

FY 2010 BUDGET & FINANCE UPDATE
FY 2011-2015 FIVE YEAR FINANCIAL FORECAST
FY 2010 MID-YEAR BUDGET ADJUSTMENT



Presented by Maria Villagomez,
Budget Director
City Council "B" Session
May 12, 2010



Presentation Outline

- Review Presentation Format
- Economic Outlook & Comparative Analysis
- General Fund Analysis
 - 2nd Quarter Budget & Finance Report and Five Year Projections
- Restricted/Enterprise Funds
 - 2nd Quarter Report and Five Year Projections
- Recommended FY 2010 Mid-Year Adjustments
- Next Steps





Budget/Finance Condition Summary

- FY 2010 Adopted Budget is balanced
- FY 2010 Budget remains balanced today and will be balanced on September 30, 2010
- 2nd Quarter revenues down, however, overall favorable due to CPS revenues
- 2nd Quarter expenditures below budgeted amounts
- For FY 2011 Budget, Forecast has challenges due to lower than initially projected revenues and newly identified spending
- For FY 2012 Forecast and beyond challenges are also presented



Today's Briefing

Budget Strategy

6+6

Five Year
Forecast

Mid-Year
Budget
Adjustment



FY 2010 6+6 Budget, Finance, and Performance Report

- Continuation of reporting FY 2010 financial and performance status to City Council
- Includes actual revenue and expenditure amounts compared to budgeted amounts through the Second Quarter of FY 2010
- Projects revenues and expenditures for remaining two quarters of FY 2010



FY 2011-FY 2015 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 2011 Proposed Budget





FY 2010 Mid-Year Budget Adjustments

- Adjustment recommendations based on actual activity seen in first six months of fiscal year along with future projections
- FY 2010 Mid-Year Budget Adjustment Ordinance considered during tomorrow's May 13th City Council "A" Session
- Result is Revised FY 2010 Budget
 - FY 2010 Revenues & Expenses Budget reset
 - Expenditures brought in-line with available funding to address updated revenue projections



FY 2010 BUDGET & FINANCE UPDATE
FY 2011-2015 FIVE YEAR FINANCIAL FORECAST
FY 2010 MID-YEAR BUDGET ADJUSTMENT

Economic Outlook



Prepared with assistance from
Dr. Steve Nivin from SABER Research Institute



National Economy

- U.S. Economy expected to show some signs of growth in 2010
- National housing market appears to have reached bottom, however uncertainty about consumers being ready to start buying homes at a rate that would result in strong recovery
- Big negative in the economy is still the labor market
 - National unemployment has come down slightly but remains at 9.7%
- Employment levels are beginning to pick up, but unemployment claims are still high



San Antonio Economy

- Local consumer spending remains weak
- Unemployment rate is 7.5%, up from last month
- Home sales up in March due to first-time homebuyer tax credit, however prices fell about 4.6% and inventories increased to 7.8 months
- Overall, San Antonio Economy expected to at least grow simultaneously with the U.S. economy





Unemployment Rate

City/Region	March 2009	March 2010
U.S.	8.6%	9.7%
Texas	7.0%	8.2%
Ft Worth	7.3%	8.4%
Houston	7.0%	8.7%
Dallas	7.5%	8.4%
Austin	6.6%	7.2%
San Antonio	6.5%	7.5%

Source: FEDERAL RESERVE BANK OF DALLAS



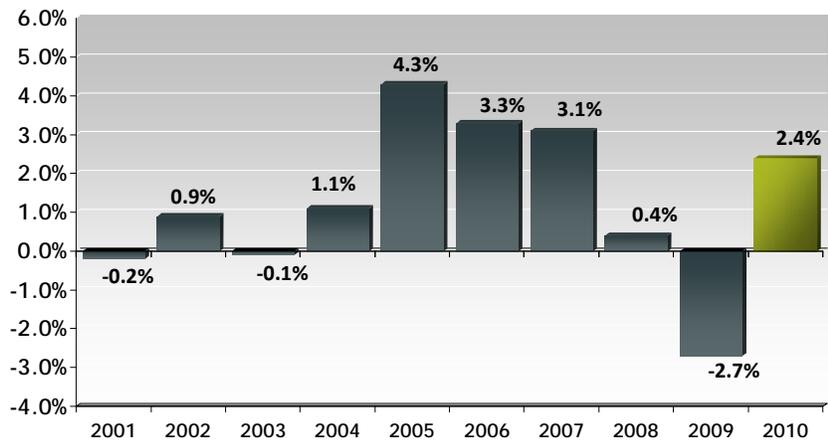
Unemployment Rate



Source: Moody's Economy Précis METRO March 2010



San Antonio Total Employment Growth

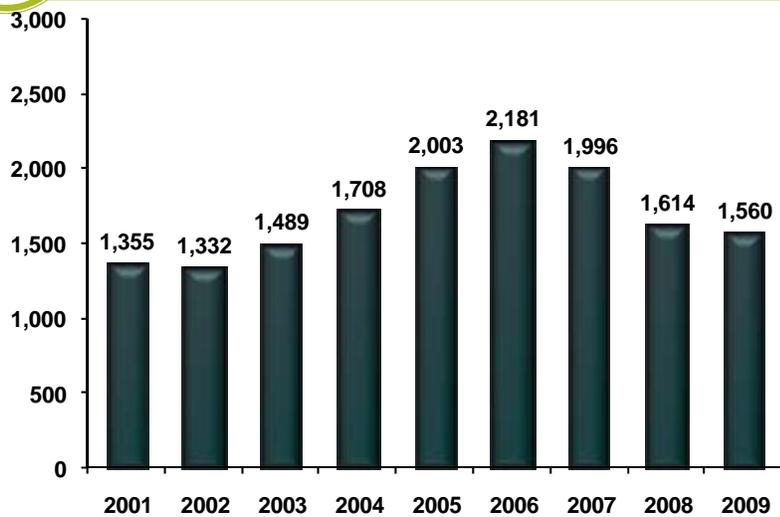


- 2.4% growth estimated for 2010

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



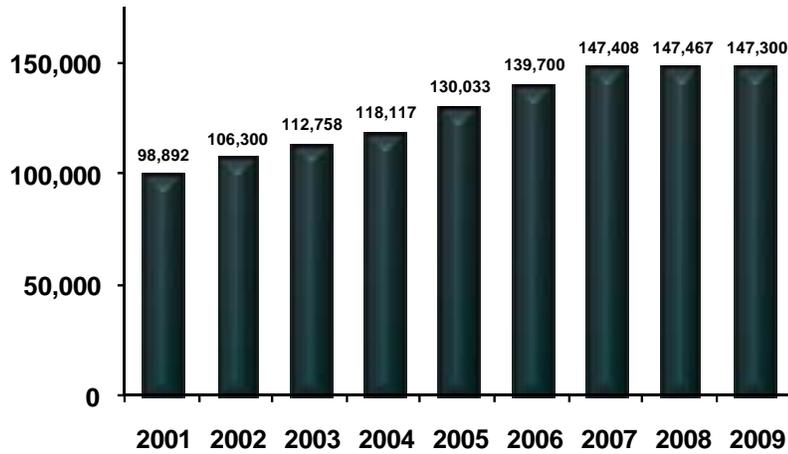
San Antonio Home Sales



Source: REAL ESTATE CENTER, TEXAS A&M UNIVERSITY



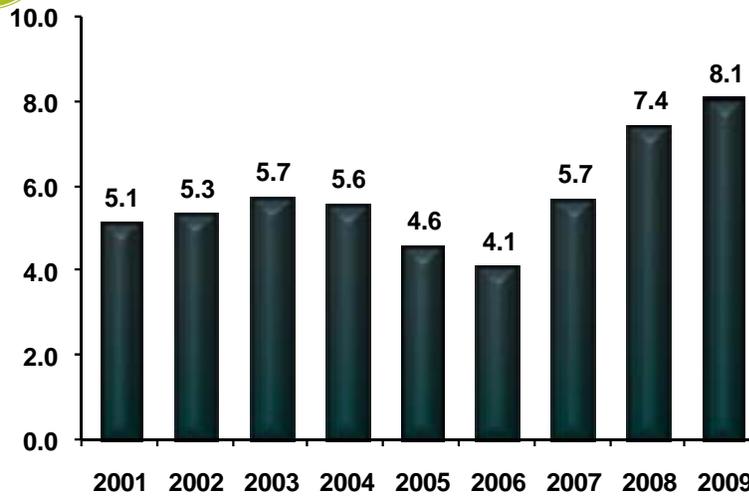
San Antonio Housing Market: Median Price



Source: REAL ESTATE CENTER, TEXAS A&M UNIVERSITY



San Antonio Housing Market: Months in Inventory



Source: REAL ESTATE CENTER, TEXAS A&M UNIVERSITY

FY 2010 BUDGET & FINANCE UPDATE
 FY 2011-2015 FIVE YEAR FINANCIAL FORECAST
 FY 2010 MID-YEAR BUDGET ADJUSTMENT

Other Cities



Comparable City Analysis

City	FY 2010 General Fund Budget	FY 2011 Projected Shortfall
Austin, TX	\$613 Million	\$11 Million*
Dallas, TX	\$1.0 Billion	\$50 - \$108 Million
Fort Worth, TX	\$526 Million	\$45 Million
Houston, TX	\$1.9 Billion	\$140 Million
Phoenix, AZ	\$1.0 Billion	\$64 Million
San Diego, CA	\$1.0 Billion	\$28 Million
San Jose, CA	\$850 Million	\$116 Million

* Assumes property tax rate increase of 2.88 cents



Comparable City Analysis - Austin

Fiscal Year: October-September

- Projected \$11 Million deficit assumes increasing property tax rate by 2.88 cents
 - Current property tax rate: 42.09 cents per \$100 valuation
 - Proposed property tax rate: 44.97 cents per \$100 valuation
- Deficit estimated to be \$28 Million without property tax rate increase



19



Comparable City Analysis - Dallas

Fiscal Year: October-September

- Departments instructed to prepare across-the-board reductions in preparation for FY 2011 Budget
 - 30% for non-public safety departments
 - 5% for Police and Fire
- Other potential reduction options include:
 - 5 unpaid furlough days for employees
 - Property tax rate increase



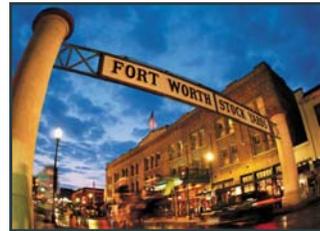
20



Comparable City Analysis – Fort Worth

Fiscal Year: October-September

- Departments instructed to prepare across-the-board reductions in preparation for FY 2011 Budget
 - 10% for non-public safety departments
 - 5% for Police and Fire
- Other potential reduction options include:
 - Closing pools and libraries
 - Decreasing property tax Homestead Exemption from 20 percent to 10 percent



21



Comparable City Analysis - Houston

Fiscal Year: June-July

- FY 2011 Proposed Budget includes:
 - \$22.2 in management efficiencies
 - \$24.4 M in decreased discretionary spending
 - No lay-offs or furloughs
 - \$40 M in one-time revenues from land sales
- Cost-saving strategies already implemented
 - Library hours reduced by 28%
 - Most branch libraries closed on Saturday
 - Reduction in library materials purchases



22



Comparable City Analysis – Phoenix, AZ

Fiscal Year: July-June

- Final Budget Recommendations include:
 - General Fund budget reductions of \$63.7 Million
 - Elimination of 593 jobs
 - 3.2% employee wage and benefit reductions from all labor groups equivalent to \$31.1 Million



23



Comparable City Analysis – San Diego, CA

Fiscal Year: July-June

- FY 2011 Proposed Budget includes:
 - Elimination of 336 General Fund positions
 - Reduction of contractual services and capital outlay by \$7.5 Million
 - Reduction of equipment replacement by \$6.6 Million
- City's Independent Budget Analyst estimates FY 2011 deficit \$4.5 Million greater than current Proposed Budget assumes
 - City would need to propose additional cuts



24



Comparable City Analysis – San Jose, CA

Fiscal Year: July-June

- FY 2011 Proposed Budget includes:
 - Elimination of 821 positions (including Police & Fire sworn positions)
 - 192 Police sworn positions, 85 Fire sworn positions
 - Approximately 450 full-time and 200 part-time employees to be laid off
 - Reduction of Library operations from 47 hours/week to 25-26 hours/week



FY 2010 BUDGET & FINANCE UPDATE
FY 2011-2015 FIVE YEAR FINANCIAL FORECAST
FY 2010 MID-YEAR BUDGET ADJUSTMENT

Budget and Finance
Current Status and
Forecast



FY 2010 BUDGET & FINANCE UPDATE
FY 2011-2015 FIVE YEAR FINANCIAL FORECAST
FY 2010 MID-YEAR BUDGET ADJUSTMENT

General Fund Revenues



General Fund Revenue Summary

- With 3+9 Budget and Finance Report Revenues mostly flat, however, overall slightly favorable due to CPS revenues
- Now, with 6+6 Report, General Fund Revenues for FY 2010 are projected to be down, however, overall favorable due to CPS revenues



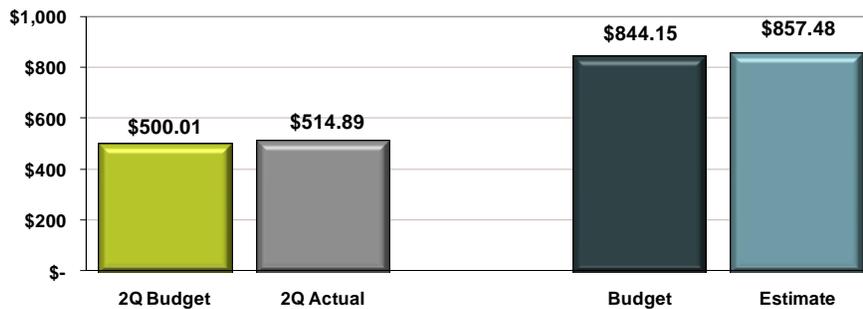


General Fund Revenue Variance Compared to Adopted Budget Figures (\$ in Millions)

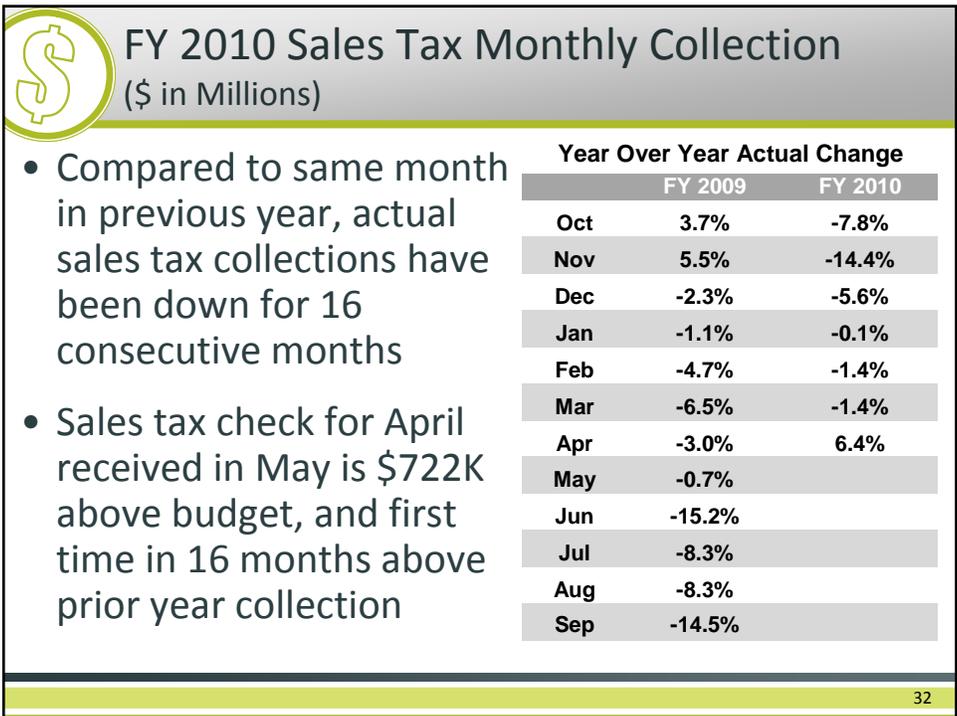
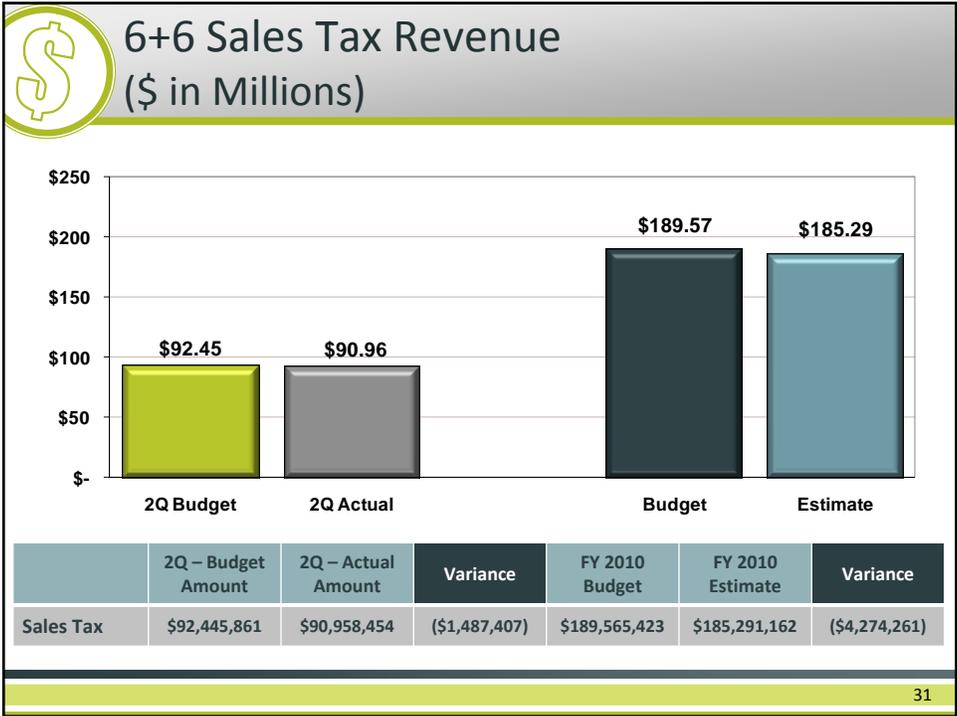
Revenue Source	3+9 Variance	6+6 Variance	Change
Sales Tax	(\$0.9)	(\$4.3)	(\$3.4)
Property Tax	(\$0.0)	\$1.2	\$1.2
CPS Payment	\$6.7	\$19.3	\$12.6
Other Revenue	(\$0.9)	(\$2.9)	(\$2.0)
Total	\$4.9	\$13.3	\$8.4



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



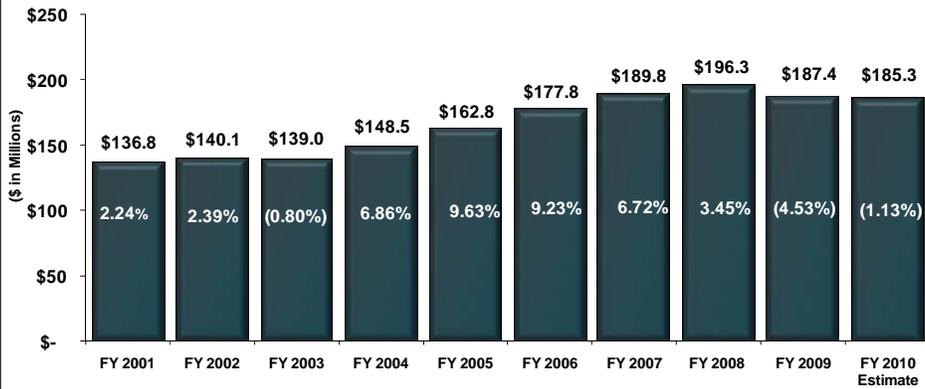
	2Q – Budget Amount	2Q – Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance
All Sources	\$500,008,002	\$514,892,424	\$14,884,422	\$844,148,952	\$857,476,290	\$13,327,338





Historical Sales Tax Revenues (\$ in Millions)

- Year over Year Percent Change



- Ten year average percent growth is 3.41%

33

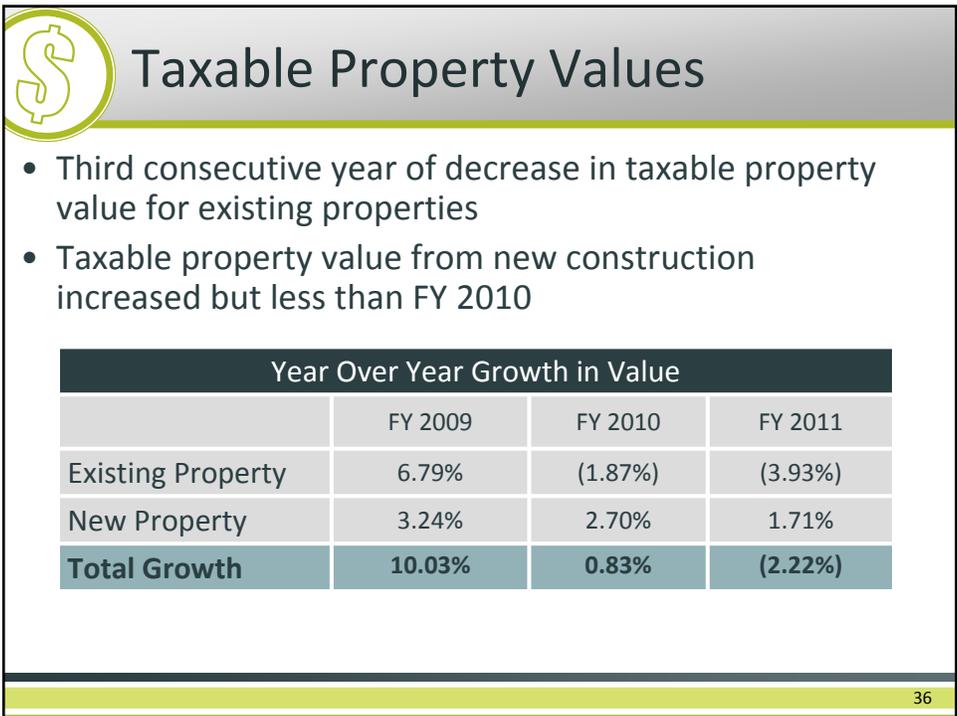
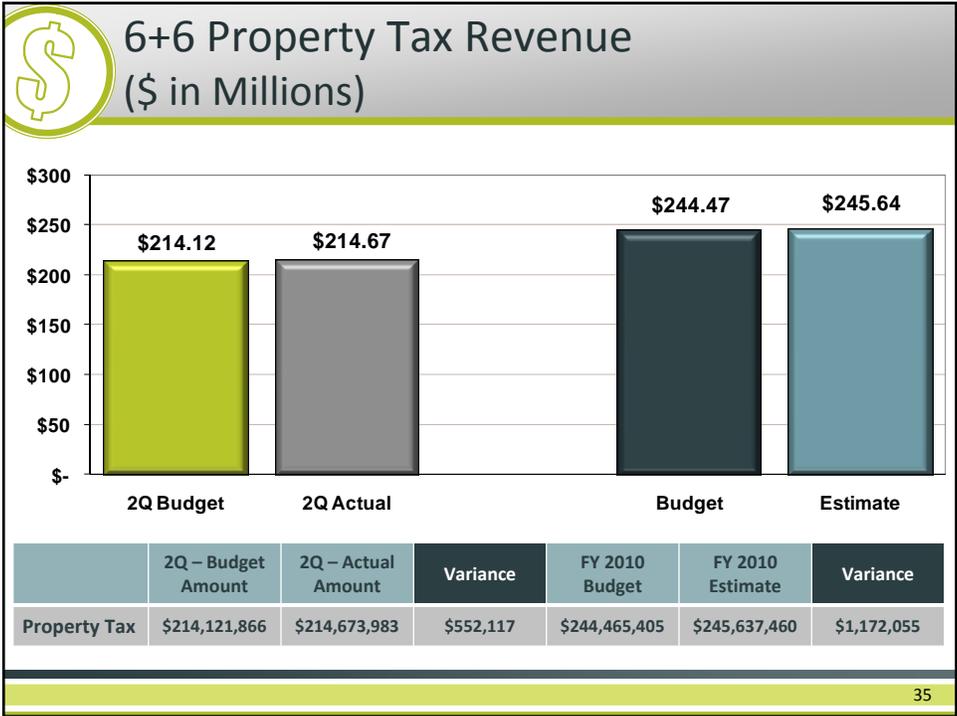


Forecasted Sales Tax Revenue (\$ in Millions)

- FY 2010 Budget of \$189.6 was 1% over FY 2009 Estimate
- FY 2010 Estimate 2.25% or \$4.3 M below budget
- FY 2011 Projection is 1% or \$1.80 M over FY 2010 Estimate

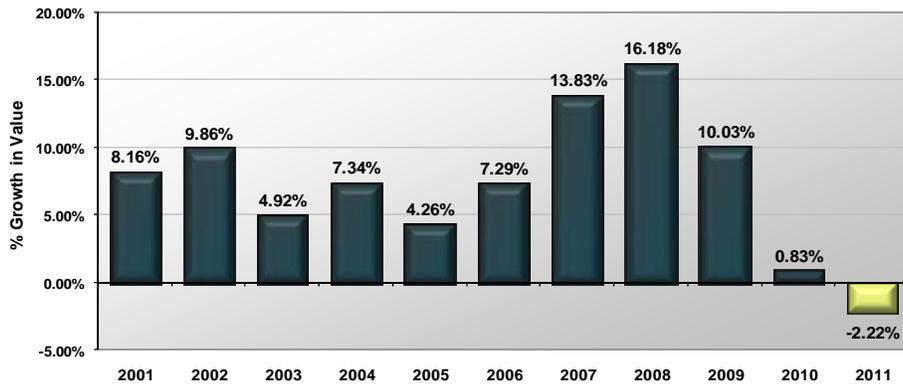


34





Historical Growth in Property Values



- Ten year average percent growth is 8%



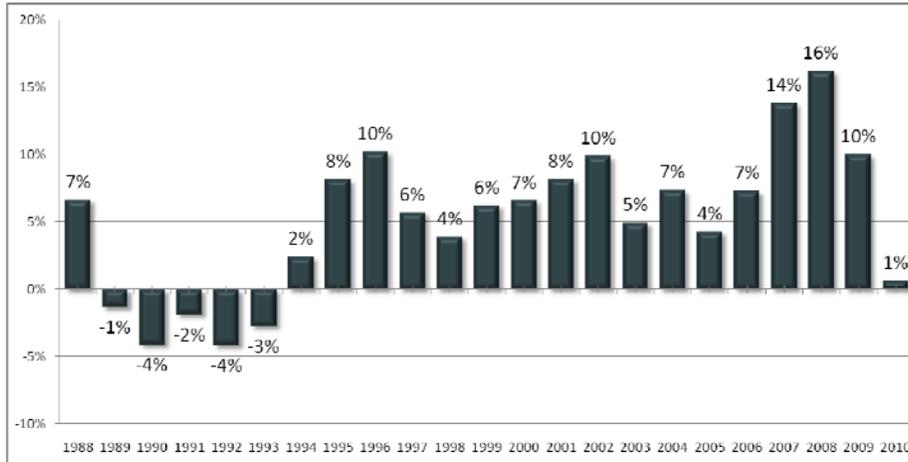
Projected Property Values

Projected Year Over Year Growth in Value					
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Existing Property	(3.93%)	(1.75%)	(1.00%)	(0.50%)	0.00%
New Property	1.71%	1.75%	2.00%	2.00%	2.00%
Total Growth	(2.22%)	0.00%	1.00%	1.50%	2.00%

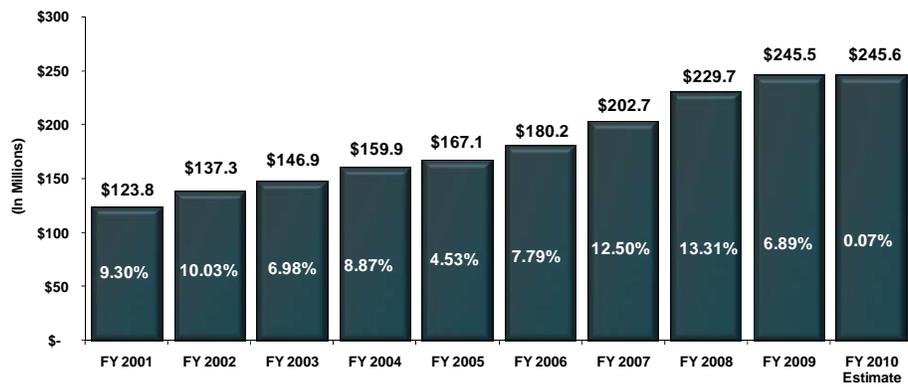


Historical Taxable Valuation: 1988-2010

- Year over Year Percent Change



Historical Property Tax Revenues: 2001-2010 (\$ in Millions)

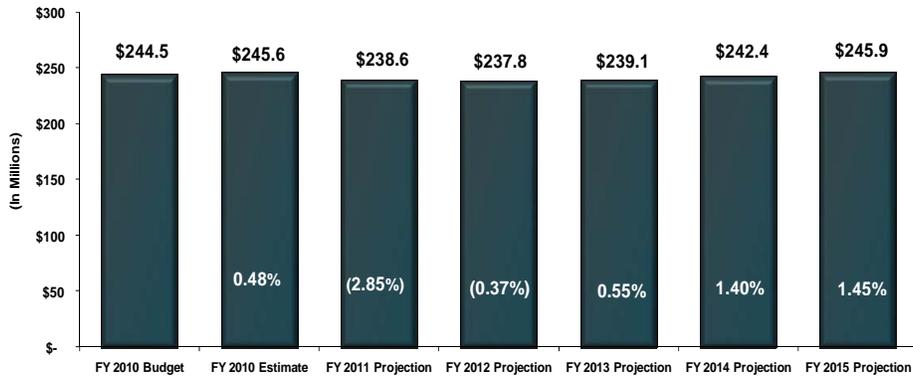


- Ten year average percent growth is 8.12%



Forecasted Property Tax Revenue (\$ in Millions)

- Budget of \$244 M was 0.41% or \$1 M below FY 2009 Actual
- FY 2011 Projection \$7.0 M below FY 2010 Re-Estimate
- Property Value Decrease Estimated at 2.22% for FY 2011



6+6 CPS Revenues (\$ in Millions)



	2Q – Budget Amount	2Q – Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance
CPS	\$116,423,000	\$132,508,690	\$16,085,690	\$251,053,000	\$270,398,000	\$19,345,000*

* Note: Includes \$9 Million for recently approved rate increase



Factors Affecting CPS Revenue

- Natural gas fuel costs budget for generation and resale slightly above forecast
 - Budgeted NG Price Avg. is \$5.28 (Oct. – Apr.)
 - Actual NG Price Avg. is \$5.93 (Oct. – Apr.)
- Electric and gas sales up due to colder than projected weather through this past winter
 - Electric sales up 3.4% from Budget
 - Gas sales up 28.6% from Budget

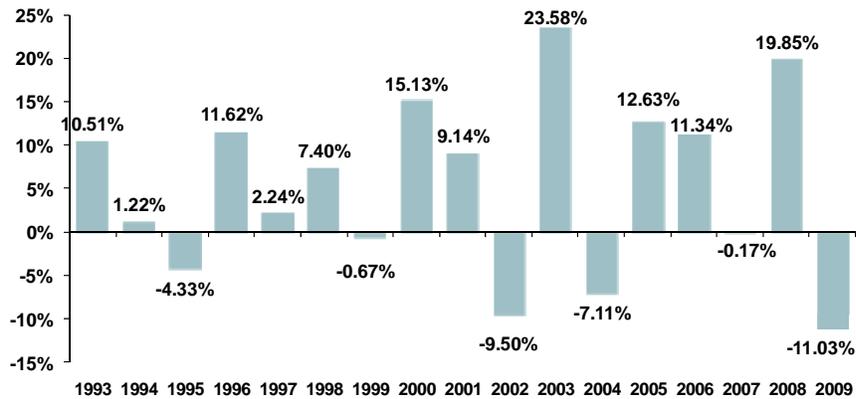


43



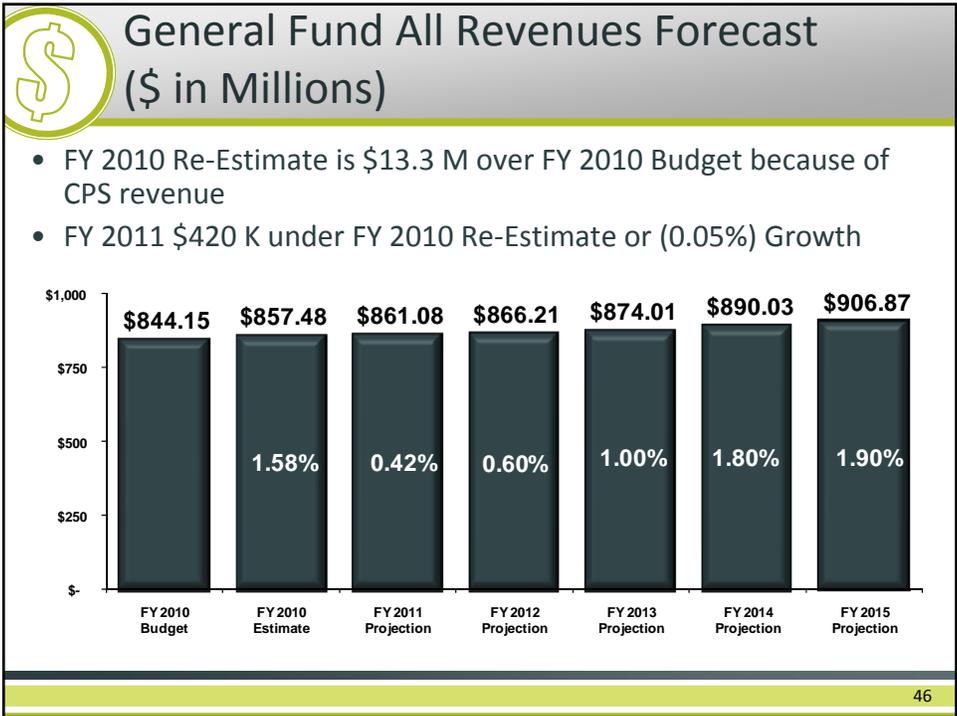
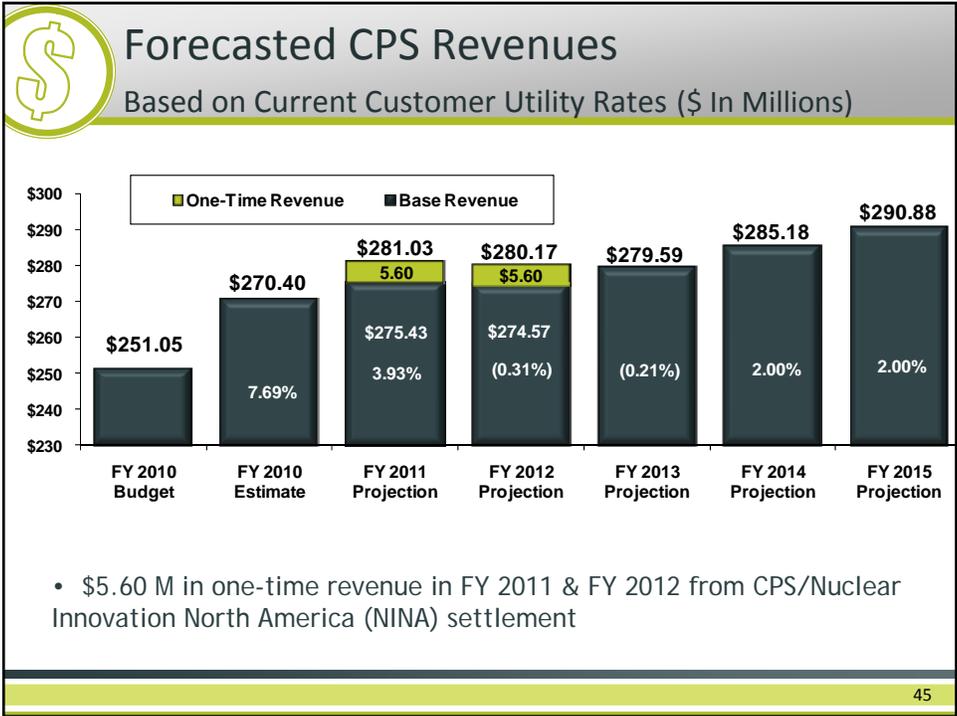
CPS Revenue Volatility

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



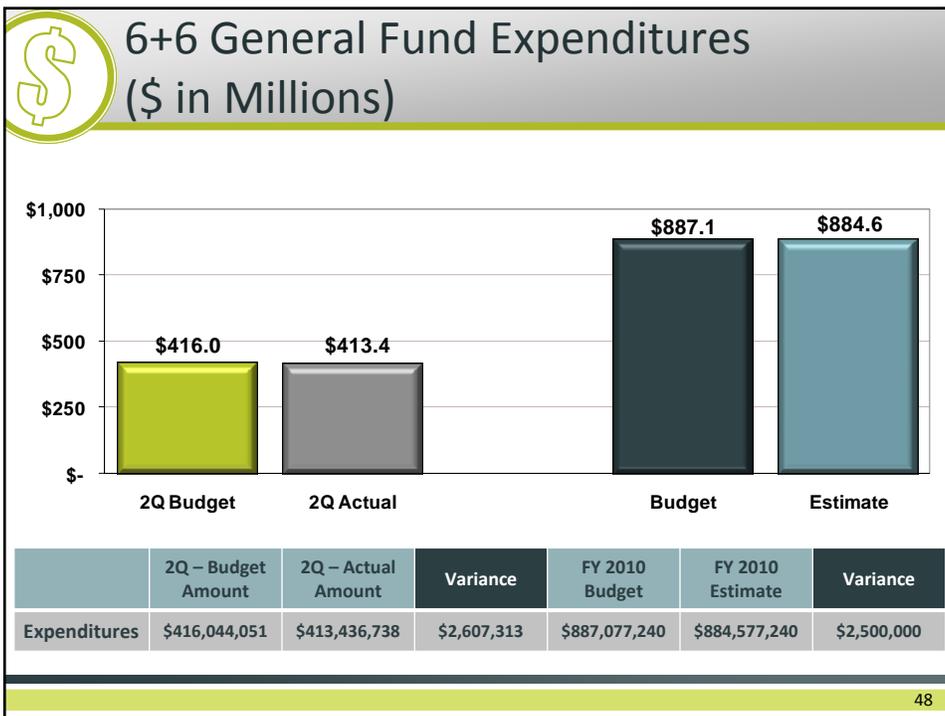
• Ten Year Average Percent Growth is 6.39%

44



FY 2010 BUDGET & FINANCE UPDATE
 FY 2011-2015 FIVE YEAR FINANCIAL FORECAST
 FY 2010 MID-YEAR BUDGET ADJUSTMENT

General Fund Expenditures





4-10 Workweek Pilot

- 4-10 workweek is a compressed work schedule involving 4 ten-hour work days
- Benefits of Program include budget savings (utilities and custodial services), less vehicles emissions, extended service hours and employee satisfaction
- Staff is evaluating potential implementation of a 4-10 workweek pilot program
 - Employee survey will be conducted and a recommendation will be presented to City Council



FY 2010 BUDGET & FINANCE UPDATE
FY 2011-2015 FIVE YEAR FINANCIAL FORECAST
FY 2010 MID-YEAR BUDGET ADJUSTMENT

General Fund
Five Year Forecast





FY 2010 General Fund Summary

FY 2010			
(\$ In Millions)	FY 2010 Revised Budget	FY 2010 Re-Est.	FY 2010 Variance
Beginning Balance	\$81.9	\$100.3	\$18.4
Total Revenues	844.2	857.5	13.3
Total Expenditures	887.1	884.6	2.5
Added Ending Balance for FY 2011 Budget			\$34.2

- FY 2009 Preliminary Actual Ending Balance above FY 2009 Re-estimate: **\$18.4M**
- FY 2010 Revenue Projection above FY 2010 Budget: **\$13.3M**
- FY 2010 Less Spending: **\$2.5M**
- **\$34.2M** added to \$38.3M Two Year Balanced Budget Reserve Results in **\$72.5M** FY 2011 Beginning Balance



General Fund Forecast

(\$ In Millions)	FY 2011 Projection	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Available Balance	\$72.5	\$12.4	\$0	\$0	\$0
Current Revenues	861.1	866.2	874.0	890.0	906.9
Total Available Resources	\$933.6	\$878.6	\$874.0	\$890.0	\$906.9
Total Expenditures	\$921.2	\$930.2	\$941.7	\$946.7	\$957.5
Ending Balance	\$12.4	(\$51.6)	(\$67.7)	(\$56.7)	(\$50.6)
Additional Expenditures	\$53 to \$81	\$73 to \$84	\$77 to \$90	\$94 to \$106	\$96 to \$109
Adjusted Ending Balance	(\$41 to \$68)	(\$124 to \$136)	(\$144 to \$157)	(\$150 to \$162)	(\$147 to \$160)



Expenditure Assumptions in Forecast Period

- Reflects funding to provide today's level of recurring City services
- Includes 5-year Infrastructure Management Program in FY 2011 and beyond (\$33 M per year)
- Includes Park Maintenance & Renovation Program (\$1 M) & Parks Playground Replacement Program (\$525 K)
- Funds additional \$1.5 M for Haven for Hope Inc. and homeless service providers
- Includes funds for operations of additional kennel space at Brooks
- Includes funds for 2011 Municipal Elections
- Adds Mandated Costs

53



Expenditure Assumptions in Forecast Period, continued

- Forecast maintains Financial Reserve Policy of 9% of total appropriations for FY 2010 and beyond
- Funds Medical inflation included in healthcare and worker's compensation costs
- Includes funding for impact of new Health Care Reform Legislation



54



Impact of Health Care Reform Legislation

- Estimated \$1.8 million impact in FY 2011 Budget
- Dependents can be on employee's health plan up to age 26
 - Currently eligible up to age 20 (up to age 24 if enrolled as a full-time student)
- Pre-existing conditions cannot be excluded for children under 19, regardless of previously insured status
- Elimination of lifetime maximum for all medical plans
- Elimination of annual limits on preventive care
 - Currently no limits for civilians and \$300 annual max for uniform



Mandates Included in Forecast

Mandate Summary

(\$ In Millions) Incremental	FY 2011 Projection	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Total Mandates	\$7.44	\$3.76	\$2.50	\$1.01	\$0.95

- 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





Employee Compensation Example Scenarios

Compensation Examples (Not Approved)	FY 2011 Amount
Police Collective Bargaining (Proposed Contract)	\$4.85 M
Fire Collective Bargaining (Cost of 2% every year)	\$3.27 M
Civilian Cost of Living Adjustment (Cost of 2% every year)	\$2.98 M
Step Pay Plan Implementation	\$2.56 M
Subtotal Employee Compensation Increases	\$13.7

57



Requests for Additional Spending

Expenditure	FY 2011 Amount
Police Officers – for every 25 new Officers	\$2.3 M
Firefighters – for every 25 new Firefighters	\$2.0 M
Street Maintenance (increment to match FY 2008 levels of \$60.7M)	\$9.6 M
Neighborhood Improvements requested by Council Offices	\$2.5 M to \$5 M
Comprehensive Senior Centers – for every one new center	\$400 K
Code Officers – for every 5 new Officers	\$360 K
Animal Care Officers – for every 4 new Officers	\$240 K

58



Requests for Additional Spending, continued

Expenditure	FY 2011 Amount
Spay/Neuter Mobile Surgical Van (equipment only)	\$250 K
VIA Street Car Projects North/South & East West Routes (City's Portion)	\$8 M to \$20 M
Economic Incentive Programs (City-wide)	\$5 M to \$10 M
Economic Incentives - Inner City (Land Bank & Fee Waivers)	\$5 M to \$10 M
Subtotal Potential Additional Expenditures	\$35.7 M to \$60.2M
Subtotal Potential Additional Expenditures from prior slide	\$13.7 M
Incremental Financial Reserve for Additional Spending	\$4.4 M to \$6.6 M
Subtotal Potential Additional Expenditures	\$53 M to \$81 M

59

FY 2010 BUDGET & FINANCE UPDATE
 FY 2011-2015 FIVE YEAR FINANCIAL FORECAST
 FY 2010 MID-YEAR BUDGET ADJUSTMENT

Other Funds Current Status and Forecast



Solid Waste Operating Fund



Solid Waste Operating Fund

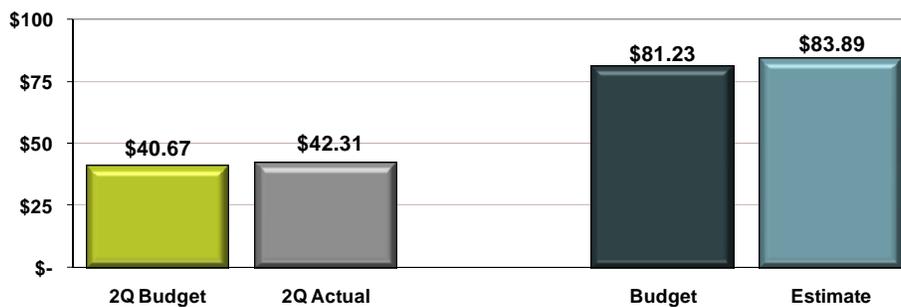
- Enterprise Fund - fee based, not supported with property tax
 - Revenue generated from monthly service charge
 - Monthly Rate: \$18.74
 - No rate increase in FY 2010 Adopted Budget
- Automated conversion program completed in FY 2010
 - 338,000 homes converted in total



61



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



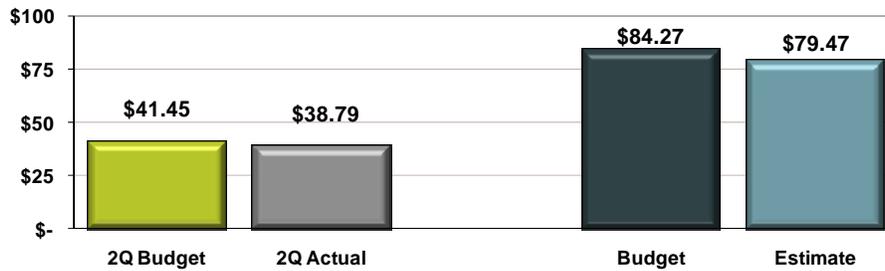
	2Q – Budget Amount	2Q – Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance
All Sources	\$40,662,653	\$42,305,588	1,642,935	\$81,225,305	\$83,882,153	\$2,656,848

62



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

- Favorable variance due primarily to savings in landfill disposal costs, overtime, private waste collection contracts, and fuel



	2Q – Budget Amount	2Q – Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance
All Sources	\$41,448,220	\$38,785,981	2,662,239	\$84,268,254	\$79,468,254	\$4,821,128



Solid Waste Operating & Maintenance Fund Forecast

(\$ In Thousands)	FY 2011 Projection	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Total Available Resources	\$95,932	\$97,646	\$98,994	\$99,715	\$99,461
Total Expenditures	\$82,578	\$83,907	\$85,436	\$87,303	\$86,244
Operating Reserve	\$6,525	\$6,612	\$6,715	\$6,846	\$6,753
Ending Balance	\$6,829	\$7,127	\$6,843	\$5,566	\$6,464
Employee Compensation (Cumulative)	\$634	\$2,069	\$4,236	\$7,360	\$11,144
Adj. Ending Balance	\$6,195	\$5,085	\$2,607	(\$1,794)	(\$4,680)

- No Rate Increases included in forecast period

FY 2010 BUDGET & FINANCE UPDATE
FY 2011-2015 FIVE YEAR FINANCIAL FORECAST
FY 2010 MID-YEAR BUDGET ADJUSTMENT

Other Funds Current Status and Forecast



Planning & Development Services Fund



Planning & Development Services Enterprise Fund

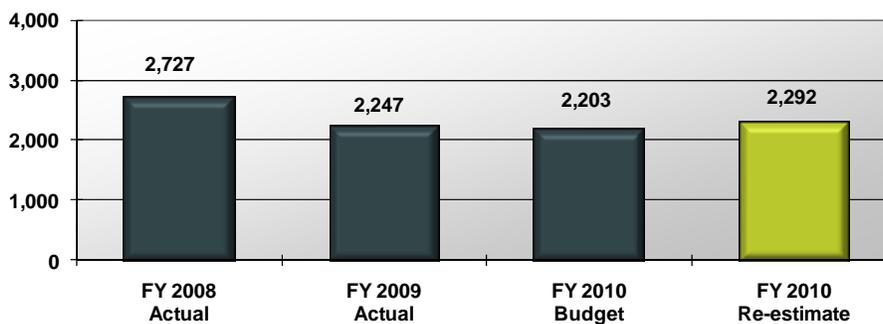
- Established in FY 2007 as Enterprise Fund
- Fund experienced significant decline in permitting activity in 2008
- Since FY 2008, fund expenditures reduced by \$6.1 M
 - 69 positions eliminated over same period and 14 positions frozen
- Additional positions frozen in 1st Quarter FY 2010 to mitigate decline in revenues
 - 16 vacant positions currently frozen, 6 more anticipated to be frozen by year end
 - 36 positions anticipated to be frozen by end of FY 2010





Planning & Development Services Enterprise Fund

New Residential Building Permits

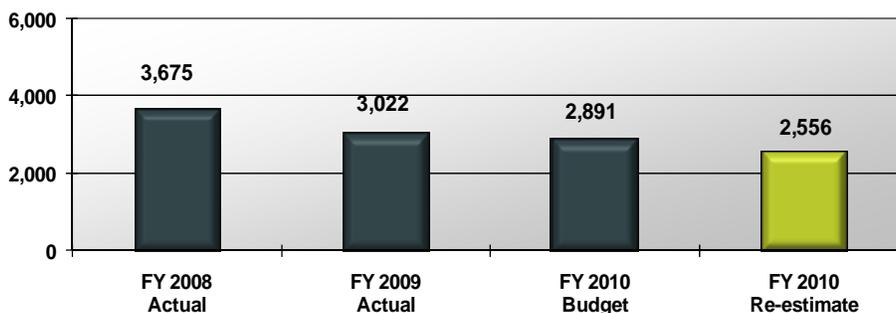


- Residential permitting activity estimated slightly better than FY 2009

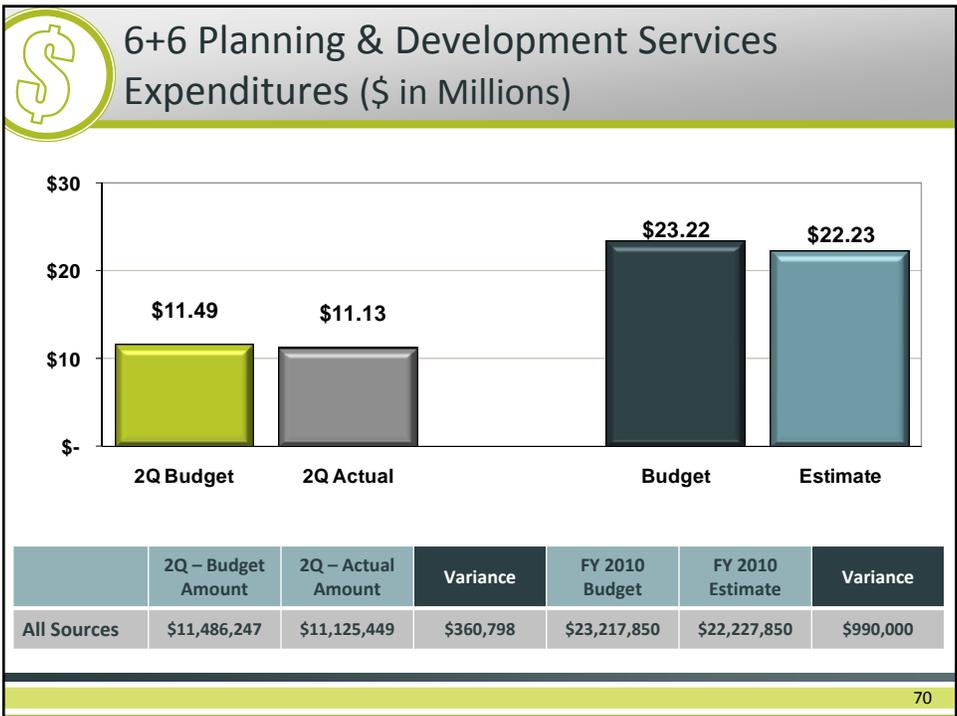
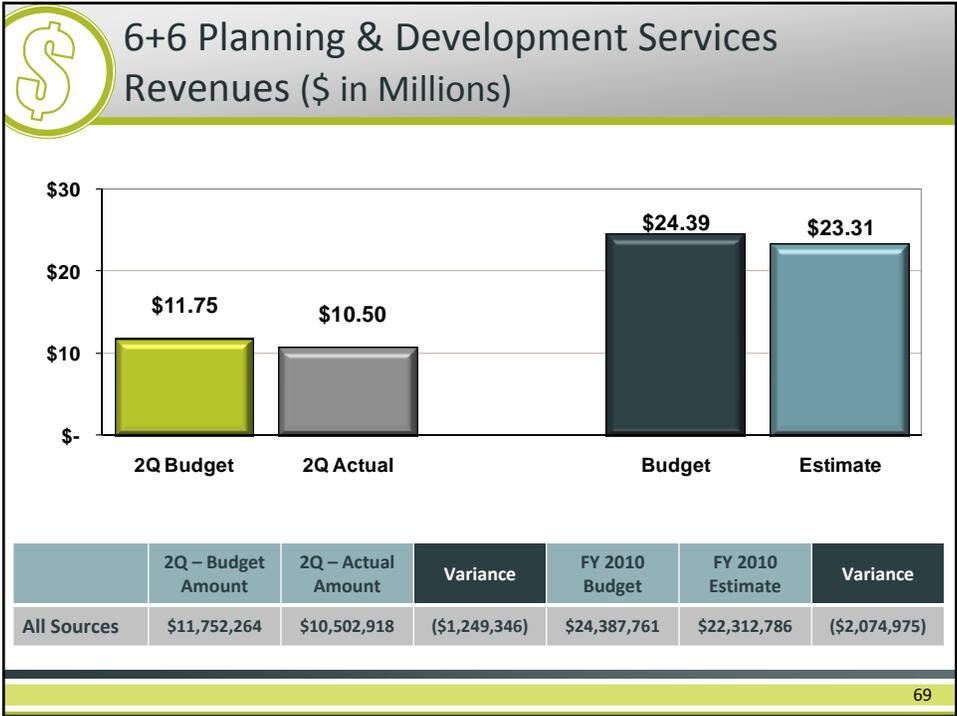


Planning & Development Services Enterprise Fund

New & Existing Commercial Building Permits



- Commercial permitting activity 23% down compared to budget through 2nd Quarter in FY 2010
- Overall activity projected 12% below budget in FY 2010





Planning & Development Services Fund Forecast

(\$ In Thousands)	FY 2011 Projection	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Total Available Resources	\$22,562	\$23,798	\$24,818	\$26,610	\$28,269
Total Expenditures	\$22,018	\$22,470	\$21,930	\$22,295	\$22,685
Ending Balance	\$544	\$1,328	\$2,888	\$4,315	\$5,584
Employee Compensation (Cumulative)	\$333	\$1,061	\$2,215	\$3,850	\$5,857
Ending Balance	\$211	\$267	\$673	\$465	(\$273)

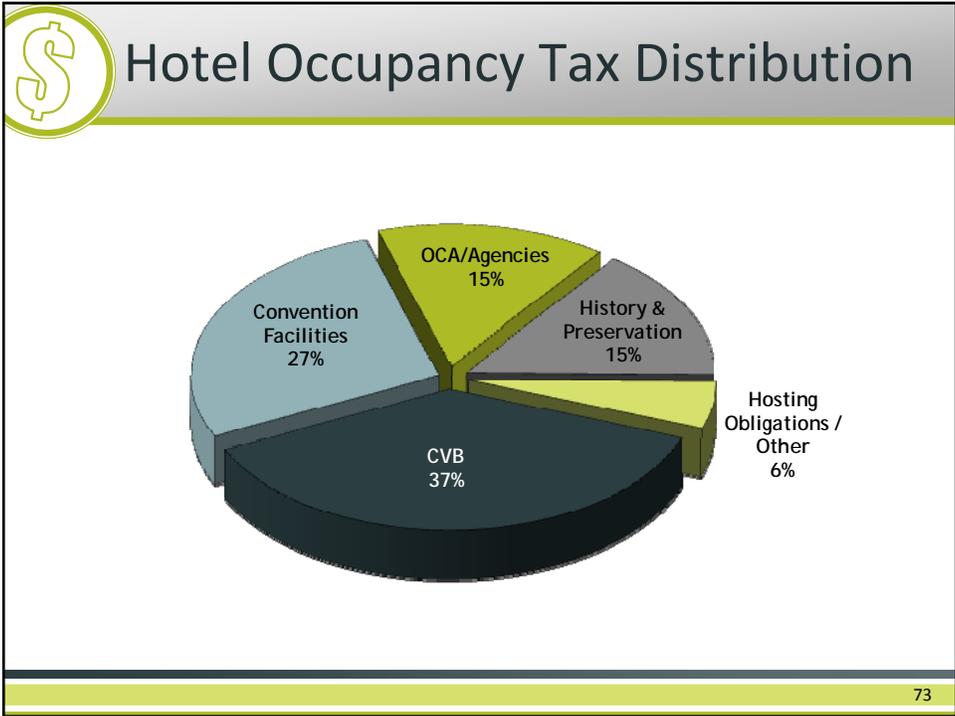
- 36 vacant positions continued to be frozen or eliminated during the forecast period

FY 2010 BUDGET & FINANCE UPDATE
 FY 2011-2015 FIVE YEAR FINANCIAL FORECAST
 FY 2010 MID-YEAR BUDGET ADJUSTMENT

Other Funds Current Status and Forecast



Hotel Occupancy Tax Fund



\$ Hotel Occupancy Tax Fund

- FY 2010 HOT Tax Budget was \$53.3 M
- At 3+9 Report, FY 2010 Projection revised down 12% to \$47.0 M to better reflect industry trends
- Deficit Reduction Strategy is in place for HOT-Funded Departments



74

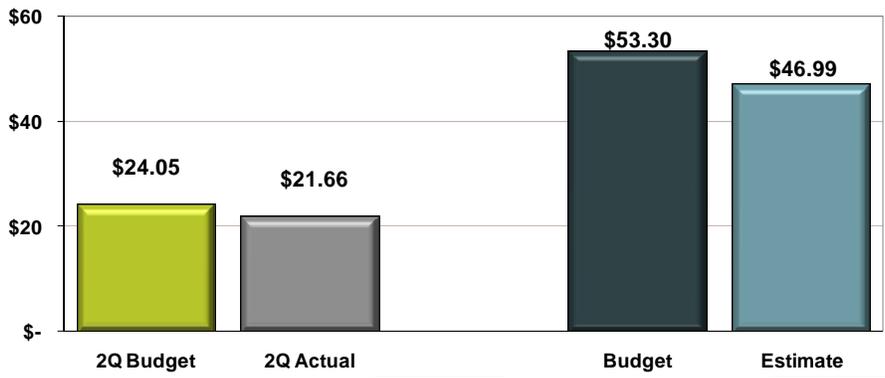


HOT Deficit Reduction Strategy

- Strategy Implemented at 3+9 1st Quarter Report
 - Reduce departmental operating expenditures
 - Some positions frozen, none eliminated
 - Reduce operating transfers to Facilities reserve & General Fund for History & Preservation
 - Use State Reimbursement Program (Events Trust Fund)
 - Primarily for operating services
 - Maintain Arts Agencies at FY 2010 budgeted levels



6+6 Hotel Occupancy Tax Revenues (\$ in Millions)



	2Q – Budget Amount	2Q – Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance
HOT Tax	\$24,045,451	\$21,662,851	(\$2,382,600)	\$53,302,500	\$46,993,345	(\$6,309,155)



Hotel Occupancy Tax Fund Forecast

(\$ In Thousands)	FY 2011 Projection	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Total Available Resources	\$55,547	\$53,617	\$51,058	\$52,428	\$54,067
Total Expenditures	\$52,067	\$53,354	\$54,096	\$54,856	\$56,307
Ending Balance	\$3,480	\$263	(\$3,038)	(\$2,428)	(\$2,240)
Employee Compensation (Cumulative)	\$731	\$2,279	\$2,462	\$2,866	\$3,398
Ending Balance	\$2,749	(\$2,016)	(\$5,500)	(\$5,294)	(\$5,638)

FY 2010 BUDGET & FINANCE UPDATE
FY 2011-2015 FIVE YEAR FINANCIAL FORECAST
FY 2010 MID-YEAR BUDGET ADJUSTMENT

Other Funds Current Status and Forecast

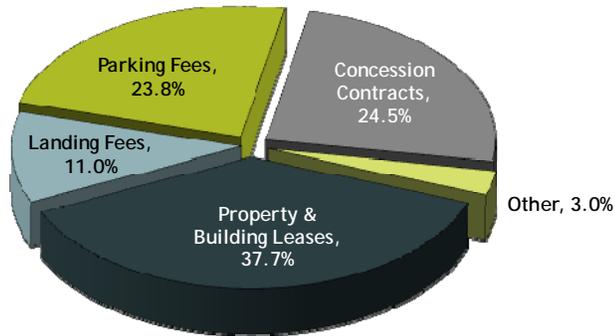


Aviation Fund



Aviation Fund

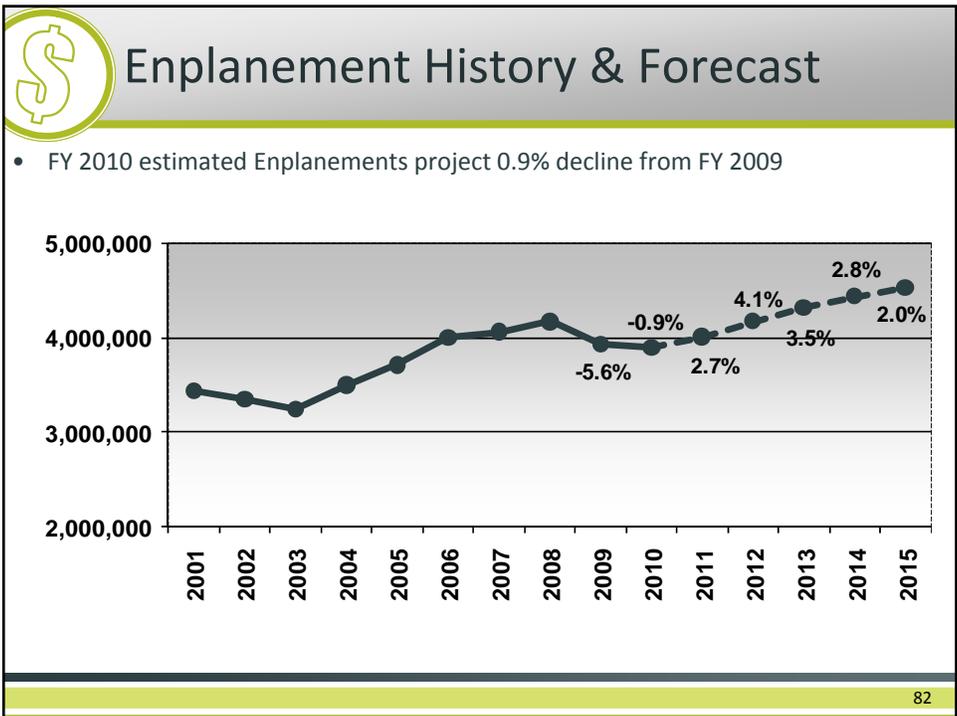
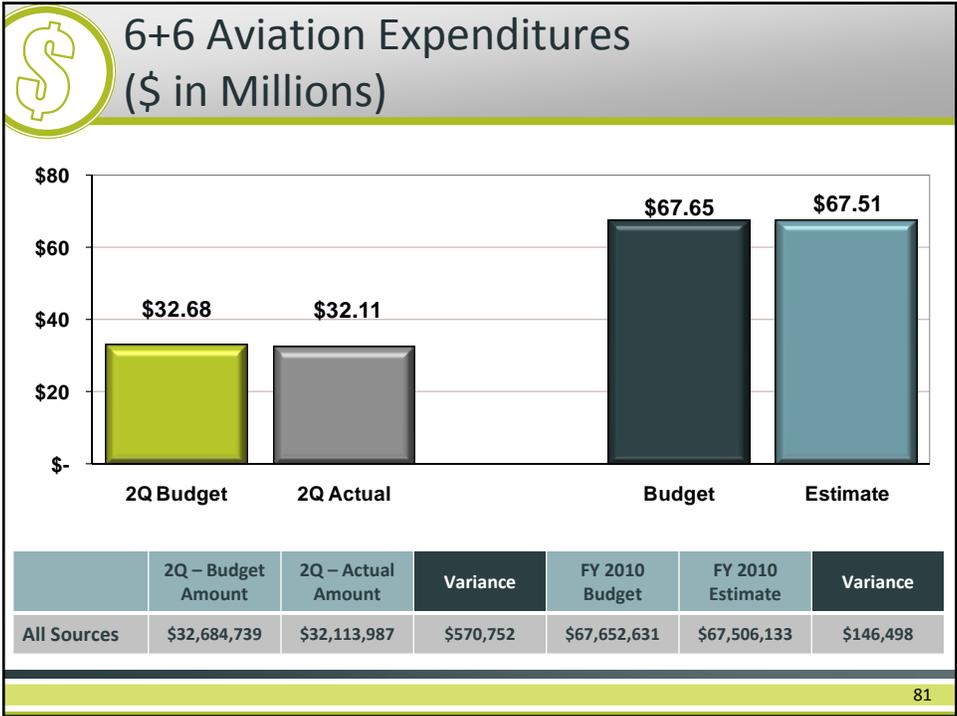
FY 2010 Revenue Summary (\$66.1 M)



6+6 Aviation Revenues (\$ in Millions)



	2Q - Budget Amount	2Q - Actual Amount	Variance	FY 2010 Budget	FY 2010 Estimate	Variance
All Sources	\$32,444,069	\$33,444,180	\$1,000,111	\$66,130,233	\$67,269,490	\$1,139,257



FY 2010 BUDGET & FINANCE UPDATE
 FY 2011-2015 FIVE YEAR FINANCIAL FORECAST
 FY 2010 MID-YEAR BUDGET ADJUSTMENT

FY 2010 Mid-Year Budget Adjustment



FY 2010 Recommended Mid-Year Budget Adjustment – General Fund

(\$ in Millions)	FY 2010 Adopted Budget	Mid-Year Adjustment	FY 2010 Revised Budget
Revenues	\$844.15	\$13.3	\$857.47
Expenditures	\$887.07	(\$2.5)	\$884.57

- Revenues - Increase associated with recently approved CPS rate increase and revenues above budget as a result of colder winter
- Expenditures – Decrease associated with savings in Public Works alley maintenance and pavement marking contracts, parks water budget, and salary savings



FY 2010 Recommended Mid-Year Budget Adjustment – Restricted Funds

(\$ in Millions)		FY 2010 Adopted Budget	Mid-Year Adjustment	FY 2010 Revised Budget
Fund				
Planning & Development Services Fund	Revenues	\$24.3	(\$2.1)	\$22.2
	Expenditures	\$23.2	(\$1.0)	\$22.2
Solid Waste Fund	Revenues	\$81.2	2.6	\$83.8
	Expenditures	\$84.2	(\$4.8)	\$79.4
Hotel Occupancy Tax Fund	Revenues	\$54.6	(\$3.0)	\$51.6
	Expenditures	\$57.3	(\$4.0)	\$53.3

85



FY 2010 Recommended Mid-Year Budget Adjustment – Restricted Funds

(\$ in Millions)		FY 2010 Adopted Budget	Mid-Year Adjustment	FY 2010 Revised Budget
Fund				
Employee Benefits Fund	Revenues	\$91.9	No Adjustment	\$91.9
	Expenditures	\$97.4	\$2.8	\$100.2
Equipment Replacement & Renewal	Revenues	\$26.4	No Adjustment	\$26.4
	Expenditures	\$23.1	\$.24	\$23.3

- Employee Benefits Fund – Increase associated with higher than anticipated cost of employee health care claims
- Equipment Replacement & Renewal Fund – Increase for the additional cost associated with purchase of 91 hybrid vehicles

86

FY 2010 BUDGET & FINANCE UPDATE
 FY 2011-2015 FIVE YEAR FINANCIAL FORECAST
 FY 2010 MID-YEAR BUDGET ADJUSTMENT

Performance Measures



Performance Measures

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

Dept	Performance Measure	Annual Goal	2 nd Qtr Goal	2 nd Qtr Result
Police	Respond to 65% of priority one calls within 5.00 minutes	65%	65%	67.2%
Fire	Average response time to emergency incidents from dispatch to arrival (in minutes)	5.92	5.92	5.79
Solid Waste	Percent increase in recycling tonnage	18%	22%	33%
Library	85% customer satisfaction rating with service delivery	85%	85%	96%



Performance Measures

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

Dept	Performance Measure	Annual Goal	2 nd Qtr Goal	2 nd Qtr Result
Public Works	Complete 100% of Scheduled Traffic Signal Conversions	100%	30%	65%
Animal Care	Achieve customer satisfaction of 85% for animal adoption program	85%	85%	85%
Planning & Dev	Perform 96% of inspections as scheduled	96%	96%	96%
Health	Achieve 80% children with up-to-date immunizations through Vaccine for Children (VFC) providers	80%	80%	87%

FY 2010 BUDGET & FINANCE UPDATE
FY 2011-2015 FIVE YEAR FINANCIAL FORECAST
FY 2010 MID-YEAR BUDGET ADJUSTMENT

Summary and Next Steps





Budget/Finance Condition Summary

- FY 2010 Adopted Budget is balanced
- FY 2010 Budget remains balanced today and will be balanced on September 30, 2010
- 2nd Quarter revenues down, however, overall favorable due to CPS revenues
- 2nd Quarter expenditures are below budgeted amounts
- For FY 2011 Budget, Forecast has challenges due to lower than initially projected revenues and newly identified spending
- For FY 2012 Forecast and beyond challenges are also presented

91



Next Steps

May 13	Mid-Year Budget Adjustment Ordinance City Council "A" Session
May 18	City Council Budget Goal Setting Session Location: International Center Time: 8:30AM to 1:00PM
August 12	Proposed FY 2011 Operating & Capital Budget Presentation

92

FY 2010 BUDGET & FINANCE UPDATE
FY 2011-2015 FIVE YEAR FINANCIAL FORECAST
FY 2010 MID-YEAR BUDGET ADJUSTMENT



Presented by Maria Villagomez,
Budget Director
City Council "B" Session
May 12, 2010