FY 2019
Three Plus Nine
Financial Report
1st Quarter

City Council "B" Session
Presented by Justina Tate, Budget Director
February 20, 2019
PRESENTATION OVERVIEW

1st Quarter Financial Status Report

1ST Quarter Results - Budget Initiatives

Recommended FY 2020 Budget Calendar
FY 2019 CITY BUDGET $2.8 Billion

Capital Budget
$690 Million
24%

Restricted Funds
$889 Million
32%

General Fund
$1.26 Billion
44%
General Fund FY 2019 Year End Projection

$2.3 Million in additional revenue

$800,000 in less expense
### General Fund Revenues
#### FY 2019 First Quarter Results

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>1st Quarter Variance</th>
<th>FY 2019 3+9 Estimate Variance</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>2.1</td>
</tr>
<tr>
<td>CPS Energy</td>
<td>(0.8)</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>1.6</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2.4</strong></td>
<td><strong>$2.3</strong></td>
</tr>
</tbody>
</table>
Certified Tax Roll received from Bexar Appraisal District in July
Little deviation in the revenue received between Budget and estimate

<table>
<thead>
<tr>
<th>FY 2019 1st Quarter</th>
<th>FY 2019 Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>$361.9</td>
</tr>
<tr>
<td>Actual</td>
<td>$361.9</td>
</tr>
<tr>
<td>Variance</td>
<td>$0</td>
</tr>
<tr>
<td>Budget</td>
<td>$361.9</td>
</tr>
<tr>
<td>Projection</td>
<td>$361.9</td>
</tr>
<tr>
<td>Variance</td>
<td>$0</td>
</tr>
</tbody>
</table>
Sales Tax
($ in Millions)

2019 1st Quarter

- Budget: $71.3
- Actual: $72.9
- Variance: $1.6

FY 2019 Projection

- Budget: $295.3
- Projection: $297.4
- Variance: $2.1

- October: $26.2
- November: $25.9
- December: $23.7
- January: $25.0

- Budget: $21.4
- Actual: $21.9
- Variance: $30.8

✓ January revenue was $200,000 above budget
1st Quarter FY 2019 Projection

- **Budget** $77.2
- **Actual** $76.4
- **Variance** ($0.8)

- **Budget** $363
- **Projection** $363
- **Variance** $0.0

- January revenues was $4 Million below budget

- Budget
- Actual

- October: $28.0
- November: $26.0
- December: $25.0
- January: $31.0

- October: $26.0
- November: $26.0
- December: $24.0
- January: $27.0
GENERAL FUND FY 2019
YEAR END PROJECTION

FY 2018 Year End Report
$ 14 Million

3+9 Projections
$ 3 Million
HOTEL OCCUPANCY TAX RATE

HOT Rate: 16.75%

COSA HOT Tax Allocation

- Convention Facilities: 35%
- Visit San Antonio: 35%
- History & Preservation: 15%
- Arts: 15%

State: 6%
City of San Antonio: 7%
Bexar County: 1.75%
Convention Center: 2%
# HOTEL OCCUPANCY TAX REVENUES

<table>
<thead>
<tr>
<th>1st Quarter ($ In Millions)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>Actuals</td>
<td>Variance</td>
</tr>
<tr>
<td>$15.4</td>
<td>$16.3</td>
<td>$0.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY 2019 Projection ($ in Millions)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>Projection</td>
<td>Variance</td>
<td></td>
</tr>
<tr>
<td>$70.8</td>
<td>$72.1</td>
<td>$1.3</td>
<td></td>
</tr>
</tbody>
</table>
## DEVELOPMENT SERVICES FUND

($ in Millions)

### Revenues

<table>
<thead>
<tr>
<th>1st Quarter Results</th>
<th>FY 2019 Projection</th>
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<tbody>
<tr>
<td>Budget</td>
<td>Actuals</td>
</tr>
<tr>
<td>$7.9</td>
<td>$8.6</td>
</tr>
<tr>
<td>$34.4</td>
<td>35.2</td>
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### Expenses

<table>
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<tr>
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<tbody>
<tr>
<td>Budget</td>
<td>Actuals</td>
</tr>
<tr>
<td>$8.2</td>
<td>$8.2</td>
</tr>
<tr>
<td>$34.2</td>
<td>$33.8</td>
</tr>
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## SOLID WASTE FUND
($ in Millions)

### Revenues

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<tr>
<td>Budget</td>
<td>Actuals</td>
<td>Variance</td>
</tr>
<tr>
<td>$32.3</td>
<td>$33.2</td>
<td>$0.9</td>
</tr>
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</table>

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<tr>
<td>Budget</td>
<td>Projection</td>
<td>Variance</td>
</tr>
<tr>
<td>$126.4</td>
<td>$132.2</td>
<td>$5.8</td>
</tr>
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</table>

### Expenses

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<td>Variance</td>
</tr>
<tr>
<td>$30.8</td>
<td>$30.3</td>
<td>$0.5</td>
</tr>
</tbody>
</table>

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<tr>
<td>$126.5</td>
<td>$125.1</td>
<td>$1.4</td>
</tr>
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</table>
STREET MAINTENANCE PROGRAM

$110 Million

1,214 Total Projects

129 1st Quarter Projects Completed

138 Projects completed by March FY 2020

2nd Quarter Scheduled Projects 187

3rd Quarter Scheduled Projects 395

4th Quarter Scheduled Projects 365
SIDEWALK PROGRAM

$19M
FY 2019

$9M
FY 2019 ATD

$10M
2017 BOND

1st Quarter
4 Miles

2nd Quarter
7 Miles

3rd Quarter
12 Miles

4th Quarter
17 Miles

40 Miles to be completed in FY 2019
Affordable Housing: $26.1 Million

- Under 1 Roof: $5.25M
  - 400 roofs replaced
- Owner Occupied Rehab: $7.4M
  - 81 Rehabilitations
  - 139 Houses - Let’s Paint & Lead Based Paint programs
- Homebuyer Assistance: $3.3M
  - 265 Residents assisted
- New Housing Development & Gap Financing: $7.5M
  - 380 single/multi family affordable housing units
- Risk Mitigation Fund: $1M
  - Policy presented to City Council in March

$1.625 Million for Coordinated Housing System/LISC is on schedule
Opening February 15

Partnering with Goodwill Industries and Communities in Schools:

- Serve over 600 opportunity youth in Year 1
- 250 enrolled in education programs
- 140 enrolled in Job Training
## Recommended Budget Calendar 2020

<table>
<thead>
<tr>
<th>March to September</th>
<th>Community Input</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 17</td>
<td>Mid-Year Review &amp; Five Year Forecast</td>
</tr>
<tr>
<td>April 18</td>
<td>Mid-Year Ordinance</td>
</tr>
<tr>
<td>June 25</td>
<td>City Council Goal Setting Session</td>
</tr>
<tr>
<td>August 8</td>
<td>Budget Proposal</td>
</tr>
<tr>
<td>August to Mid September</td>
<td>City Council Budget Worksessions &amp; Community Input</td>
</tr>
<tr>
<td>September 12</td>
<td>Budget Adoption</td>
</tr>
</tbody>
</table>
Property Tax
Revenue Cap
Senate Bill 2 Reduces Property Tax Rollback Rate

8% → 2.5%
If a 2.5% cap had been in place during the past decade

- $304 Million: Less revenue to the City over 10 years
- $82 Million: Less General Fund Services in 2019
- $3.77 Million: Average Monthly savings to average City Homeowner
Impact of 2.5% Revenue Cap on future City Budgets

• Significantly impacts capacity to continue increases to Affordable Housing Program and other priorities
• Anticipated to impact City’s FY 2021 Budget
• A 1% reduction in revenue cap equates to $68 million in lost revenue over five-years
SUMMARY

• Better General Fund Ending Balance
• Uncertainty in State Budget
• Recommend reserving better ending balance for FY 2020 Budget