

FY 2011 6+6 Budget & Finance Report FY 2012-2016 Five Year Financial Forecast



Presented by
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City Council "B" Session
May 4, 2011

Presentation Overview

- FY 2011 2nd Quarter Financial Status Report
 - General Fund
 - Enterprise/Restricted Funds
- Five Year Financial Forecast
 - General Fund
 - Enterprise/Restricted Funds
- Local Economy and Comparative Budget Analysis
- Summary and Next Steps



Presentation Overview

- Part I- Focuses on City's FY 2011 Budget
- Part II- Focus on City's FY 2012 Budget and forecast years



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Budget/Finance Condition Summary

- FY 2011 Adopted Budget is balanced today and will be balanced on September 30, 2011
- Today's FY 2011 financial update is positive for year-end FY 2011; financial challenges exist for FY 2012 and beyond
- Recently adopted FY 2011 Federal Budget and budget proposals for FY 2012 State and Federal Budgets may impact City's FY 2012 Budget



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FY 2011 2nd Quarter Financial Status Report



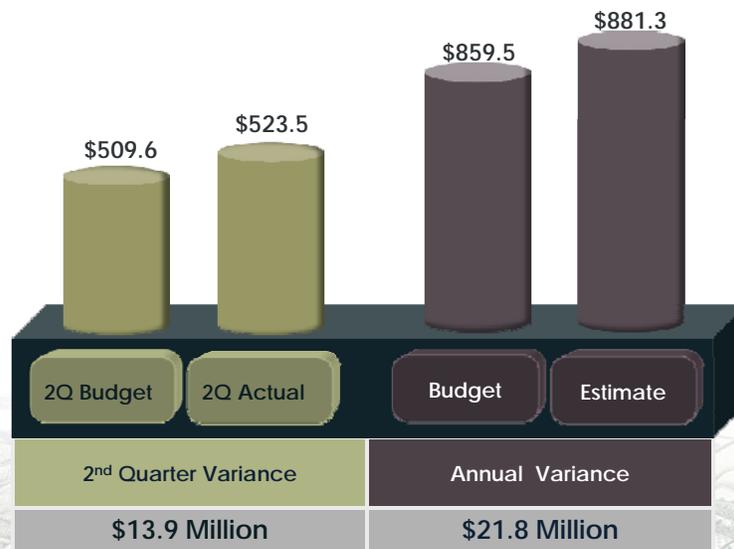
General Fund Revenues

FY 2011 2nd Quarter Financial Summary General Fund Revenues

- ◆ Overall, General Fund revenues up \$13.9 million for 2nd Quarter
- ◆ Sales Tax up \$4.1 million
- ◆ CPS Revenue up \$7.4 million
- ◆ Property Tax impacted slightly by appeal process in recent months
- ◆ Other revenues \$2.4 million over budget for 2nd Quarter



General Fund Revenues – All Sources (\$ in Millions)



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General Fund Revenue Summary

- 3+9 Budget and Finance Report annual revenues were up \$8.8 million over FY 2011 Adopted Budget
- 6+6 Report General Fund Annual Revenues for FY 2011 are projected to be up \$21.8 million over FY 2011 Adopted Budget



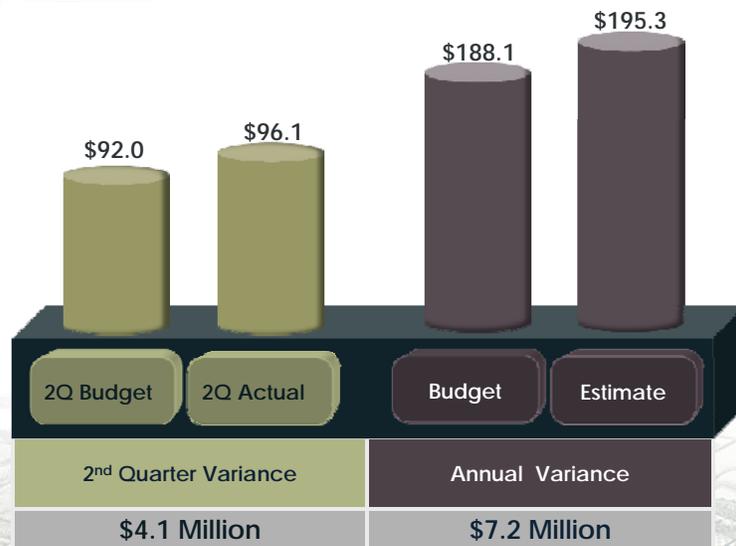
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General Fund Revenue Variance Compared to Adopted Budget Figures (\$ in Millions)

Revenue Source	3+9 Annual Variance (February 2011)	6+6 Annual Variance (May 2011)	Change
 Sales Tax	\$3.3	\$7.2	\$3.9
 CPS Payment	\$3.2	\$10.8	\$7.6
 Property Tax	\$0.0	(\$0.7)	(\$0.7)
Other Revenue	\$2.3	\$4.5	\$2.2
Total	\$8.8	\$21.8	\$13.0

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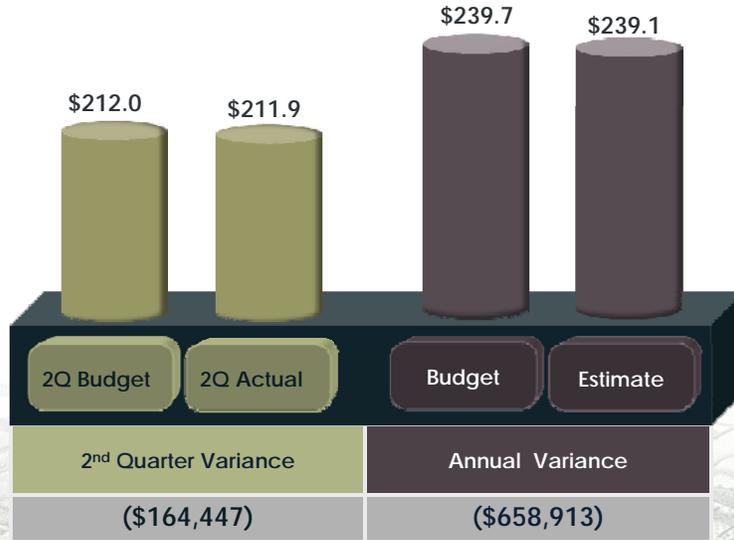
Sales Tax Revenue (\$ in Millions)



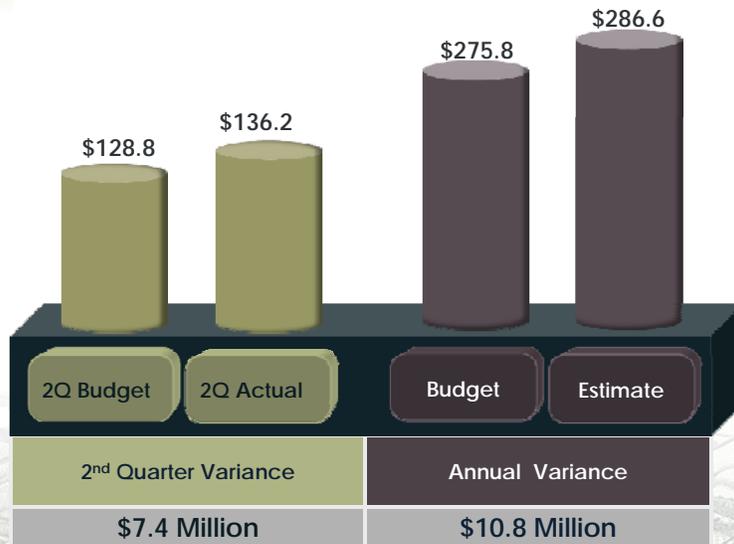
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Property Tax Revenue (\$ in Millions)



CPS Revenue (\$ in Millions)



Factors Affecting CPS Revenue



- Colder than projected weather through this past winter
- Higher than projected fuel costs

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FY 2011 2nd Quarter Financial Status Report



General Fund Expenditures

General Fund Expenditures

- With 3+9 Budget and Finance Report overall General Fund Expenditures projected at budgeted amounts
- 6+6 projecting savings of \$2.4 million



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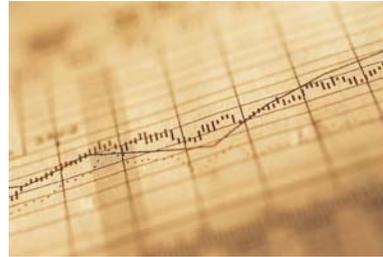
General Fund Expenditures (\$ in Millions)



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Six Plus Six General Fund Summary

- In conclusion, FY 2011 General Fund Revenues anticipated \$21.8 million better than Adopted FY 2011 Budget
- FY 2011 General Fund Expenditures \$2.4 million in less spending
- Additional revenues and less spending result in \$24.2 million added to FY 2012 Beginning Balance helping shortfall



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FY 2011 2nd Quarter Financial Status Report



Solid Waste
Management Fund

Solid Waste Operating Fund

- Enterprise Fund - fee based, not supported with property tax
 - Revenue generated from monthly service charge of \$18.74
- 2nd Quarter Revenues up \$587,859
- 2nd Quarter Expenditures \$1.1 million below budget
- Solid Waste Fund in positive financial position for 2nd Quarter and anticipated to end FY 2011 in positive financial position

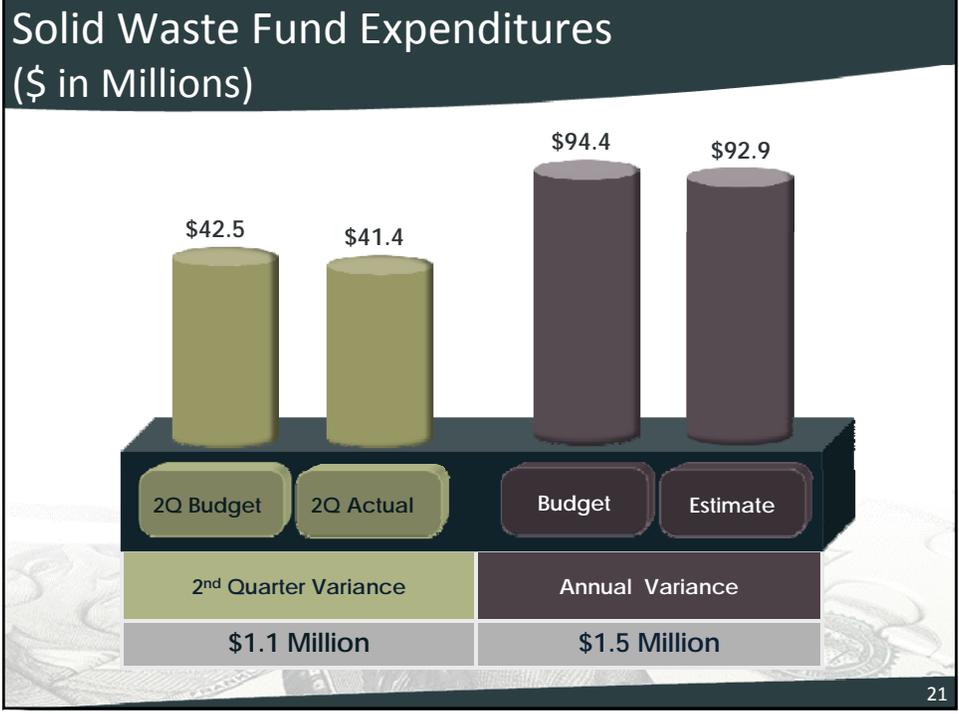


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Solid Waste Revenues (\$ in Millions)



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FY 2011 2nd Quarter Financial Status Report

Development Services Fund

Development Services Fund

- 2nd Quarter revenues \$558,500 below budget
- New Residential Permits in FY 2011 25% below FY 2011 Budget Plan
- Commercial Permits 14% higher than FY 2011 Budget, but average permit valuation 6.8% below last year
- 2nd Quarter expenditures under budget by \$534,000 primarily due to vacancy savings
 - 18 vacancies in addition to 23 frozen positions held as part of FY 2011 Budget Plan
- Development Services Fund anticipated to end FY 2011 in positive financial position



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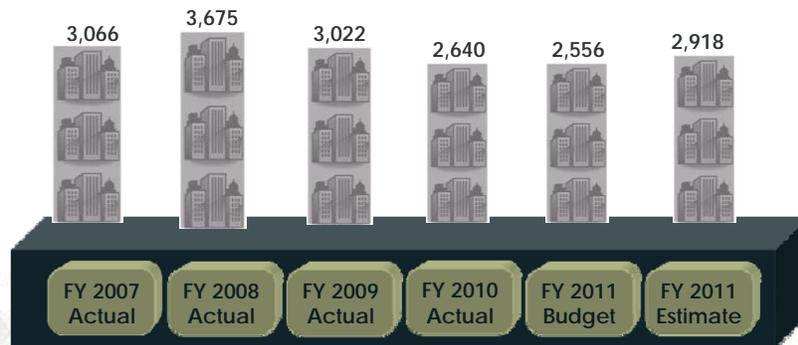
Residential Permits



- FY 2011 residential permitting activity estimated 25% lower than FY 2011 Budget

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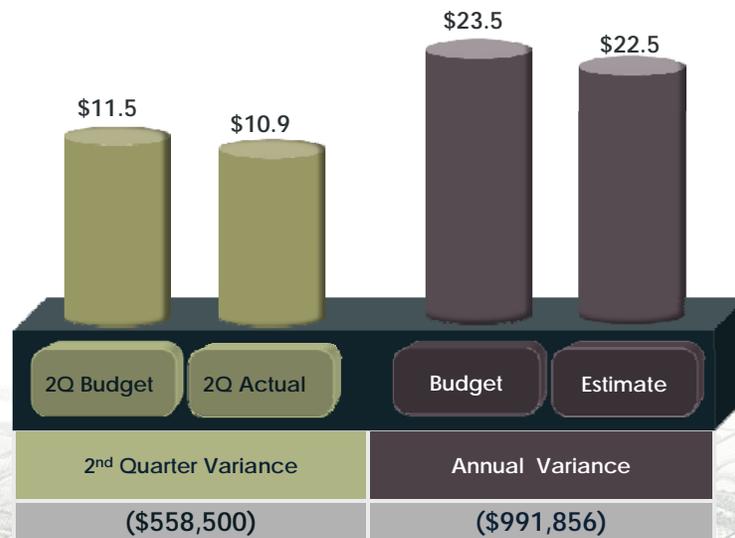
New and Existing Commercial Permits



- FY 2011 Estimate projects 14% increase from FY 2011 Budget
- Average value of the permits issued are down 6.8% contributing to the lower than anticipated revenue from commercial permitting

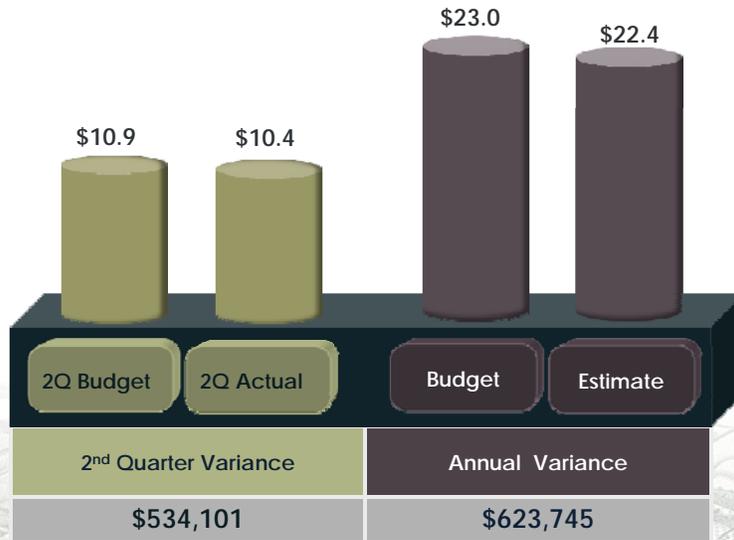
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Development Services Fund Revenues (\$ in Millions)



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Development Services Fund Expenditures (\$ in Millions)



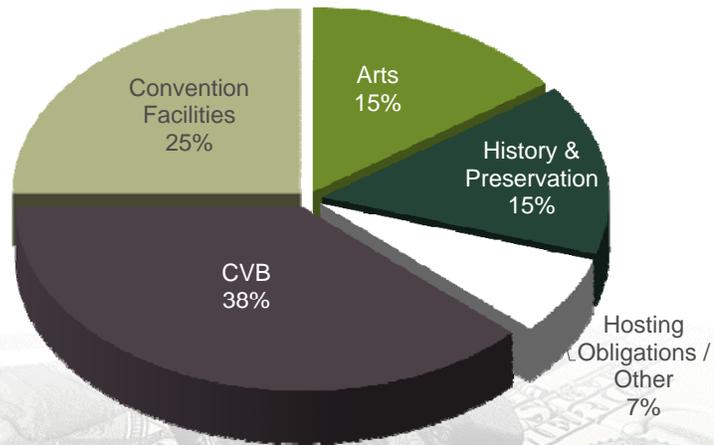
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FY 2011 2nd Quarter Financial Status Report



Hotel Occupancy Tax Fund

Hotel Occupancy Tax Distribution

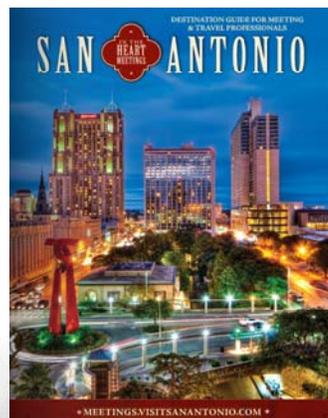


Total Hotel Occupancy Tax Rate: 16.75%

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Hotel Occupancy Tax Fund

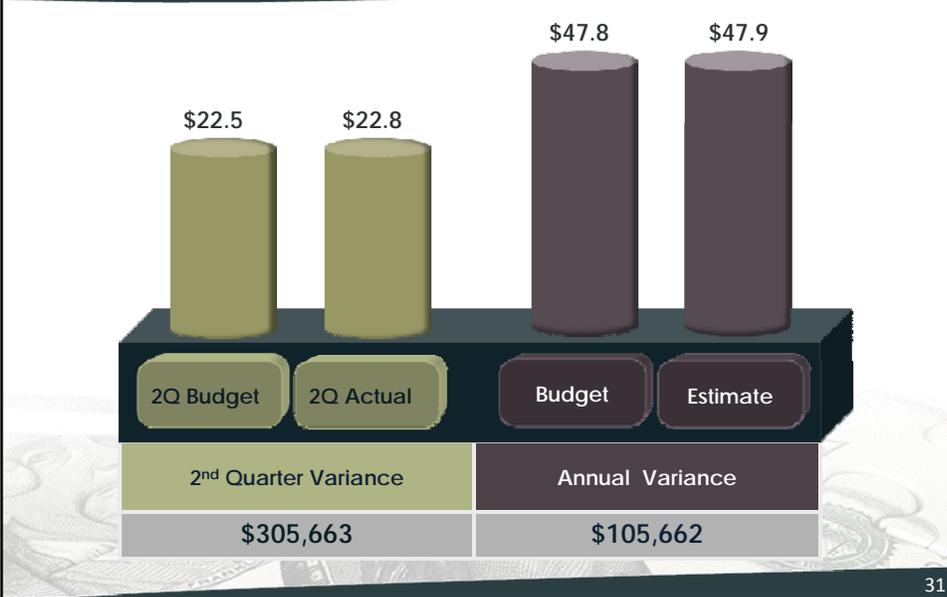
- FY 2011 HOT Tax Budget is \$47.8 million
- 2nd Quarter HOT Tax Revenue up \$305,663
 - Hotel Room Demand up 10.7% in FY 2011 from prior year*
 - Slight increase in Hotel Room Rates of 1.4% in FY 2011 from FY 2010*



*Source: Smith Travel Research

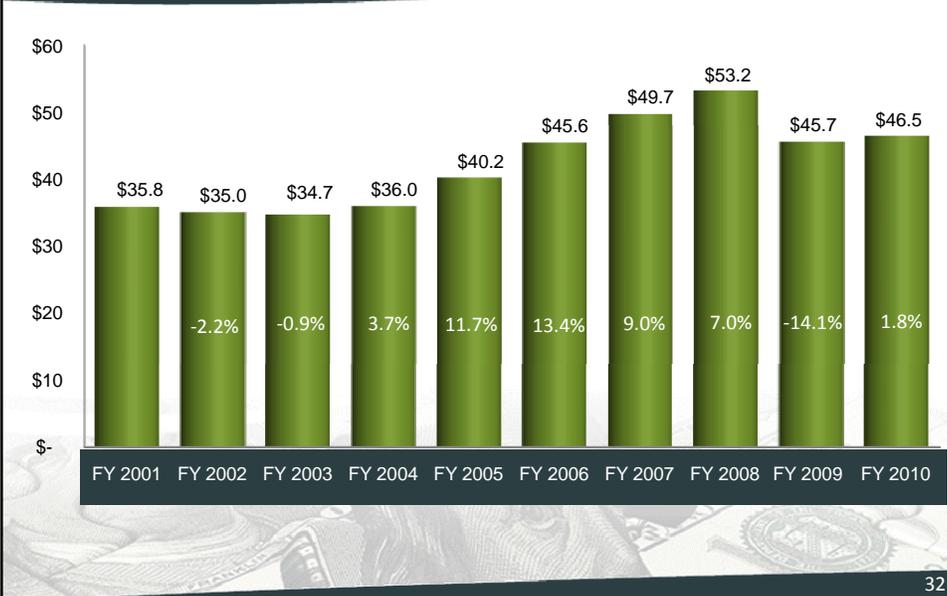
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Hotel Occupancy Tax Revenues (\$ in Millions)



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Hotel Occupancy Tax Collection Actuals (\$ in Millions)



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Hotel Occupancy Tax Expenses (\$ in Millions)

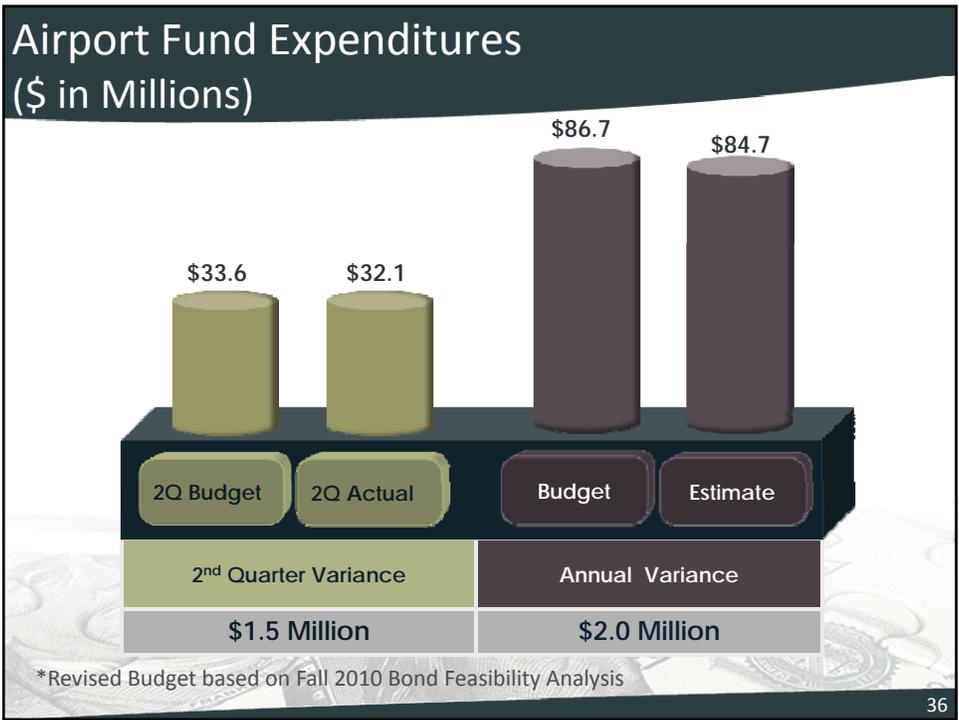
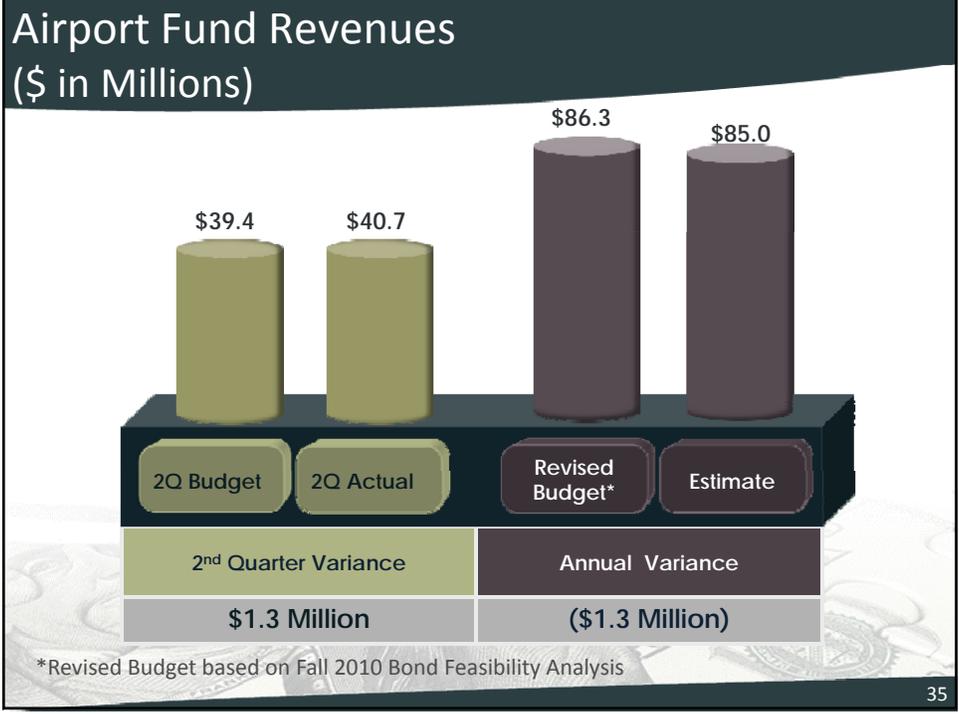


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FY 2011 2nd Quarter Financial Status Report



Airport Fund



Mid-Year Budget Adjustment



General Fund

FY 2011 Mid-Year Budget Adjustments

- Adjustment recommendations based on actual activity seen in first six months of fiscal year along with future projections
- Result is Revised FY 2011 Budget
 - FY 2011 Revenues & Expenses Budget reset
- Adjustments also to Capital Budget reflecting City Council approved use of \$47 million in 2007 Bond Program project savings
- FY 2011 Mid-Year Budget Adjustment Ordinance considered during Thursday, May 19th City Council "A" Session

FY 2011 Recommended Mid-Year Budget Adjustment – General Fund

(\$ in Millions)	FY 2011 Adopted Budget	Mid-Year Adjustment	FY 2011 Revised Budget
Revenues	\$859.5	\$21.8	\$881.3
Expenditures	\$926.8	(\$2.4)	\$924.4

- Revenues- Increase associated with higher than anticipated CPS and Sales tax revenues
- Expenditures-Net Decrease overall with reductions in some budgets and increases in some departments budgets

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FY 2011 Recommended Mid-Year Budget Adjustment – Restricted Funds

(\$ in Millions)		FY 2011 Adopted Budget	Mid-Year Adjustment	FY 2011 Revised Budget
Development Services Fund	Revenues	\$23.5	(\$1.0)	\$22.5
	Expenditures	\$23.0	(\$0.6)	\$22.4
Self Insurance Funds	Revenues	\$106.5	\$0.0	\$106.5
	Expenditures	\$110.8	(\$4.5)	\$106.3
ACS Facility Donation Fund	Expenditures	\$0	\$25K	\$25K

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FY 2007 – 2012 Bond Program Project Savings

- \$47 Million in 2007-2012 Bond Savings
- Downtown Investment
 - \$20.1 million to be directed at Street and Drainage improvements in Downtown
- Council District Projects
 - \$26.9 million to be used for projects in Citywide Districts



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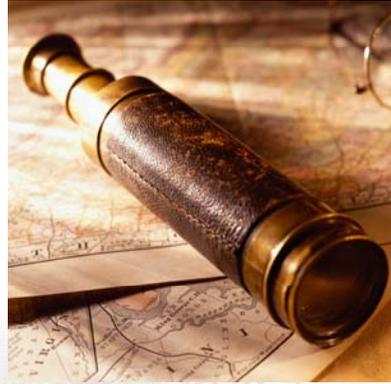
Five Year Financial Forecast



General Fund

FY 2012 to FY 2016 Five Year Financial Forecast

- Budgetary Planning Tool
- Early identification of projected Financial Position
- Provides strategic model to evaluate future impact of budget decisions
- Part of service delivery/goal setting strategy for FY 2012 Proposed Budget



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General Fund Forecast

- Deficit projected for FY 2012 between \$8.5 million and \$19.9 million
 - Less than what was projected as part of two-year budget plan in September 2010
- Deficit is the result of structural imbalance
- 6% of available resources in 2012 Forecast from beginning balance



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FY 2011 General Fund Summary

FY 2011			
(\$ In Millions)	FY 2011 Revised Budget	FY 2011 Re-Est.	FY 2011 Variance
Beginning Balance	\$89.3	\$101.3	\$12.0
Total Revenues	859.5	881.3	21.8
Total Expenditures	926.8	924.4	2.4
Added Ending Balance for FY 2011 Budget			\$36.2

- FY 2010 Preliminary Actual Ending Balance above FY 2010 Re-estimate: **\$12.0 million**
- FY 2011 Revenue Projection above FY 2011 Budget: **\$21.8 million**
- FY 2011 Less Spending: **\$2.4 million**
- \$36.2 million added to \$18.4 million Two Year Balanced Budget Reserve Results in \$54.6 million FY 2012 Beginning Balance

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General Fund Forecast Summary

- \$8.5 million to \$19.9 million shortfall projected in FY 2012
- \$78 million to \$90 million deficit projected in FY 2013
- Federal and State budgets could impact City's FY 2012 and beyond budgets
- Expenditure reduction measures to be evaluated as part of FY 2012 budget to achieve a balanced FY 2012 Budget and significantly reduce FY 2013 financial gap

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General Fund Forecast

(\$ In Millions)	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Available Balance	\$54.6	\$0.0	\$0.0	\$0.0	\$0.0
Current Revenues	887.1	900.1	914.5	929.6	948.0
Total Available Resources	941.7	900.1	914.5	929.6	948.0
Total Expenditures*	950.2	977.6	1,005.6	1,012.7	1,019.7
Ending Balance	(\$8.5)	(\$77.5)	(\$91.1)	(\$83.1)	(\$71.7)
Additional Expenditures / Policy Issues	11.4	11.4	11.4	11.4	11.4
Adjusted Ending Balance	(\$19.9)	(\$88.9)	(\$102.5)	(\$94.5)	(\$83.1)

* Includes incremental amount to maintain budgeted financial reserves at 9% and reserves set aside for 50 Police Officers partially funded by the Federal Stimulus

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FY 2012 General Fund Comparison

FY 2012			
(\$ In Millions)	FY 2012 Budget Plan (Sept 2010)	FY 2012 Revised Projection (April 2011)	Variance
Beginning Balance	\$18.4	\$54.6	\$36.2
Total Revenues	876.9	887.1	10.2
Total Expenditures	948.2	950.2	2.0
Strategies to Reduce Deficit	15.7	0	15.7
Policy Issues/Additional Spending	0	11.4	11.4
Ending Balance	(\$37.2)	(\$19.9)	\$17.3

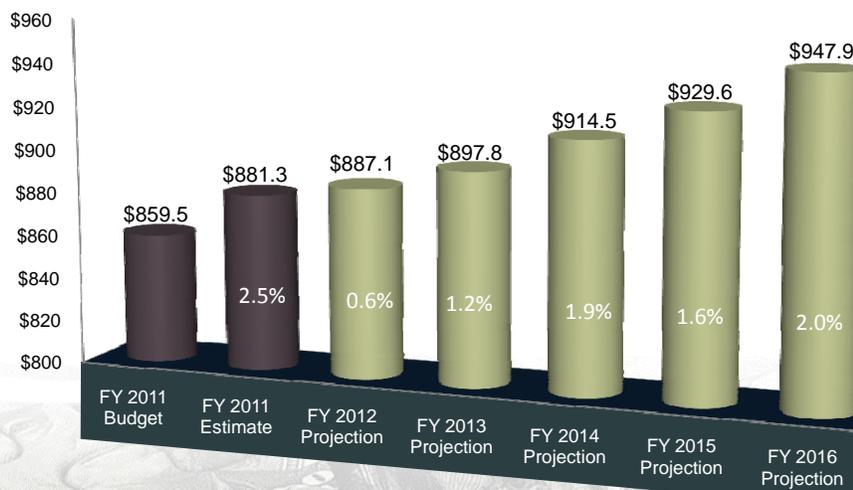
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Summary of Federal & State Proposed Budget

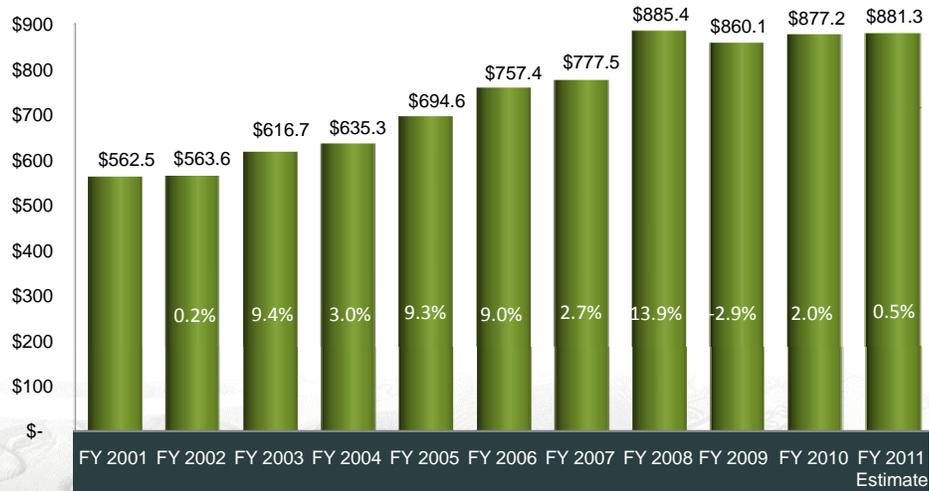
Federal and State Budget Impact on City of San Antonio		FY 2011	FY 2012	Total
	FY 2011 Adopted Federal Budget	\$600,000	\$4.1 to \$5 M*	\$4.7 to \$5.6 M
	FY 2012 President's Budget Proposal	\$0	\$25.2 to \$27.9 M	\$25.2 to \$27.9 M
	FY12-13 Proposed State House Bill 1 impact to FY11	\$0	\$9 to \$9.7 M	\$9 to \$9.7 M
Total		\$600,000	\$38.3 to \$42.6 M	\$38.9 to \$43.2 M

* \$725,000 included in this number will impact City of San Antonio FY 2013 Budget

General Fund All Revenues Forecast (\$ in Millions)



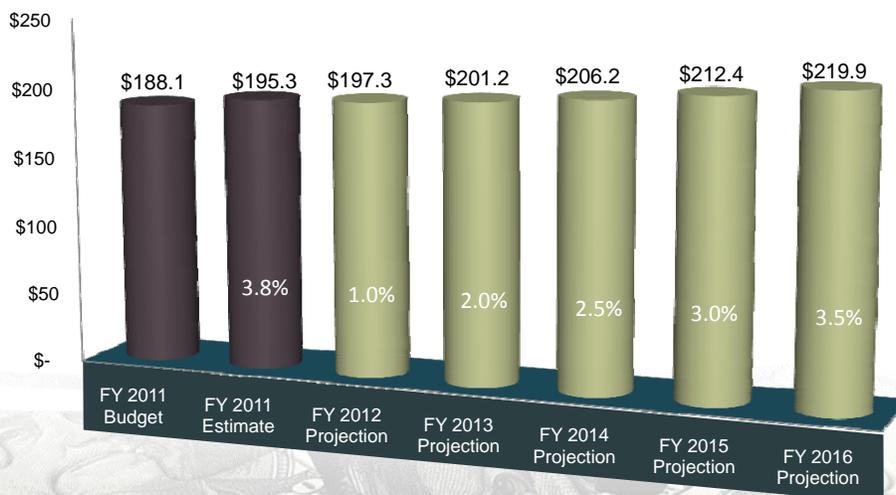
General Fund Revenues History (\$ in Millions)



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Forecasted Sales Tax Revenue (\$ in Millions)



•FY 2012 Projection is 4.9% over the adopted budget

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Historical Sales Tax Revenue Actuals (\$ in Millions)

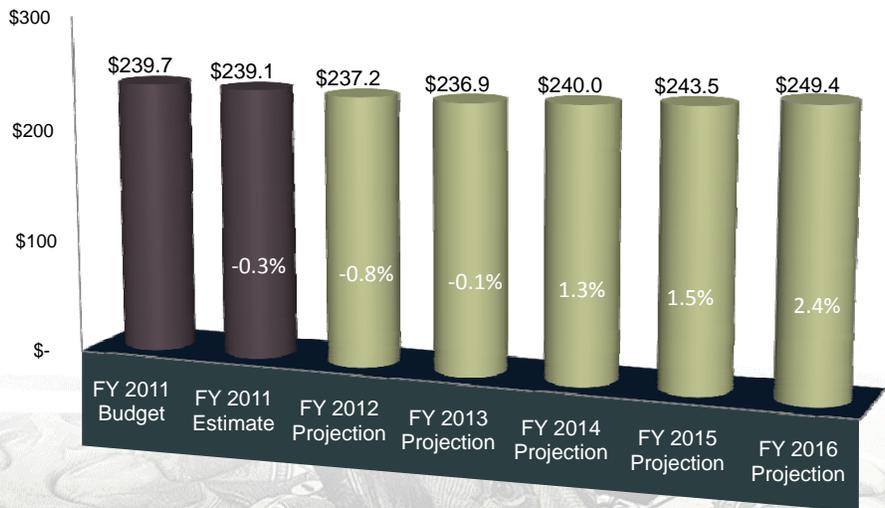


- Ten year average percent growth is 3.41%

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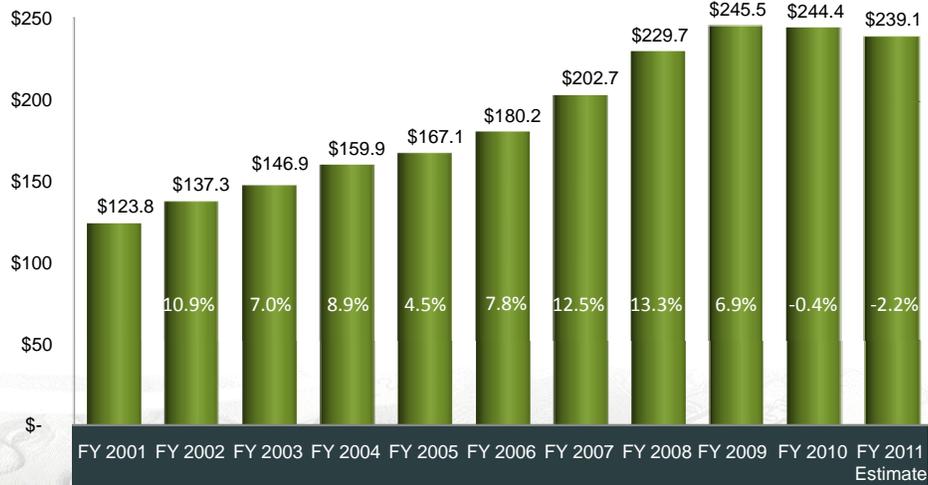
Forecasted Property Tax Revenue (\$ in Millions)



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Property Tax Collection Actuals (\$ in Millions)

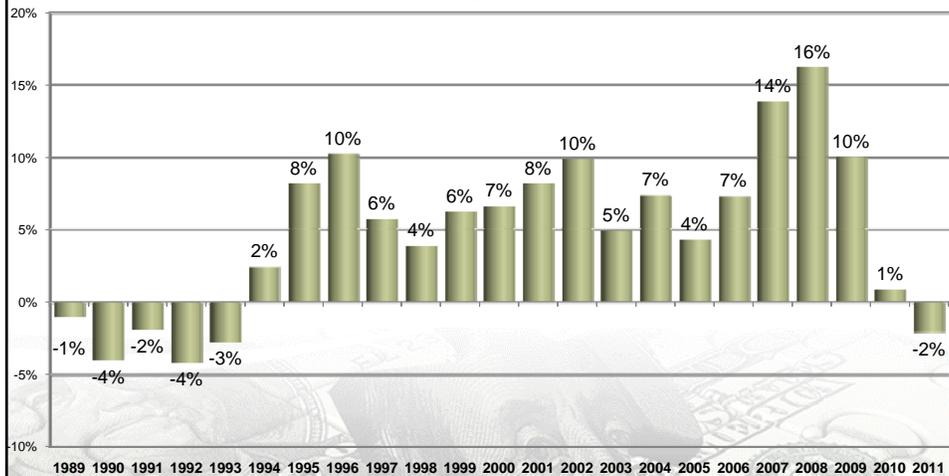


• 10-Year average percent growth is 7.9%



Historical Taxable Valuation: 1989-2011

• Year over Year Percent Change



Improvements Added

- General Improvements added since 2006 include:
 - 350 New Police Officers
 - 163 New Firefighters
 - Street Maintenance Funds increased by nearly 20%
 - Increased Animal Care Services Budget by 77% and added 35 new positions



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Taxable Property Values

- FY 2012 is third consecutive year of decrease in taxable property value for existing properties

Year Over Year Growth in Value			
	FY 2010	FY 2011	FY 2012
Existing Property	(1.83%)	(3.78%)	(2.37%)
New Property	2.70%	1.68%	1.12%
Total Growth	0.87%	(2.10%)	(1.25%)



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Projected Property Values

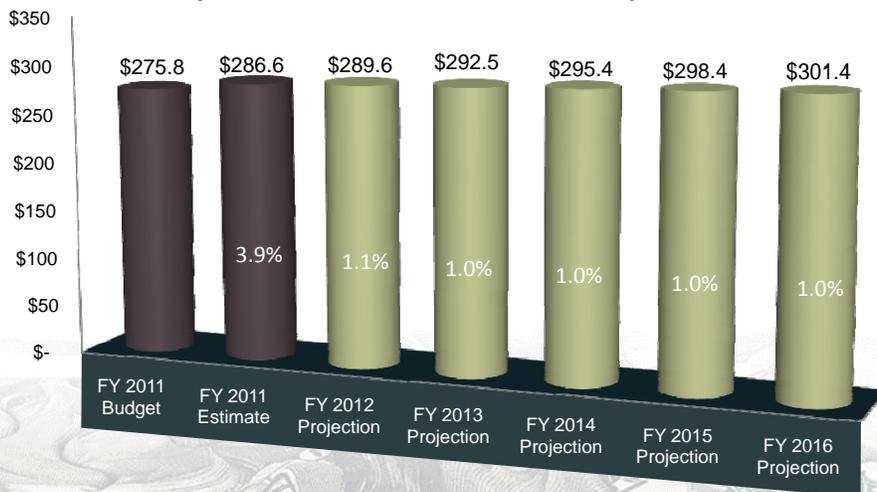
Projected Year Over Year Growth in Value

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Existing Property	(2.37%)	(1.25%)	(0.50%)	0.00%	0.00%
New Property	1.12%	1.25%	1.50%	1.50%	2.00%
Total Growth	(1.25%)	0.00%	1.00%	1.50%	2.00%



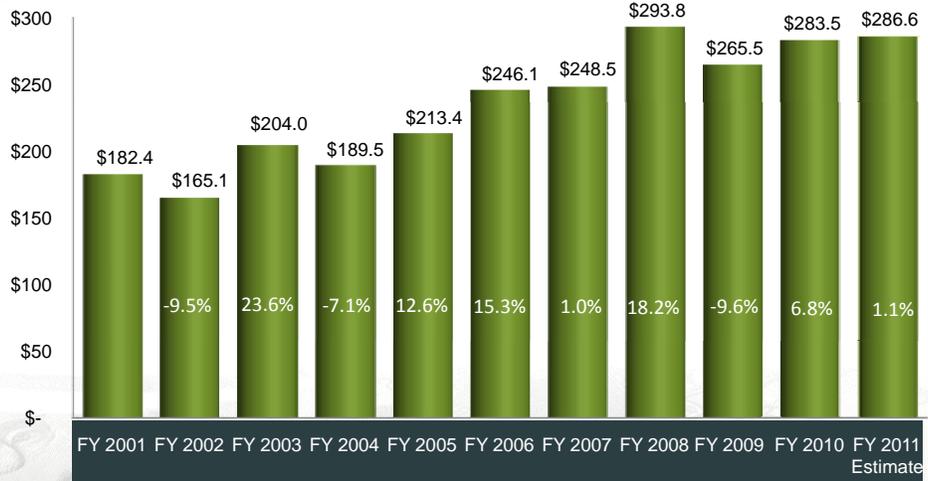
Forecasted CPS Revenue (\$ in Millions)

● FY 2012 Projection above FY 2011 Estimate by \$3.06 M



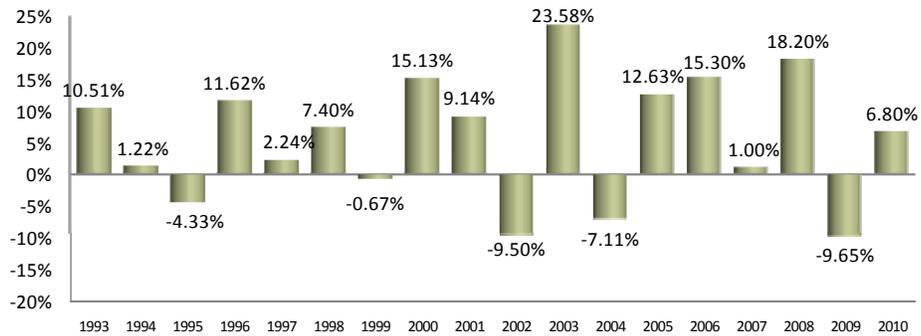


CPS Revenue Actuals (\$ in Millions)



CPS Revenue Volatility

CPS Payment to City
Graph Depicts the % Change from Prior Year's Actual Payment



• Ten Year Average Percent Growth is 5.69%

Expenditure Assumptions in Forecast Period

- Reflects funding to provide today's level of recurring City services
- Funds Collective Bargaining Agreements
- Continues Implementation of Civilian Pay Plan
- Includes adding to financial reserve to fully fund 50 Police Officers funded through Federal Stimulus in FY 2013
- Includes 5-year Infrastructure Management Program in FY 2012 and beyond
- Includes Park Maintenance & Renovation Program
- Adds Mandated Costs



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Expenditure Assumptions in Forecast Period, continued

- Forecast maintains Financial Reserve Policy of 9% of total appropriations for FY 2012 and beyond
- Funds Medical inflation included in healthcare and workers compensation costs



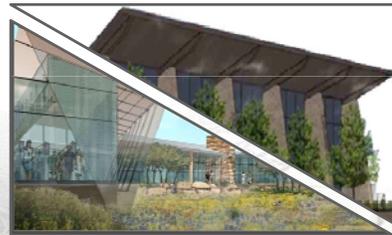
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Mandates Included in Forecast

Mandate Summary

(\$ In Millions) Incremental	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Total Mandates	\$2.2	\$2.8	\$2.1	\$0.2	\$0.2

- Maintenance and support for Police & Fire Computer-Aided Dispatch system
- Operating costs for Mission & Parman Libraries
- City's grant match for 50 Police Officers added in FY 2010 with Federal Stimulus funds



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Employee Compensation included in Forecast

Compensation (Incremental)	FY 2012 Amount	FY 2013 Amount	FY 2014 Amount	FY 2015 Amount	FY 2016 Amount
Police Collective Bargaining	\$7.1	\$7.6	\$7.2	\$0	\$0
Tentative Fire Collective Bargaining	3.9	7.5	8.5	0	0
Civilian Pay Plan	1.6	2.1	2.6	1.3	1.1
TOTAL	\$12.6	\$17.2	\$18.3	\$1.3	\$1.1

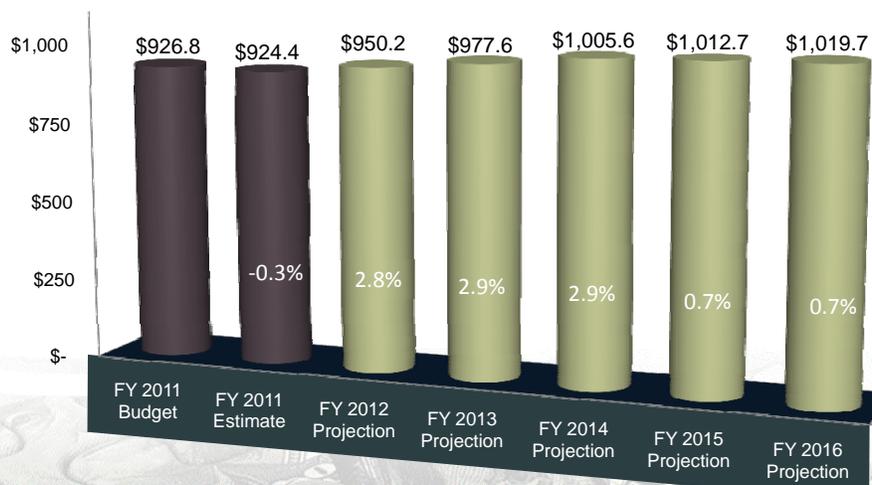
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Policy Issues included in Forecast

Additional Expense/Policy Issue	Amount (\$ In Millions)
Civilian Cost of Living Adjustment (every 1%)	\$1.5
Economic Development Incentive Fund	5.0
Inner City Economic Development Incentives	2.0
Land Bank Acquisitions	1.5
Summer Youth Employment Programs	0.25
Additional Free and Low-Cost Spay/Neuter	0.25
Incremental Financial Reserve for Additional Spending	0.9
TOTAL	\$11.4

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General Fund All Expenses Forecast (\$ in Millions)



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Five Year Financial Forecast



Hotel Occupancy Tax Fund

Hotel Occupancy Tax Forecast Summary

- HOT Tax revenues projected to increase slightly over forecast period reflecting moderate increases in hotel room demand and roomrates
- FY 2011 HOT Tax revenue of \$47.8 million lower than Tax collected in FY 2008 of \$53.2 million
- HOT projected to end in positive financial position in FY 2012 but shortfalls projected for FY 2013 and beyond

HOT Tax Projections	Amount	% Growth
FY 2012	\$48.8	1.9%
FY 2013	\$49.9	2.4%
FY 2014	\$51.5	3.0%
FY 2015	\$53.1	3.2%
FY 2016	\$54.8	3.2%

Hotel Occupancy Tax Fund Forecast (\$ in Millions)

	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Beginning Balance	\$6.10	\$2.14	\$0	\$0	\$0
Hotel Occupancy Tax	48.79	49.98	51.49	53.15	54.86
Other Revenue	0.11	0.12	0.02	0.03	0.03
Total Expenditures	52.87	53.16	54.00	55.20	55.80
Ending Balance	\$2.14	(\$.92)	(\$2.49)	(\$2.02)	(\$0.91)
Employee Compensation (For Every 1%)	0.18	0.37	0.18	0.18	0.18
Adjusted Ending Balance	\$1.96	(\$1.29)	(\$2.67)	(\$2.20)	(\$1.09)

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Five Year Financial Forecast



Development Services Fund

Development Services Fund Forecast Summary

- FY 2011 Development Services Revenues projected at \$1 million below the FY 2011 Adopted budget of \$23.5 million
- FY 2012 Development Services Revenues projected to be flat with FY 2011
- Conservative revenue growth estimated for FY 2013 to FY 2016
- Expenditures assume continuation of freeze of 23 positions as included in the current FY 2011 Budget

Development Services Revenues	Amount	% Growth
FY 2012	\$23.1	0%
FY 2013	\$23.2	0.5%
FY 2014	\$23.4	1.0%
FY 2015	\$23.6	1.0%
FY 2016	\$23.8	1.0%

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Development Services Fund Forecast (\$ in Millions)

	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Total Available Resources	\$23.81	\$23.43	\$24.07	\$24.46	\$24.72
Total Expenditures	\$23.56	\$22.79	\$23.27	\$23.62	\$23.95
Ending Balance	\$0.25	\$0.64	\$0.80	\$0.83	\$0.77
Employee Compensation (For every 1%)	0.13	0.26	0.39	0.52	0.65
Adjusted Ending Balance	\$0.12	\$0.38	\$0.41	\$0.32	\$0.12

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Five Year Financial Forecast



Solid Waste Management Fund

Solid Waste Forecast Summary

- FY 2012-2016 Forecast supports current service delivery and proposed continuation and implementation of programs to achieve 60% recycling goal



Second Bulky Waste Collection

- FY 2011 Budget included restructuring of brush/bulky collection services to provide 2 brush and 1 bulky collection annually
- Forecast includes a second bulky collection
- Additional bulky collection requires 9 new Brush Crews and related equipment
- Operations to begin February 2012, contingent upon ordering equipment in June 2011

	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	JAN
Current Service	BRUSH COLLECTION 1				BULKY 1 (SOUTH)		BRUSH COLLECTION 2				BULKY 1 (NORTH)	
Proposed Service	BRUSH COLLECTION 1		BULKY 1			BRUSH COLLECTION 2			BULKY 2			

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Organics Recovery Program

- Program implementation included in FY 2011 Budget; 30,000 homes scheduled for August 2011
- Allows residents to recycle yard trimmings, food scraps, shredded and soiled paper and other organic materials
- Weekly collection of separate cart, same day as garbage collection
- Implemented in 4 phases

Organics Recovery Program	FY 2011	FY 2012	FY 2013	FY 2014	Total
Homes added per phase	30,000	100,000	100,000	114,300	344,300

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Solid Waste Customer Rate

- To support additional costs of these programs, the Forecast includes following customer rate projections:

	FY 2011 Adopted	FY 2012 Projected	FY 2014 Projected	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected
Total Monthly Rate	\$18.74	\$19.99	\$20.99	\$22.99	\$23.99	\$23.99
Net Increase Over Previous Year	\$0.00	\$1.25	\$1.00	\$2.00	\$1.00	\$0.00

- Rate increase shown for forecasting purposes. FY 2012 Budget preparation will further evaluate service proposals and resulting rate

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Solid Waste Operating & Maintenance Fund Forecast (\$ in Millions)

	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Total Available Resources	\$92.1	\$97.0	\$105.8	\$111.5	\$112.9
Total Expenditures	91.0	96.5	105.0	110.4	106.6
Ending Balance	\$1.1	\$0.5	\$0.8	\$1.1	\$6.3
Employee Compensation (Every 1% of COLA)	0.2	0.4	0.6	0.8	1.0
Adjusted Ending Balance	\$0.9	\$0.1	\$0.2	\$0.3	\$5.3

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Local Economy and Comparative Analysis



National Economy

- U.S. Economy continues to show growth and is expected to gain speed in 2011
- National unemployment has come down slightly but remains at 8.8%
- Foreclosure rates still holding the national housing market down
- Continued risks to economy
 - Unrest in Middle East
 - Gasoline Prices
 - Federal Budget and Debt Ceiling
 - Recovery of Japan from natural disasters



San Antonio Economy

- 2011 San Antonio economic growth expected between 2.75% and 3.25%
- Increased consumer spending
- Unemployment rate 7.4%
- Housing market at bottom but needs excess supply to clear before beginning to expand
- Property tax values expected to decline in FY 2012



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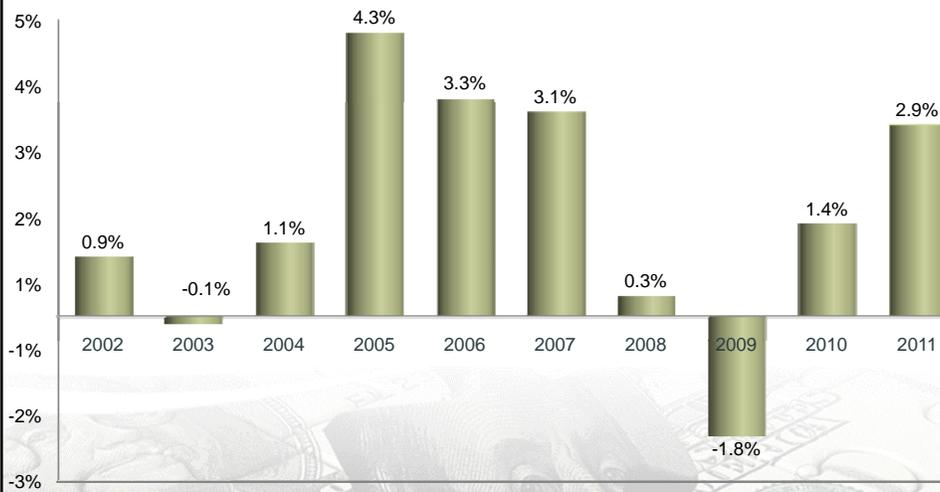
Unemployment Rate

City/Region	March 2010	March 2011
U.S.	9.7%	8.8%
Texas	8.2%	8.1%
Ft Worth	8.4%	8.0%
Houston	8.7%	8.4%
Dallas	8.4%	8.1%
Austin	7.2%	6.9%
San Antonio	7.3%	7.4%

Source: FEDERAL RESERVE BANK OF DALLAS

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San Antonio Total Employment Growth

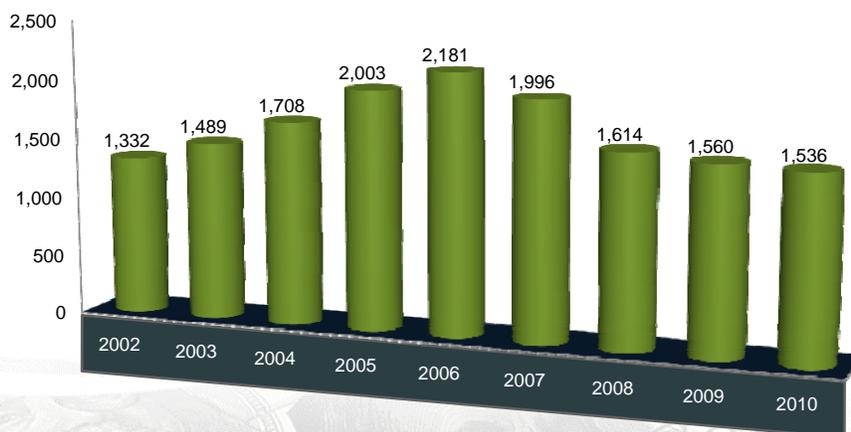


• 2.9% average monthly growth January through March 2011

Source: Federal Reserve Bank of Dallas and SABER Institute Research Institute

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Monthly Average San Antonio Home Sales

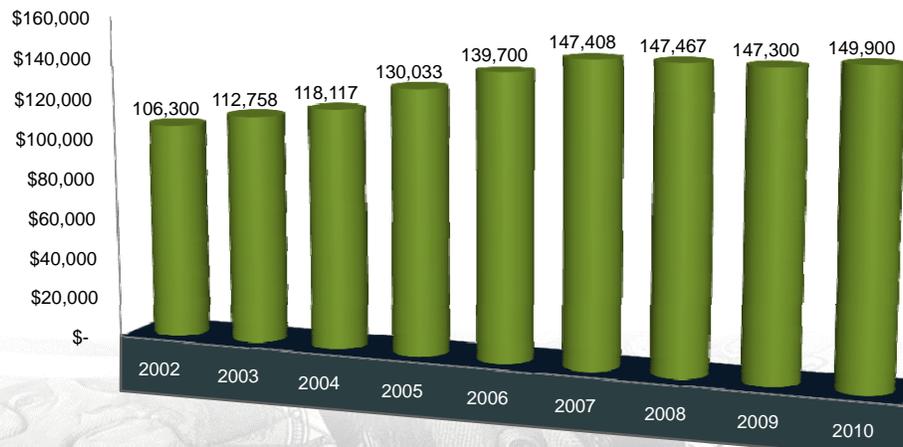


• 2011 Monthly Average Home Sales January through March – 1,219

Source: REAL ESTATE CENTER, TEXAS A&M UNIVERSITY

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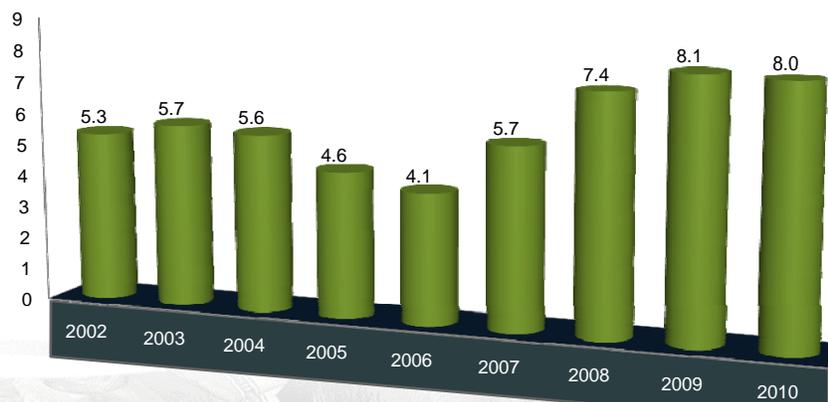
San Antonio Housing Market: Median Price



Source: REAL ESTATE CENTER, TEXAS A&M UNIVERSITY

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San Antonio Housing Market: Months in Inventory



Source: REAL ESTATE CENTER, TEXAS A&M UNIVERSITY

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Other Cities Comparative Analysis



Comparison Cities Analysis

City	FY 2011 General Fund Budget	FY 2012 Projected Shortfall
Austin	\$650 Million	\$10 Million*
Dallas	\$1.0 Billion	\$41 - \$96 Million
Fort Worth	\$531 Million	\$31 Million
Houston	\$2.0 Billion	\$80 Million
Phoenix	\$1.0 Billion	\$59 Million
San Diego	\$1.1 Billion	\$57 Million
San Jose	\$954 Million	\$115 Million
San Antonio	\$927 Million	\$8.5 - \$20 Million

* Shortfall includes proposed 3-cent property tax rate increase

Comparable Cities Analysis - Austin

Fiscal Year: October – September

- \$27.4 Million deficit assumes current property tax rate of 45.71 cents per \$100 valuation
- Projected deficit lowers to \$9.8 Million if property tax rate increased by 3 cents (rollback rate) to 48.76 cents per \$100 valuation
- All non-public safety departments instructed to prepare 5% across-the-board reductions in preparation for FY 2012 Budget



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Comparable Cities Analysis – Dallas

Fiscal Year: October – September

- Departments preparing across-the-board reductions for FY 2012 Budget
 - 18% for non-public safety departments
 - 10% for Police & Fire
- Cost-saving strategies already implemented
 - 8 unpaid furlough days for non-public safety employees
 - 5 unpaid furlough days for Police & Fire employees



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Comparable City Analysis - Houston

Fiscal Year: June – July

- Departments preparing across-the-board reductions in preparation for FY 2012 budget
 - 5% for Police, Fire & Solid Waste
 - Up to 27% cuts for non-public safety departments
- Cost-saving strategies already implemented
 - 400 positions eliminated
 - Voluntary & mandatory furlough days for savings of \$4.25 Million
 - Increased 150 fees



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Comparable Cities Analysis - Phoenix

Fiscal Year: July – June

- Since 2007-2008, reduced General Fund budget by \$138 million or 12%, including 2,000 positions
- FY 2012 Proposed Budget reduction strategies
 - Continue total compensation reductions - 6.9% for executives/managers & 3.2% for all other city employees
 - Eliminate 34 positions (non-public safety)
 - \$20 M departmental reductions



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Comparable Cities Analysis – San Jose

Fiscal Year: July – June

● FY 2011 Proposed Budget includes:

- Elimination of 588 positions, with 370 layoffs
 - 195 Police Officers positions (including 122 layoffs) & 64 Firefighter positions (including 5 layoffs)
- Assumes 10% wage reductions for all employee unions
 - Additional 446 positions eliminated if union concessions not made
- Branch library hours cut to 3 days per week
 - Delay opening 4 branches



Summary and Next Steps



Budget/Finance Condition Summary

- FY 2011 Adopted Budget is balanced today and will be balanced on September 30, 2011
- Today's FY 2011 financial update is positive for year-end FY 2011; financial challenges exist for FY 2012 and beyond
- Recently adopted FY 2011 Federal Budget and budget proposals in upcoming FY 2012 State and Federal Budgets would impact City's FY 2012 Budget

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Next Steps

Thursday May 19	Mid-Year Budget Adjustment Ordinance City Council "A" Session
Wednesday June 22	City Council Budget Goal Setting Session Potentially covering 8:00 a.m. to 5:00 pm
Thursday August 11	Proposed FY 2012 Operating & Capital Budget Presentation

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FY 2011 Budget and Finance Update
FY 2012-2016 Five Year Financial Forecast



Presented by
Maria Villagomez
Budget Director

City Council "B" Session, May 4, 2011