

# City of San Antonio



## FY 2010 Three Plus Nine Budget & Finance Report

Presented by: Sheryl Sculley, City Manager and  
Maria Villagomez, Interim Budget Director

City Council "B" Session  
February 17, 2010



## Agenda

- FY 2010 Budget Overview & Update
  - Performance Measures
  - Local Economy
- 3+9 Financial Report
  - General Fund
  - General Fund FY 2011 Preliminary Outlook
  - Enterprise/Restricted Funds
- Next Steps



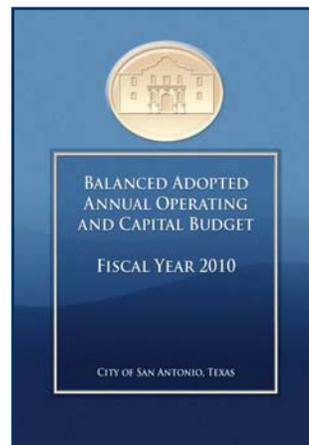


## FY 2010 Budget Overview & Update



## General Fund Highlights

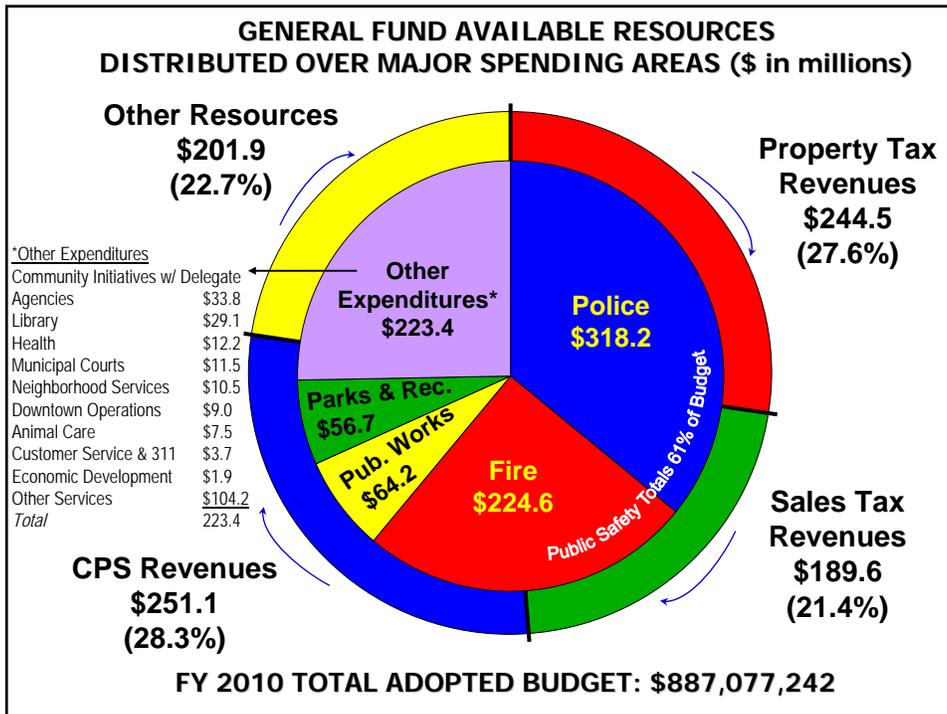
- FY 2010 Budget is balanced
- Total FY 2010 Budget of \$887 M is 5% less than FY 2009 Budget
- \$19 M in recurring cuts
- \$9.4 M in service enhancements
- \$10.7 M in mandated service improvements





# Budget Facts – FY 2010

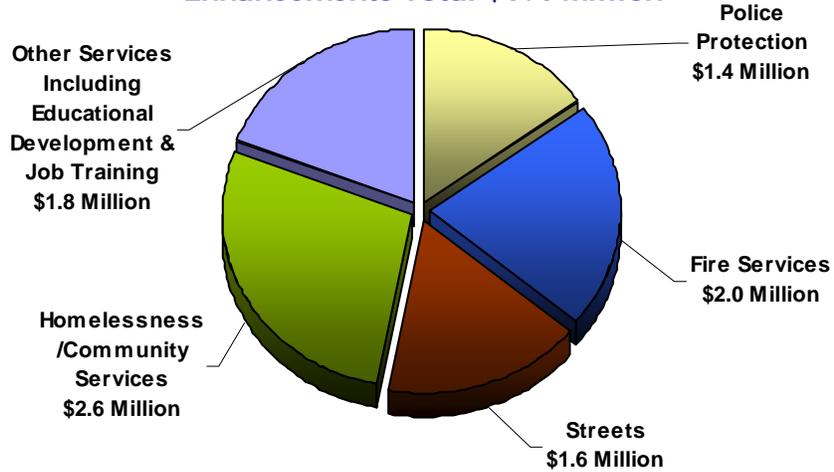
Total Consolidated Budget – All Funds	\$2.3 Billion
FY 2010 General Fund Budget	\$887 Million
Restricted / Enterprise Funds	\$697 Million
FY 2010 Capital Improvements Program	\$716 Million





## General Fund Service Improvements

**FY 2010 General Fund Service Enhancements Total \$9.4 Million**



7



## Police Protection

- 50 New Police Officers funded primarily from American Recovery & Reinvestment Act (Federal Stimulus)
  - All 50 positions currently in Training Academy



8



## 29 New Firefighters

- Majority scheduled to begin academy class in latter part of Fiscal Year
  - 2 began training January 2010
  - 27 to begin training June 2010
- Includes 1 Engine Company at Station 23 to address extended response times north of International Airport
- Includes 1 new Emergency Medical Services Unit



9



## Streets

- Street Preservation Initiative - On Schedule
  - New crack sealing initiative complementing City's Five-Year IMP
  - Through the end of January, 44 of the projected 99 miles have been completed



10



## Haven for Hope

- Adopted FY 2010 Budget includes \$4.059 M for Haven for Hope Inc., homelessness service provider contracts and Detox Center
  - Funding Increased \$2.4 M over FY 2009 Budget for Haven for Hope
- FY 2010 new and additional funding request of \$1 M for outdoor safe sleeping environment
- FY 2011 additional resources requested \$1 M to \$1.5 M to fully fund Haven for Hope Inc., service provider contracts, and outdoor sleeping area

Allocation for Homeless / Haven for Hope Services	
FY 2006	\$ 338,638
FY 2007	\$ 507,247
FY 2008	\$ 1,748,718
FY 2009	\$ 1,637,523
FY 2010	\$ 4,059,523

11



## College Access & Opportunity Center

- New initiative aimed at increasing college enrollment
- Located in downtown San Antonio
- Managing operator contract approved by Council February 11
- Schedule includes September 2010 opening with web-based service beginning in March/April 2010



12



## Comprehensive Senior Centers

- Districts 2, 5 & 6
  - Site evaluation / contract negotiation underway for D2 and D6
  - D5 finish-out scheduled for mid-March, opening in early April
- District 4 Expansion Project being finalized with construction estimated to begin in May



13



## Capital Improvement Projects

- San Pedro Avenue/Evergreen Drainage Repair
  - Replacement of collapsed 18-inch storm drain from San Pedro to outfall in San Pedro Creek
  - Project currently under design
- Randolph Weidner Drainage Detention Phase II
  - Earthen detention pond with concrete outfall structure that will alleviate flooding
  - Project is currently under procurement of Design services
  - Project is scheduled for completion September 2011

14



## Capital Improvement Projects

- District 3 New Branch Library
  - Construction contract has been awarded
  - New facility will be more than 15,000 square feet
  - Projected opening in March 2011
- 24<sup>th</sup> Street Improvements  
(Our Lady of the Lake University)
  - Construction of medians, roundabouts, curbs, sidewalks
  - Project currently under design



15



## Capital Improvement Projects

- Woodlawn Lake Park Improvements
  - General Park Improvements
  - Design scheduled to begin March 2010
- Hardy Oaks Challenge Match
  - Project will construct Hardy Oak from Knights Cross to South of Wooded Knox
  - Funding will leverage \$1.5 M from North East Independent School District (NEISD)
  - NEISD has project in design phase and is projected to begin construction in Spring 2010

16



## Capital Improvement Projects

- Fire Station 51
  - New Facility in the IH-10 De Zavala area
  - Project is currently under design
  - Engine and Ladder Truck have been ordered
  - Service to be provided by October 2010 by temporarily stationing Engine and Ladder Companies at nearby fire stations



17



## Performance Measures

- Select City-wide Performance Measures (complete report provided to City Council)

Dept	Performance Measure	Annual Goal	1 <sup>st</sup> Qtr Goal	1 <sup>st</sup> Qtr Result
Police	Respond to 65% of priority one calls within 5.00 minutes	65%	65%	66.6%
Fire	Average response time to emergency incidents from dispatch to arrival (in minutes)	5.92	5.92	5.81
Solid Waste	Percent increase in recycling tonnage	18%	19%	31%
Library	85% customer satisfaction rating with service delivery	85%	85%	96%

18



## Local Economy



## San Antonio's Economy

- San Antonio impacted by recession
- Unemployment rate up from previous year
  - San Antonio 6.8% (Dec)
  - Texas 8.3% (Dec)
  - National 9.7% (Jan)
- Concerns for 2010 include consumer spending and commercial construction
- According to Business Cycle Index, Texas and major metro economies still in recession but rates of decline are slowing
- Home sales down from previous year by 3.7%

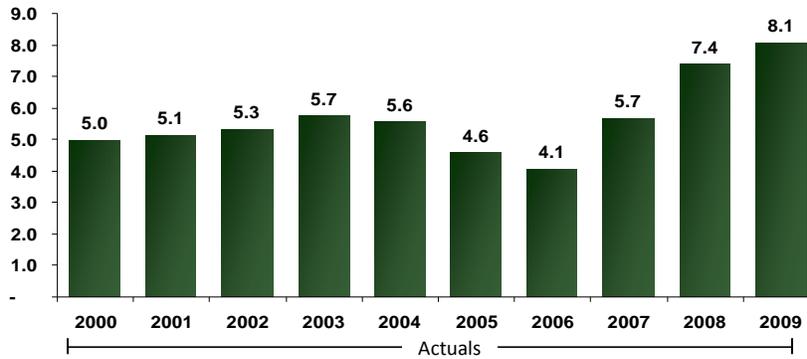


Source: SABER Institute, Texas Workforce Commission & Bureau of Labor Statistics



## San Antonio Housing Inventory

- Annual Average Number of months to clear all existing inventory
- 2009 Housing inventory highest in past 10 years



Source: Real Estate Center at Texas A&M University



## 3+9 Budget & Finance Report

### General Fund



## FY 2010 1<sup>st</sup> Quarter Financial Summary General Fund

- 1<sup>st</sup> Quarter Revenues mostly flat, however, overall slightly favorable due to CPS revenues
- 1<sup>st</sup> Quarter Expenditures within budgeted amounts
- Preliminary closing of FY 2009 results in \$18 M - \$20 M better than anticipated beginning balance for FY 2010
- Uncertainty in economy in FY 2010 remains a concern for predicting future projections/trends in City revenues
- List of new and additional funding requests for FY 2010 & FY 2011 continues to grow



23



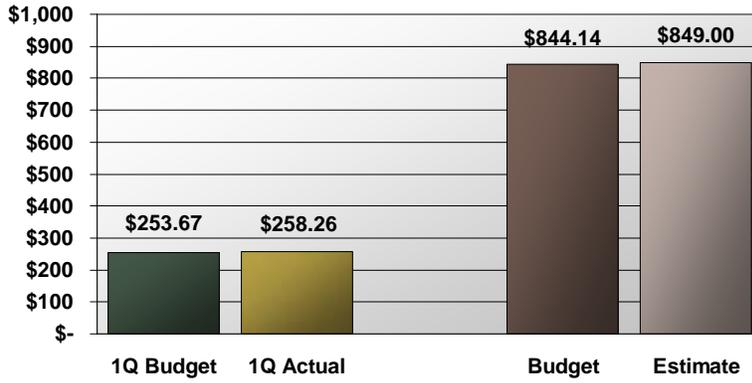
## FY 2010 1<sup>st</sup> Quarter Financial Summary General Fund Revenues

- Sales tax down \$900 K for 1<sup>st</sup> Quarter
  - January Sales Tax for Christmas activity \$200K above budget but slightly below FY 2009 activity
- Property Tax revenue on budget
- Interest earnings, SAWS payment, & transfer from HOT below budgeted amount by \$800 K
- CPS Revenue up due to cold weather and higher than anticipated Natural Gas prices
- Overall, General Fund revenues up by \$4.6 M over adopted budget year to date

24



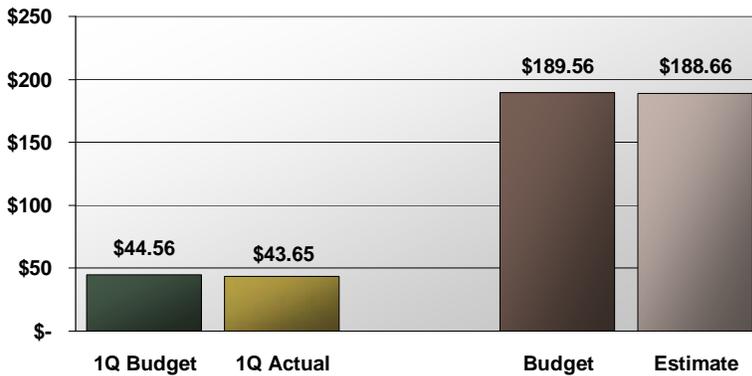
## General Fund Revenues – All Sources (\$ in Millions)



	1Q-Budget Amount	1Q-Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance
Revenues	\$253,672,160	\$258,263,475	\$4,591,316	\$844,148,952	\$849,004,092	\$4,855,140



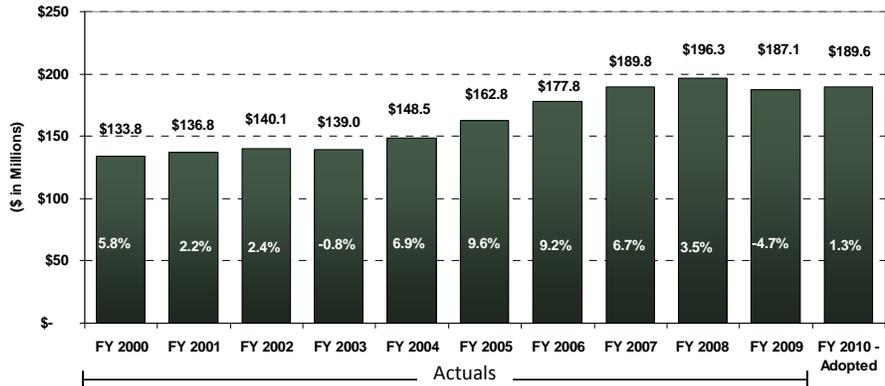
## Sales Tax Revenues (\$ in Millions)



	1Q-Budget Amount	1Q-Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance
Revenues	\$44,560,578	\$43,656,124	\$(904,454)	\$189,565,423	\$188,660,969	\$(904,454)



## Sales Tax Revenues (\$ in Millions)



- FY 2010 Budget projected 1.0% growth above FY 2009 Estimate of \$187.8 M
- FY 2010 Budget below FY 2007 collection levels

27



## Monthly Percent Change in Actual Sales Tax Collections

	FY 2009	FY 2010
Oct.	3.7%	-7.8%
Nov.	5.5%	-14.4%
Dec.	-2.3%	-5.6%
Jan.	-1.1%	-0.1%
Feb.	-4.7%	
Mar.	-6.5%	
Apr.	-3.0%	
May	-0.7%	
June	-15.2%	
July	-8.3%	
Aug.	-8.3%	
Sept.	-16.2%	

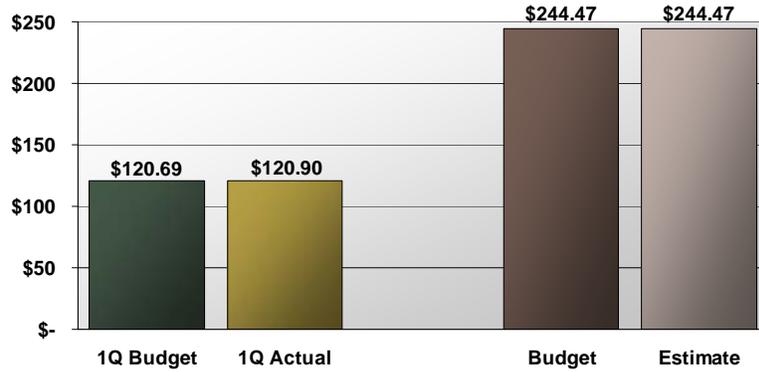
- Compared to the same month in the previous year, actual sales tax collections have been down for 14 consecutive months



28



## Property Tax Revenues (\$ in Millions)



	1Q-Budget Amount	1Q-Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance
Revenues	\$120,689,853	\$120,906,180	\$216,328	\$244,465,405	\$244,465,405	0

29



## Taxable Property Values

- In 2009 taxable property value for existing properties declined for first time since 1993
- Taxable property value from new construction increased but less growth than FY 2009

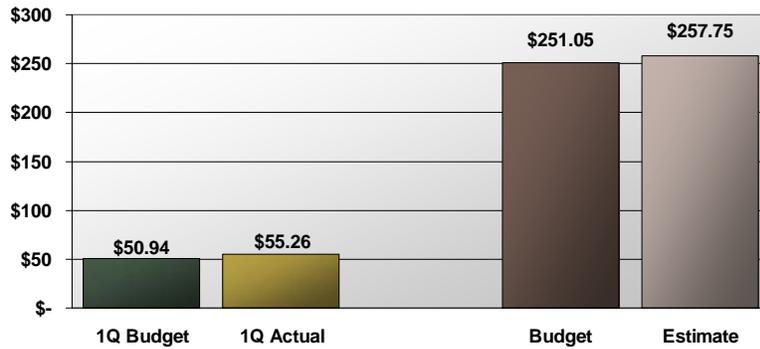
	FY 2010
Existing Property	-1.87%
New Improvements	2.70%
Total Growth	0.83%

- FY 2009 Total Growth: 10.03%
- FY 2008 Total Growth: 16.2%
- FY 2007 Total Growth: 13.8%

30



## CPS Energy Revenue (\$ in Millions)



	1Q-Budget Amount	1Q-Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance
Revenues	\$50,937,000	\$55,264,820	\$4,327,820	\$251,053,000	\$257,753,000	\$6,700,000

31



## Factors Affecting CPS Revenue

- 1<sup>st</sup> Quarter revenue for FY 2010 over budgeted amount by \$4.3 M due to:
  - Natural Gas fuel costs over budgeted amount
    - Annual average Gas prices: \$5.52 per unit
    - Planned Natural Gas prices: \$4.25 per unit (3-Month Avg.)
    - Actual Natural Gas prices: \$6.32 per unit (3-Month Avg.)
  - Gas business sales up due to cold weather conditions
    - Gas business sales up 4.5%
- Current projections for FY 2010 based on today's rate structure

32



## General Fund Other Revenues

- Interest income earnings projection  
\$1.1 M less than budget due to lower than anticipated rate of return
- Transfers from Other Funds \$900 K less than budget due to lower History and Preservation transfer from HOT Fund
  - Results from lower than anticipated HOT collections



## FY 2011 General Fund Preliminary Budget Outlook



## FY 2011 Preliminary Outlook General Fund

- FY 2011 close to balanced as of September 2009
  - Includes \$11 M in reduction proposals presented in FY 2010 Budget
  - 2011 revenue projections being evaluated and showing negative outlook
  - Since beginning of Fiscal Year 2010, potential additional funding requests identified
  - Potential less than projected revenues and newly identified spending will impact FY 2011 Budget



35



## \$11 M in potential reductions included within FY 2011 General Fund Balanced Budget-Plan

- Cut Library hours/materials (\$879 K)
- 10% cut to Delegate Agency & Job Training programs (\$720 K)
- Eliminate 4 Code Officers and 2 Abatement Officers (\$390 K)
- Close/reduce City pool hours (\$400K)
- Cut support positions for Animal Care & Neighborhood Sweeps (\$250 K)
- Reduce Downtown maintenance & beautification (\$265 K)
- Close Community Link Centers on Saturdays and 1 hour per day, and reduce 311 coverage (\$150 K)
- Reduce EMS overtime budget (\$600K)
- Unpaid civilian employee furlough days (\$2.0 M)
- Retirement incentive (\$1.5 M)
- Cut executive level positions and collapse departments (\$2.4 M)



*Complete list included in binder*

36



## FY 2011 Revenue Projections Update

- As of today, compared to revenue projections developed in September 2009
  - Potential declines in General Fund Revenues including Property Tax and Sales Tax ranging from \$12.5 Million to \$22.3 Million
  - Potential Additional revenues from proposed CPS rate increase: \$8 Million in FY 2010 and \$12 Million in FY 2011



37



## FY 2011 Expenditures not included in FY 2011 Plan

- Employee Compensation Increases currently not included in FY 2011 Plan
  - Police & Fire Collective Bargaining: \$3.6 Million for every 1%
  - Civilian Cost of Living Adjustment: \$1.5 Million for every 1%
  - Pay Plan Implementation: \$2 Million to \$ 4 Million in FY 2011

38



## Potential Additional Expenditures

- Potential Additional Expenditures identified since beginning of Fiscal Year for FY 2011
  - Haven for Hope Inc., Service Providers, and Prospects Courtyard—\$1.5 Million
  - VIA Street Car Project North South Project – City’s Portion \$17.5 to \$27.5 Million
  - Police Officers - \$2.3 M for every new 25 Officers
  - Firefighters - \$2.0 M for every new 25 Firefighters
  - Comprehensive Senior Centers - \$400 K for every Center
  - Code Officers - \$360 K for every new 5 Officers
  - Animal Care Officers - \$240 K for every new 4 Officers
  - Spay / Neuter Mobile Surgical Van - \$250 K

39



## FY 2011 General Fund Outlook

- Changes in revenue projections developed last summer (Sept. 2009) and potential additional spending not included in initial FY 2011 Plan could negatively impact financial position
- Budget and Finance staff will continue to monitor and refine projections for Five Year Financial Forecast in April



40



## Comparable City Analysis

City	FY 2010 General Fund Budget	FY 2011 Projected Deficit
Dallas, TX	\$1.0 Billion	\$49 - \$108 Million
Fort Worth, TX	\$526 Million	\$30 Million
Phoenix, AZ	\$1.0 Billion	\$242 Million
San Jose, CA	\$850 Million	\$97 Million
San Diego, CA	\$1.0 Billion	\$180 Million
Colorado Springs, CO	\$212 Million	\$27 Million
State	Total Budget All Funds	2010-11 Biennial Budget
Texas	\$182.2 Billion	\$10 - \$20 Billion

41



## Dallas, TX Reduction Strategies

- Reduction Alternatives
  - Increase to numerous fees across City including franchise, parking, and inspection fees
  - Plastic bottle tax and plastic bag tax
  - Civilianize Fire Dispatch
  - Renegotiate long-term real estate leases to reduce near term costs
  - Outsource 311 Services
  - Change from monthly bulk-trash pickup to on-demand service

42



## Phoenix, AZ Reduction Strategies

- Non-public safety department reductions ranging from 15% - 30%
- Public safety reductions ranging from 11%-14%
- Eliminate 350 police and 150 firefighter positions
- Continue no salary increases for executive and middle managers as well as 5 furlough days
- Close six libraries, five senior centers, sports complexes and five community centers
- 15% cuts to Parks & Recreations, 24% cuts to Arts and Culture, and 29% cuts to Human Services
- Retirement incentive for eligible employees
- Increase taxes

43



## San Diego, CA Reduction Strategies

- Departments asked to submit reductions equivalent to 27.3% of FY 2010 budget, excluding non-discretionary cost
- Solution to close deficit is a combination of one-time solutions and on-going solutions
  - Over 530 full time equivalents eliminated
  - Solutions to be implemented in January 2010 to realize savings in FY 2010 to be carried into FY 2011

44



## Colorado Springs Reduction Strategies

- Over 150 City-wide departmental staff positions reductions including 45 public safety positions
- Turn off 1/3 of streetlights
- Eliminate evening and weekend public bus transportation
- Reduce over 60% of parks budget
  - removal of trash receptacles, closure of restrooms, and reduction of mowing and watering
- Close community and recreation centers, including indoor and outdoor pools, unless private funding can be found before April, 2010

45



## State of Texas Reduction Strategies

- Governor requested 5% reductions from all state agencies and institutions of higher education by February 15
- Potential reduction options include:
  - Reduce more than \$135 M from Texas Education Agency
  - Eliminate more than 2,000 prison guard positions
  - Reduce Department of Public Safety funding for local law enforcement overtime
  - Reduce more than \$26 M from UT Austin and \$8.6 M from UT San Antonio

46



## Enterprise & Restricted Funds

Maria Villagomez, Interim Budget Director



## Enterprise / Restricted Funds

Fund	Budget Status
HOT Related Funds	Unfavorable- Reduction Plan Implemented
Planning & Development Services	Unfavorable- Reduction Plan Implemented
Solid Waste Services	Favorable
Storm Water Operations	Favorable
Airport Operating Fund	Favorable



## Hotel Occupancy Tax Related Funds



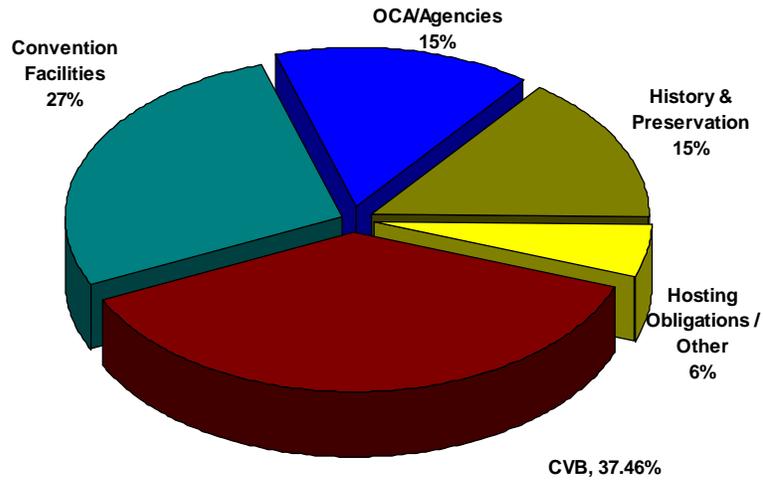
## Hotel Occupancy Tax Fund

- HOT Revenue Budget in FY 2009 was \$56.5 M
- FY 2009 HOT Revenue Actuals of \$45.7 M were 20% below budget
- FY 2010 Projection revised down from \$53.3 M to \$47.0 M with 3+9 Report
- Two year (FY 2009 & FY 2010) negative impact to the fund of \$12 M

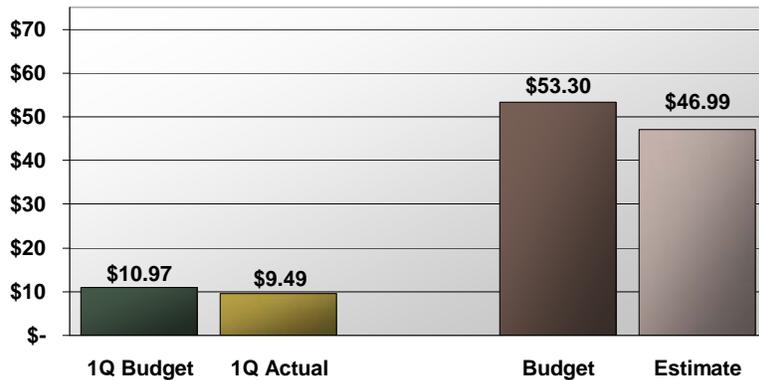




## Hotel Occupancy Tax Distribution



## Hotel Occupancy Tax (\$ in Millions)

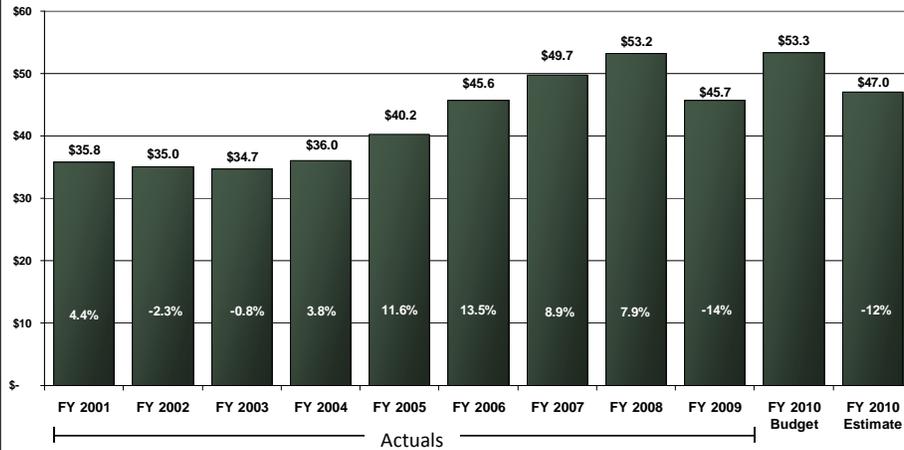


	1Q-Budget Amount	1Q-Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance
Revenues	\$10,974,244	\$9,491,174	(\$1,483,070)	\$53,302,500	\$46,993,345	(\$6,309,155)



## 10 Year History of HOT Collections (\$ in Millions)

- FY 2010 estimated collections down 12% from budget



53



## Hotel Occupancy Tax Fund

- Deficit Reduction Strategy
  - Reduce departmental operating expenditures
    - Some positions frozen, none eliminated
  - Reduce operating transfers to Facilities reserve
  - Use State Reimbursement Program (Events Trust Fund)
    - Primarily for operating services
  - Maintain Arts Agencies at FY 2010 budgeted levels
    - Staff recommends freezing funding process for FY 2011 as endorsed by the Cultural Arts Board



54



## Planning and Development Services Fund



## Planning and Development Services Fund

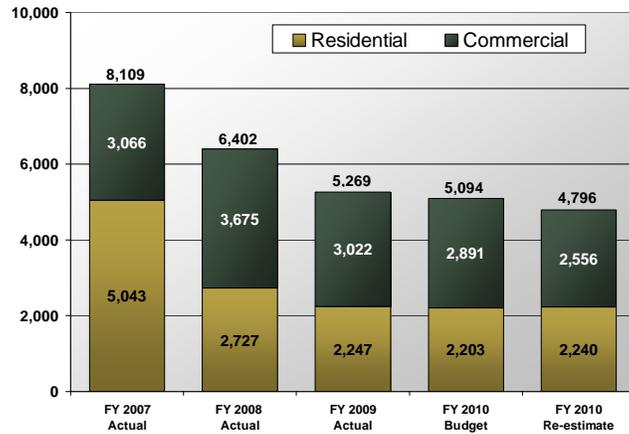
- Established in FY 2007 as Enterprise Fund
- Fund experienced significant decline in permitting activity and City implemented two-year Deficit Reduction Strategy in January 2008 to eliminate deficit by end of FY 2009
- Since FY 2008, enterprise fund expenditures reduced by \$4.9 M
  - 69 Positions have been eliminated over same time period
- Current FY 2010 conditions require further adjustment
- FY 2010 revised revenue projections down \$2.1 M from budget





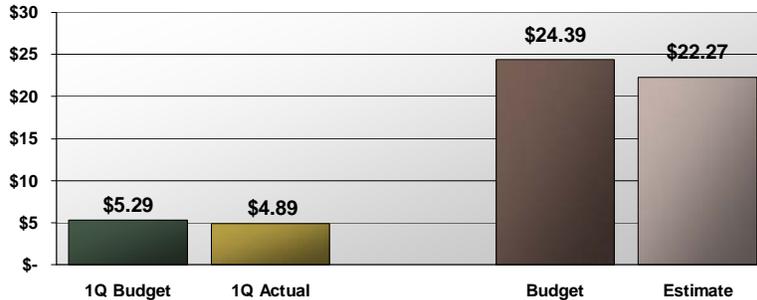
## Building Permits (New & Existing Commercial & New Residential)

- Overall, permitting activity in FY 2010 projected to be 6% below FY 2010 budget and 9% below FY 2009 levels



## Planning & Development Services Fund Revenues (\$ in Millions)

- FY 2010 estimate \$2.12 M below or 9% under FY 2010 Budget

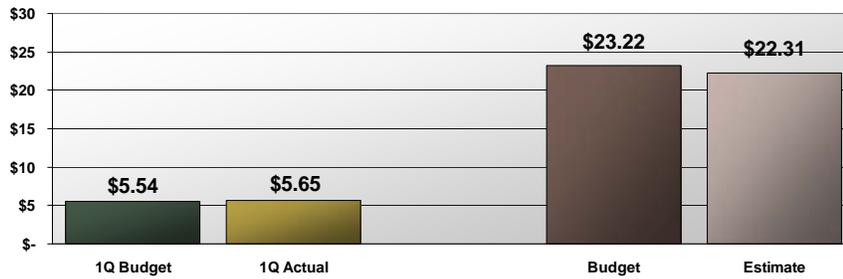


	1Q-Budget Amount	1Q-Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance
Revenues	\$5,288,253	\$4,888,099	(\$400,154)	\$24,387,761	\$22,268,789	(\$2,118,972)



## Planning & Development Services Fund Expenditures (\$ in Millions)

- Projections for remaining three quarters assume corrective action to offset 9% decrease in revenues in FY 2010



	1Q-Budget Amount	1Q-Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance
Expenditures	\$5,538,072	\$5,647,334	(\$109,262)	\$23,217,850	\$22,311,680	\$906,170

59



## Reduction Strategy

- Freeze 13 current vacant positions
- Freeze 9 additional positions as they become vacant throughout year
- No impact to current service levels or recently approved Infill Policy and Eastside Reinvestment Initiative



60



## Solid Waste Operating & Maintenance Fund



## Solid Waste Operating & Maintenance Fund

- Enterprise Fund- fee based, not supported with property tax
  - Revenue generated from monthly service charge of \$18.74
    - No rate increase in FY 2010 Adopted Budget
    - Projections indicate \$0.75 increase in FY 2011





## Solid Waste Operating & Maintenance Fund

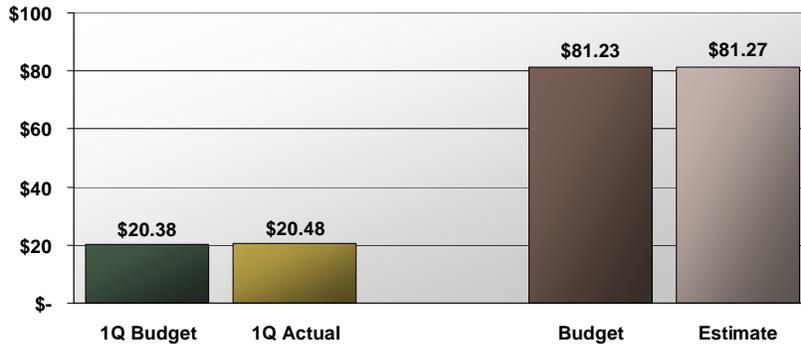
- FY 2010 final year of conversion to Two-Cart Automated Collection System
  - Oct 2009: 300,000 homes automated (87% of City)
  - Dec 2009: 329,000 homes automated (96% of City)
  - March 2010: 344,000 homes automated (100% of City)
- Alley Service Plan
  - All 14,000 customers will have automated service by March 31



63



## Solid Waste Revenues (\$ in Millions)



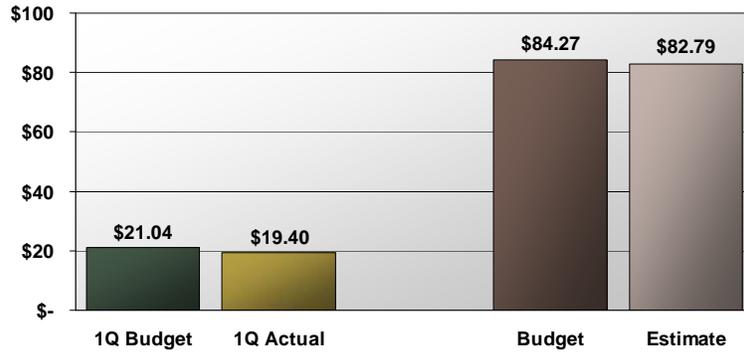
	1Q-Budget Amount	1Q-Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance
Revenues	\$20,381,326	\$20,479,297	\$97,971	\$81,225,305	\$81,270,598	\$45,293

64



## Solid Waste Expenditures (\$ in Millions)

- Favorable variance due to savings in contractual services



	1Q-Budget Amount	1Q-Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance
Expenditures	\$21,038,205	\$19,395,924	\$1,642,681	\$84,268,254	\$82,790,426	\$1,477,828



## Storm Water Operations Fund



## Storm Water Operations

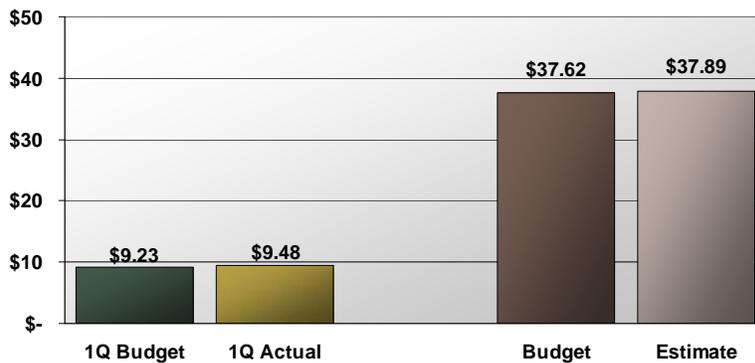
- Fee Based Fund, not supported with property tax
  - Revenue generated from average residential monthly fee of \$4.25 to support operating costs and capital improvements
    - FY 2010 budget did not increase Storm Water Fee
- Redirection of \$333 K funds additional staff and equipment for City forces
  - Increases mowing from 3 to 4 cycles per year



67



## Storm Water Revenues (\$ in Millions)

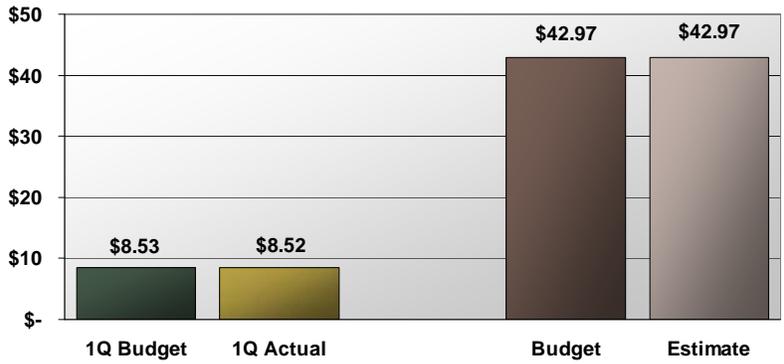


	1Q-Budget Amount	1Q-Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance
Revenues	\$9,232,743	\$9,478,739	\$245,996	\$37,624,245	\$37,886,620	\$262,375

68



## Storm Water Expenditures (\$ in Millions)



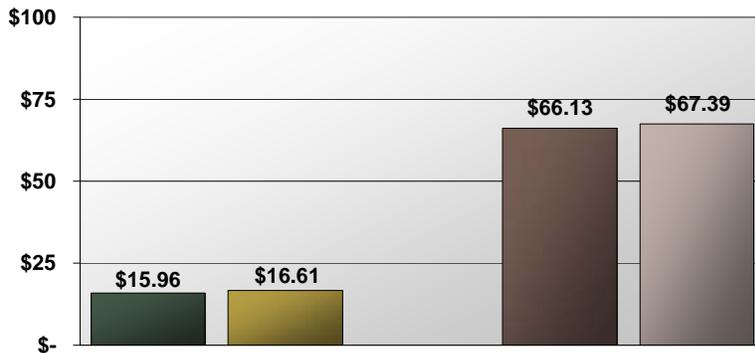
	1Q-Budget Amount	1Q-Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance
Expenditures	\$8,528,135	\$8,522,384	\$5,751	\$42,979,170	\$42,969,805	\$9,365



## Aviation Fund



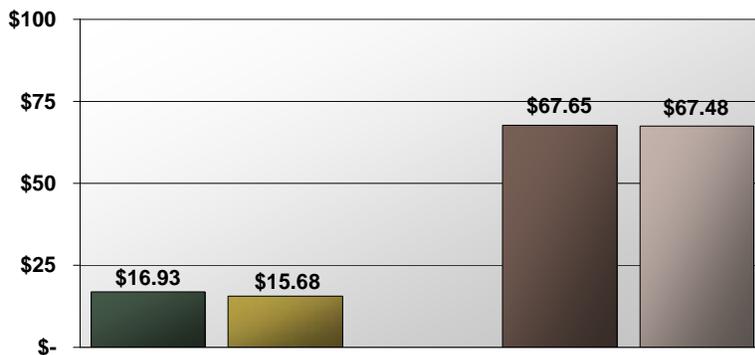
## Aviation Fund Revenues (\$ in Millions)



	1Q Budget		1Q Actual		Budget		Estimate	
	1Q-Budget Amount	1Q-Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance		
Revenues	\$15,961,465	\$16,608,758	\$647,293	\$66,130,233	\$67,390,848	\$1,260,615		



## Aviation Fund Expenses (\$ in Millions)

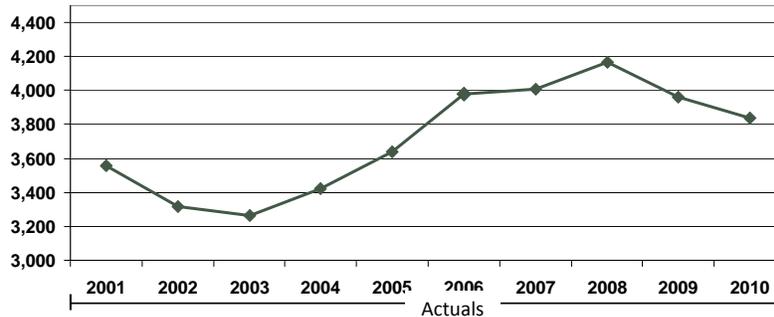


	1Q Budget		1Q Actual		Budget		Estimate	
	1Q-Budget Amount	1Q-Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance		
Expenses	\$16,934,643	\$15,677,181	\$1,257,462	\$67,652,631	\$67,477,272	\$175,359		



## Enplanements

(Number of Passengers Leaving From San Antonio)



- FY 2009 enplanements decreased 5.5% from previous year
- FY 2010 budget projects decrease of 2.5% from FY 2009



## Summary

- FY 2010 1<sup>st</sup> Quarter General Fund Revenues mostly flat or below budget, however, overall slightly better due to CPS revenues
- FY 2011 General Fund preliminary outlook presents challenges, will continue to review projections in preparation for Five Year Financial Forecast in April
- Hotel Occupancy Tax and Planning & Development Services revenues show weakness through 1<sup>st</sup> Quarter of FY 2010
  - Deficit Reduction Plans in place to mitigate revenue loss



## Next Steps

- Today's material available on City's website to inform community
- Budget Calendar Development for FY 2011
  - Budget Calendar to be provided in March
  - Community & Employee Input Box available online and at City facilities
- 6+6 Budget & Finance Report & Financial Forecast (Late April)



## Three Plus Nine Budget & Finance Report

City of San Antonio  
City Council "B" Session  
February 17, 2010

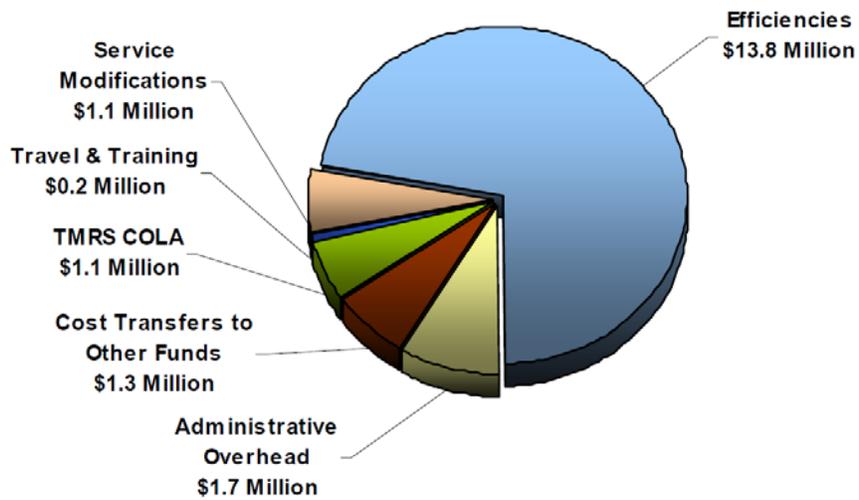


# 3+9 Financial Report

Back Up

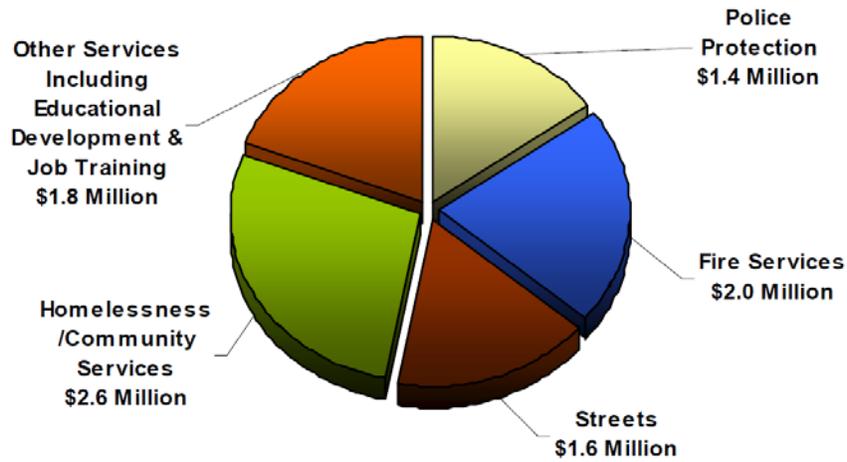


## FY 2010 General Fund Reductions: \$19.2 M





## FY 2010 General Fund Improvements: \$9.4 M



79

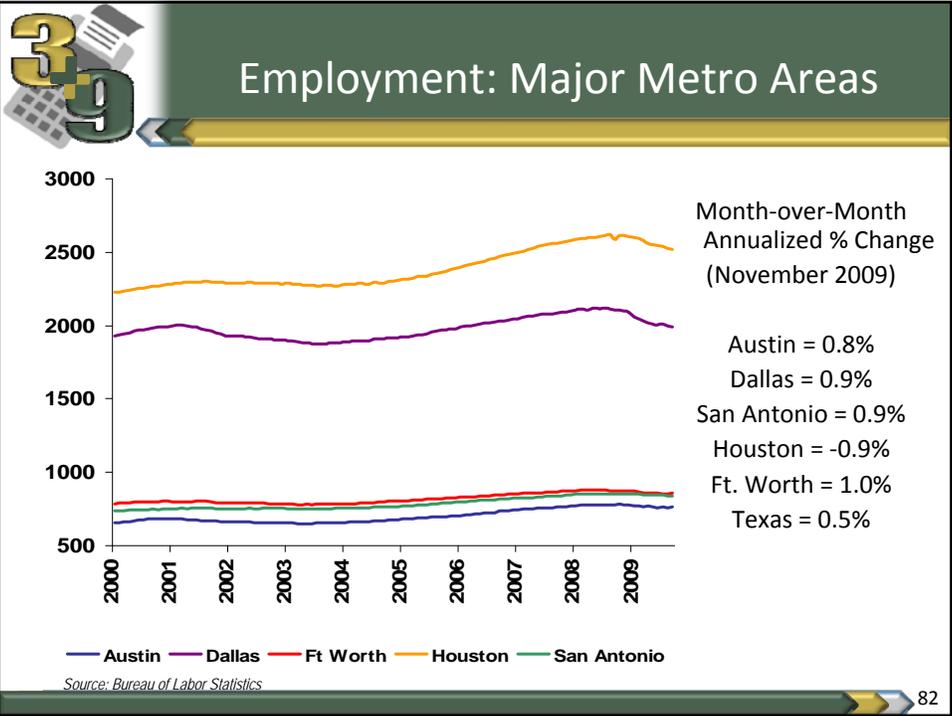
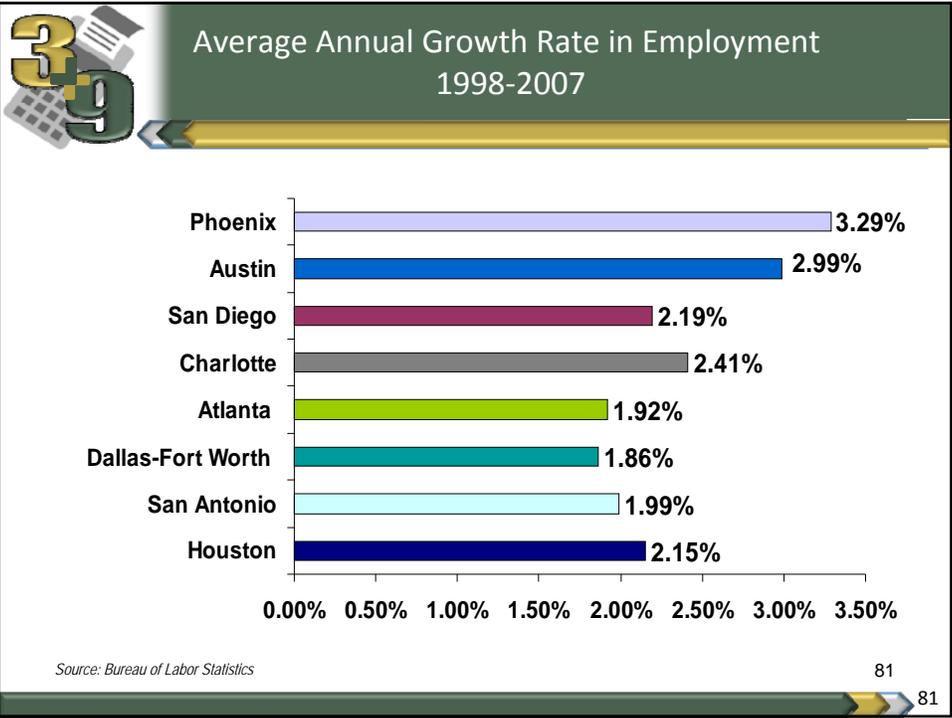


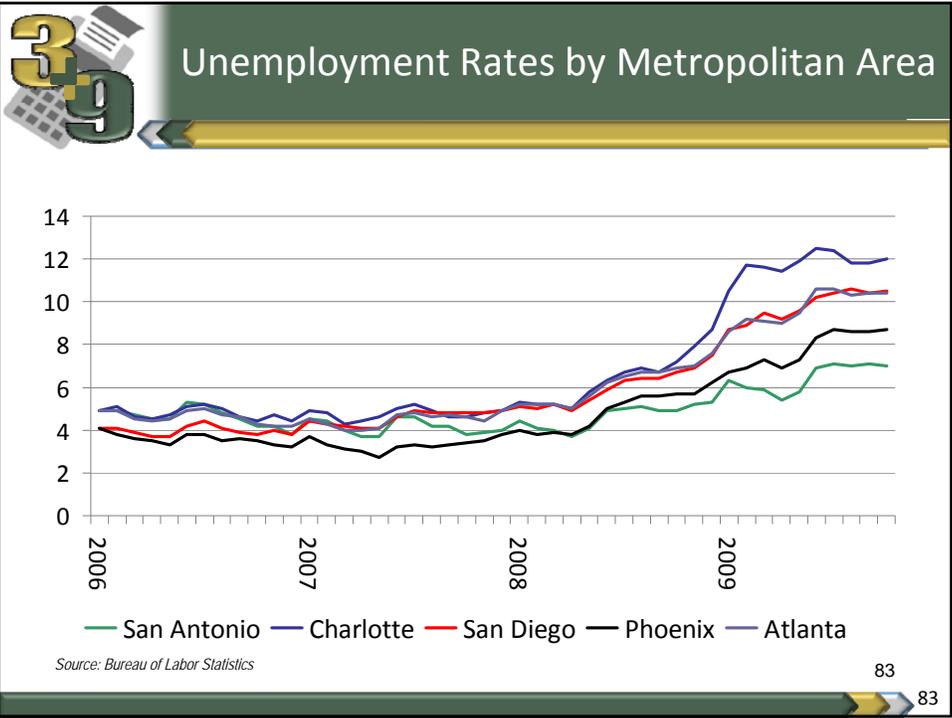
## Unemployment Rate

December 2008/2009 Unemployment Rate			
City/Region	2008	2009	Change
U.S.	7.4%	10.0%	2.6%
Texas	5.6%	8.3%	2.7%
Ft Worth	5.7%	8.0%	2.3%
Houston	5.6%	8.3%	2.7%
Dallas	6.0%	8.0%	2.0%
Austin	5.2%	6.9%	1.7%
<b>San Antonio</b>	<b>5.3%</b>	<b>6.8%</b>	<b>1.5%</b>

Source: Bureau of Labor Statistics Texas Workforce Commission

80



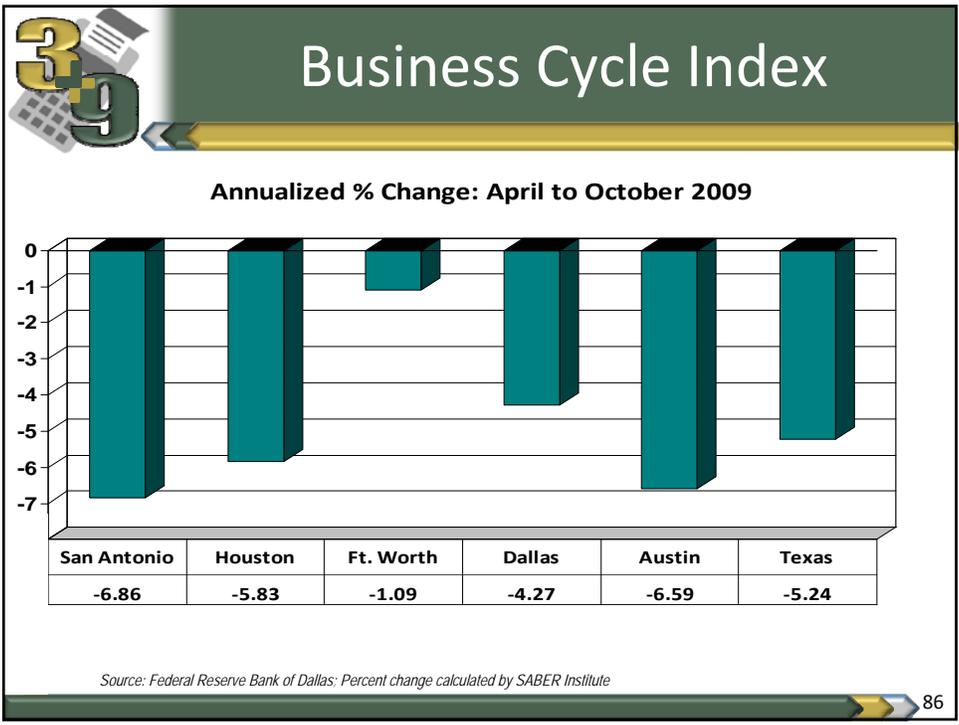
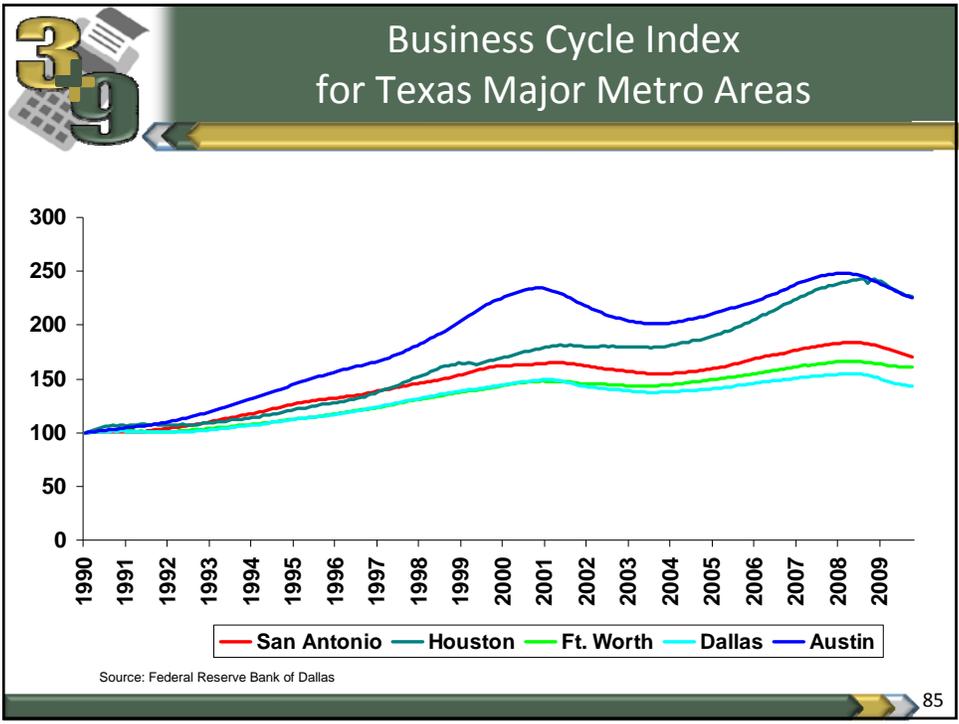


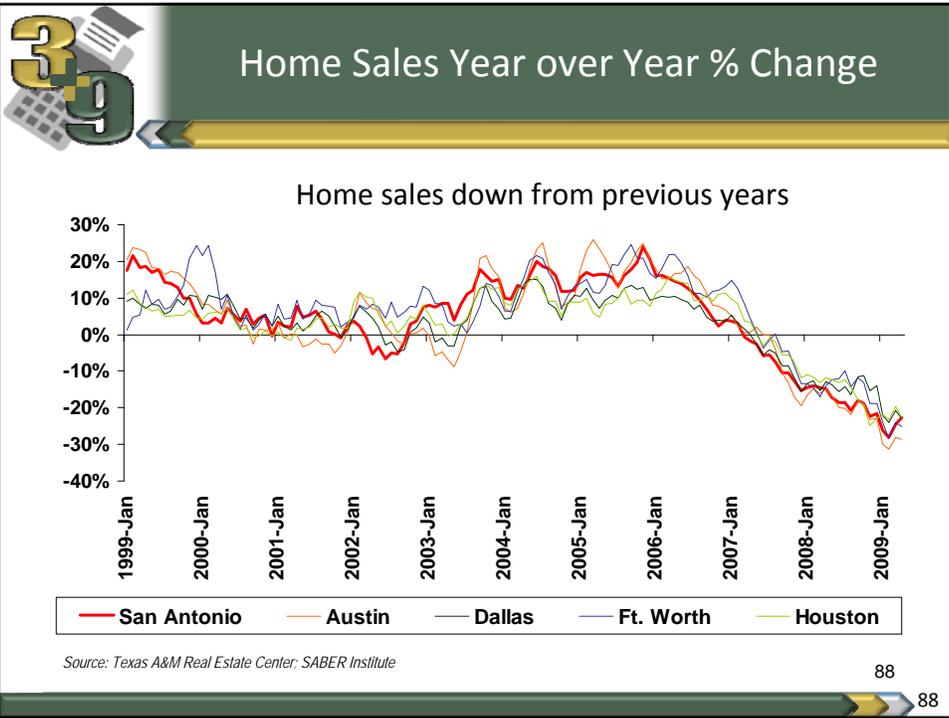
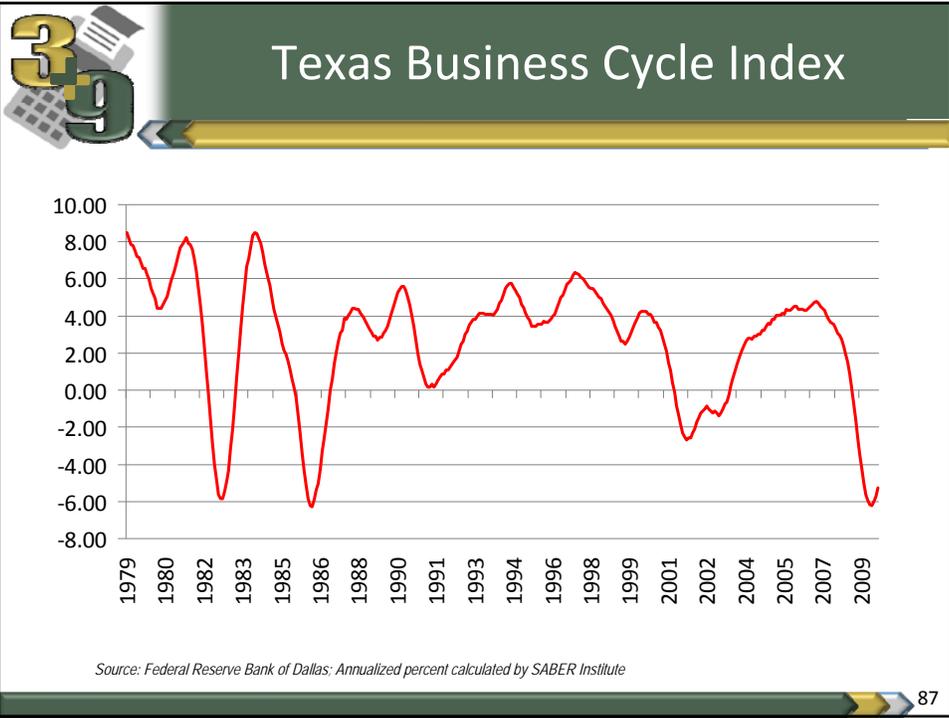
### 39 Average Annual Unemployment Rate Comparison: 1997-2007

Texas		Selected Cities	
El Paso	8.13%	<b>San Antonio</b>	<b>4.61%</b>
Houston	5.21%	Charlotte	4.53%
Dallas-Ft. Worth	4.69%	San Diego	4.27%
<b>San Antonio</b>	<b>4.61%</b>	Atlanta	4.10%
Austin	4.06%	Phoenix	3.87%

Source: Bureau of Labor Statistics

84







## Revenue Adjustments to FY 2011 Plan

Revenue Adjustments to FY 2011 Plan	Range (In Millions)
Revised <b>Property Tax</b> Projection: From 1.5% projected growth to -3% to -5% projected decrease	(\$9.8 – \$14.9)
Revised <b>Sales Tax</b> Projection: From 2.5% projected growth to no growth projected	(\$0.0 – \$4.7)
FY 2010 General Fund Impact of Proposed CPS Rate Increase	\$8.0
FY 2011 General Fund Impact of Proposed CPS Rate Increase	\$12.0
Transfer from HOT for History & Preservation	(\$1.2)
Interest Earnings	(\$1.5)
<b>Subtotal</b>	<b>\$7.5 – (\$2.3)</b>

89



## FY 2011 Potential Expenditures

Potential FY 2011 Expenditure Estimates	Range (In Millions)
Police (10 to 25 officers)	\$9.2 – \$23.0
Fire (10 to 25 firefighters)	\$8.1 – \$20.1
Haven for Hope Inc.	\$1.0 – \$1.5
Additional Senior Centers (Cost of 1 Center)	\$0.4
Code Enforcement Officers (5)	\$0.4
Animal Care Officers (4)	\$0.2
Streetcar Project North-South	\$17.5 – \$27.5
Neighborhood Improvements – Council Requests	\$2.5 – \$5.0
<b>Subtotal</b>	<b>\$39.3 – \$78.1</b>

90



## FY 2011 Potential Expenditures

Employee Compensation Not Included in FY 2011 Plan	Range (In Millions)
Police & Fire Collective Bargaining (1% - 2%)	\$3.6 – \$7.2
Civilian Cost of Living Adjustment (1% - 2%)	\$1.5 – \$3.0
Pay Plan Implementation	\$2.0 - \$4.0
<b>Subtotal</b>	<b>\$7.1 – \$14.2</b>

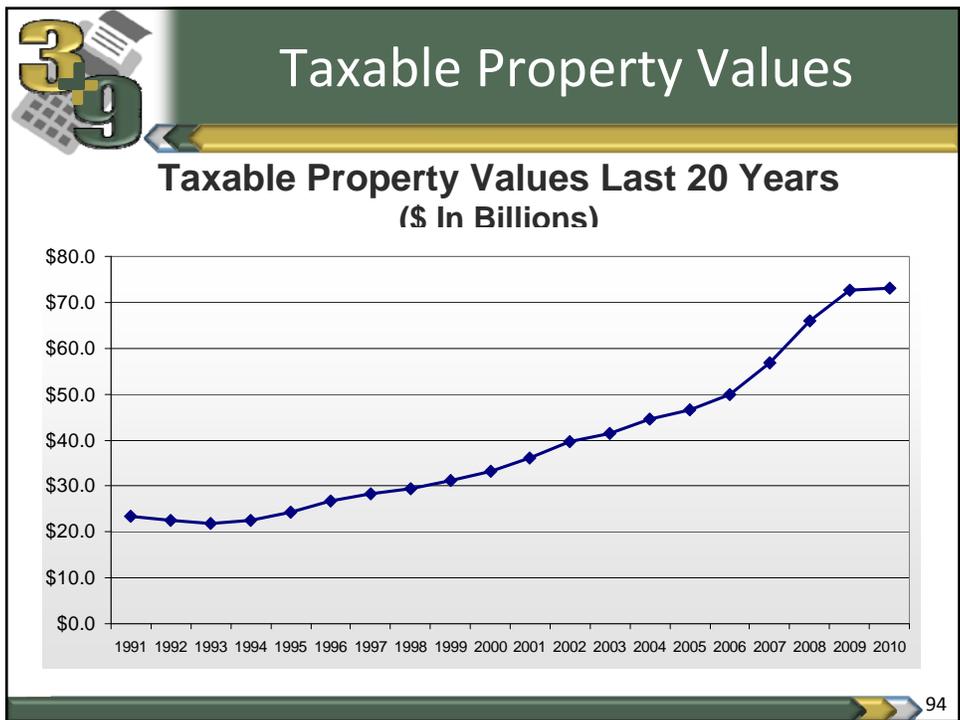
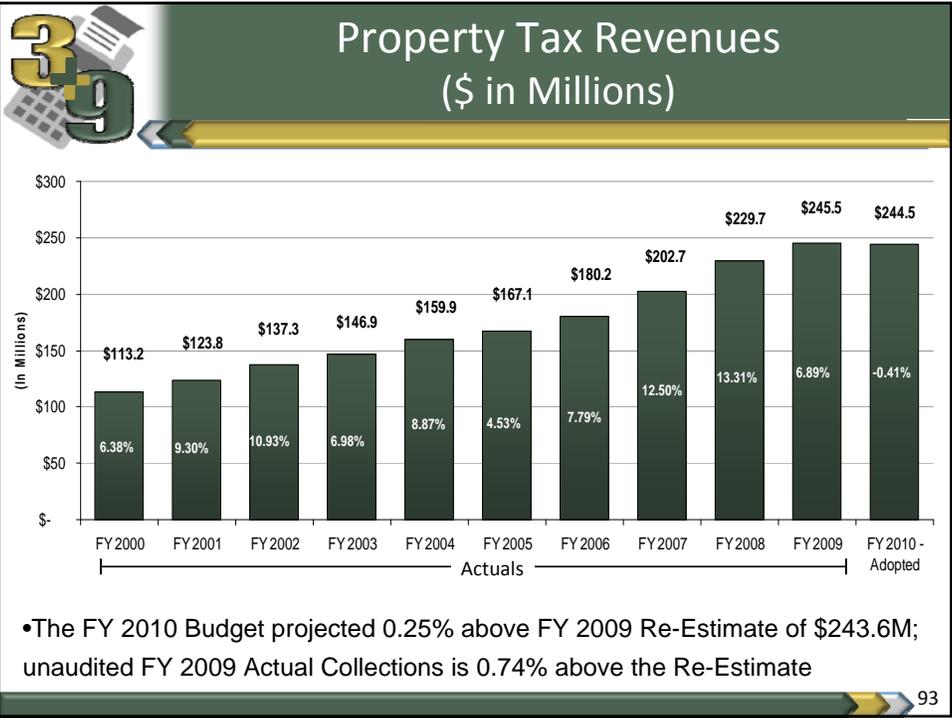
91



## FY 2011 Preliminary Ending Balance Adjustments

FY 2011 Preliminary Ending Balance Adjustments	Range (In Millions)
FY 2011 Projected balance as of Sept 2009 (Almost balanced with \$11 M in reductions)	(\$3.0)
FY 2009 Preliminary Better Ending Balance	\$18.0 – \$20.0
FY 2010 Projected Net Additional Revenue over Budgeted Amount	\$4.9
<b>Subtotal</b>	<b>\$19.9 – \$21.9</b>

92





## Monthly Percent Change in Sales Tax Collections

- Compared to the same month in the previous year, sales tax collections have been down for 14 consecutive months

	FY 2008	FY 2009	FY 2010
Oct.	5.2%	3.7%	-7.8%
Nov.	11.3%	5.5%	-14.4%
Dec.	-6.4%	-2.3%	-5.6%
Jan.	2.0%	-1.1%	-0.1%
Feb.	7.3%	-4.7%	
Mar.	4.4%	-6.5%	
Apr.	1.1%	-3.0%	
May	5.8%	-0.7%	
June	4.7%	-15.2%	
July	5.0%	-8.3%	
Aug.	5.4%	-8.3%	
Sept.	-3.4%	-12.2%	

95



## Sales Tax Collections

MONTH CHECK RECEIVED	MONTH ACTIVITY	MONTH FINANCE POSTS (SAP)	2010 ADOPTED BUDGET	ACTUAL SALES TAX REMITTED	VARIANCE	%
NOVEMBER	SEPTEMBER	<b>OCTOBER</b>	16,646,071	\$ 16,544,362	\$ (101,709)	-0.61%
DECEMBER	OCTOBER	<b>NOVEMBER</b>	13,328,334	13,645,707	317,373	2.38%
JANUARY	NOVEMBER	<b>DECEMBER</b>	14,586,173	13,466,056	(1,120,117)	-7.68%
FEBRUARY	DECEMBER	<b>JANUARY</b>	20,793,782			
MARCH	JANUARY	<b>FEBRUARY</b>	13,367,858			
APRIL	FEBRUARY	<b>MARCH</b>	13,723,642			
MAY	MARCH	<b>APRIL</b>	18,547,034			
JUNE	APRIL	<b>MAY</b>	14,504,603			
JULY	MAY	<b>JUNE</b>	15,404,995			
AUGUST	JUNE	<b>JULY</b>	18,819,920			
SEPTEMBER	JULY	<b>AUGUST</b>	15,200,664			
OCTOBER	AUGUST	<b>SEPTEMBER</b>	14,642,346			
<b>TOTALS</b>			<b>189,565,422</b>	<b>\$43,656,124</b>	<b>(\$904,453)</b>	

96



## Investment Portfolio Report at December 31, 2009

**TABLE I**  
City of San Antonio, Texas  
Interest Rate Comparison - General Fund  
Budget vs. Actual  
at December 31, 2009

Quarter:					Original Interest Rate Forecast			
Budget*	Actual*	Variance	Percentage Variance	Budget Interest				
FY 10 Q1	FY 10 Q1			FY 10	FY 10 Q2	FY 10 Q3	FY 10 Q4	FY 11 Q1
\$ 292,671.99	\$ 239,068.08	\$ (53,603.91)	-18.32%	\$ 1,990,480.00	1.00%	1.25%	1.65%	2.20%

Year to Date:					Revised Interest Rate Forecast**			
Budget	Actual	Variance	Percentage Variance	Revised Interest				
FY 10	FY 10			FY 10	FY 10 Q2	FY 10 Q3	FY 10 Q4	FY 11 Q1
\$ 292,671.99	\$ 239,068.08	\$ (53,603.91)	-18.32%	\$ 915,713.00	0.48%	0.48%	0.60%	1.00%

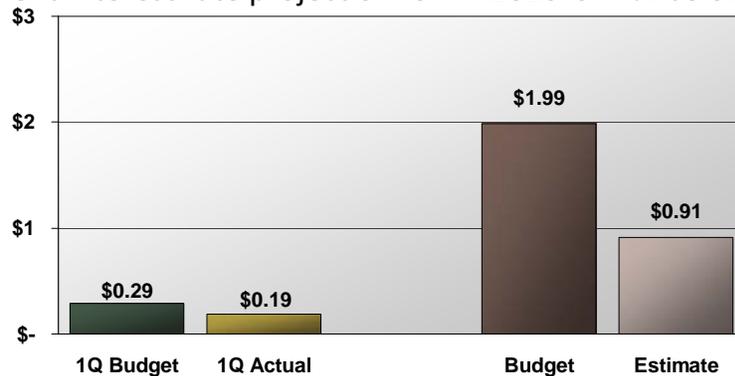
\* The original forecasted interest rate for FY 10 Q1 was 0.80%, while the actual weighted average rate for the quarter was 0.51%.

\*\* Due to recent economic conditions and lower interest rates, the original interest rate forecast has been revised as of January 15, 2010.  
The Revised Interest Rate Forecast is subject to further revisions due to future market conditions.



## General Fund Interest Earnings (\$ in Millions)

- Current Interest rate projection for FY 2010 is XX% below budget

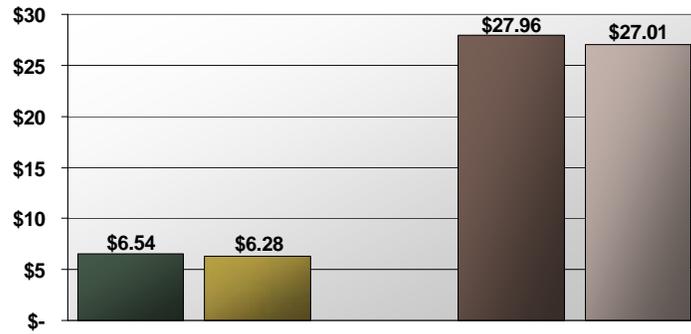


	1Q-Budget	1Q-Actual	Variance	FY 2010 Budget	FY 2010 Estimate	Variance
Revenues	\$292,672	\$192,839	\$(99,833)	\$1,990,480	\$915,713	\$(1,074,767)



## Transfers from Other Funds (\$ in Millions)

- Lower projection due to decrease H&P transfer from HOT Fund



	1Q Budget			1Q Actual			Budget			Estimate		
	1Q-Budget Amount	1Q-Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance	FY 2010 Budget	FY 2010 Estimate	Variance	FY 2010 Budget	FY 2010 Estimate	Variance
Revenues	\$6,537,841	\$6,282,885	\$(254,957)	\$27,955,291	\$27,008,918	\$(946,373)	\$27,955,291	\$27,008,918	\$(946,373)	\$27,955,291	\$27,008,918	\$(946,373)

99



## Hotel Occupancy Tax Fund

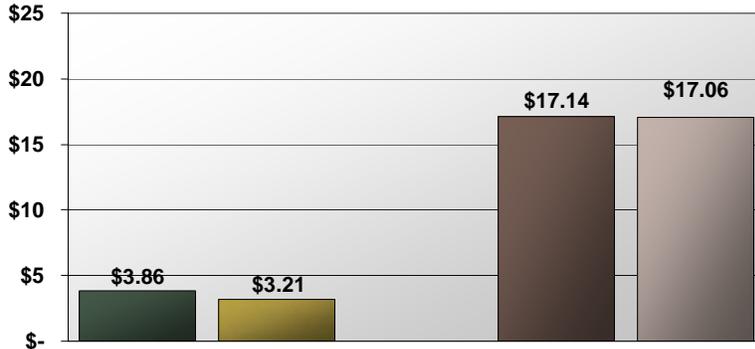
- U.S. Hospitality Industry updated forecast in FY 2010
  - Occupancy flat 0.4% (after 9% decline in 2009)
  - ADR down 1.5% (after 9% decline in 2009)
  - RevPar down 1% (after 17% decline in 2009)
- COSA HOT Collections
  - Re-estimate is 12% lower than 2010 Adopted Budget
  - Indication of ongoing decline in demand and average daily rate in second half of '09 after adoption of budget
  - 2010 Occupancy down 1.5% (after 13% decline in 2009)
  - 2010 ADR down 1% (after 10% decline in 2009)
  - 2010 Room supply up 7% (after 7% increase in 2009)

100



## Convention, Sports & Entertainment Facilities Revenues (\$ in Millions)

Convention Center, Alamodome, & Municipal Auditorium Revenues



	1Q-Budget Amount	1Q-Actual Amount	Favorable Variance	FY 2010 Budget	FY 2010 Estimate	Variance
Revenues	\$3,867,810	\$3,217,716	(\$650,094)	\$17,135,729	\$17,062,377	(\$73,352)



## Hotel Occupancy Tax Fund

- State Comparative Analysis

3<sup>rd</sup> Quarter 2009 YTD vs. 3<sup>rd</sup> Quarter 2008 YTD

City/Area	% Change Gross Revenue	% Change Room Demand	% Change Room Rate	% Change Room Supply
San Antonio	(18.8%)	(8.1%)	(6.4%)	+7.4%
Austin	(18.0%)	(6.2%)	(8.3%)	+3.7%
Dallas	(18.5%)	(11.7%)	(8.1%)	+3.9%
Ft. Worth	(12.5%)	(3.9%)	(6.3%)	+9.8%
Houston	(22.9%)	(13.4%)	(6.5%)	+2.1%
Texas Average	(16.3%)	(9.3%)	(7.7%)	+5.3%

Source: Source Strategies, Inc.



## Hotel Occupancy Tax Fund

- State Rebate Opportunities- \$2.97M
  - 2009 Legislature expanded the *Sporting Events Trust Fund* Legislation to include Conventions & Other Events
  - Enables Cities to recoup expenses incurred to host a Sporting Event, Convention, or other major event such as:
    - Capital Improvements to the Host Facility
    - Hosting Obligations
    - Operating Expenses
  - City must apply to TX State Comptroller's Office for an event to be considered for reimbursement
    - Must include economic impact assessment for State to gauge incremental revenue impact of hosting the event in Texas

103



## Hotel Occupancy Tax Fund

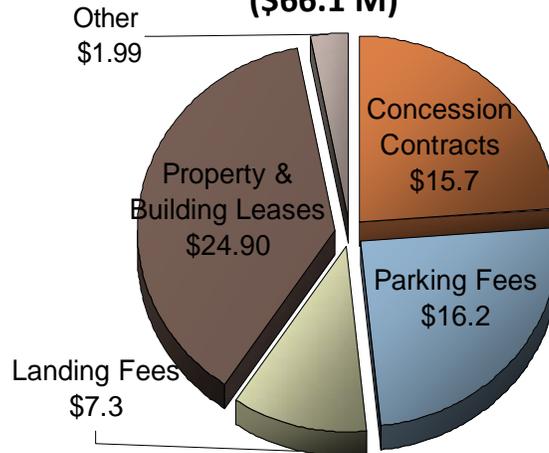
- State Rebate Opportunities (Part 2)
  - State reimburses City per its ratio of State/City Sales Tax:
    - State: 6.25% (86%)
    - City: 1% (14%)
  - \$6.0M in Eligible Operating and Capital Expenses funded through the FY 2010 Community & Visitor Facilities Fund:
    - \$2.97M to be received in FY 2010
    - \$3.12M to be received in FY 2011

104



## Aviation Fund

### FY 2010 Revenue Summary (\$66.1 M)



105



## Innovation & Reform Projects Update

- Comprehensive Budget Reviews of Police and Fire Departments
- Citywide Fleet Replacement Policy including environmental strategy, vehicle utilization/rightsizing, and life cycle analysis
- Other efforts include comprehensive review of Senior Centers



106