

City of San Antonio

APRIL 29, 2009

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FISCAL YEAR 2009 SIX PLUS SIX BUDGET & FINANCIAL REPORT

(Reflects Recommended Mid-Year FY 2009
Improvement Deferments/Reductions)

REVENUES AND EXPENDITURES

- 2ND QUARTER ACTUALS UNAUDITED (OCT-MAR 2009)
- SIX MONTH PROJECTION (APRIL-SEPT 2009)

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FY 2009 SIX PLUS SIX BUDGET & FINANCIAL REPORT

City of San Antonio

GENERAL FUND REVENUES

	REVISED BUDGET FY 2009	6 MONTH PLAN FY 2009 (OCT - MARCH)	6 MONTH ACTUALS (OCT - MARCH)**	VARIANCE FAVORABLE (UNFAVORABLE)	RE-ESTIMATE FY 2009	VARIANCE FAVORABLE (UNFAVORABLE)
AVAILABLE FUNDS						
Beginning Balance (Excluding Financial Reserves)	\$ 86,255,937	\$ 43,127,969	\$ 53,877,969	\$ 10,750,000	\$ 107,755,937	\$ 21,500,000
Net Balance	<u>\$ 86,255,937</u>	<u>\$ 43,127,969</u>	<u>\$ 53,877,969</u>	<u>\$ 10,750,000</u>	<u>\$ 107,755,937</u>	<u>\$ 21,500,000</u>
REVENUES						
1 Current Property Tax	\$ 245,250,281	\$ 218,027,500	\$ 216,972,580	\$ (1,054,920)	\$ 243,058,070	\$ (2,192,211)
2 City Sales Tax	202,809,519	99,208,858	95,845,841	(3,363,017)	191,968,436	(10,841,083)
3 CPS Energy	288,861,091	135,071,937	121,699,811	(13,372,126)	254,387,000	(34,474,091)
4 Business and Franchise Tax	27,300,627	13,746,136	14,627,544	881,408	29,266,575	1,965,948
Liquor by the Drink Tax	5,356,000	2,678,000	2,821,215	143,215	5,356,000	0
1 Delinquent Property Tax	2,622,664	2,098,099	1,674,318	(423,781)	1,701,200	(921,464)
Penalty & Interest on Delinquent Taxes	2,000,000	840,000	914,983	74,983	2,003,170	3,170
5 Licenses and Permits	6,129,117	2,587,610	2,393,852	(193,758)	5,688,560	(440,557)
San Antonio Water System	9,880,665	4,748,763	4,974,269	225,506	9,907,664	26,999
Other Agencies	5,959,635	3,691,134	4,126,631	435,498	6,242,114	282,479
Charges for Current Services						
6 General Government	3,645,208	1,928,836	1,777,258	(151,578)	3,496,301	(148,907)
7 Public Safety	20,918,642	10,654,249	11,490,593	836,344	22,077,961	1,159,319
8 Highways/Streets/Sanitation	1,638,763	818,590	213,291	(605,299)	643,686	(995,077)
9 Health	3,758,426	1,772,057	1,723,018	(49,039)	3,565,847	(192,579)
10 Recreation and Culture	11,712,710	4,773,131	4,699,278	(73,853)	10,877,712	(834,998)
Fines	12,166,379	6,456,989	6,844,992	388,003	12,511,008	344,629
Miscellaneous Revenue						
11 Sale of Property	4,041,690	2,020,181	1,695,010	(325,172)	3,502,397	(539,293)
12 Use of Money and Property	5,767,108	3,007,863	2,398,708	(609,155)	3,417,667	(2,349,441)
13 Recovery of Expenditures	1,025,235	604,326	797,946	193,620	1,314,107	288,872
Miscellaneous	296,455	223,214	158,454	(64,760)	180,200	(116,255)
14 Interfund Charges	529,171	220,181	512,383	292,203	1,342,885	813,714
TOTAL REVENUE	<u>\$ 861,669,386</u>	<u>\$ 515,177,653</u>	<u>\$ 498,361,973</u>	<u>\$ (16,815,680)</u>	<u>\$ 812,508,560</u>	<u>\$ (49,160,826)</u>
Transfers from Other Funds	25,832,769	12,836,355	12,866,356	30,001	25,832,769	0
TOTAL REVENUE AND TRANSFERS	<u>\$ 887,502,155</u>	<u>\$ 528,014,008</u>	<u>\$ 511,228,329</u>	<u>\$ (16,785,679)</u>	<u>\$ 838,341,329</u>	<u>\$ (49,160,826)</u>
TOTAL AVAILABLE FUNDS	<u>\$ 973,758,092</u>	<u>\$ 571,141,976</u>	<u>\$ 565,106,297</u>	<u>\$ (6,035,679)</u>	<u>\$ 946,097,266</u>	<u>\$ (27,660,826)</u>

* Unaudited FY 2009 Beginning Balance

** Excludes Prior Year Encumbrances and Carryforward Expenditures that may have been posted

Significant Second Quarter and FY 2009 Re-Estimate variances are explained on the following page.

Variance Analysis

- 1 **Current & Delinquent Property Tax** - Property tax revenues are projected to be \$3.1M under the adopted budget for FY 2009 due to loss value from litigation of commercial and real property appraisals.
- 2 **City Sales Tax** – Sales tax revenue for October and November were received slightly above the planned amount. However, December through March sales tax receipts have been below monthly plan amounts by an average of 7.2%. This trend is projected to continue for the remainder of FY 2009.
- 3 **CPS Energy** - Revenues are down compared to budget due to milder than anticipated weather as well as lower than anticipated natural gas prices.
- 4 **Business and Franchise Taxes** – The favorable variance is due to higher than expected revenue from Certificated Telecommunications Provider companies. The additional revenue is driven by higher than anticipated business access lines reported.
- 5 **Licenses and Permits** - The unfavorable revenue variance is the result of lower than anticipated Alarm Fees and Unpermitted Alarm Fees due to the local economic downturn.
- 6 **General Government** - Revenues are lower than expected due to lower Municipal Court service charges and Park Platting fees. Municipal Courts has seen a decrease in ticket filings as well as a decrease in fees being collected (\$86K). Review of development plans for Park Platting has also declined resulting in lower than anticipated revenues (\$28K).
- 7 **Public Safety** - The first quarter favorable variance is due to increased EMS revenues realized by the Fire Department (\$1.4M). It is anticipated that the trend of higher than anticipated EMS transport fees will continue throughout the fiscal year.
- 8 **Highways/Streets/Sanitation** - Service charges for street repairs and lighting are below projections, reflecting the weakness in the housing development portion of the economy.
- 9 **Health** - Negative revenue variance is due to slowing number of long-form birth certificate requests. In the past few years, this revenue had increased due to passport requirement changes necessitating long-form birth certificates, but demand associated with these changes is now declining resulting in the negative variance.
- 10 **Recreation and Culture** - The Parks Department and the Department of Community Initiative revenues are below projections due to a change in the sliding scale fee structure adopted by Council for the After School Challenge Program and Summer Recreation Programs. This revenue variance will be offset by expenditure savings within the programs. In addition, river barge revenues are lower than anticipated. Year to date river barge ticket sales are 7% below FY 2008 levels.
- 11 **Sale of Property** - Revenue from the sale of impounded vehicles has been below projections due to fewer vehicles impounded and the decline in the price of steel which has led to lower prices for cars at auction. Additionally, revenue associated with the sale of surplus properties has been below projections due to the local economic downturn.
- 12 **Use of Money and Property** - The unfavorable variance is due primarily to a decrease in actual portfolio interest earnings from City Investments resulting from lower than anticipated interest rates.
- 13 **Recovery of Expenditures** - Most of the favorable revenue is from one-time annual receipts from Bexar County for the Emergency Operations Center.
- 14 **Interfund Charges** – The favorable variance is the result of more than anticipated indirect cost reimbursements associated with various grants.

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FY 2009 SIX PLUS SIX BUDGET & FINANCIAL REPORT

City of San Antonio

GENERAL FUND EXPENDITURES

APPROPRIATIONS	REVISED BUDGET FY 2009	6 MONTH PLAN FY 2009 (OCT - MARCH)	6 MONTH ACTUALS (OCT - MARCH)**	VARIANCE FAVORABLE (UNFAVORABLE)	RE-ESTIMATE FY 2009	VARIANCE FAVORABLE (UNFAVORABLE)
City Attorney	\$ 7,276,653	\$ 3,688,205	\$ 3,633,902	\$ 54,303	\$ 7,168,255	\$ 108,398
City Auditor	\$ 3,045,753	1,418,483	1,341,197	77,286	2,891,182	154,571
City Clerk	\$ 2,304,842	1,165,869	1,148,056	17,812	2,269,217	35,625
City Manager	\$ 2,691,430	1,412,634	1,400,127	12,507	2,667,011	24,419
Communication & Public Affairs	\$ 1,037,725	386,837	380,799	6,038	1,026,252	11,473
Community Initiatives	\$ 23,019,918	7,739,392	7,376,397	362,995	22,293,928	725,990
Customer Service & 311 System	\$ 3,728,705	1,859,093	1,819,945	39,148	3,650,844	77,861
Downtown Operations	\$ 9,757,769	4,501,002	4,446,831	54,171	9,680,624	77,145
Economic Development	\$ 2,799,762	1,274,183	1,257,050	17,133	2,766,552	33,210
Finance	\$ 7,532,846	3,645,274	3,578,173	67,101	7,400,250	132,596
Fire	\$ 217,949,841	106,324,751	104,769,018	1,555,733	214,838,374	3,111,467
Health	\$ 14,578,344	7,296,980	7,163,722	133,258	14,311,827	266,517
Housing & Neighborhood Svcs	\$ 11,167,695	5,342,496	4,982,283	360,213	10,447,269	720,426
Human Resources	\$ 4,782,738	2,270,341	2,229,705	40,636	4,705,944	76,794
Intergovernmental Relations	\$ 1,215,008	476,362	472,418	3,945	1,207,826	7,182
International Affairs	\$ 583,836	280,035	276,643	3,392	577,287	6,549
Library	\$ 29,885,833	14,957,972	14,695,411	262,561	29,360,711	525,122
Management & Budget	\$ 1,777,587	953,276	941,200	12,076	1,754,477	23,110
Mayor and Council	\$ 4,606,426	2,248,529	2,234,116	14,413	4,577,601	28,825
Municipal Court	\$ 10,707,611	5,398,149	5,280,440	117,709	10,476,636	230,975
Municipal Elections	\$ 2,800,000	556,000	555,734	266	2,800,000	0
Parks and Recreation	\$ 58,843,340	26,928,764	26,125,457	803,307	57,236,727	1,606,613
Police	\$ 314,492,118	155,827,051	152,508,311	3,318,740	307,854,637	6,637,481
Public Works	\$ 14,152,938	6,016,712	5,837,609	179,103	13,782,006	370,932
Delegate Agencies	\$ 7,395,046	3,356,654	3,356,654	0	6,995,046	400,000
Non-Departmental/Non-Operating	\$ 53,606,720	19,989,828	18,703,210	1,286,618	49,276,162	4,330,558
One-Time Projects	\$ 4,545,217	3,257,035	3,257,035	0	4,545,217	0
Transfers						
Animal Care Services	\$ 7,994,069	3,997,035	3,915,043	81,992	7,830,086	163,983
Street Maintenance	\$ 65,066,340	32,533,170	32,265,281	267,889	64,530,561	535,779
Other Transfers	\$ 40,615,826	\$ 21,567,540	\$ 20,567,540	1,000,000	\$ 39,615,826	\$ 1,000,000
1 TOTAL APPROPRIATIONS	\$ 929,961,935	\$ 446,669,650	\$ 436,519,307	\$ 10,150,344	\$ 908,538,335	\$ 21,423,600
Less Recommended Mid-Year FY 2009 Improvement Deferment/Reductions					\$ (26,953,954)	\$ 26,953,954
TOTAL AVAILABLE FUNDS	\$ 973,758,092				\$ 946,097,266	\$ (27,660,826)
GROSS ENDING BALANCE	\$ 43,796,157				\$ 64,512,885	\$ 20,716,728
Budgeted Financial Reserves Incremental	\$ 15,528,628				\$ 11,150,132	\$ 4,378,496
FY 2009 Reserve for FY 2010 Balance Budget Policy Goal	\$ 28,267,528				\$ 28,267,528	\$ 25,095,224
NET ENDING BALANCE	\$ 0				\$ 25,095,225	
BUDGETED RESERVES SUMMARY						
Total Annual Budgeted Financial Reserves	\$ 83,696,574				\$ 79,318,078	
Annual Budgeted Financial Reserves as a % of Appropriations	9%				9%	

**Excludes Prior Year Encumbrances and Carryforward Expenditures that may have been posted.

Significant Second Quarter and FY 2009 Re-Estimate variances are explained on the following page.

Variance Analysis

1 General Fund Expenditures - Overall, General Fund Expenditures are estimated to be \$52.75M under the planned amount. This favorable variance is due to FY 2009 expenditure savings, postponement of improvements, and mid-year reductions as follows:

- \$26M in expenditure savings from position freeze, fuel savings and costs saving from better managed health care program, and efficiencies
- \$17M in postponement of improvements to include \$14M in deferment of one-time contractual street maintenance, \$1.3M in deferment of street pavement marking contract, and \$1.6M in deferment of transfer to Economic Development Fund
- \$7M in less transfer from the General Fund to the Solid Waste Fund (CPS Utility Rebate Transfer)
- \$3M in General Fund recommended mid-year budget reductions

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FY 2009 SIX PLUS SIX BUDGET & FINANCIAL REPORT

City of San Antonio

OTHER FUNDS

		REVISED BUDGET FY 2009	6 MONTH PLAN FY 2009 (OCT - MARCH)	6 MONTH ACTUALS (OCT - MARCH)**	VARIANCE FAVORABLE (UNFAVORABLE)	RE-ESTIMATE FY 2009	VARIANCE FAVORABLE (UNFAVORABLE)
Airport							
	Revenues \$	71,226,865	\$ 33,426,985	\$ 33,314,936	(112,049)	67,986,458	\$ (3,240,407)
	Expenses	70,117,288	31,056,195	28,996,434	2,059,761	66,542,270	3,575,018
Advanced Transportation District							
1	Revenues	12,021,417	5,917,969	5,607,926	(310,042)	11,534,921	(486,496)
	Expenditures	18,948,654	3,755,824	3,530,364	225,461	18,919,710	28,944
Animal Care Services							
	Revenues	9,055,097	4,527,549	4,497,646	(29,903)	9,068,130	13,033
	Expenditures	9,029,095	3,991,881	3,835,716	156,165	8,720,633	308,462
Capital Improvements Management Services							
2	Revenues	14,844,714	6,721,825	6,150,937	(570,888)	14,844,714	0
	Expenditures	14,844,714	7,469,120	6,898,232	570,888	14,593,142	251,572
Hotel Occupancy Tax & Hotel Occupancy Tax Supported Funds							
Hotel Occupancy Tax							
	HOT Collections	56,452,620	23,980,746	22,469,542	(1,511,204)	54,200,000	(2,252,620)
	Interest Income	864,257	432,129	255,738	(176,391)	351,067	(513,190)
	Miscellaneous	80,346	40,173	28,057	(12,116)	80,346	0
3	Total HOT Fund	57,397,223	24,453,048	22,753,337	(1,699,710)	54,631,413	(2,765,810)
Community & Visitor Facilities Fund (Convention Facilities, Int'l Affairs, & Non-Departmental)							
	Revenues	34,895,295	17,798,380	18,281,780	483,400	34,844,722	(50,573)
	Expenditures	34,895,295	16,646,759	15,929,489	717,270	33,502,845	1,392,450
Convention & Visitors Bureau Fund							
	Revenues	20,637,158	10,318,579	10,329,111	10,532	20,521,207	(115,951)
	Expenditures	20,637,158	7,988,474	7,977,067	11,407	20,124,435	512,723
Cultural Affairs Fund							
	Revenues	8,466,286	4,233,143	4,233,143	-	8,374,613	(91,673)
	Expenditures	8,466,286	3,652,806	3,637,583	15,223	8,374,613	91,673
Planning & Development Services							
	Revenues	25,656,006	12,114,816	11,974,959	(139,857)	25,399,753	(256,253)
	Expenditures \$	24,430,358	\$ 11,784,816	\$ 11,595,297	189,520	24,043,675	\$ 386,683

** Excludes Prior Year Encumbrances and Carryforward Expenditures that may have been posted

Significant Second Quarter and FY 2009 Re-Estimate variances are explained on page 7.

FY 2009 SIX PLUS SIX BUDGET & FINANCIAL REPORT

City of San Antonio

OTHER FUNDS (CONTINUED)

		REVISED BUDGET FY 2009	6 MONTH PLAN FY 2009 (OCT - MARCH)	6 MONTH ACTUALS (OCT - MARCH)**	VARIANCE FAVORABLE (UNFAVORABLE)	RE-ESTIMATE FY 2009	VARIANCE FAVORABLE (UNFAVORABLE)
Employee Benefits							
4	Revenues	\$ 94,716,623	\$ 49,991,930	\$ 51,879,129	1,887,199	87,207,094	\$ (7,509,529)
	Expenses	99,351,989	50,320,666	42,847,965	7,472,701	91,842,460	7,509,529
Facility Services							
	Revenues	13,147,464	6,573,732	6,613,585	39,853	13,146,739	(725)
	Expenses	15,357,984	5,631,166	5,349,473	281,693	14,902,947	455,036
Golf Course							
	Revenues	1,027,290	773,910	872,690	98,780	980,566	(46,724)
	Expenditures	1,369,167	1,309,167	1,249,436	59,731	1,316,369	52,798
Information Technology Services							
	Revenues	41,156,920	20,421,525	20,413,631	(7,894)	40,631,536	(525,384)
	Expenses	41,179,090	22,184,110	21,079,304	1,104,806	40,037,938	1,141,152
Liability							
5	Revenues	11,286,650	5,643,325	5,689,675	46,350	8,020,902	(3,265,748)
6	Expenditures	11,398,606	6,335,680	5,333,448	1,002,232	11,398,606	0
Parking							
	Revenues	9,259,584	4,641,597	4,850,048	208,451	9,277,925	18,341
	Expenses	9,215,864	3,837,822	3,569,716	268,106	9,015,084	200,780
Purchasing & General Services							
7	Revenues	50,835,344	25,180,080	17,712,914	(7,467,166)	43,160,738	(7,674,606)
8	Expenses	50,738,943	23,270,426	16,696,233	6,574,193	43,889,936	6,849,007
Solid Waste Management							
9	Revenues	94,654,876	47,377,438	41,512,616	(5,864,822)	86,237,886	(8,416,990)
10	Expenses	100,196,578	48,294,373	39,438,304	8,856,069	88,783,039	11,413,538
Storm Water Operating Fund							
11	Revenues	34,399,063	16,954,818	18,066,725	1,111,907	35,663,997	1,264,934
	Expenditures	36,370,435	15,744,881	15,195,049	549,832	36,025,133	345,302
Street Maintenance							
12	Revenues	67,205,529	33,602,765	34,487,121	884,357	67,707,249	501,720
	Expenditures	68,114,737	33,245,180	20,296,002	12,949,178	67,651,422	463,315
Workers' Compensation							
13	Revenues	13,654,415	6,827,208	6,879,713	52,505	13,246,495	(407,920)
	Expenses	\$ 13,652,463	\$ 7,493,263	\$ 7,928,616	(435,353)	\$ 15,426,485	\$ (1,774,022)

** Excludes Prior Year Encumbrances and Carryforward Expenditures that may have been posted

Significant Second Quarter and FY 2009 Re-Estimate variances are explained on the following page.

Variance Analysis

- 1 **Advanced Transportation District Revenues** - Lower than projected interest rates and decrease in Sales Tax revenue have caused a negative variance through the second quarter and are projected to be below the planned amount for the remainder of the fiscal year.
- 2 **Capital Improvements Management Services Revenues** - The unfavorable revenue variance is due to lower than anticipated capital administrative charges collected through the second quarter. The department anticipates collecting these capital administrative charges during the third and fourth quarters of the fiscal year.
- 3 **Hotel Occupancy Tax Revenues** - The unfavorable variance through the second quarter is due to several factors including: lower than anticipated hotel occupancy, average daily room rates, and a decrease in interest earnings due to lower than expected interest rates.
- 4 **Employee Benefits Expenses** - The favorable variance is due to better and improved management of health care program.
- 5 **Liability Revenues** - Fund revenues are below the fiscal year budget planned amount due to less than anticipated expenditures in the prior year.
- 6 **Liability Expenditures** - Fund expenditures are below the second quarter planned amount due to a delay in posting liability claims payments. These costs will be reflected in the third quarter expenditure report.
- 7 **Purchasing and General Services Revenues** - The unfavorable fund variance is due to the unanticipated decline in fuel prices. However, it is offset by a drop in fuel cost as reflected in expenditures.
- 8 **Purchasing and General Services Expenditures** - The favorable variances are due, in large part, to savings resulting from the drop in fuel prices.
- 9 **Solid Waste Management Revenues** - Fund revenues are lower than the planned amounts due to a \$7M anticipated decrease from the General Fund Utility Transfer. Additionally, the fund has realized a \$2.4M decrease in recycling revenues.
- 10 **Solid Waste Management Expenditures** - Fund expenditures are below budgeted amounts due to several factors including: fuel savings, lower disposal and contract costs, fleet repair savings due to warranty coverage and savings from the household hazardous waste contract.
- 11 **Storm Water Operating Fund Revenues** - Revenues are higher than the planned amount due to higher than anticipated storm water fee collections. This increase is offset by lower than anticipated interest earnings resulting from lower than expected interest rates.
- 12 **Streets Maintenance Expenditures** - Due to a late start in awarding the Street Maintenance Contract for FY 2008 & FY 2009, the department realized a significant savings for the first six months of the fiscal year. It is anticipated that these expenses will be incurred in the upcoming months.
- 13 **Workers' Compensation Expenditures** - The unfavorable variance through the second quarter is caused by unexpected surgical costs for three claims that exceeded projected expenditures.