



FISCAL YEAR 2010
SIX PLUS SIX
BUDGET & FINANCE REPORT
MAY 12 2010

City of San Antonio

REVENUES AND EXPENDITURES

- 2ND QUARTER ACTUALS UNAUDITED (OCTOBER 2009—MARCH 2010)
- SIX MONTH PROJECTION (APRIL 2010—SEPTEMBER 2010)

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FY 2010 SIX PLUS SIX BUDGET & FINANCE REPORT

City of San Antonio

GENERAL FUND REVENUES

	FY 2010 ADOPTED BUDGET	FY 2010 6-MONTH PLAN	FY 2010 6-MONTH ACTUALS	VARIANCE FAVORABLE (UNFAVORABLE)	FY 2010 RE-ESTIMATE	VARIANCE FAVORABLE (UNFAVORABLE)
AVAILABLE FUNDS						
1 Beginning Bal. (Excluding Financial Reserves)	\$ 81,933,603	\$ 0	\$ 0	\$ 0	\$ 100,307,677	\$ 18,374,074
REVENUES						
2 Current Property Tax	\$ 244,465,405	\$ 214,121,866	214,673,983	\$ 552,117	\$ 245,637,460	\$ 1,172,055
3 City Sales Tax	189,565,423	92,445,861	90,958,454	(1,487,407)	185,291,162	(4,274,261)
4 CPS Energy	251,053,000	116,423,000	132,508,690	16,085,690	270,398,000	19,345,000
Business & Franchise Tax	29,872,482	14,763,645	14,990,247	226,602	30,129,599	257,117
Liquor by the Drink Tax	5,516,680	2,758,340	2,797,187	38,847	5,516,680	0
5 Delinquent Property Tax	2,658,500	1,834,365	1,800,714	(33,651)	2,407,410	(251,090)
Penalty & Interest on Delinquent Taxes	2,048,240	819,296	947,621	128,325	2,150,000	101,760
Licenses and Permits	5,685,135	2,580,446	2,658,134	77,688	5,594,441	(90,694)
6 San Antonio Water System	10,155,356	4,868,856	4,272,103	(596,753)	9,312,368	(842,988)
Other Agencies	8,216,376	2,715,401	2,815,861	100,460	8,239,761	23,385
Charges for Current Services						
7 General Government	4,574,918	2,137,865	2,497,961	360,096	5,019,492	444,574
Public Safety	23,523,582	11,777,142	12,193,314	416,172	23,884,688	361,106
8 Highways & Streets	673,682	336,841	135,763	(201,078)	395,352	(278,330)
Health	3,523,991	1,688,884	1,973,826	284,942	3,625,445	101,454
Recreation & Culture	11,026,183	4,365,859	4,628,537	262,678	11,081,508	55,325
Fines	14,234,582	7,499,424	7,689,833	190,409	14,233,057	(1,525)
Miscellaneous Revenue						
Sale of Property	3,515,709	1,608,297	1,484,660	(123,637)	3,597,207	81,498
Use of Money & Property	1,643,548	821,774	656,935	(164,839)	1,550,913	(92,635)
9 Interest Earnings	1,990,480	805,087	484,938	(320,149)	919,372	(1,071,108)
Recovery of Expenditures	1,202,071	984,771	985,083	312	1,259,348	57,277
Miscellaneous	161,558	105,779	166,511	60,732	288,169	126,611
10 Interfund Charges & Transfers	28,842,051	14,545,203	13,572,069	(973,134)	26,944,858	(1,897,193)
TOTAL REVENUE	\$ 844,148,952	\$ 500,008,002	\$ 514,892,424	\$ 14,884,422	\$ 857,476,290	\$ 13,327,338
TOTAL AVAILABLE FUNDS	\$ 926,082,555	\$ 0	\$ 0	\$ 0	\$ 957,783,967	\$ 31,701,412

Significant Second Quarter and FY 2010 variances are explained on the following page.



FY 2010 SIX PLUS SIX BUDGET & FINANCE REPORT

City of San Antonio

GENERAL FUND REVENUES

Variance Analysis Through Second Quarter

- 1 **Beginning Balance** - The current FY 2010 Beginning Balance is \$18 Million above projections used to develop the FY 2010 Budget. This balance, which represents the ending audited General Fund balance as of September 30, 2009, is higher than anticipated due to a combination of more than projected revenues and less spending.
- 2 **Current Property Tax** - Collection rates from taxpayers, originally estimated at 97.5%, are now anticipated at 98.0% resulting in a positive collection variance in FY 2010.
- 3 **City Sales Tax** - Current City Sales Tax collections are lower than anticipated due to the slowdown in economic activity. Through March, Sales Tax Collections month-over-month/year-over-year have seen 16 months of consecutive decline. The negative trend experienced in the first six months of the fiscal year is anticipated to continue throughout the remainder of the year resulting in \$4.3 Million below the adopted budget.
- 4 **CPS Energy** - CPS has experienced higher than projected sales volume due to a colder than anticipated winter. Additionally, in March 2010, City Council approved a rate increase that is anticipated to generate \$19.3M in additional revenues for FY 2010.
- 5 **Delinquent Property Tax** - FY 2010 re-estimates are lower than the budgeted amount by \$250K as a result of successful appraisal litigation which has resulted in property tax refunds for prior years.
- 6 **San Antonio Water System** - The total FY 2010 re-estimate for SAWS revenues is lower than the budgeted amount by \$842K due to lower customer demand as a result of more than anticipated rainfall.
- 7 **General Government** - Municipal Court administrative fee revenues increased as more tickets were processed in the first half of the fiscal year, due in part to the City's warrant round-up program.
- 8 **Highways & Streets** - Weakness in the housing development sector (commercial and residential) has led to a reduced request for street closures and reduced revenue for street light installation.
- 9 **Interest on Time Deposits** - Interest earnings are projected to be lower than the budgeted amount due to interest rates lower than planned. The interest on investments for FY 2010 was budgeted at a rate of return of 1.18%. Due to current market conditions it is anticipated that the rate of return for FY 2010 will now be 0.49%
- 10 **Interfund Charges** - The unfavorable variance is due primarily to a less than budgeted transfer from the Hotel Occupancy Tax (HOT) for History and Preservation Activities. This is due to lower than anticipated HOT collections.



FY 2010 SIX PLUS SIX BUDGET & FINANCE REPORT

City of San Antonio

GENERAL FUND EXPENDITURES

	FY 2010 ADOPTED BUDGET	FY 2010 6-MONTH PLAN	FY 2010 6-MONTH ACTUALS	VARIANCE FAVORABLE (UNFAVORABLE)	FY 2010 RE-ESTIMATE	VARIANCE FAVORABLE (UNFAVORABLE)
APPROPRIATIONS						
Animal Care	\$ 7,516,035	\$ 3,803,098	\$ 3,675,436	\$ 127,662	\$ 7,483,368	\$ 32,667
1 City Attorney	6,953,006	3,509,934	3,523,746	(13,812)	6,953,006	0
City Auditor	2,772,436	1,393,099	1,292,880	100,219	2,747,742	24,694
City Clerk	2,073,712	1,047,083	1,027,911	19,172	2,073,712	0
City Manager	2,860,781	1,374,681	1,373,381	1,300	2,860,781	0
Communication & Public Affairs	1,032,892	423,347	422,864	483	1,032,892	0
Community Initiatives	26,371,958	8,675,580	8,584,023	91,557	26,283,411	88,547
Customer Service & 311 System	3,652,770	1,898,664	1,894,829	3,835	3,652,770	0
Downtown Operations	8,997,762	4,165,158	4,141,013	24,145	8,980,690	17,072
2 International & Economic Development	2,386,759	1,262,002	1,298,254	(36,252)	2,386,759	0
Finance	7,013,194	3,448,611	3,423,073	25,538	6,994,242	18,952
3 Fire	224,597,612	110,693,436	110,540,226	153,210	224,597,612	0
Health	12,192,123	5,461,729	5,351,309	110,420	12,084,703	107,420
Housing & Neighborhood Svcs.	10,536,913	5,116,784	5,108,231	8,553	10,391,111	145,802
Human Resources	3,850,741	1,933,572	1,929,435	4,137	3,850,741	0
4 Intergovernmental Relations	920,005	437,674	373,743	63,931	895,005	25,000
Library	29,124,445	14,763,208	14,731,340	31,868	29,124,445	0
Management & Budget	2,177,856	1,038,434	1,034,134	4,300	2,177,856	0
Mayor and Council	4,452,917	2,175,251	2,142,484	32,767	4,452,917	0
Municipal Courts	11,504,434	5,633,591	5,576,415	57,176	11,504,434	0
Municipal Elections	42,660	21,330	10,707	10,623	42,660	0
5 Parks and Recreation	56,711,474	25,469,376	25,158,889	310,487	56,400,987	310,487
Police	318,181,048	157,557,697	157,480,759	76,938	318,181,048	0
6 Public Works	64,174,330	20,398,663	19,755,521	643,142	63,531,188	643,142
Agencies	7,356,758	2,124,700	2,088,786	35,914	7,356,758	0
7 Non-Departmental	49,221,153	22,133,106	21,413,106	720,000	48,134,936	1,086,217
One-Time Projects	1,179,998	473,507	473,507	0	1,179,998	0
Transfers	19,221,471	9,610,736	9,610,736	0	19,221,471	0
TOTAL APPROPRIATIONS	\$ 887,077,240	\$ 416,044,051	\$ 413,436,738	\$ 2,607,313	\$ 884,577,241	\$ 2,500,000
TOTAL AVAILABLE FUNDS	\$ 926,082,555	\$ 0	\$ 0	\$ 0	\$ 957,783,967	\$ 31,701,412
GROSS ENDING BALANCE	\$ 39,005,315	\$ 0	\$ 0	\$ 0	\$ 73,206,726	\$ 34,201,412
LESS BUDGETED RESERVES						
Financial Reserves (Incremental Amount)	\$ 678,998	\$ 0	\$ 0	\$ 0	\$ 678,998	\$ 0
Reserve for 2-Yr Balanced Budget Plan	38,326,317	0	0	0	38,326,317	0
Ending Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 34,201,411</u>	<u>\$ 34,201,412</u>
BUDGETED RESERVES SUMMARY						
Total Annual Budgeted Financial Reserves	\$ 79,836,945				\$ 79,836,944	
Annual Budgeted Financial Reserves as a % of Appropriations	9%				9%	

Significant Second Quarter and FY 2010 variances are explained on the following page.



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City of San Antonio

GENERAL FUND EXPENDITURES

Variance Analysis Through Second Quarter

- 1 **City Attorney** - Expenditures through the first 6 months are higher than the planned amount due to higher than anticipated participation in the City's personal leave buy back program. The department will be able to offset this unfavorable variance and will be at budget by the end of the fiscal year.
- 2 **International & Economic Development** - The unfavorable variance through the first two quarters of FY 2010 is due to expenses related to reorganization efforts. The department will be able to offset this unfavorable variance and will be at budget by the end of the fiscal year.
- 2 **Fire** - Six month savings are a result of decreased radio battery purchases. Additional savings are due to less equipment repairs and lower than budgeted insurance expenditures for uniform positions.
- 3 **Intergovernmental Relations** - Savings for the first six months are due primarily to a manager position vacancy and a delay in contracting with new Federal and State lobbyists.
- 4 **Parks and Recreation** - Estimated savings for FY 2010 are a result of utility savings from higher than anticipated amounts of rainfall through the first six months of FY 2010.
- 5 **Public Works** - Savings for FY 2010 are result of savings in Public Works alley maintenance and pavement marking contracts as a result better bid prices.
- 6 **Non-Departmental** - Savings for FY 2010 are the result of lower than projected vehicle fuel prices. A fuel contingency is budgeted to offset unanticipated increases in fuel as a result of changes in oil prices. It is anticipated that a portion of this contingency will not be used in FY 2010.



FY 2010 SIX PLUS SIX BUDGET & FINANCE REPORT

City of San Antonio

ENTERPRISE & RESTRICTED FUNDS

	FY 2010 ADOPTED BUDGET	FY 2010 6-MONTH PLAN	FY 2010 6-MONTH ACTUALS	VARIANCE FAVORABLE (UNFAVORABLE)	FY 2010 RE-ESTIMATE	VARIANCE FAVORABLE (UNFAVORABLE)
<u>Enterprise Funds</u>						
1 Airport Fund						
Revenues	66,130,233	32,444,069	33,444,180	1,000,111	67,269,490	1,139,257
Expenses	67,652,631	32,684,739	32,113,987	570,752	67,506,133	146,498
Parking Fund						
Revenues	9,410,447	4,550,517	4,364,707	(185,810)	9,391,631	(18,816)
Expenses	9,218,457	3,614,236	3,521,090	93,146	9,209,056	9,401
2 Planning & Development Services Fund						
Revenues	24,387,761	11,752,264	10,502,918	(1,249,346)	22,312,786	(2,074,975)
Expenditures	23,217,850	11,486,247	11,125,449	360,798	22,227,850	990,000
3 Solid Waste Management Fund						
Revenues	81,225,305	40,662,653	42,305,588	1,642,935	83,882,153	2,656,848
Expenses	84,268,254	41,448,220	38,785,981	2,662,239	79,447,126	4,821,128
<u>Restricted Funds</u>						
4 Advanced Transportation District Fund						
Revenues	11,003,407	5,308,217	5,227,362	(80,855)	10,783,339	(220,068)
Expenditures	11,522,211	6,036,502	6,012,119	24,383	11,517,770	4,441
Capital Improvements Management Services Fund						
Revenues	15,687,069	7,843,535	8,006,470	162,935	15,687,069	0
Expenditures	15,687,069	7,738,321	7,624,627	113,694	15,687,069	0
5 Equipment Renewal and Replacement Fund						
Revenues	26,427,747	13,352,873	13,464,062	111,189	26,427,747	0
Expenses	23,098,882	3,517,138	3,492,024	25,114	23,342,882	(244,000)
Facility Services Fund						
Revenues	13,994,233	6,994,932	6,997,040	2,108	13,989,622	(4,611)
Expenses	13,658,403	6,073,816	5,723,791	350,024	13,601,565	56,838
6 Golf Course Fund						
Revenues	1,071,193	582,142	585,504	3,362	1,182,226	111,033
Expenses	610,191	655,045	655,271	(226)	721,224	(111,033)
7 Hotel Occupancy Tax & Hotel Occupancy Tax Supported Funds						
Revenues						
Hotel Occupancy Tax	53,302,500	24,045,451	21,662,851	(2,382,600)	46,993,345	(6,309,155)
Convention Center Rev.	10,535,871	5,385,365	4,389,830	(995,535)	10,028,615	(507,256)
Alamodome Revenues	6,075,109	3,275,589	3,480,821	205,232	6,382,075	306,966
Municipal Auditorium	524,749	350,314	454,407	104,093	588,943	64,194
Other Revenues	2,134,131	525,816	986,072	460,256	4,833,377	2,699,246
Expenditures						
Comm. & Visitors Fac.	35,665,338	16,650,853	15,894,657	756,196	34,640,357	1,024,981
Conv. & Visitors Bur.	20,134,449	7,776,734	7,488,593	288,141	19,133,493	1,000,956
Cultural Affairs	7,993,607	4,251,106	4,032,032	219,074	7,691,991	301,616
History & Preservation	7,995,375	3,179,896	3,249,428	(69,531)	7,049,002	946,373
Other Expenses	3,448,099	1,724,049	1,724,049	0	2,459,717	988,382

Significant Second Quarter and FY 2010 variances are explained on page 7-8.



FY 2010 SIX PLUS SIX BUDGET & FINANCE REPORT

City of San Antonio

ENTERPRISE & RESTRICTED FUNDS

	FY 2010 ADOPTED BUDGET	FY 2010 6-MONTH PLAN	FY 2010 6-MONTH ACTUALS **	VARIANCE FAVORABLE (UNFAVORABLE)	FY 2010 RE-ESTIMATE	VARIANCE FAVORABLE (UNFAVORABLE)
Information Technology Services Fund						
Revenues	45,589,460	22,339,979	22,339,979	0	45,589,460	0
Expenses	45,102,993	24,750,785	23,905,383	845,402	44,810,876	292,117
Purchasing & General Services Fund						
Revenues	41,338,977	19,411,334	19,152,475	(258,859)	41,370,752	31,775
Expenses	39,484,997	18,415,448	18,401,656	13,792	39,455,081	29,916
Right of Way Management Fund						
Revenues	1,265,740	636,854	817,344	180,491	1,424,299	158,559
Expenditures	1,468,876	734,567	765,451	(30,884)	1,535,425	(66,549)
Storm Water Operating Fund						
Revenues	37,624,245	18,489,963	18,960,342	470,379	37,912,634	288,389
Expenditures	42,979,170	17,442,719	16,530,107	912,612	42,914,293	64,877
8 Storm Water Regional Facilities Fund						
Revenues	3,088,069	1,652,024	1,454,550	(197,474)	2,577,349	(510,720)
Expenditures	18,304,630	1,557,916	1,273,165	284,751	18,303,355	1,275
<u>Self-Insurance Funds</u>						
9 Employee Benefits Fund						
Revenues	91,866,280	45,933,140	46,816,845	883,705	93,383,977	1,517,697
Expenses	97,446,374	47,350,572	50,350,599	(3,000,027)	100,290,374	(2,844,000)
10 Liability Fund						
Revenues	11,410,740	5,705,370	5,502,473	(202,897)	11,217,803	(192,937)
Expenses	11,549,907	4,947,254	3,730,263	1,216,991	10,721,897	828,010
11 Workers' Compensation Fund						
Revenues	14,236,503	7,118,252	7,233,797	115,545	14,319,265	82,762
Expenses	15,732,367	7,779,223	7,596,468	182,755	15,289,856	442,511

Significant Second Quarter and FY 2010 variances are explained on page 7-8.



FY 2010 SIX PLUS SIX BUDGET & FINANCE REPORT

City of San Antonio

ENTERPRISE & RESTRICTED FUNDS

Variance Analysis Through Second Quarter

- 1 **Airport Revenues** - Revenues are higher due to better than anticipated earnings from landing fees of \$773K due to an increase in the fee from \$1.39 to \$1.71. Concession revenues were above plan for March by \$243K due to higher than projected patronage.
- 2 **Planning and Development Services Revenues** - Revenues continue to fall below planned amounts due to 24% decline in commercial permitting through the first two quarters of FY 2010.
Planning and Development Services Expenditures - Due to downward trend in commercial and residential permitting activity, the Department has implemented a strategy plan to reduce overall expenditures through freezing vacant positions and associated costs. The reduction strategy has resulted in savings of \$360K through the first 6 months of FY 2010. The Department anticipates continuing this reduction strategy through the remainder of the year to maintain expenditure savings.
- 3 **Solid Waste Management Fund Revenues** - Revenues are higher than the planned amount due to higher than anticipated recycling revenues. Recovery in the recycled commodities market has increased the price per ton and resulted in higher earnings.
Solid Waste Management Fund Expenditures - The department is anticipating savings due to decreased Disposal Services costs resulting from higher rates of recycling, less per-household waste generation, and lower than anticipated disposal costs. There are also savings in contracted collections resulting from providing in-house garbage collection services to previously contracted neighborhoods.
- 4 **Advance Transportation District Revenues** - Revenues are slightly lower than the budget amount through the 2nd Quarter due to less than anticipated ATD Sales Tax revenue. A projected decrease in Sales Tax revenue and interest earnings for the remainder of the fiscal year will further increase the negative variance through the end of the fiscal year.
- 5 **Equipment Renewal and Replacement Fund Expenditures** - Expenditures are higher than the budgeted amount due to the purchase of 91 hybrid vehicles consistent with the recently approved Environmental Fleet Acquisition Policy.
- 6 **Golf Course Fund Revenues and Expenditures** - In February 2010, the City paid off the remaining amount (\$582K) on the golf cart lease, resulting in an unexpected expense of \$111K in FY 2010. This expense will be offset by a reimbursement by MGA-SA.
- 7 **Hotel Occupancy Tax Revenue** - Hotel Occupancy Tax collections through the 2nd Quarter have come in below the budget amount due to continuing weak economic conditions for the travel and hospitality sectors. The unfavorable variance is the result of a continued decline in average daily room rates.
Convention Center Revenues - Convention Center revenues are below the budget amount for the 2nd Quarter by \$995K as a result of lower than anticipated room rental revenues and short-term bookings, decreased commission from concessions, catering services, equipment rentals, and A/V & telecommunication services. These revenues are anticipated to increase by year-end with late bookings and tentative catering contracts for the new river-level ballroom to open in July.
Other Revenues - FY 2010 Re-estimate is higher than the budgeted amount due to \$2.9M in anticipated rebates from the state Major Events Trust Fund program which reimburses the operating expenses incurred by the Convention Sports and Entertainment facilities department in support of major conventions and events.
Community and Visitor Facilities Expenditures - Expenditures are below the plan amount due to decreased spending to offset the decrease in Hotel Occupancy Tax collections.
History and Preservation Expenditures - The favorable variance reflects a decreased transfer to the General Fund for History and Preservation. The reduction is due to less than anticipated HOT collections. The transfer to the General Fund is limited to 15% of collections.



FY 2010 SIX PLUS SIX BUDGET & FINANCE REPORT

City of San Antonio

ENTERPRISE & RESTRICTED FUNDS

Variance Analysis Through Second Quarter

- 8 Storm Water Regional Facilities Revenues** - Fees in-lieu of on-site detention continue to be below the planned amount due to continued weak economic conditions for commercial development and lower than projected interest earnings.
- 9 Employee Benefits Fund Expenditures** - Fund expenditures are higher than the budgeted amount due to higher than anticipated cost related to employee healthcare claims.
- 10 Liability Fund Revenues** - Interest earnings are projected to be lower than the budgeted amount due to interest rates being lower than planned. The interest on investments for FY 2010 was budgeted at a rate of return of 1.18%. Due to current market conditions it is anticipated that the rate of return for FY 2010 will now be 0.49%
- Liability Fund Expenditures** - The favorable expenditure variance is due to less than anticipated General Liability claims and to lower than planned insurance premiums.
- 11 Worker Compensation Fund Expenditures** - Expenses are lower than the adopted budget due to less Workers' Compensation claims being submitted through the 2nd Quarter of the fiscal year.