

FY 2021 to FY 2025 Five Year Financial Forecast & FY 2021 Trial Budget

City Council “A” Session
June 18, 2020

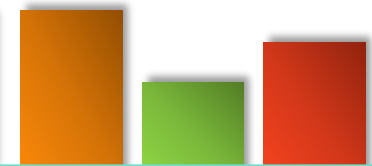
Presented by: Maria Villagómez, Deputy City Manager



Overview

- Five Year Forecast
- Trial Budget
- Next Steps

Total FY 2020 City Budget \$2.9 Billion



\$938 Million



Restricted Funds

Airport Fund, Development Services, Hotel Occupancy Tax, Solid Waste, Storm Water

\$715 Million



Capital Program

2017 bond projects
Airport projects

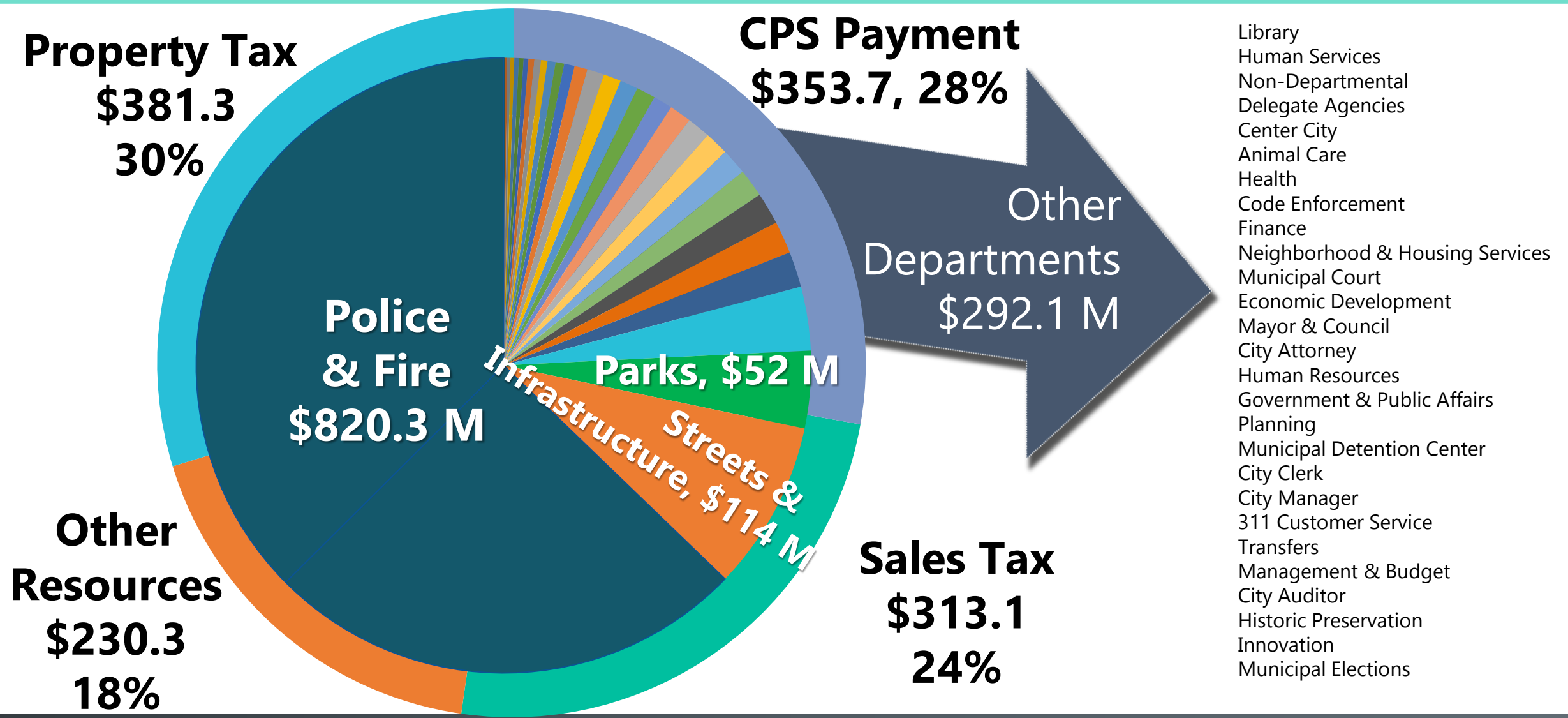
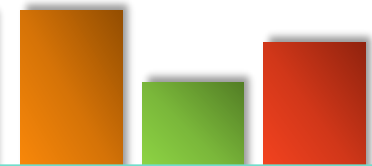
\$1.27 Billion



General Fund

Supports most basic City services: Police, Fire, Streets, Parks, Library

FY 2020 General Fund Budget: \$1.27 Billion



- Library
- Human Services
- Non-Departmental
- Delegate Agencies
- Center City
- Animal Care
- Health
- Code Enforcement
- Finance
- Neighborhood & Housing Services
- Municipal Court
- Economic Development
- Mayor & Council
- City Attorney
- Human Resources
- Government & Public Affairs
- Planning
- Municipal Detention Center
- City Clerk
- City Manager
- 311 Customer Service
- Transfers
- Management & Budget
- City Auditor
- Historic Preservation
- Innovation
- Municipal Elections

FIVE YEAR FINANCIAL FORECAST
AND TRIAL BUDGET
Fiscal Year 2021-2025



A CURRENT AND LONG-RANGE ASSESSMENT OF FINANCIAL CONDITIONS AND COSTS FOR CITY SERVICES

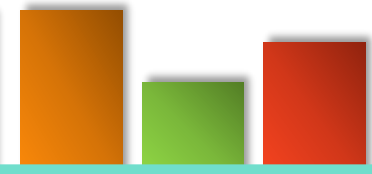
CITY OF SAN ANTONIO

CITY OF SAN ANTONIO

A CURRENT AND LONG-RANGE ASSESSMENT OF FINANCIAL CONDITIONS AND COSTS FOR CITY SERVICES

Five Year Financial Forecast FY 2021 - FY 2025

What is the Financial Forecast ?



Early financial outlook for the City as the budget development process begins for FY 2021

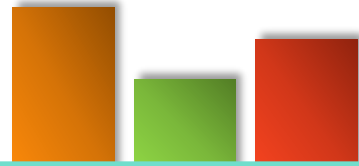


Initiates Council Policy discussions for budget



Financial Forecast is not a budget

General Fund Five Year Forecast



- Unprecedented economic uncertainty
- Financial challenges in each year of forecast
- Increases for contractual obligations and completion of bond projects
- Reductions required to achieve balanced budget
- Trial Budget Provides Financial Flexibility

FIVE YEAR FINANCIAL FORECAST
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Fiscal Year 2021-2025



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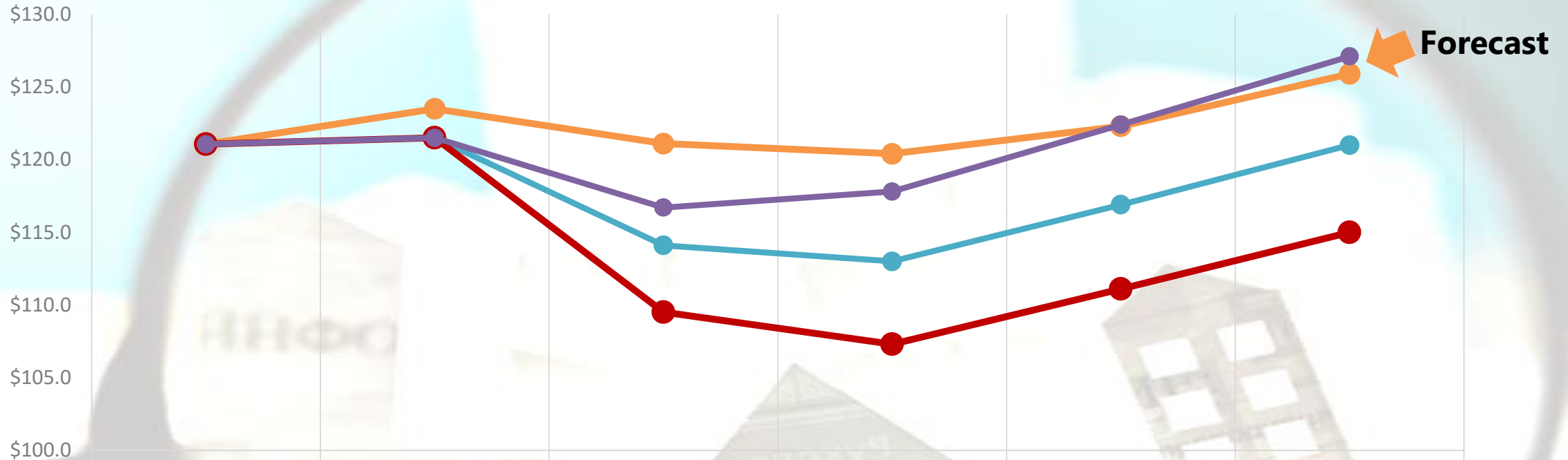
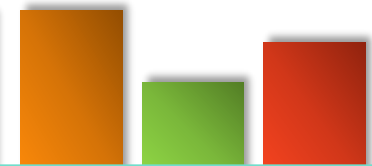
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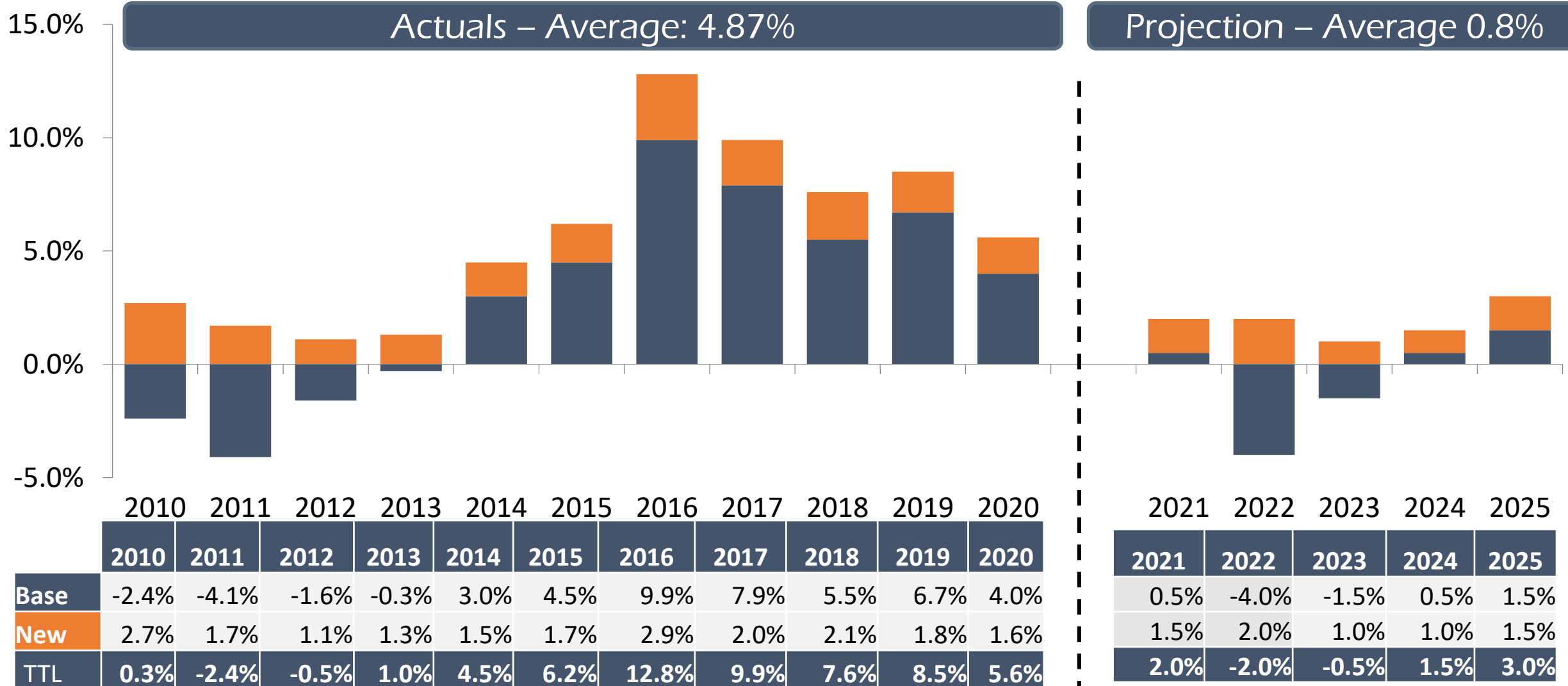
Revenue Assumptions

Property Tax Valuation (\$ in Billions)

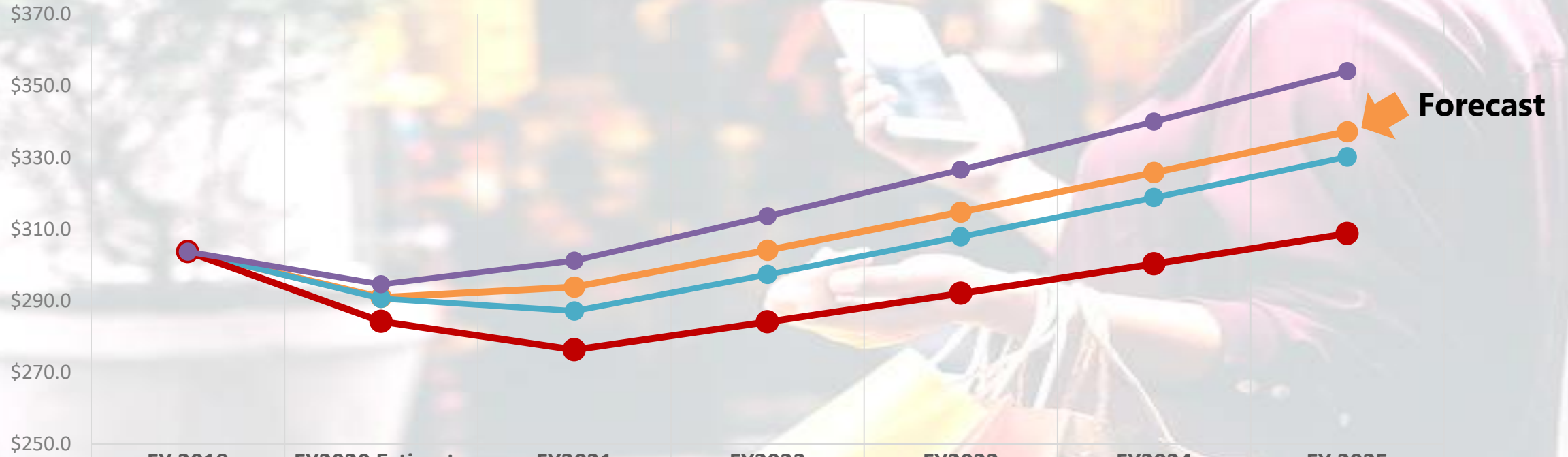
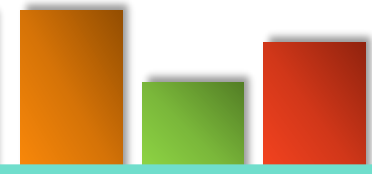


	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Forecast	\$121.1	\$123.5	\$121.1	\$120.4	\$122.3	\$125.9
Baseline	\$121.1	\$121.5	\$114.1	\$113.0	\$116.9	\$121.0
Pessimistic	\$121.1	\$121.5	\$109.5	\$107.3	\$111.1	\$115.0
Optimistic	\$121.1	\$121.5	\$116.7	\$117.8	\$122.4	\$127.1

Property Tax - Taxable Valuation % Change from Prior Year

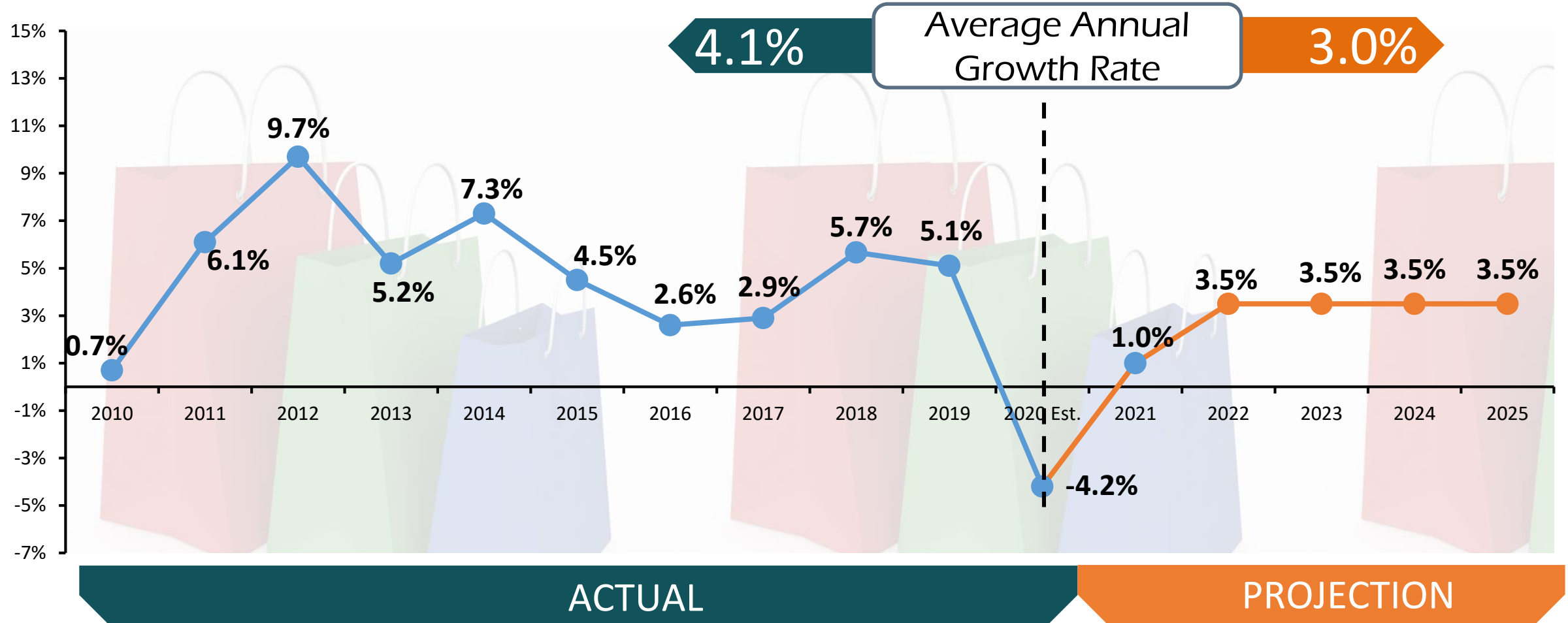


Sales Tax Projection (\$ in Millions)

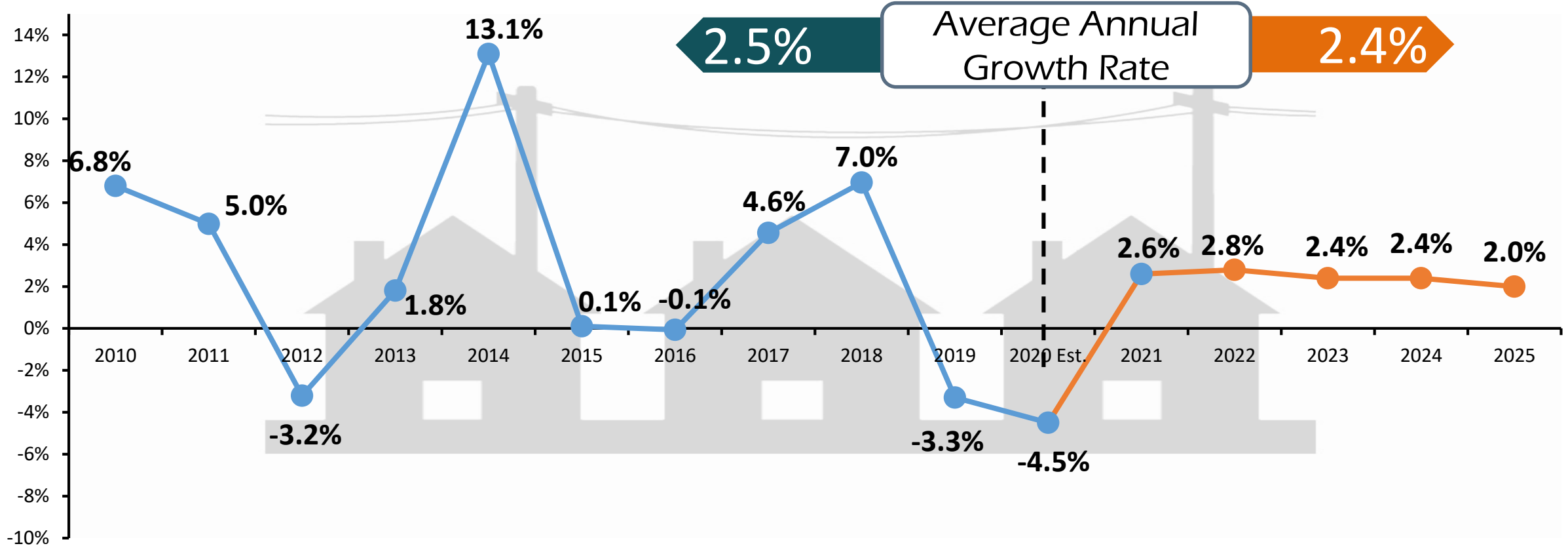


	FY 2019	FY2020 Estimate	FY2021	FY2022	FY2023	FY2024	FY 2025
Forecast	\$303.7	\$290.9	\$293.8	\$304.1	\$314.8	\$325.8	\$337.2
Baseline	\$303.7	\$290.6	\$287.1	\$297.3	\$307.9	\$318.8	\$330.1
Pessimistic	\$303.7	\$284.3	\$276.4	\$284.1	\$292.1	\$300.3	\$308.8
Optimistic	\$303.7	\$294.6	\$301.2	\$313.6	\$326.6	\$340.0	\$354.1

Sales Tax – % Change from Prior Year Actual Collections



CPS Payment to City – Change from Prior Year Actual Collections



ACTUAL

PROJECTION

FIVE YEAR FINANCIAL FORECAST
AND TRIAL BUDGET
Fiscal Year 2021-2025



A CURRENT AND LONG-RANGE ASSESSMENT OF FINANCIAL CONDITIONS AND COSTS FOR CITY SERVICES

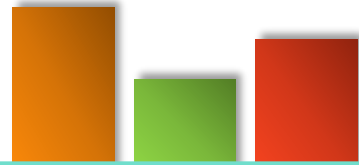
CITY OF SAN ANTONIO

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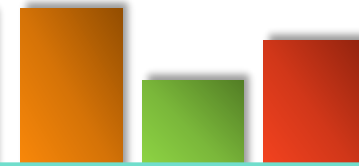
Expenditure Assumptions FY 2021 - FY 2025

Major Program Assumptions



- Maintains current level of service
- Includes fire and police collective bargaining agreement increases
- Adds Operating Cost for bond projects
 - D3 World Heritage Facility
 - D4 Community Center
 - D9 Walker Ranch Senior Center
 - D9 Steubing Ranch
- Reflects increases in medical inflation and modest inflationary increases for commodities

General Fund Five-Year Financial Forecast



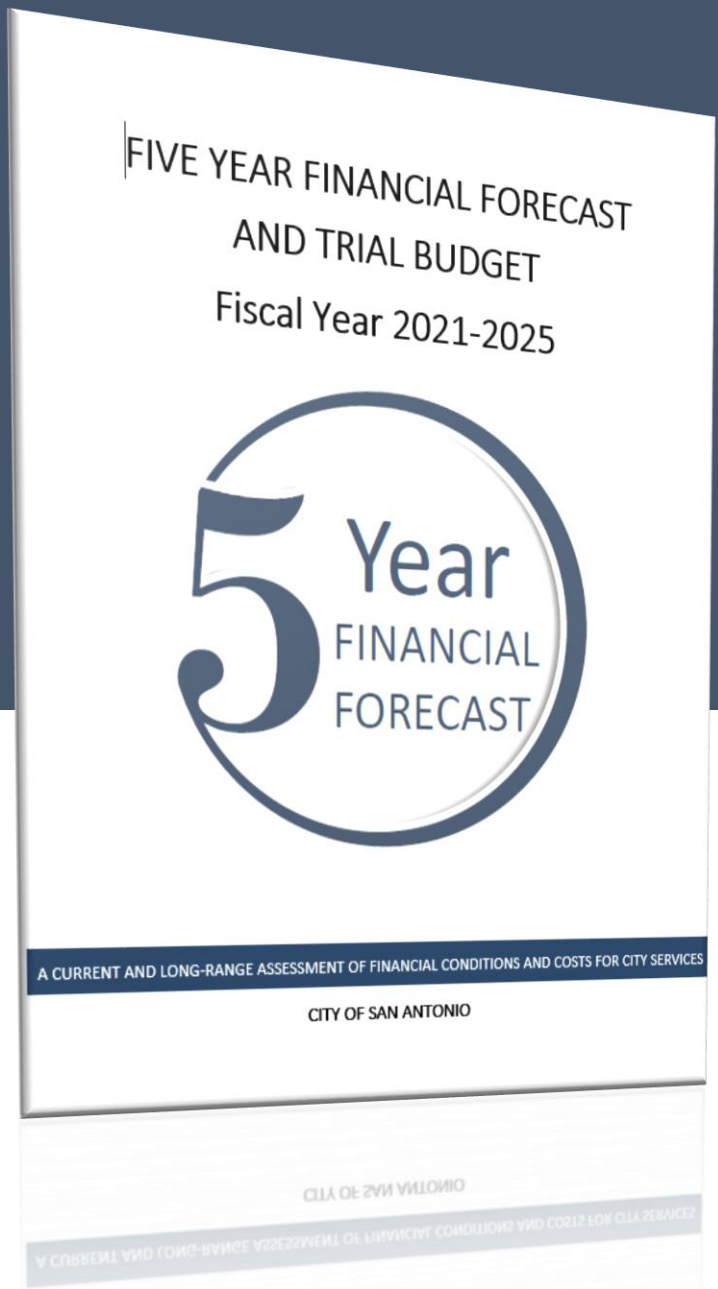
(\$ in Millions)	FY 2020 Budget	FY 2021 Projection	FY 2022 Projection	FY 2023 Projection	FY 2024 Projection	FY 2025 Projection
Projected Resources ^a	\$1,367	\$1,354	\$1,305	\$1,332	\$ 1,365	\$1,401
Projected Expenses	1,278	1,316	1,334	1,365	1,389	1,411
Two-Year Budget Reserve	89 ^b	58	60	64	68	71
Ending Balance/(Adjustment Needed)	\$0	\$(20)	\$(89)	\$(97)	\$(92)	\$(81)

a: Includes Use of Reserves from Prior Fiscal Year

b: Includes reserve for Year 2 cost of FY 2020 budget amendments & reserve for impact of Senate Bill 2

General Fund Trial Budget (FY 2021 & FY 2022)

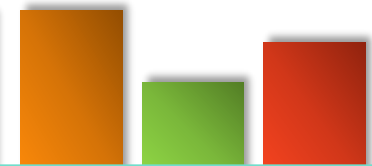
	FY 2021	FY 2022	Total
Projected Deficit	\$(20)	\$(89)	\$(109)
Trial Budget Reductions			
Police Overtime Reduction	\$3.4	\$4.4	\$7.8
Hiring Freeze & Temporaries	10.9	6.1	17.0
Economic Development Incentives	5.5	5.5	11.1
HemisFair Park Contribution	1.7	1.7	3.4
Consulting Fees for SA Tomorrow	1.4	1.4	2.8
Management Fellow Program	0.3	0.3	0.5
General Fund and Fuel Contingencies	1.5	1.5	3.0
One Time Personnel Expense Adjustments	12.8	0.0	12.8
Street Maintenance	27.8	22.5	50.3
Total	\$65.3	\$43.4	\$109



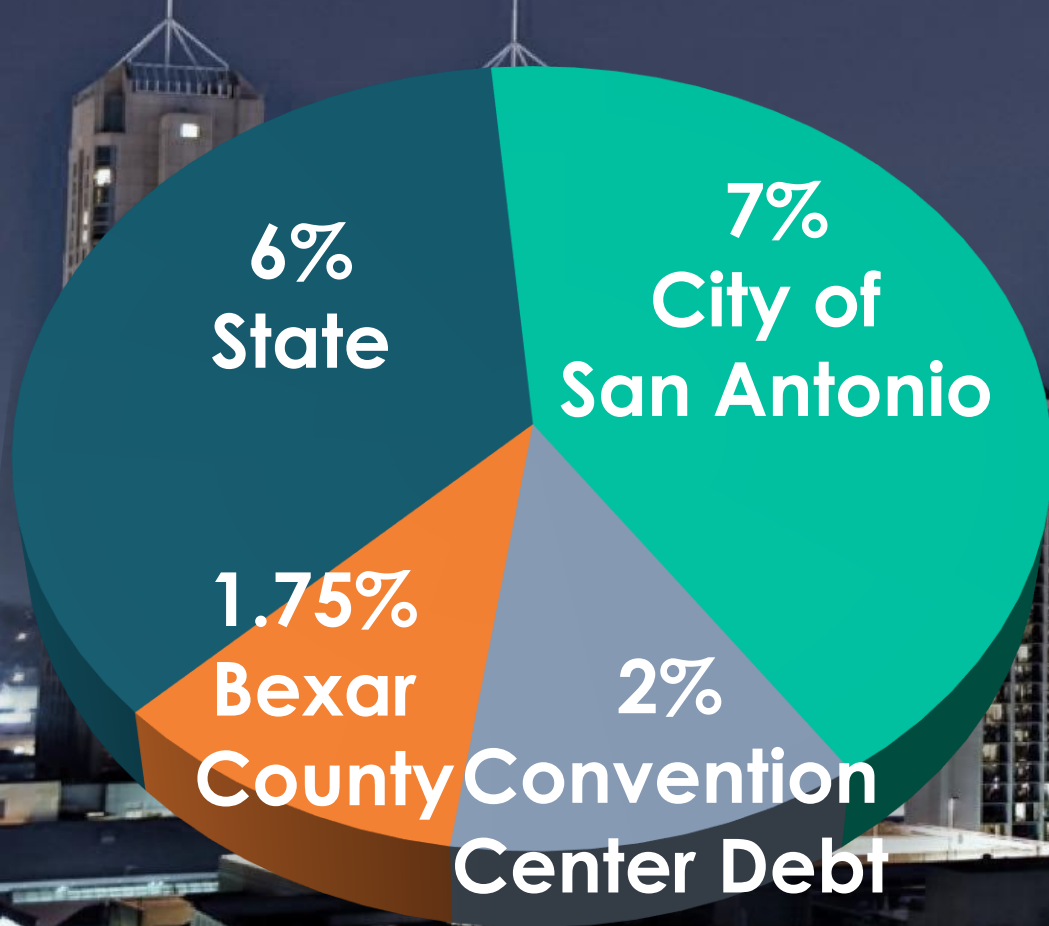
Five Year Financial Forecast FY 2021 - FY 2025

Hotel Occupancy Tax

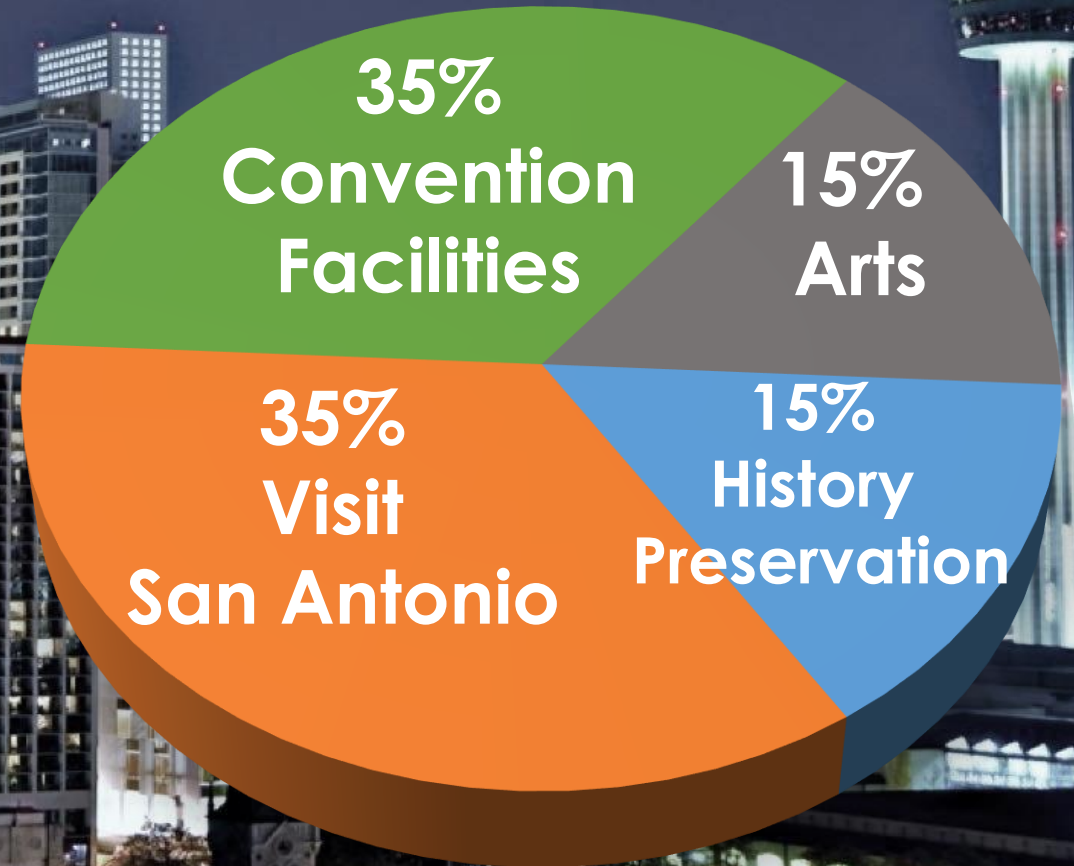
Hotel Occupancy Tax Rate



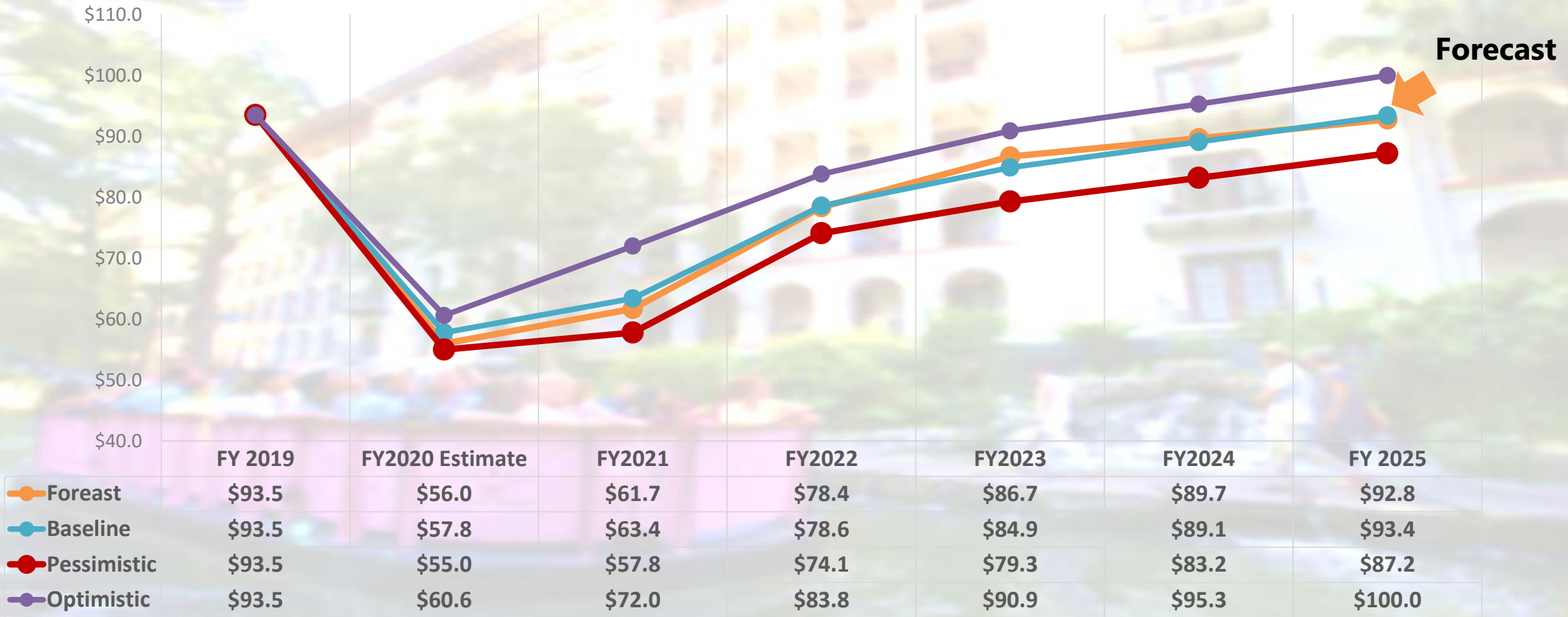
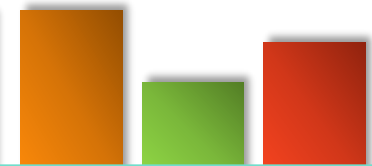
HOT Rate: 16.75%



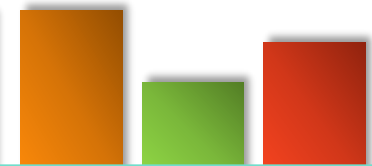
COSA HOT Tax Allocation



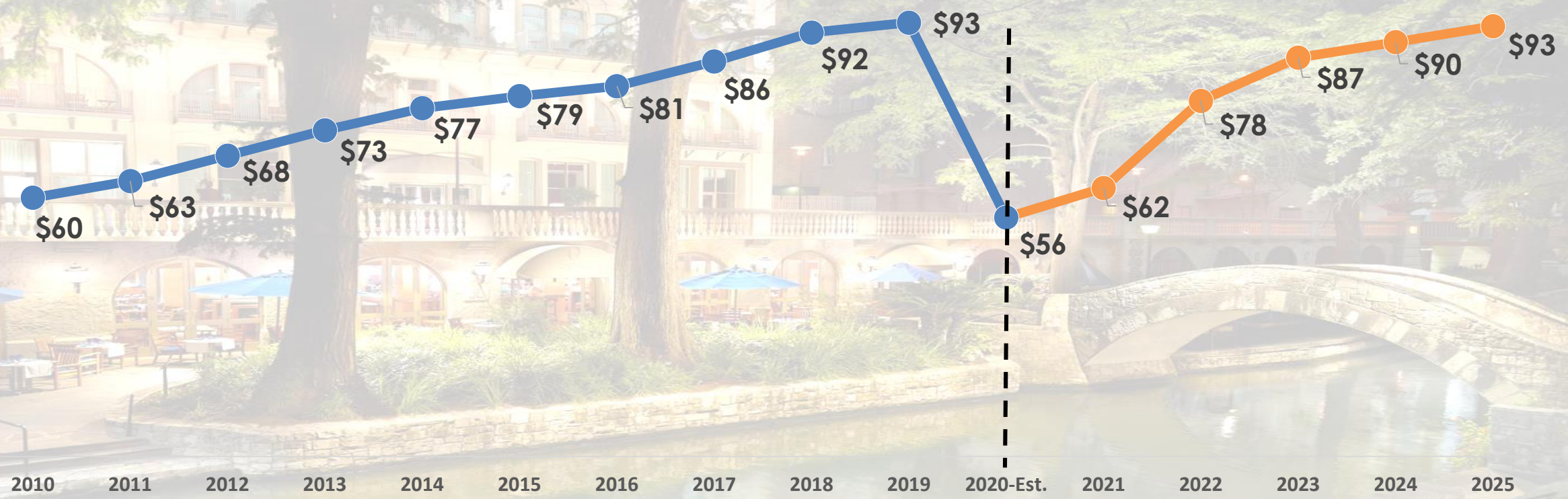
Hotel Tax Projection



Hotel Occupancy Tax – 9%



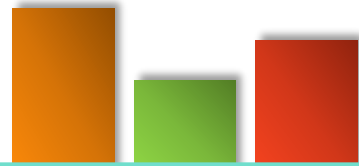
Annual Revenue (\$ in Millions)



ACTUAL

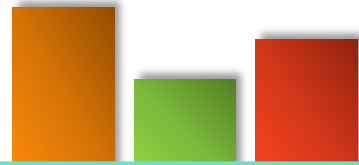
PROJECTION

Hotel Occupancy Tax Fund



(\$ in Millions)	FY 2020 Budget	FY 2021 Projection	FY 2022 Projection	FY 2023 Projection	FY 2024 Projection	FY 2025 Projection
Community & Visitor Facilities	\$54.4	\$42.4	\$46.9	\$50.2	\$52.4	\$53.2
Visit San Antonio	\$24.9	\$16.2	\$18.7	\$21.3	\$21.9	\$22.6
Arts & Culture	\$11.5	\$7.7	\$8.8	\$9.9	\$10.2	\$10.5
History and Preservation	\$10.7	\$6.9	\$8.0	\$9.1	\$9.4	\$9.7

Hotel Occupancy Tax Fund – Trial Budget



(\$ in Millions)	FY 2020 Budget	FY 2021 Projection	Reduction
Community & Visitor Facilities	\$54.4	\$42.4	(\$12.0) ^a
Visit San Antonio	\$24.9	\$16.2	(\$8.7)
Arts & Culture	\$11.5	\$7.7	(\$3.8)

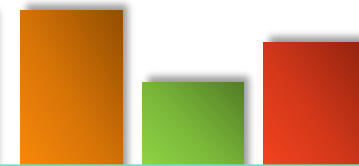
a: To offset the Community & Visitor Facilities Reduction in FY 2021; the General Fund would transfer \$6.9 Million in FY 2021 and adjustments to personnel and other expenses would be made in the amount \$5.1 Million



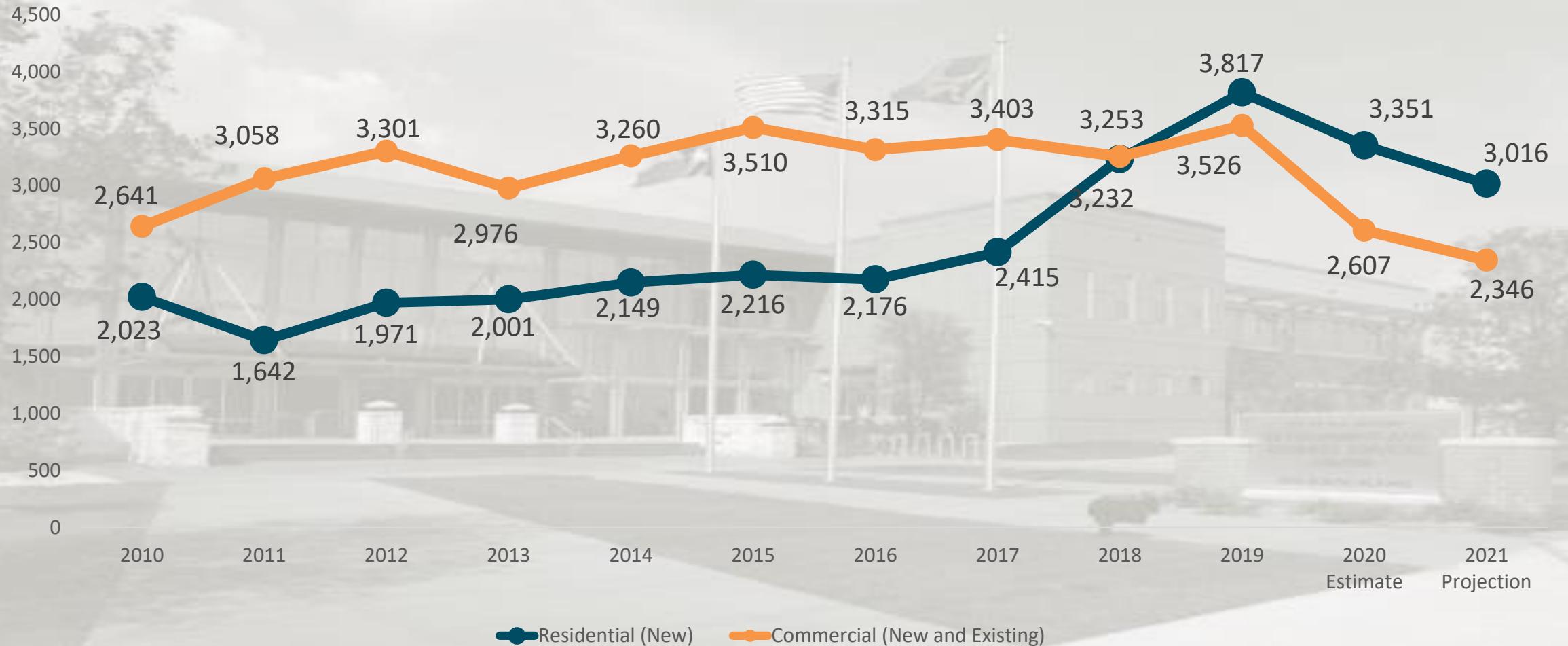
Five Year Financial Forecast FY 2021 - FY 2025

Development Services

Development Services Fund

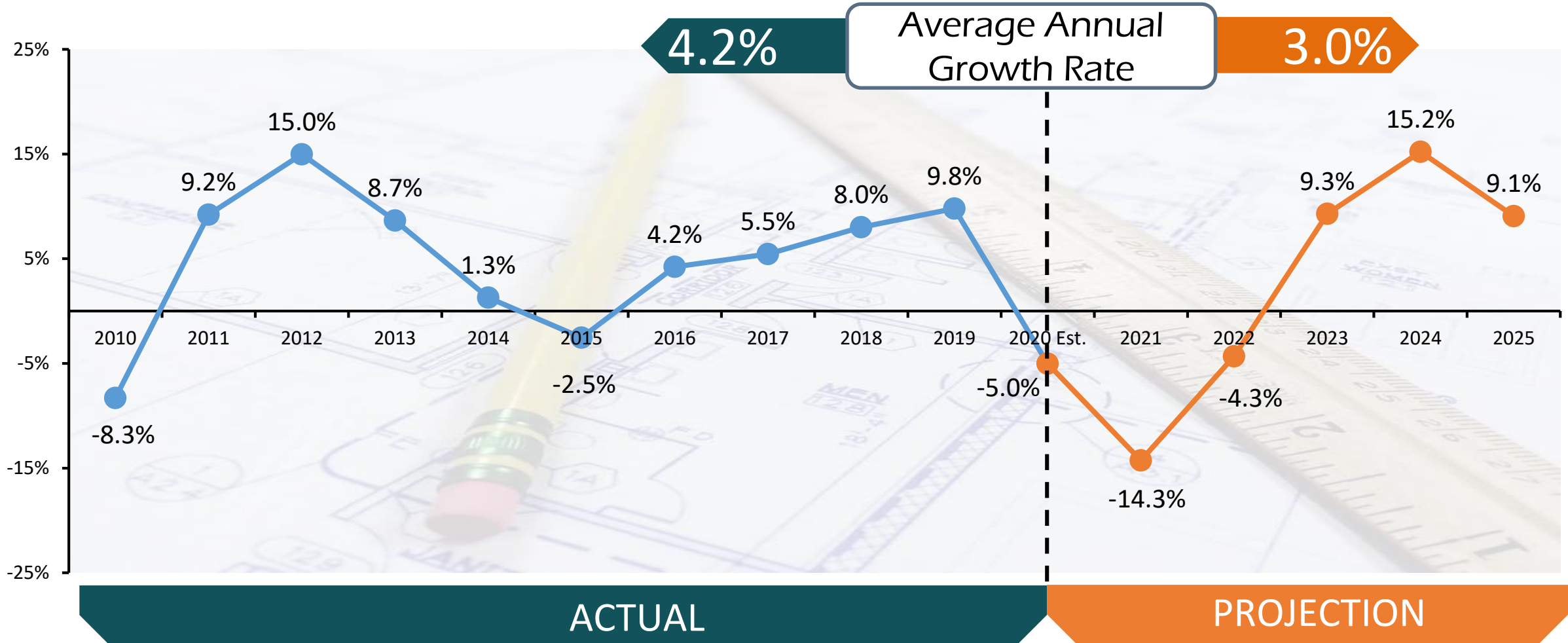
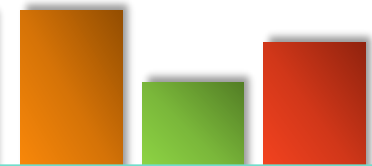


Residential & Commercial Building Permit Activity

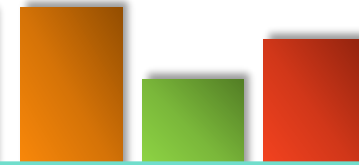


Development Services

% Change from Prior Year Actual Collections



Development Services

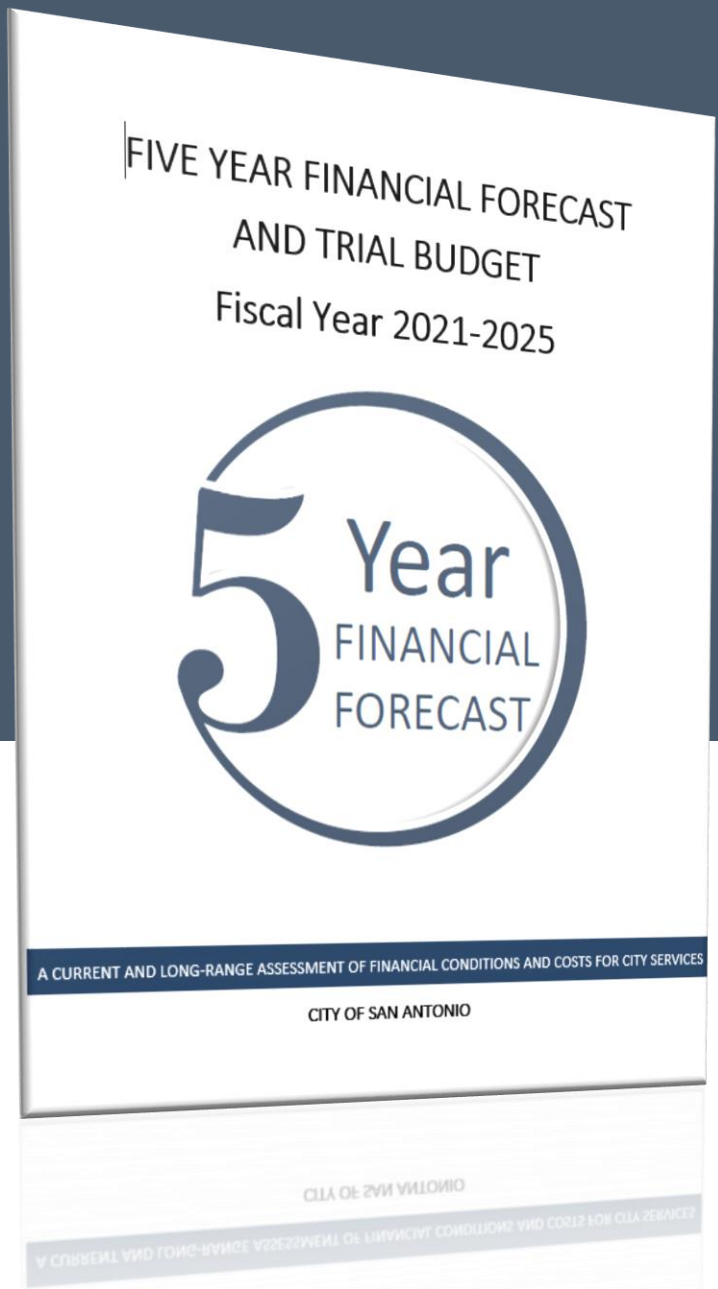


(\$ in Millions)	FY 2020 Budget	FY 2021 Projection	FY 2022 Projection	FY 2023 Projection	FY 2024 Projection	FY 2025 Projection
Projected Resources	\$45.8	\$39.8	\$32.8	\$33.0	\$38.0	\$41.5
Projected Expenses	37.6	37.2	38.2	41.2	41.4	42.9
Operating Contingency	8.2	2.8	2.8	3.0	3.0	3.2
Ending Balance/(Adjustment Needed)	\$0	\$(0.2)	\$(8.2)	\$(11.2)	\$(6.4)	\$(4.6)

Development Services Fund Trial Budget (FY 2021 & FY 2022)

	FY 2021	FY 2022	Total
Projected Deficit	\$(0.2)	\$(8.2)	\$(8.4)

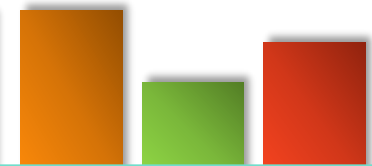
Trial Budget Reductions			
Personnel Expense Adjustments	\$1.8	\$0.6	\$2.4
Hiring Freeze	1.8	3.0	4.8
Various Line Item Reduction	0.3	0.3	0.6
Use of Operating Contingency	0.3	0.3	0.6
Total	\$4.3	\$4.3	\$8.4



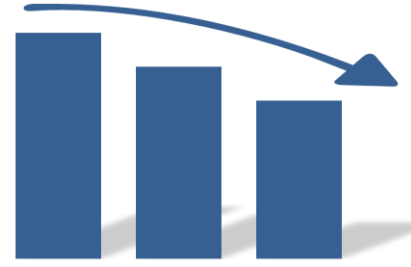
Five Year Financial Forecast FY 2021 - FY 2025

Airport

Airport Passengers

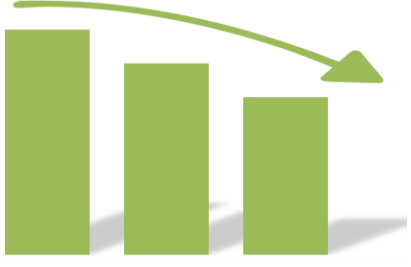


2020

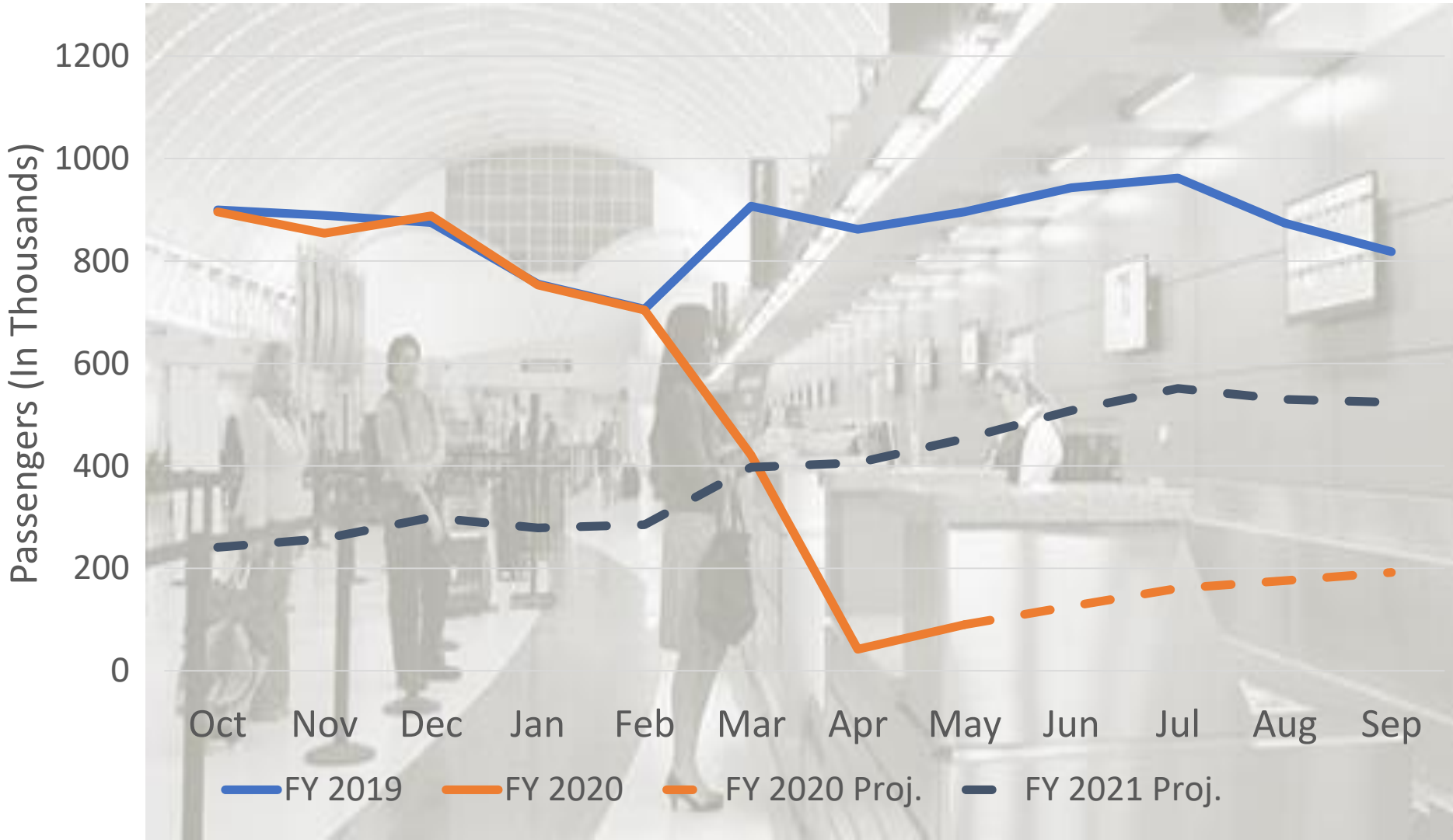


49% Decrease

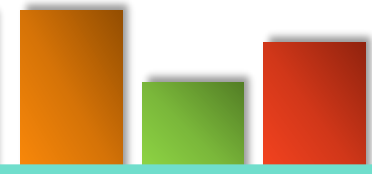
2021



10.8% Decrease



Airport Revenue Projection



\$160.0
\$140.0
\$120.0
\$100.0
\$80.0
\$60.0
\$40.0

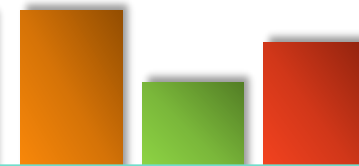
	FY 2019	FY2020 Estimate	FY2021	FY2022	FY2023	FY2024
Trial Budget*	\$148.3	\$98.1	\$101.2	114.7	120.1	122.6
Baseline	\$148.3	\$95.2	\$96.6	\$111.1	\$117.3	\$119.7
Pessimistic	\$148.3	\$83.7	\$74.5	\$99.2	\$112.5	\$117.3
Optimistic	\$148.3	\$102.6	\$108.2	\$119.7	\$125.1	\$127.6

Trial Budget



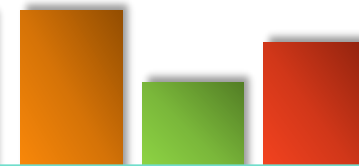
*Trial Budget does not include CARES Act Funding

Airport Funds Revenue Impact



Revenue Source (\$ in Millions)	FY 2020 Budget	FY 2021 Trial Budget	Variance
Airline Revenues	\$40.7	\$41.6	\$0.9
Non-Airline Revenues	64.4	36.0	(28.4)
Transfer from Other Funds	7.0	3.5	(3.5)
Passenger Facility Charge	21.5	9.4	(12.1)
Customer Facility Charge	14.9	10.7	(4.2)
CARES Act Funding	0	13.3	13.3
Total	\$148.5	\$114.5	(\$34.0)

Airport Fund Trial Budget



	FY 2020 Budget	FY 2021 Trial Budget	Variance
Reduction in Operating Expenses	\$16.0	\$12.7	(3.3)
Personnel Expense Adjustment	25.3	24.4	(0.9)
Reduce Transfers for Airport Capital Improvements	32.6	10.8	(21.8)
Reduced Debt Service Requirements due to Refinancing of Debt	41.5	33.5	(8.0)
		Total	(\$34.0)

Next Steps

- Community Input
June 18 – June 24
- Goal Setting Session
June 26
- Budget Proposal
August 6
- Budget Adoption
September 17

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June 18, 2020

Presented by: Maria Villagómez, Deputy City Manager

