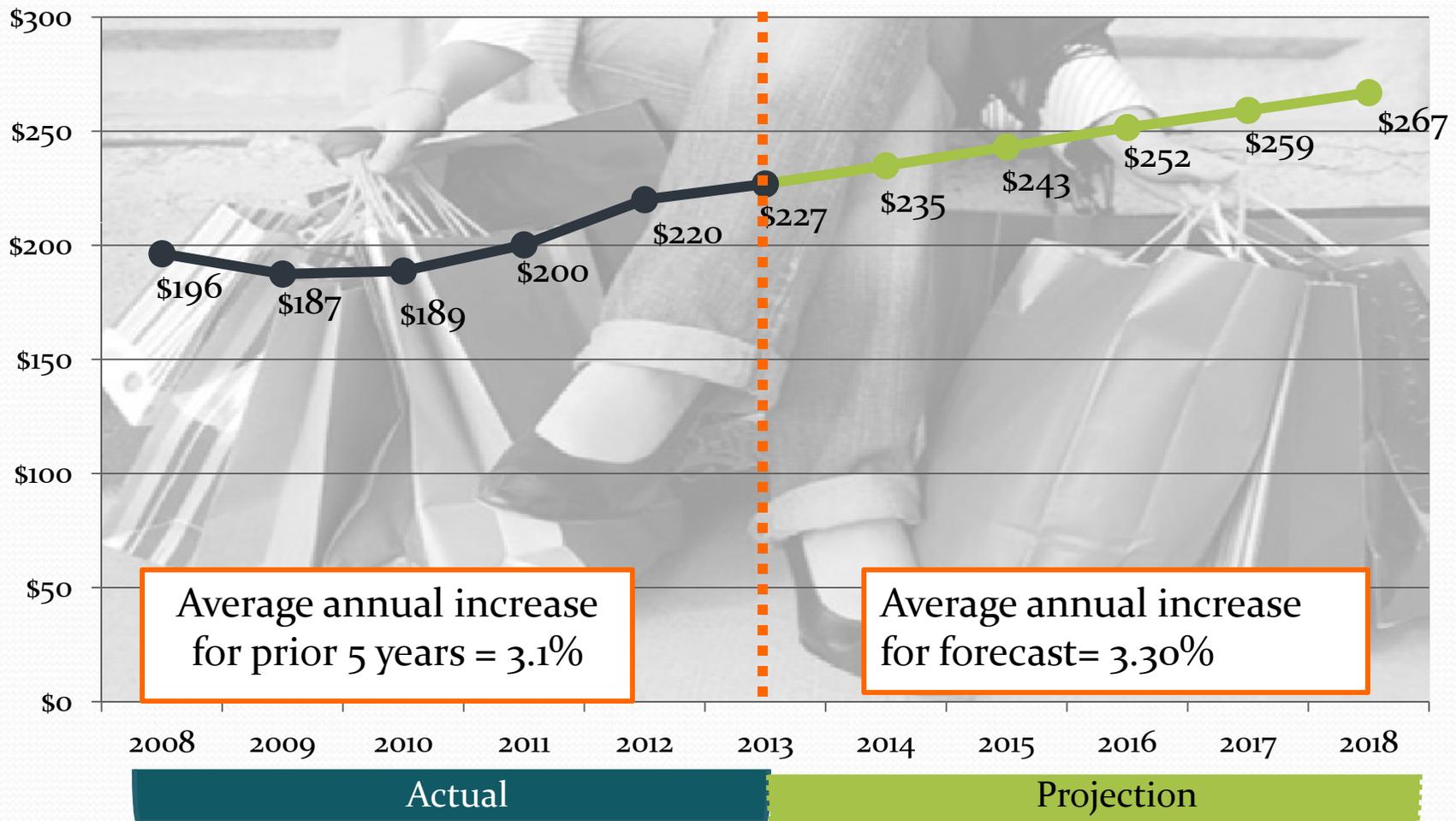
Unfunded Requests (not included in Forecast)	Amount (\$ in Millions)
Outside Agencies – Witte Museum, HPARC, Port Authority of San Antonio	\$21.6
Human Services – Senior Centers, Community Center services, Delegate Agencies	8.9
Neighborhoods – Choice Neighborhood and Land Bank	3.2 to 6.2
Studies – City Wide Transportation, Disparity Study	2.5
City Facility Leases – Employee Training Facility	0.2
Capital Projects – Sidewalks around schools and Streets	15.1
Total	\$51.5 to \$54.5

5-Yr

General Fund All Revenues Forecast (\$ in Millions)

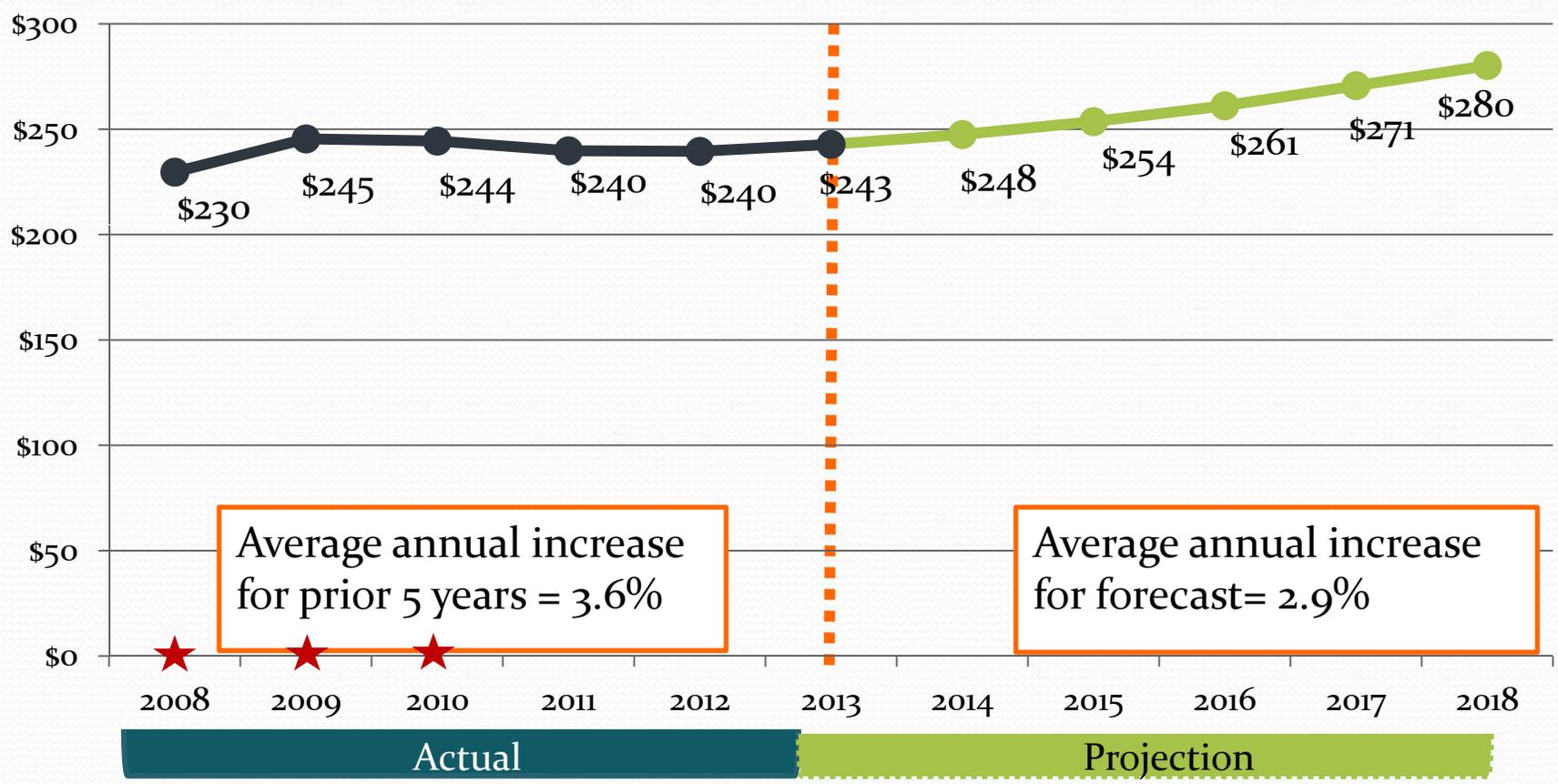


5-Yr Sales Tax (\$ in Millions)



5-Yr

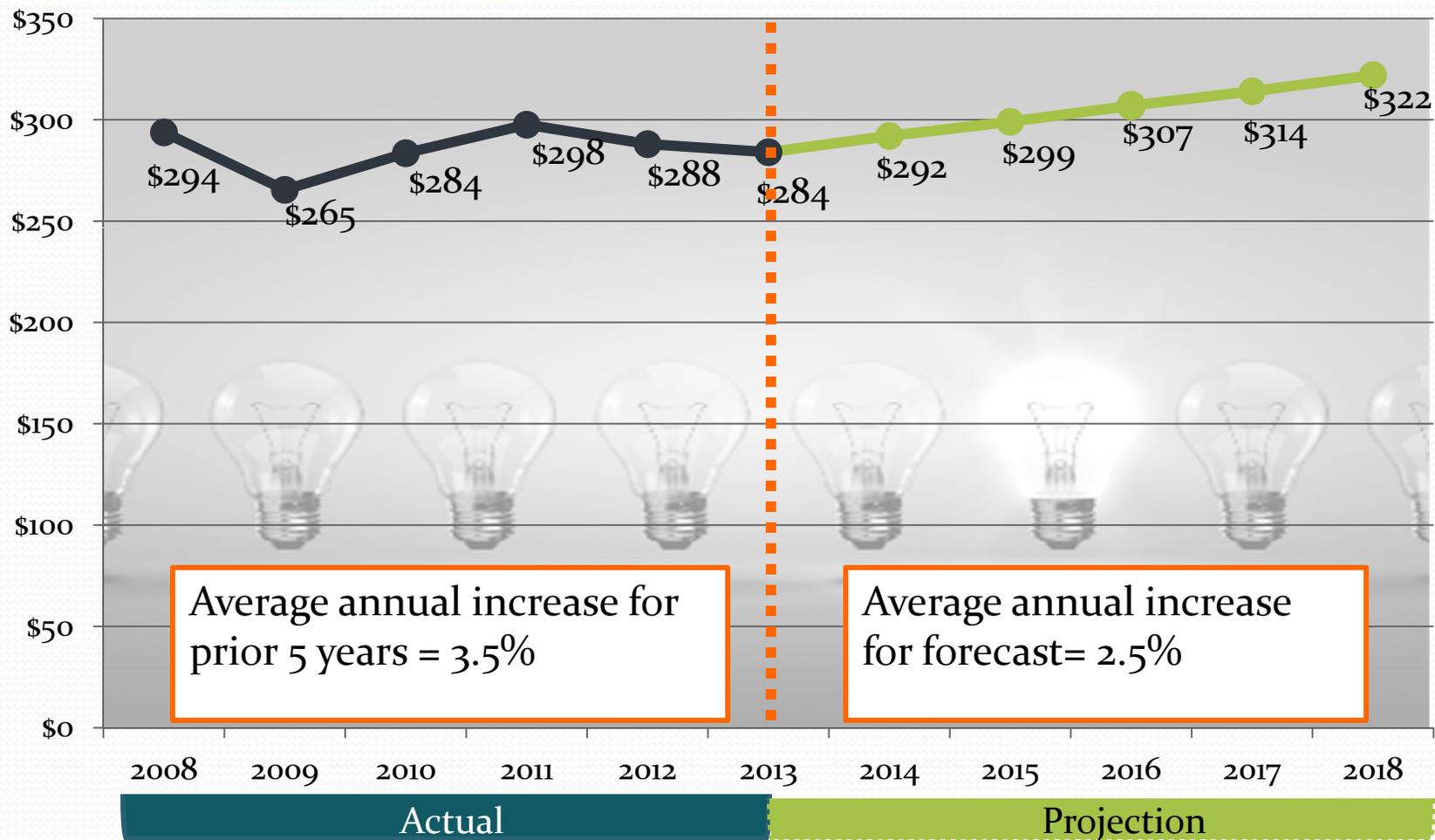
Property Tax (\$ in Millions)



2% Property Tax Value Projected Growth in FY 2014

★ City Tax Rate decreased

5-Yr CPS Revenues (\$ in Millions)



5-Yr

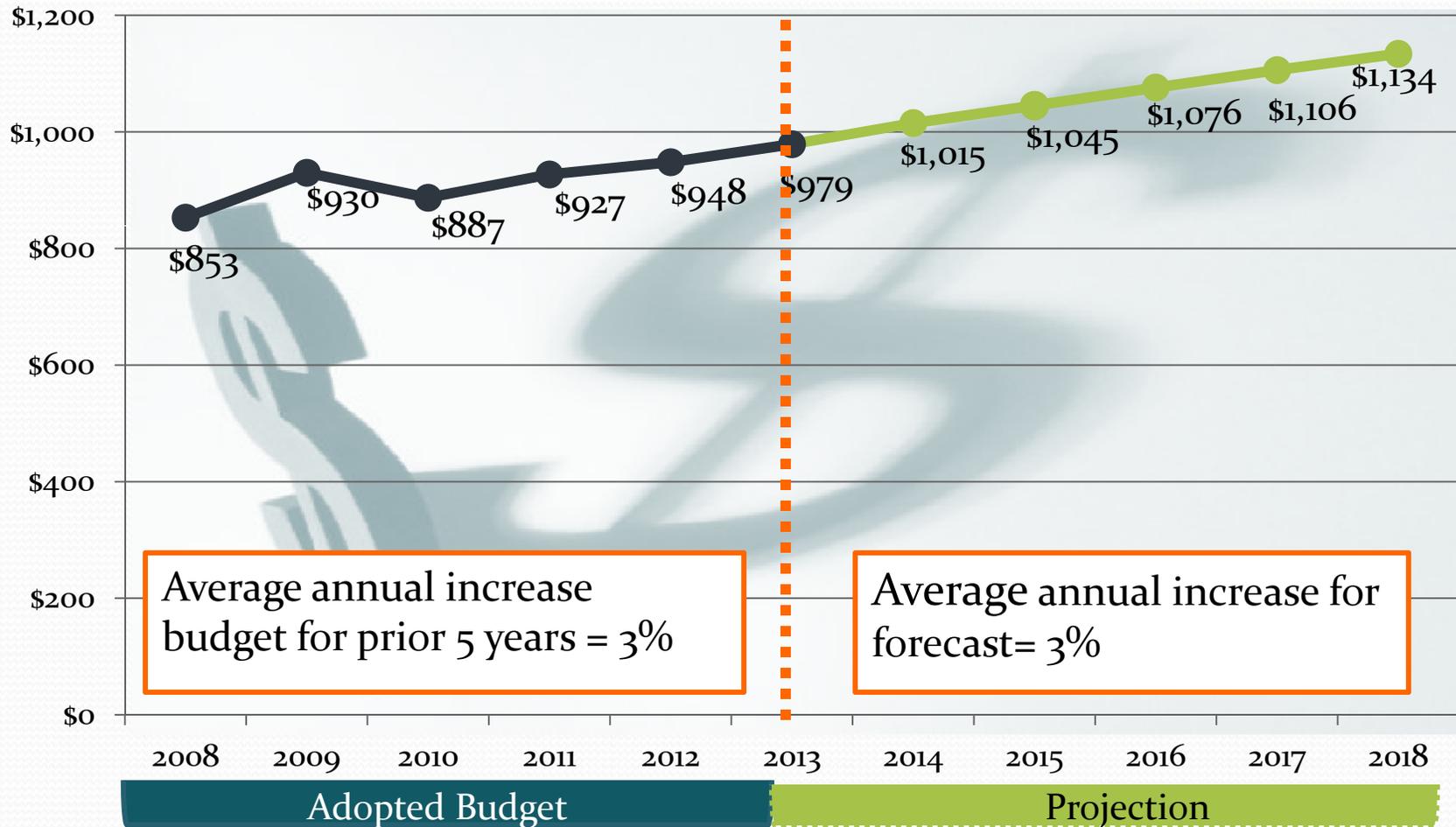
Expenditure Assumptions in the Forecast Period

- Reflects funding to provide today's level of recurring City services
- Includes adjustments for medical inflation for employee healthcare
- Adds mandated costs for contractual cost increases and operations and maintenance for completed bond projects



5-Yr

General Fund All Expenses Forecast (\$ in Millions)





Impact of Sequestration on City's Grant Funded Programs



Sequestration Impact to City of San Antonio Grants

- City currently receives approximately \$150 Million in Federal Grants annually
- Of the \$150 Million, 17 grants totaling \$140 Million could be affected by sequestration
- Majority of impact would not be realized until the City's FY 2014 Budget
- City federal funding could be reduced:
 - \$1.5 Million in FY 2013 and
 - \$4.6 to \$6.5 Million in FY 2014





Sequestration Impact to City of San Antonio Grants

City Grant Program Summary (\$ in Millions)	FY 2013 Estimated Reduction	FY 2014 Estimated Reduction
Human Services Programs	\$1.3	\$2.6 to \$4.0
Health Services Programs	0.2	0.5 to 0.9
Neighborhood Services Programs		0.1
Public Safety Programs		1.4 to 1.5
Total Estimated Reduction	\$1.5	\$4.6 to \$6.5



Restricted Funds

Six Plus Six

6+6 Development Services Fund

- Development Services Fund projected to end FY 2013 in positive financial position
 - \$2.1 Million more in revenues or 7.3% above budget
 - \$578,000 less in expense or 2.1% below budget
- Residential Platting Activity is higher than budget





Hotel Occupancy Tax Fund

**Hotel Occupancy Tax
(\$ in Millions)**



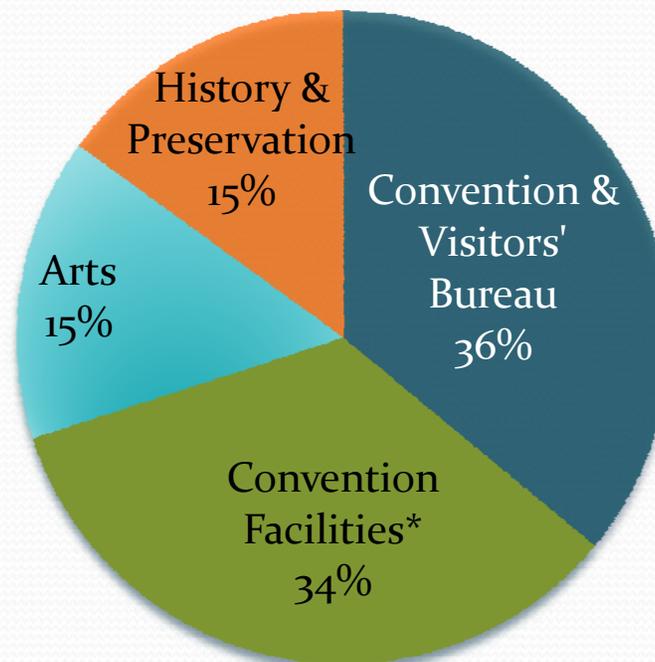
Hotel Occupancy Tax Revenue projections of \$55 Million currently being received at budget and projected to be at budget at year end

6+6

Hotel Occupancy Tax Fund

- Hotel Occupancy Tax Fund Related Expenditures within budgeted amounts including:
 - Convention and Visitor's Bureau
 - Convention, Sports, and Entertainment Facilities
 - Department of Cultural and Creative Development
 - History and Preservation

Allocation of HOT Tax Collections



*Department supported by Alamodome and Convention Center Revenues

6+6 Airport Fund

- Airport Fund projected to end FY 2013 in positive financial position
- \$1.5 Million in more revenues projected by end of fiscal year of 1.6% above budget
- Expenditures are within budget and projected to remain at budget by year end



6+6 Solid Waste Fund

- Solid Waste Fund projected to end FY 2013 in positive financial position, even with recycling revenues down
- \$1.3 Million in less revenue for FY 2013 due to lower recycling commodity prices
- \$676,000 in expenditures savings projected by year end
- Fund remains in positive financial position by using Solid Waste fund balance





Solid Waste Fund FY 2014 to FY 2018 Financial Forecast

5-Yr

Solid Waste Forecast Assumptions

- **Organics Recycling Subscription Program:** Full subscription implementation by FY 2015
- **Drop-off Centers:** Two additional bulky waste drop-off centers included in FY 2014 and fully operational by mid-2014
- **Variable Rate Pricing:** Begin program in FY 2017 with full implementation by FY 2018





Solid Waste Customer Rate

- Forecast includes rate increases to support additional services and to address inflationary increase due to disposal contracts and vehicle cost
- Current Monthly rate is \$19.43
 - No rate increase was included in FY 2013

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Total Monthly Fee	\$20.18	\$20.68	\$20.93	\$21.18	\$21.43
Increase	\$0.75	\$0.50	\$0.25	\$0.25	\$0.25
% Increase	4%	2.4%	1.2%	1.2%	1.2%

5-Yr

Solid Waste Forecast (\$ in Millions)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Available Resources	\$100.6	\$104.4	\$104.1	\$104.3	\$108.1
Expenditures	\$96.1	\$102.2	\$103.1	\$103.4	\$107.4
Ending Balance	\$4.5	\$2.2	\$1.0	\$0.9	\$0.7

- Forecast supports current level of service, continuation of the subscription organics program, 2 additional bulky waste collection drop off centers, and variable rate pricing
- City monthly fee still favorable compared to other cities



Mid-Year Budget Adjustment

Mid-Yr

FY 2013 Mid-Year Adjustment



- Adjustment recommendation to FY 2013 Operating Budget
- Operating adjustments based on actual activity seen in first six months of fiscal year and future projections
 - General Fund and Restricted Funds

FY 2013 Recommended Mid-Year Budget Adjustment – General Fund

- FY 2013 Mid-Year Budget Adjustment Ordinance considered during May 30 City Council “A” Session
- Result is a revised FY 2013 Budget
- Expenditure Net reduction of \$600,000 includes an increase in appropriations of \$130,000 to Animal Care Services to maintain current Live Release rate of 78%

General Fund	FY 2013 Budget	6+6 Projection	Mid-Year Adjustment
Revenues	\$918.1	\$922.6	\$4.5
Expenditure	\$979.6	\$979.0	(\$0.6)

Mid-Yr

FY 2013 Recommended Mid-Year Budget Adjustment – Restricted Funds

Development Services	FY 2013 Budget	6+6 Projection	Mid-Year Adjustment
Revenues	\$28.4	\$30.5	\$2.1
Expenditure	\$27.4	\$26.8	(\$0.6)

Solid Waste Fund	FY 2013 Budget	6+6 Projection	Mid-Year Adjustment
Revenues	\$91.5	\$90.3	(\$1.27)
Expenditure	\$90.9	\$90.2	(\$0.7)



Next Steps in FY 2014 Budget Development Process

Next Steps in Budget Development



Community Budget Input Hearings

- 12 Community Budget Input Hearings will be held
 - 5 Pre-Proposed Community Budget Input Meetings
June 10 to June 18
 - 5 Community Budget Hearings after Budget is proposed
August 12 to August 22
 - 2 City-wide Public Budget Hearings will be held after Budget is proposed
August 28 and September 4



Community Budget Input Hearings

- Dates and locations for the Community Budget Input Hearings prior to presentation of the Proposed Budget

Date	Location
Monday, June 10	St. Bonaventure Church
Tuesday, June 11	S.J. Davis Middle School
Wednesday, June 12	Alicia Treviño Lopez Senior Center
Thursday, June 13	Northeast Service Center
Tuesday, June 18	University United Methodist Church

- All meetings will begin at 6:00 PM

City Council Policy Goal Setting Session

- Council Policy Goal Setting Session on Tuesday, June 25 at Central Library
 - 9:00 AM to 5:00 PM
- Focus on development of City Council service delivery priorities for the FY 2014 Budget
- Agenda forthcoming

Goals



Conclusion

- Financial update for FY 2013 is positive for year end, challenges exist for FY 2014 and beyond
- A \$35 to \$50 Million financial challenge projected for FY 2014 Budget





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