

# COVID-19

## Preliminary Financial Impact on City's FY 2020 General Fund Budget

City Council A-Session  
April 2, 2020



Presented by: María Villagómez, Deputy City Manager

# COVID 19 - ECONOMIC IMPACT

- Measures taken to slow down spread of virus have created Global Economic Disruption
- Uncertainty: It is hard to know today what the impact will be
- Definite Economic Slowdown
- Potential Global Recession

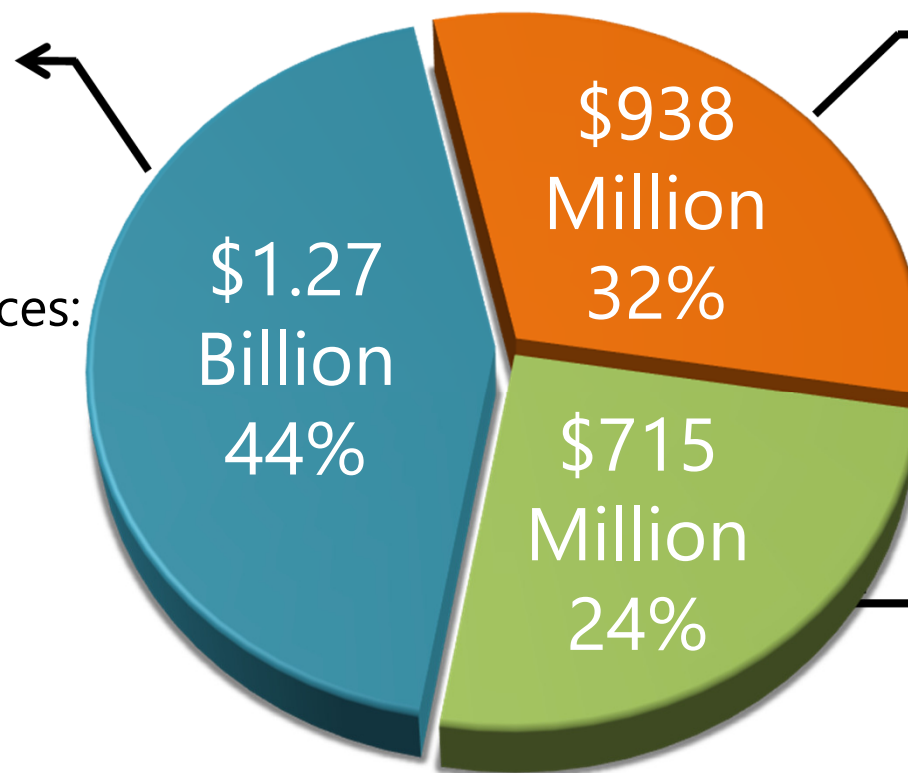
# COVID 19 - ECONOMIC IMPACT

- Several City Revenues impacted
  - Hotel Occupancy Tax
  - Airport Revenues
  - Sales Tax
  - CPS Revenues
  - Several General Fund Revenues
- Today: General Fund
- Next Week: Restricted Funds

# TOTAL CITY BUDGET \$2.9 BILLION

## General Fund

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



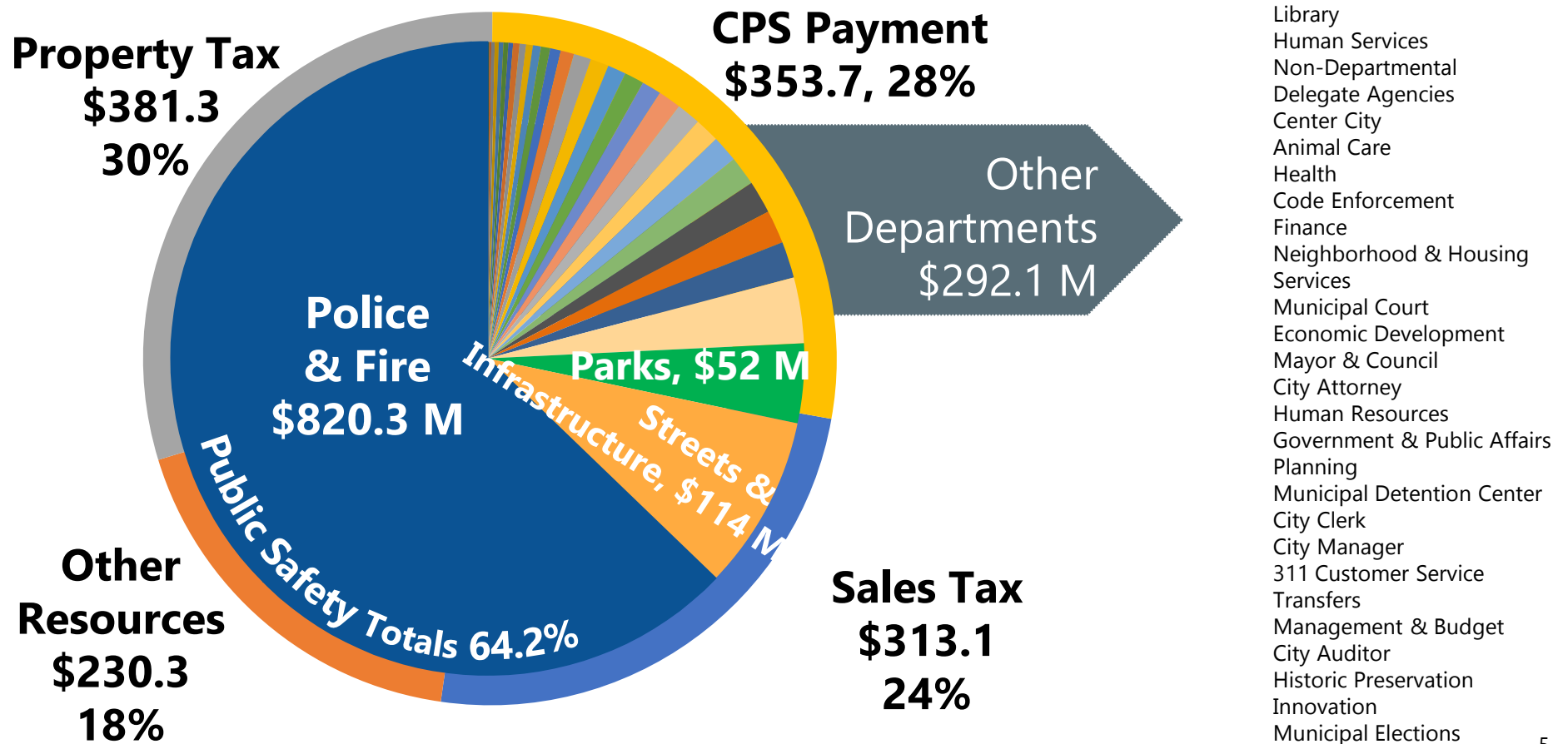
## Restricted Funds

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

## Capital Program

- 2017 bond projects
- Airport projects

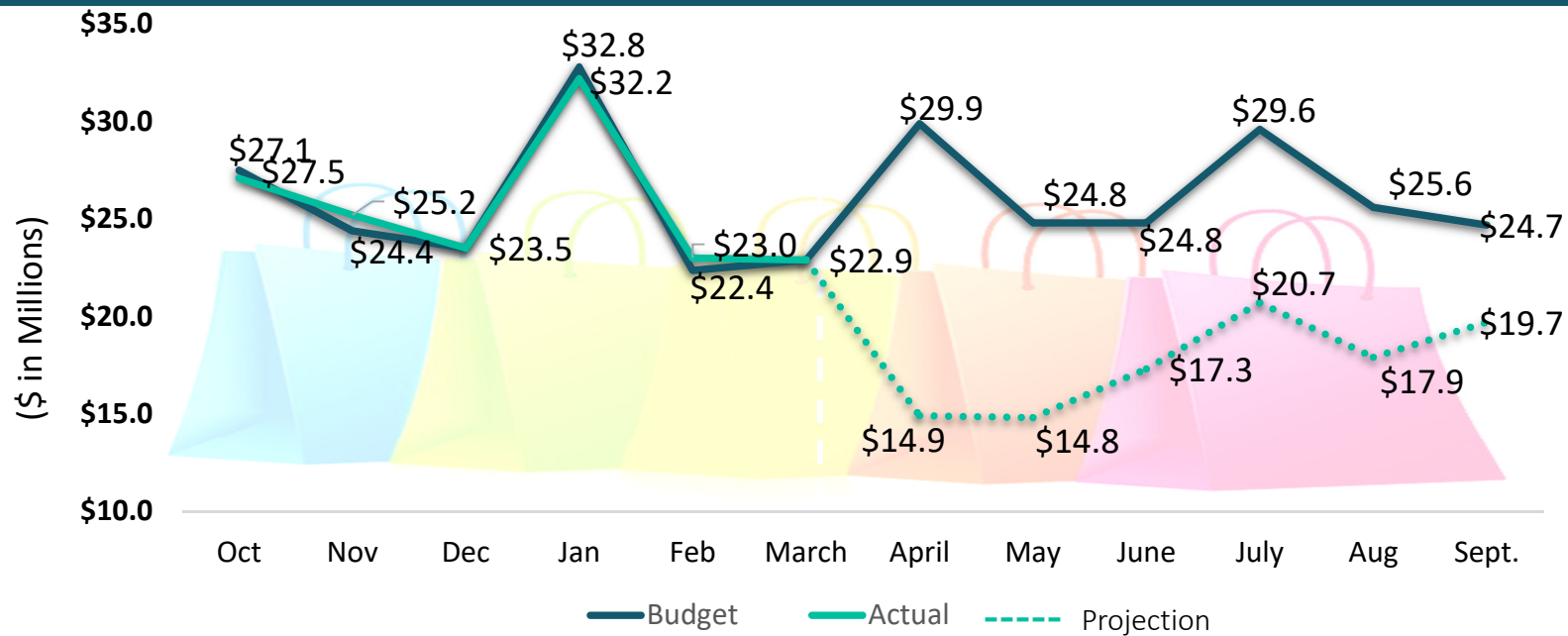
# FY 2020 GENERAL FUND BUDGET: \$1.27 BILLION



# General Fund Revenue Impact

Revenue Source (\$ in Millions)	FY 2020 Budget	Projection	Variance
Property Tax	\$381	\$381	\$0
Sales Tax	\$313	\$260 to 273	(\$40) to (\$53)
CPS Energy	\$354	\$346	(\$8)
Other	\$217	\$197 to \$203	(\$14) to (\$20)
<b>Total</b>	<b>\$1,265</b>	<b>\$1,184 to \$1,203</b>	<b>(\$62) to (\$81)</b>

# FY 2020 Sales Tax Revenue



FY 2020 (\$ in Millions)	Budget	Projection	Variance
October to February	\$130.7	\$131.4	\$0.7
March to September	\$182.4	\$128.5	(\$53.9)
<b>Total</b>	<b>\$313.1</b>	<b>\$259.9</b>	<b>(\$53.2)</b>

# FY 2020 CPS Energy Payment

- Working with CPS to project impact
- Today's numbers are preliminary and do not reflect the economic impact of COVID-19

FY 2020 (\$ in Millions)	Budget	Projection	Variance
October to February	\$138.9	\$133.7	(\$5.2)
March to September	\$214.4	\$211.0	(\$2.9)
<b>Total</b>	<b>\$353.7</b>	<b>\$345.2</b>	<b>(\$8.1)</b>



# FY 2020 Other General Fund Revenues

FY 2020 (\$ in Millions)	Budget	Projection	Variance
History and Preservation (HOT Tax)	\$10.7	\$5.3	(\$5.3)
Recreation and Culture including River barge revenue	\$17.6	\$12.4	(\$5.2)
Interest on time Deposits	\$7.2	\$5.0	(\$2.2)
EMS Transports, Towing, Alarm Fees	\$43.5	\$36.8	(\$6.7)
Other revenues	\$138.7	\$138.2	(\$0.5)
<b>Total</b>	<b>\$217</b>	<b>\$197</b>	<b>(\$20)</b>

# FY 2020 General Fund Programs Suspended - \$82 Million

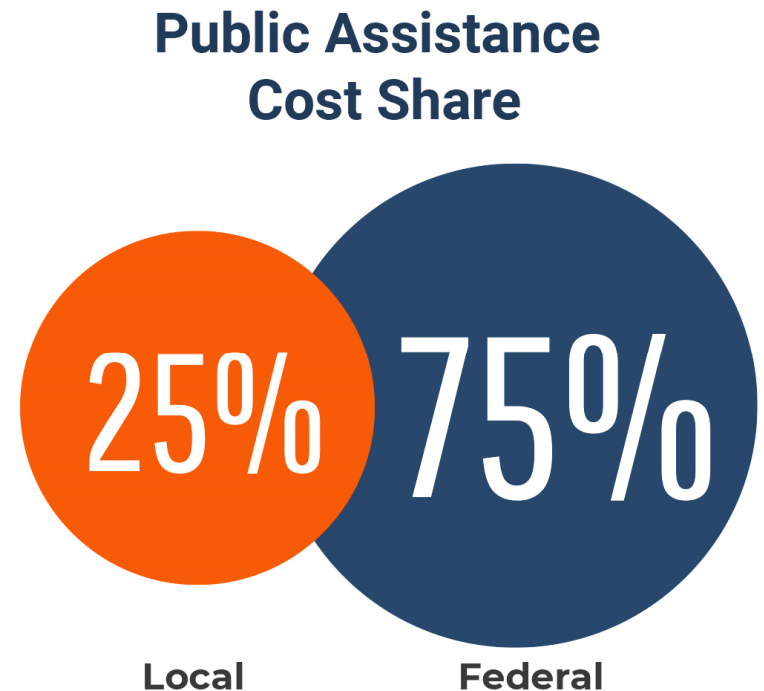
Programs (\$ in Millions)	Slow/ Suspend Amount
Street Maintenance Projects	\$ 50.0
Economic Development Incentives	12.4
Hiring Freeze and suspend some Agency Temporaries	4.4
SA Tomorrow Plans	2.0
Home Rehabilitation and Under One Roof	3.0
Ambassador and After School Programs	1.1
Parks Summer Programs and Downtown Events	3.3
Facility Capital Projects	0.7
Contribution to VIA	3.0

# FY 2020 General Fund Programs Suspended - \$82 Million

Programs (\$ in Millions)	Slow/ Suspend Amount
Implementation of Homeless Strategic Plan	\$ 0.5
Use of Capital Budget Contingency	1.9
Use of General Fund Budget Contingency	0.6

# Emergency Response

- Emergency Response is being paid from the City's General Fund Ending Balance
- Federal reimbursement for eligible expenses would be up to 75%



# Conclusion

- Tremendous amount of uncertainty
- Unprecedented Economic Disruption
- Not sufficient data for reliable projections
- With actions taken by City Manager, the General Fund remains balanced for FY2020 today

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