

# FY 2010 Preliminary Year-End Report & FY 2011 Budget & Finance Update

Presented by:  
Sheryl Sculley, City Manager

City Council "A" Session  
December 9, 2010

## Agenda

- General Fund
  - FY 2010 Year-End Report
  - FY 2011 Budget Update
  - FY 2011 Budget Initiatives
- Restricted Funds
  - FY 2010 Year-end Report
- Status of \$30 Million Bond Balance Program



## Financial Management

- Presentation represents preliminary FY 2010 financial status
- Revenues and expenditures reviewed monthly by City Manager, Chief Financial Officer, and Budget Director
- Quarterly financial reports presented to City Council including 3 Plus 9 and 6 Plus 6 Reports
- Mid-Year Adjustment developed to align and update revenue and expenditure budgets with updated information and trends



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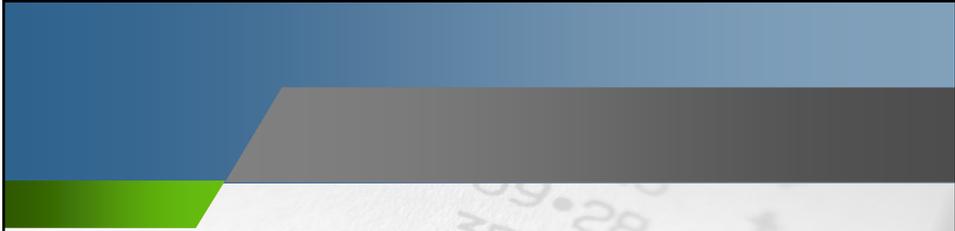
## FY 2010 Year End Financials

- Presentation provides preliminary FY 2010 Year-End Financial Update since budget adoption on September 16, 2010



- Figures presented today are preliminary/unaudited and will change as CAFR is finalized

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# General Fund



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## FY 2010 General Fund Year-End Summary

- Favorable revenue and expenditure variances combined result in \$12.9 Million in added FY 2010 ending fund balance since budget adoption
- FY 2010 added ending balance amount is less than last year's FY 2009 ending balance variance of \$18.4 Million
  - Also less than FY 2008 variance of \$21.5 Million

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## Revenues Variance Detail

- \$8.7 Million positive revenue variance
  - \$4.0 Million in CPS Revenues
  - \$400,000 in Sales Tax
  - \$4.3 Million in:
    - EMS Transport Fees
    - Business & Franchise Tax
    - License & Permits
    - Recreation & Culture



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## Expenditures Variance Detail

- \$4.3 Million expenditure variance or 0.5%
  - \$1.7 Million related to savings in utility bills and vacancy savings
  - \$1.6 Million from closing out prior year projects' budgets and encumbrances (from financial review that began in July)
  - \$1.0 Million associated with savings in professional contractors, binding and printing, travel and other various line items

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## Year-End Variance Trend

- Over past three fiscal years staff has refined year-end re-estimate projections to more closely project year-end balances
- Table below shows year-end variance trend

(\$ in Millions)

	FY 2008	FY 2009	FY 2010
Additional Ending Balance Added with Closing of Fiscal Year	\$21.5	\$18.4	\$12.9

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## Ending Balance Variance Perspective

- While today's financial update is positive for ending FY 2010, tough financial challenges exist for next budget cycle
- FY 2012 Budget Plan projects \$37 Million budget challenge
  - Includes \$15 Million in Strategy proposals for FY 2012
    - Efficiencies resulting from additional Comprehensive Budget Reviews
    - Additional revenue by increasing City property tax rate to effective tax rate
    - Lower contribution requirements with proposed TMRS fund restructuring

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## Ending Balance Variance Perspective

- Preliminary FY 2010 better ending balance of \$12.9 Million to assist with FY 2012 budget challenge



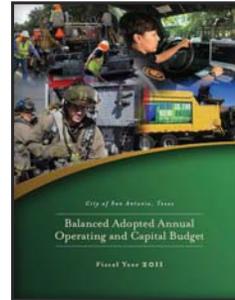
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## FY 2011 BUDGET OVERVIEW

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## FY 2011 General Fund Summary Points

- FY 2011 Budget is balanced
- Adds Police and Fire uniform positions
- Additional Street repair funding
- Improves Code Enforcement
- Increases Animal Control
- Includes funding Economic Development and Green Initiatives
- No City Property Tax Rate increase
- No Solid Waste or Storm Water fee increases



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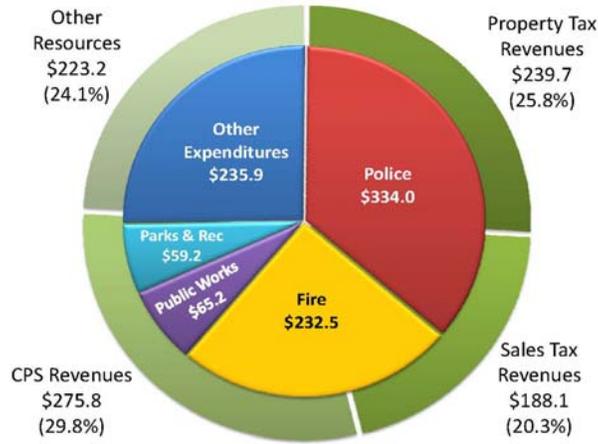
## Budget Facts – FY 2011

Total Consolidated Budget – All Funds	\$2.37 Billion
FY 2011 General Fund Budget	\$927 Million
Restricted Funds	\$732 Million
FY 2011 Capital Improvements Program	\$711 Million



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## General Fund Available Resources Distributed over Major Spending Areas



**FY 2011 ADOPTED BUDGET: \$926.8 M**

- Public Safety Totals 61.1% of General Fund

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## Non-Public Safety General Fund Other Expenditures

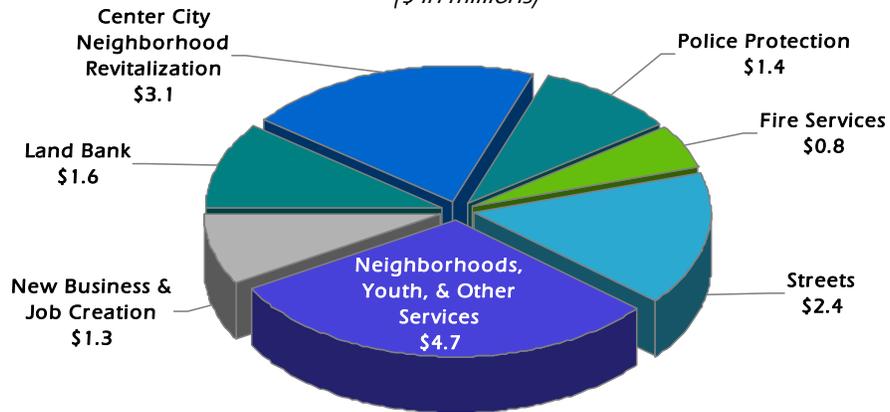
(\$ in Millions)

Community Initiatives with Delegate Agencies	\$36.6
Library	32.6
Municipal Courts	12.6
Health	11.6
Code Enforcement Services	11.2
Animal Care	8.6
Downtown Operations	7.5
Customer Service/311	3.8
International & Economic Development	2.4
General Administration/Non-Departmental	109.0

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# FY 2011 Budget Initiatives Summary

## General Fund Enhancements - \$15.4 Million by Major Service Categories *(\$ in millions)*



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# FY 2011 BUDGET INITIATIVE UPDATE

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## Police Protection

- 22 New Police Officers
  - 11 Sergeants to increase operational command and oversight
  - 8 Detectives for Narcotics, VICE Unit and Repeat Offenders
  - 3 Detectives for family violence
  - Promotions of 22 Officers in February
  - Over past five years, City has added 305 new police officers and civilianized 63 positions

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## Police Protection

- In-Car Video Systems for all front-line police vehicles to record public interactions
  - All units to be equipped with video system by April 2012

	DWI Unit	Traffic Division	Central sub-station & specialty units at Academic Court	East, West, South, North, & Prue Substations
# of Units	28	60	169	360
Completion Date	Dec. 2010	Apr. 2011	Oct. 2011	Apr. 2012

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## Police Protection

- Taser Equipment for front-line Police Officers
  - Increased Officer and citizen safety
  - Taser training to begin December 2010
    - Approximately 60-65 front-line uniform officers trained each month (788 total)
    - 60 officers currently scheduled to undergo training in December
  - Estimated completion of Taser acquisitions and training in January 2012



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## Fire Services

- Adds 3 new Fire Engineers to create 8<sup>th</sup> Battalion/District
  - Enhance operational command and control of fire incidents throughout the City
  - Battalion/District established by April 2011
  - Cadet training for new positions scheduled for January 2011 (Graduate June 2011)
  - Over past five years City has added 163 new firefighter/paramedic positions



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## Fire Services

- Fully funds 30 Firefighter positions at Fire Station 51
  - Units operational October 1, 2010
  - Station 51 construction began October 2010 and will be operational October 1, 2011



- Station 50 (Toyota) construction began October 2010 and will be operational October 1, 2011

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## Fire Services

- Medical Equipment to create five dedicated Advanced Life Support Fire Companies
  - Equipment and medication to be purchased during 2<sup>nd</sup> Quarter
  - Equipment installed and operational by July 2011
- Training to allow for second Hazardous Material Response Team
  - Fire Station 34 selected for 2<sup>nd</sup> Hazmat Team location
  - Hazmat training scheduled for January and team will be in place in April 2011
  - Training for 30 positions



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## Street Maintenance

- \$53.5 Million total Street Maintenance Budget for FY 2011
- Street Maintenance of \$1.7 Million added in budget
  - Provides for contractual street reclamation
  - 5 additional miles for a total of 248 miles of street maintenance in FY 2011
  - Projects currently under design
  - Construction begins February 2011
  - Projects completed in September 2011



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## Sidewalks

- Budget includes \$6.5 Million for sidewalks
  - \$4 Million funded with City ATD funds
  - \$2.5 Million funded with Federal Economic Stimulus Sidewalk Maintenance
    - \$1.5 Million for sidewalk inventory to identify sidewalk needs across City
  - 2 projects under construction
  - All projects to be completed by September FY 2011



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## Alley Maintenance

- Alley Improvements - \$3 Million
  - Funded from Storm Water and Solid Waste Funds
  - Improvements for Solid Waste alley services
  - 295 Alleys improved with cart pads by July 2011
  - 26 Alley roadways improved by September 2011



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## Animal Care

- \$500,000 to provide 8,000 to 10,000 free and low-cost spay and neuter surgeries
- Finalized negotiations and new contracts with outside agencies
  - 5 contracts awarded November 18<sup>th</sup>
  - Began marketing and scheduling surgeries
  - Complete 400 to 500 surgeries during 1<sup>st</sup> Quarter



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## Code Enforcement

- Re-engineer Extreme Sweeps Program – \$632,000

- Adds 9 positions to create a proactive code enforcement team
- Team to proactively address code issues in highly traveled and visible corridors, and identified hot-spots
- Training and patrolling of targeted corridors to begin January 2011



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## Libraries

- 21 positions and resources added for Operations of Mission Library - \$870,000
  - Opening scheduled for Spring 2011
- 21 positions & resources added for operations of Parman Library - \$860,000
  - Opening scheduled for Spring 2011
- Library Deferred Maintenance - \$1.7 Million
  - Maintenance at 20 City libraries
  - Work completed at Semmes and Igo Branch Libraries
  - \$656,000 to be spent through December 2010
  - All Maintenance completed by September 2011



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## Economic Development

- \$1.1 Million added in Economic Development Funds making \$5 Million available for new projects in FY 2011
  - Approved grant to Con-Way Freight, Inc. to retain 73 existing jobs and create 56 new jobs
  - Approved funding agreement for Westside Development Corp. and San Antonio for Growth on the Eastside
  - Offered grant for adaptive reuse of ButterKrust building
  - Offered grant to attract PETCO and 400 high-wage jobs



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## Economic Development

- Land Bank – \$1.5 Million
  - Up to 3 focus areas for potential acquisition will be identified in December
- Inner City Incentive Fund – \$2 Million
  - Offered a grant for adaptive reuse of ButterKrust Building and creation of an additional 125 job (also funded with Economic Development Incentive Funds)
  - Revising the EDIF Guidelines to align with the ICRIP and present to Council January 2011
  - All incentive funding distributed by September 2011

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## Green Initiatives

- Re-engineer brush collection program to allow for 100% recycling - \$1 Million
  - New brush and bulky collection schedules drafted
  - New schedule begins February 2011
- New Brush Recycling Facility - \$3.7 Million
  - Will provide service operation for City's south side
  - Request for Proposal for construction/operation of facility has been finalized and is ready for advertisement

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## Green Initiatives

- Recycling at six City regional parks – \$321,000
- Installation of nearly 300 recycling receptacles
- Completed installation of recycling receptacles
  - OP Schnabel Park, Elmendorf Lake
- Remaining Parks to be completed in FY 2011
  - Brackenridge Park (March)
  - San Pedro Springs (June)
  - Southside Lions (July)
  - McAllister Park (August)



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## FY 2011 Budget & Finance Monitoring

- Budget and Finance staff continue to closely monitor revenues and expenditures monthly
- In total through November, General Fund Revenues are slightly above budgeted amounts
  - CPS Revenue through November \$300,000 under budget
    - October Revenues \$1.7 Million over budget
    - November Revenues \$2 Million under budget
  - Sales Tax through November \$1.1 Million over budget
    - October Revenues \$600,000 over budget
    - November Revenues \$500,000 over budget
  - Property Tax received within budgeted amount
- Overall Expenditures are within budgeted amounts through November
- 1<sup>st</sup> Quarter Budget and Finance Report (3+9) to be presented February 9, 2011

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## Restricted Funds

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## Solid Waste Fund

- Enterprise Fund ends FY 2010 in positive financial position
  - Preliminary revenues up 0.6% or \$500,000 from projections
  - Preliminary expenditures remain within budget



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## Aviation Fund

- Aviation Fund ends FY 2010 in positive financial position
  - Preliminary revenues up 1.2% or \$829,000 from projections
  - Preliminary expenditures down 2.1% or \$1.3 Million from projections



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## General Airport Revenue Bonds

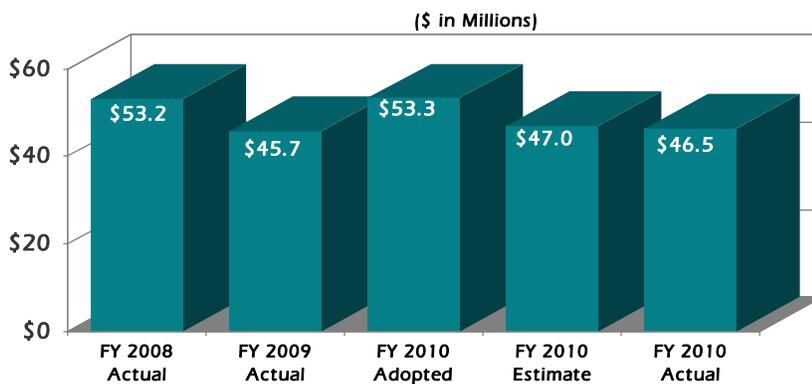
- Proceeds fund a portion of Airport Capital Improvement Plan
  - Terminal facilities expansion, renovations, and renewals; airfield improvements; acoustical treatment program; aircraft apron improvements
- Presentations made to Rating Agencies on November 8, 2010
  - Fitch, Standard & Poor's, and Moody's have affirmed the airport's bond ratings
- Bonds to be sold week of Dec 6
  - Results of sale provided to City Council December 9<sup>th</sup>



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## Hotel Occupancy Tax Fund

- Hotel Occupancy Tax Fund ends FY 2010 in positive financial position
  - Preliminary revenues down 1.1% or \$533,152 from projections used to develop FY 2011 Budget



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## Development Services Fund

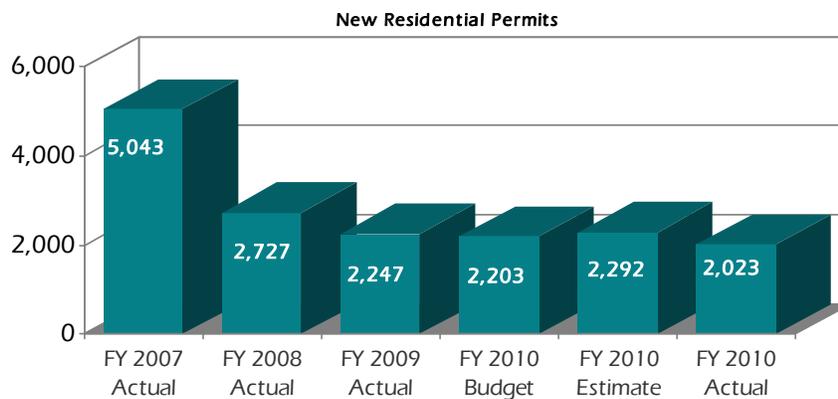
- Development Service Fund ends FY 2010 in positive financial position
  - Preliminary revenues down 4.2% or \$978,000 from projections
  - To offset decline in revenues, staffing levels were adjusted
  - Total of 36 positions frozen in FY 2010



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## Development Services Fund

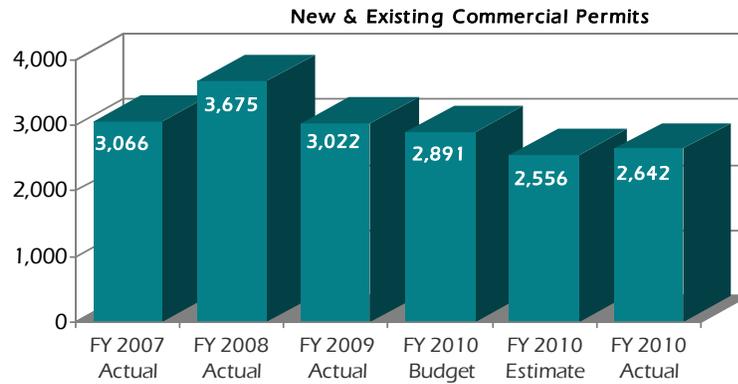
- FY 2010 New Residential Permits 10% below FY 2009



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## Development Services Fund

- FY 2010 New & Existing Commercial Permits  
13% below FY 2009



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## \$30 Million Bond Balance Program Status Report

As of Oct 31<sup>st</sup>

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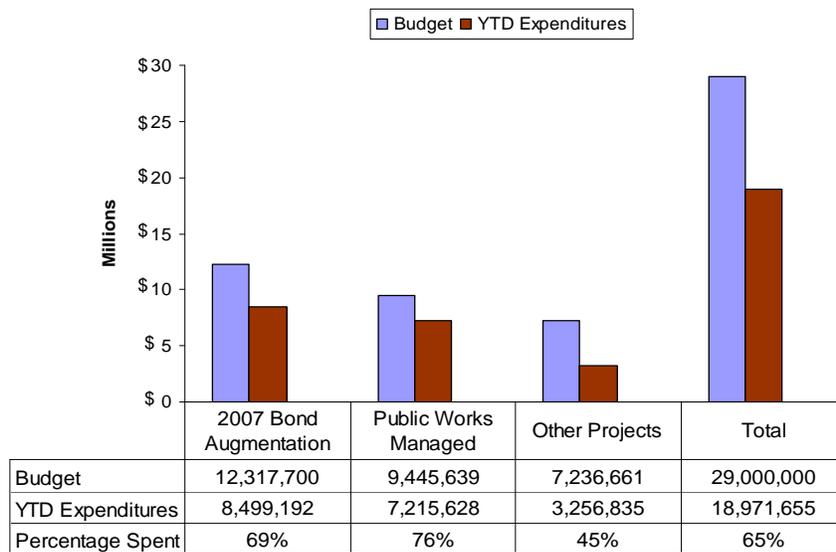
## \$30 Million Bond Balance Program

- As part of the FY 2011 Budget Development Process all 97 projects were reviewed and savings of \$ 1 Million were identified

Project Summary Category	Budget	Total Number of Projects
2007 Bond Program Project Augmentation	\$ 12,317,700	11
Public Works' Managed Improvements - Streets, Sidewalks, Traffic Control and Drainage	9,445,639	66
Other Projects (including BRAC and Haven for Hope)	7,236,661	20
<b>Total Program</b>	<b>\$ 29,000,000</b>	<b>97</b>

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## \$30 Million Bond Balance Program



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# Project Completion Timeline

- Program substantially completed by December 31, 2010 with 88 of the 97 projects completed and remaining 9 under construction and to be completed in 2011 and 2012

	COMPLETION TIMELINE																							
	2010	2011												2012										
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul				
2007 Bond Program Project Augmentation	6	2					1						2											
Public Works' Infrastructure Improvements	65	1																						
Other Projects (including Brac and Haven for Hope)	17			1				1													1			
<b>Number of Projects Completed</b>	<b>88</b>																							

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