

COVID-19

Financial Impact Restricted Funds



City Council "A" Session
April 9, 2020

Presented by: María Villagómez, Deputy City Manager

AGENDA

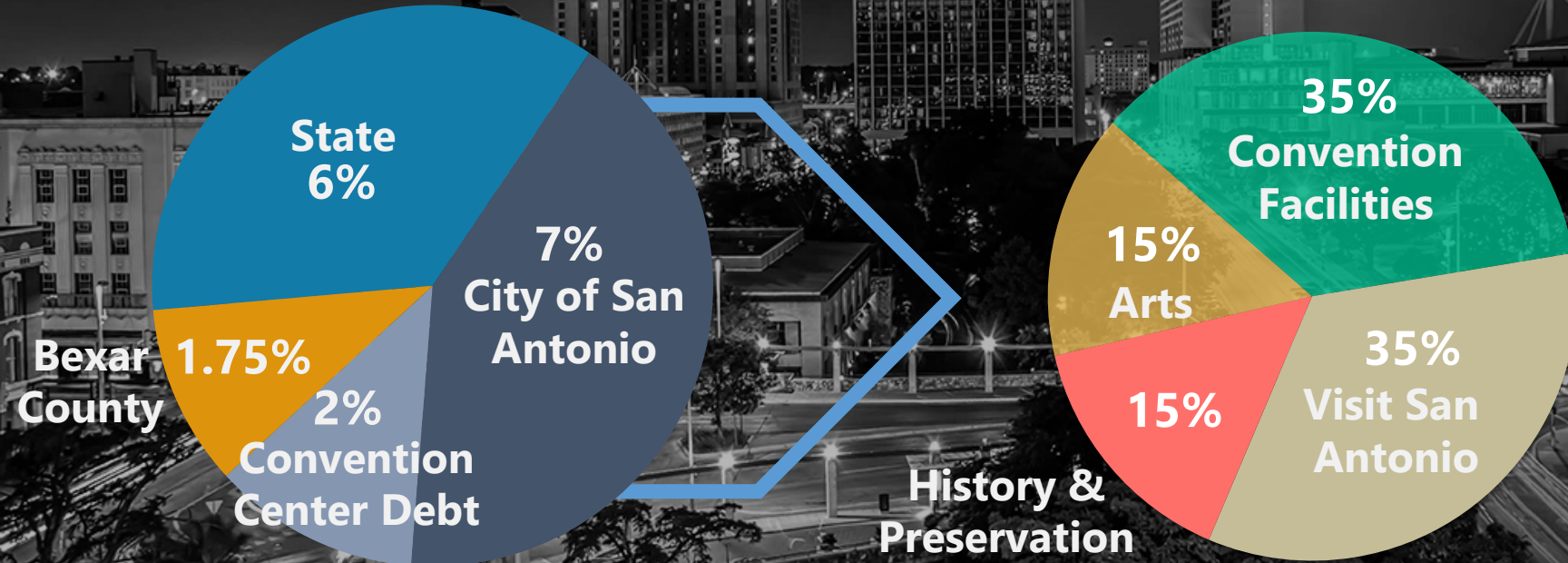
Financial Update Restricted Funds

- ✓ Hotel Occupancy Tax Fund
- ✓ Airport Operating Fund
- ✓ Advanced Transportation District Fund

HOTEL OCCUPANCY TAX RATE

HOT Rate: 16.75%

COSA HOT Tax Allocation



Departments supported by HOT Taxes



Convention Facilities
\$54.4 Million
FY 2020 Budget
358 Positions



Visit San Antonio
\$21 Million
FY 2020 Budget

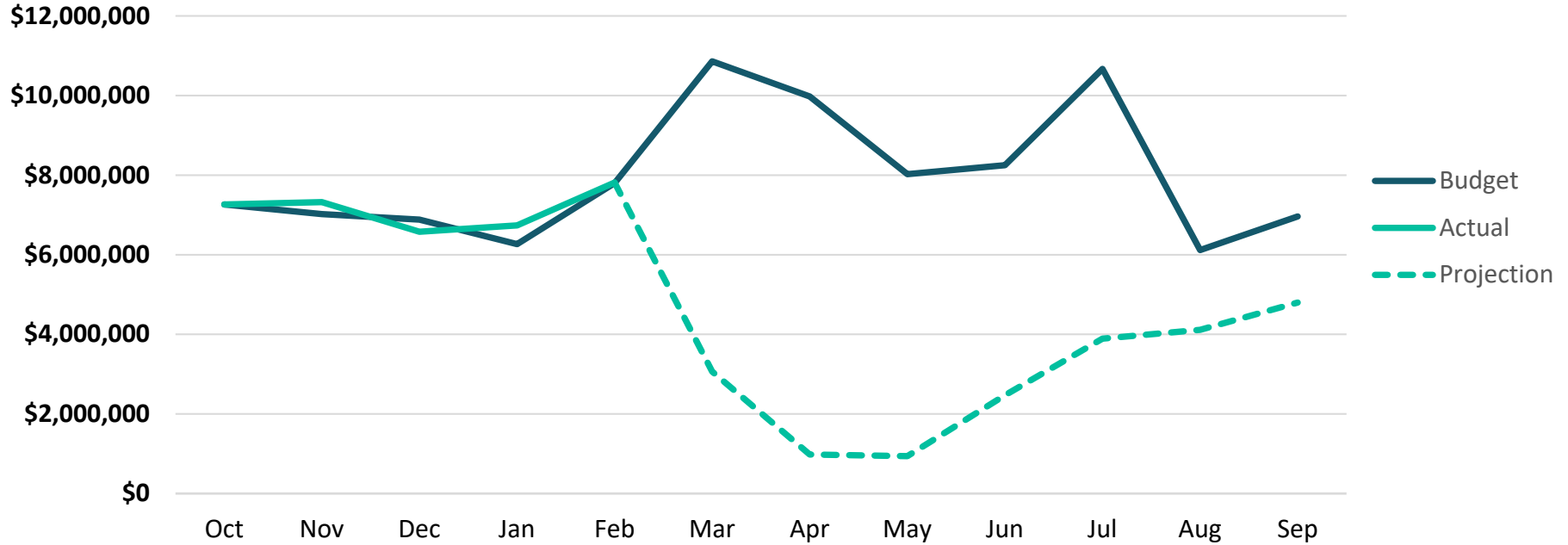


Arts & Culture
\$10.7 Million
FY 2020 Budget
20 Positions



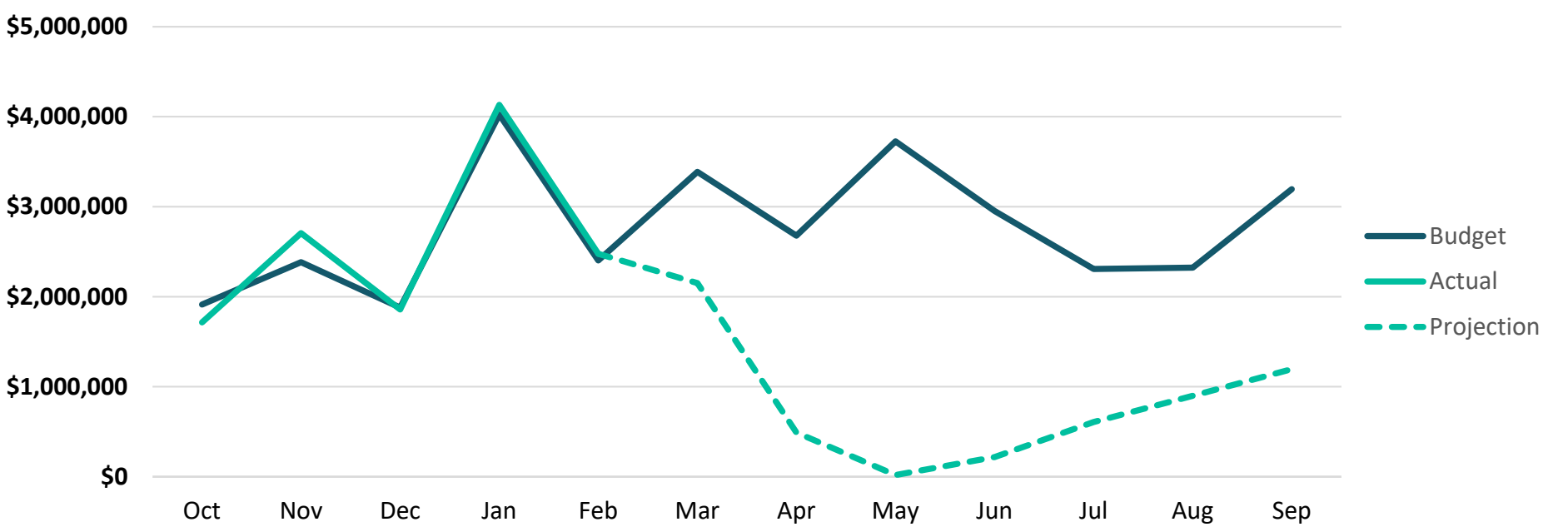
History & Preservation
\$10.7 Million
FY 2020 Budget

FY 2020 HOT Revenues



FY 2020	Budget	Projection	Variance
October to February	\$35.2 M	\$35.7 M	\$0.5 M
March to September	\$60.9 M	\$20.3 M	(\$40.6 M)
Total	\$96.1 M	\$56.0 M	(\$40.1 M)

Convention Center & Alamodome Revenues



FY 2020	Budget	Projection	Variance
October to February	\$12.6 M	\$12.9 M	\$0.3 M
March to September	\$20.6 M	\$5.6 M	(\$15.0 M)
Total	\$33.2 M	\$18.5 M	(\$14.7 M)

Total Revenue Impact

Revenue Source (\$ in Millions)	FY 2020 Budget	Projection	Variance
HOT Tax	\$96.1	\$56.0	(\$40.1)
Alamodome	\$12.6	\$6.7	(\$5.9)
Convention Center	\$20.4	\$11.7	(\$8.8)
Total	\$129.2	\$74.4	(\$54.8)

Actions Taken to address Loss in Revenue

- Catastrophic Loss of Revenue
- Actions taken increased cash reserves to address revenue loss
 - Suspended capital projects and transferred ongoing project to the property tax debt service
 - Temporarily transferred debt service payment for Alamodome improvements to the property tax debt fund
- Use of HOT Capital Redemption Fund and Operating Reserve
- Suspended operating expenses

Actions Taken to Offset Revenue Loss

Revenue Source (\$ in Millions)	FY 2020 Budget	Reduction	% of budget
Convention Facilities	\$54.4	(\$16.3)	-30%
Visit San Antonio	\$24.9	(\$4.6)	-18%
Arts & Culture	\$10.7	(\$2.6)	-24%
History & Preservation	\$10.7	(\$5.3)	-50%
International Affairs	\$0.8	(\$0.29)	-29%
Use of Contingency & Transfer of Capital Projects to Property Tax Debt Fund		(\$23.2)	
Use of Hosting Obligations Reserve and Film Incentives		(\$2.6)	
Total		\$54.8	

Hotel Occupancy Fund: Conclusion

- With actions taken, the Hotel Occupancy Tax Fund remains balanced with the use of \$22 Million of one-time resources
 - Significant challenges remain in the fund
- Great deal of uncertainty remains for FY 2021



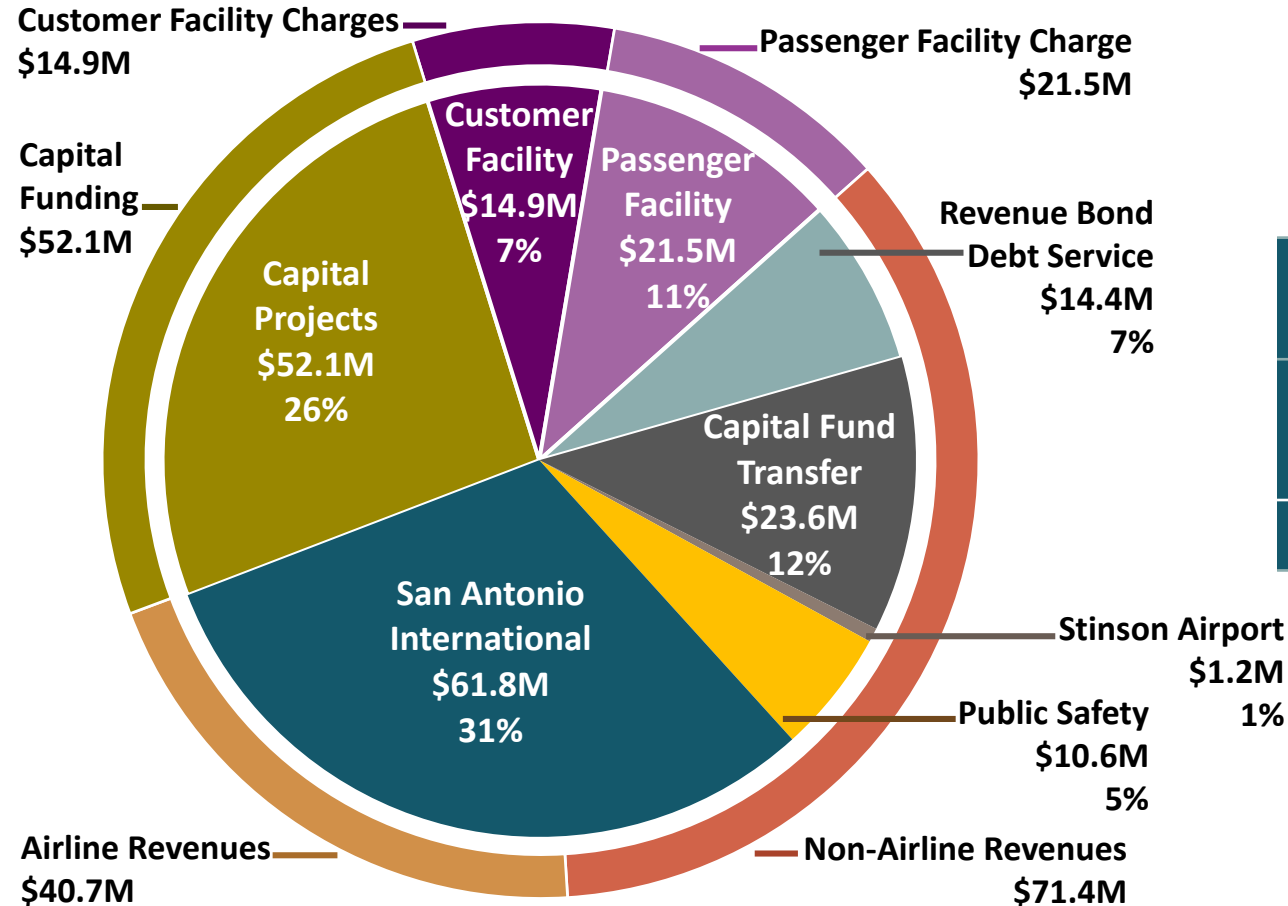
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Financial Impact
Restricted Funds

Airport Operating Fund



FY 2020 Airport Adopted Budget \$200.1 Million



Authorized Positions	
Operations	410
Public Safety	89
Total	499

Airport Funds Revenue Impact

Revenue Source (\$ in Millions)	FY 2020 Budget	Projection	Variance
Operating Revenues	\$ 112.1	\$ 85.2	(\$26.9)
Passenger Facility Charge	\$ 21.5	\$ 10.9	(\$10.6)
Customer Facility Charge Revenue	\$ 14.9	\$ 9.2	(\$5.7)
Total	\$148.5	\$105.3	(\$43.2)

Actions Taken to offset loss in revenue

Operating Budget - \$26.9

Programs (\$ in Millions)	Amount
Hiring Freeze and suspend Temporary Services	\$1.0
Slowed operating expenses including marketing, utilities, commodities, and non-essential building maintenance	\$5.2
Suspend Airline Incentive Funds	\$0.8
Reducing transfer to Capital Improvement Fund	\$19.9

Actions Taken to offset loss in revenue Passenger Facility Charge (PFC)

- PFC imposed on each passenger enplaned
- Used to pay for debt service related to capital improvements and pay-as-you go capital projects
- \$10.6 million revenue loss
 - \$1.9 million transferred from the pay-as-you go fund to make debt service payment
 - \$8.7 million reduction to future capital projects

Actions Taken to offset loss in revenue Customer Facility Charge (CFC)

- CFC imposed on customers renting cars at the San Antonio International Airport
- Used to pay for capital expenses and debt service associated with the Consolidated Rental Facility at the Airport
- \$5.7 million revenue loss
 - \$2.9 million transferred from fund balance to make debt service payment
 - \$2.8 million reduction to CFC Fund



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Advanced Transportation District

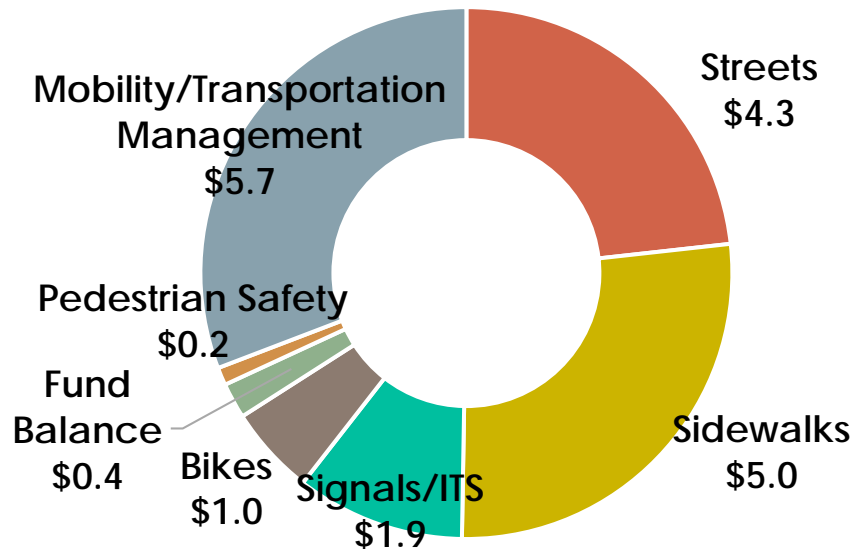


Advanced Transportation District (ATD)

Revenues Generated by ¼ cent Sales Tax

- Approved in 2004
- Funds restricted for Transportation and Mobility
- Dedicated one-quarter (1/4) is allocated to
 - VIA (50%)
 - City of San Antonio (25%)
 - TxDOT/Bexar County (25%)

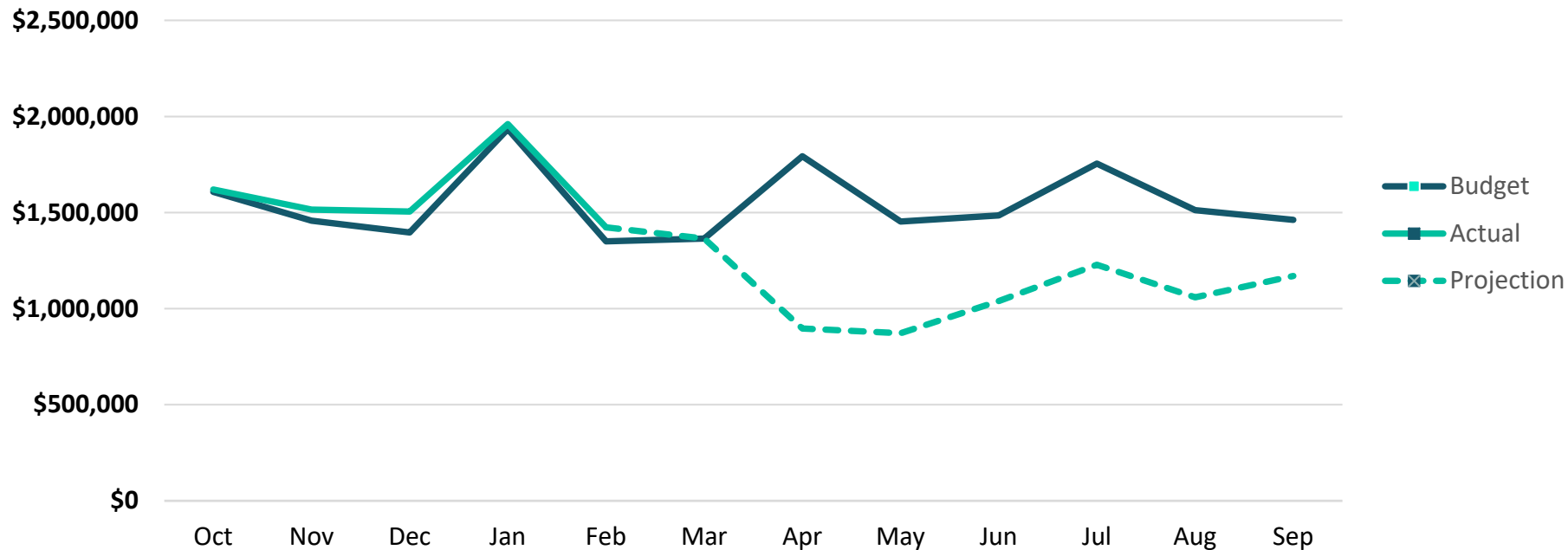
FY 2020 ATD Budget: \$18.5 Million



Budget Breakdown (\$ in Millions)	
Operating	\$6.3
Capital Projects	\$11.8
Positions	36

* ITS: Intelligent Transportation System

FY 2020 ATD Revenues



FY 2020	Budget	Projection	Variance
October to February	\$7.7M	\$8.0 M	\$0.3 M
March to September	\$10.8 M	\$7.6 M	(\$3.2 M)
Total	\$18.5 M	\$15.6 M	(\$2.9M)

Actions Taken to Offset Revenue Loss

- ✓ Defer Bike lane projects \$2.7 Million
- ✓ Operating Savings \$200,000



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