

FY 2024

Three plus Nine

Financial Report



Presented by: Justina Tate, Budget Director
City Council "B" Session
February 14, 2024

Presentation Overview



**1st Quarter Financial Status Report
and Year End Projections**



**FY 2025 Recommended Budget Calendar
and Next Steps**

1st Quarter Report

- Unaudited actuals from October to December 2023
- Compares 1st Quarter Results to FY 2024 Adopted Budget
- Highlights General Fund and Select Restricted Funds
- Report includes all funds and is available online



1st Quarter Financial Highlights

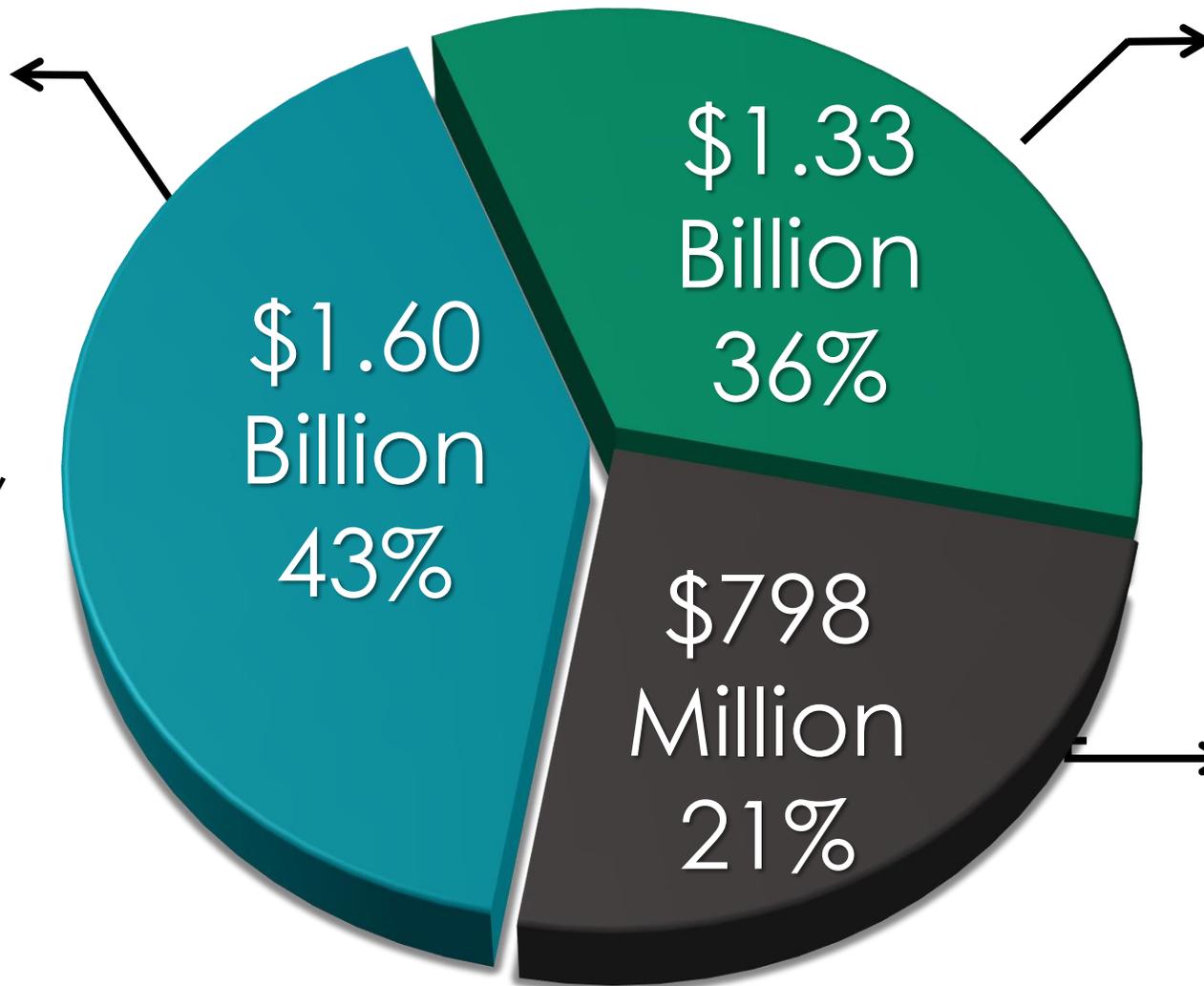
- General Fund results for first quarter are favorable
- Unemployment in December remains low and employment growth is still strong
- Sales Tax revenue is flat compared to FY 2023
- Interest earnings continue to outperform budget
 - Federal Reserve outlook expected to lower interest rates

FY 2024 Adopted Budget

Total City Budget \$3.7 Billion

General Fund

Supports most basic City services: Police, Fire, Public Works, Parks, Library



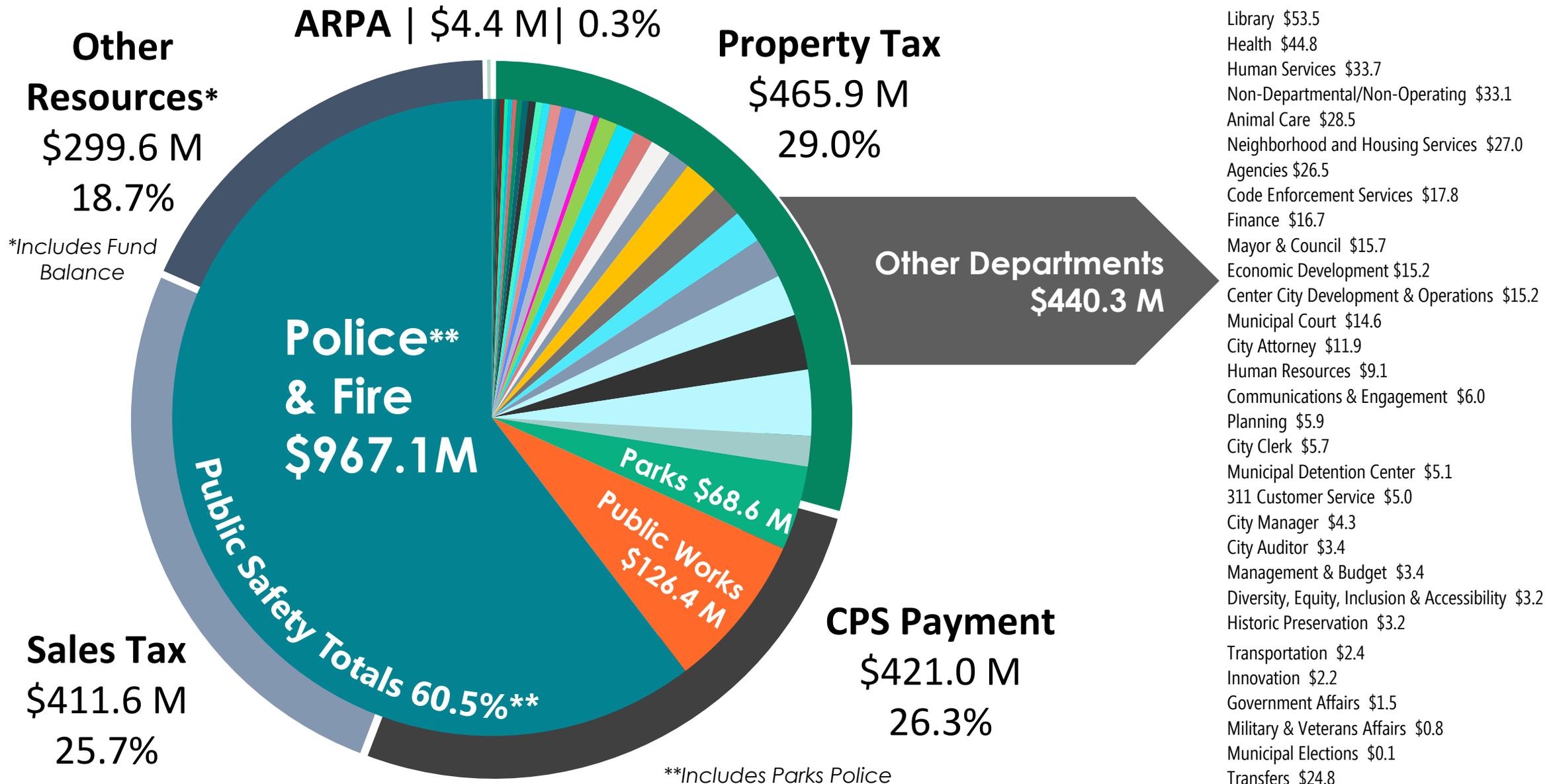
Restricted Funds

- Airport Fund
- Development Services
- Hotel Occupancy Tax
- Solid Waste
- Grants

Capital Program

- 2022 bond projects
- Airport projects

FY 2024 General Fund Total Budget \$1.6 Billion



General Fund – 1st Quarter (\$ in Millions)

1st Quarter Revenue*

Budget \$479.2

Actual \$485.6

Variance \$6.4

1st Quarter Expenses*

Budget \$353.3

Actual \$353.5

Variance (\$0.2)

*Reflects budget and actuals from October 2023 to December 2023

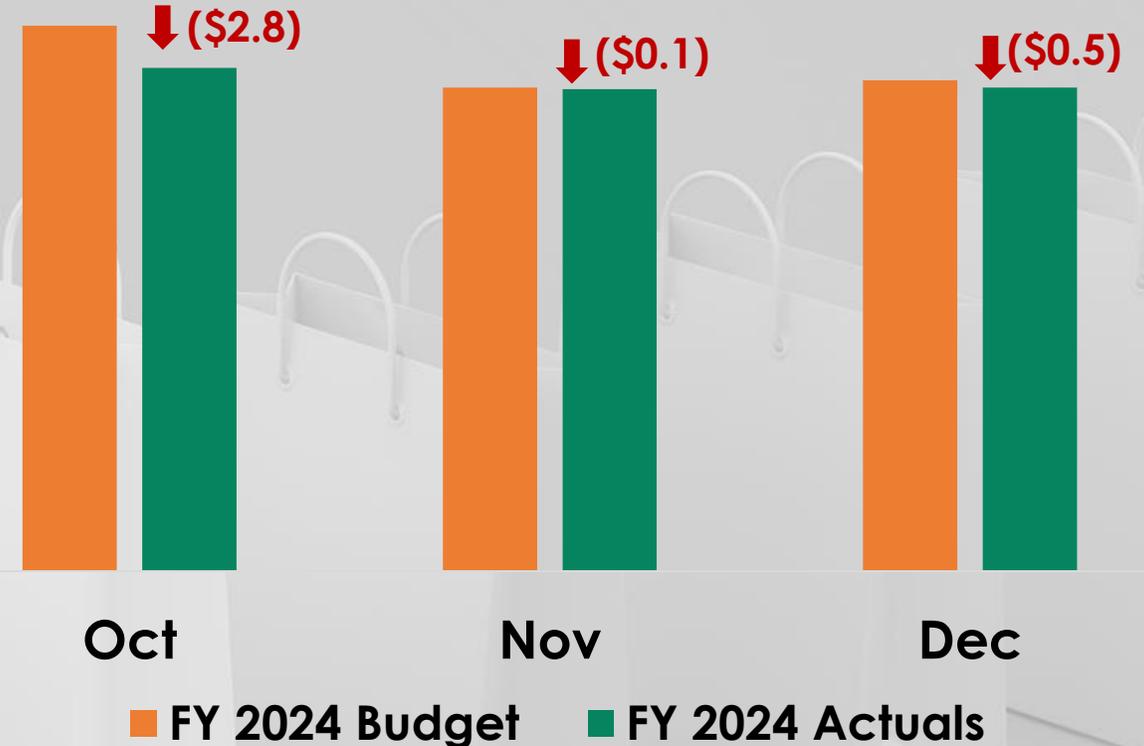
1st Quarter General Fund Revenues

Revenue (\$ in Millions)	FY 2024 1 st Quarter Budget	FY 2024 1 st Quarter Actuals	FY 2024 1 st Quarter Variance
Property Tax	\$232.8	\$232.8	\$0
City Sales Tax	100.6	97.2	(3.4)
CPS Energy	85.4	92.7	7.3
Other Revenues	60.4	62.9	2.5
Total	\$479.2	\$485.6	\$6.4

1st Quarter Sales Tax (in Millions)

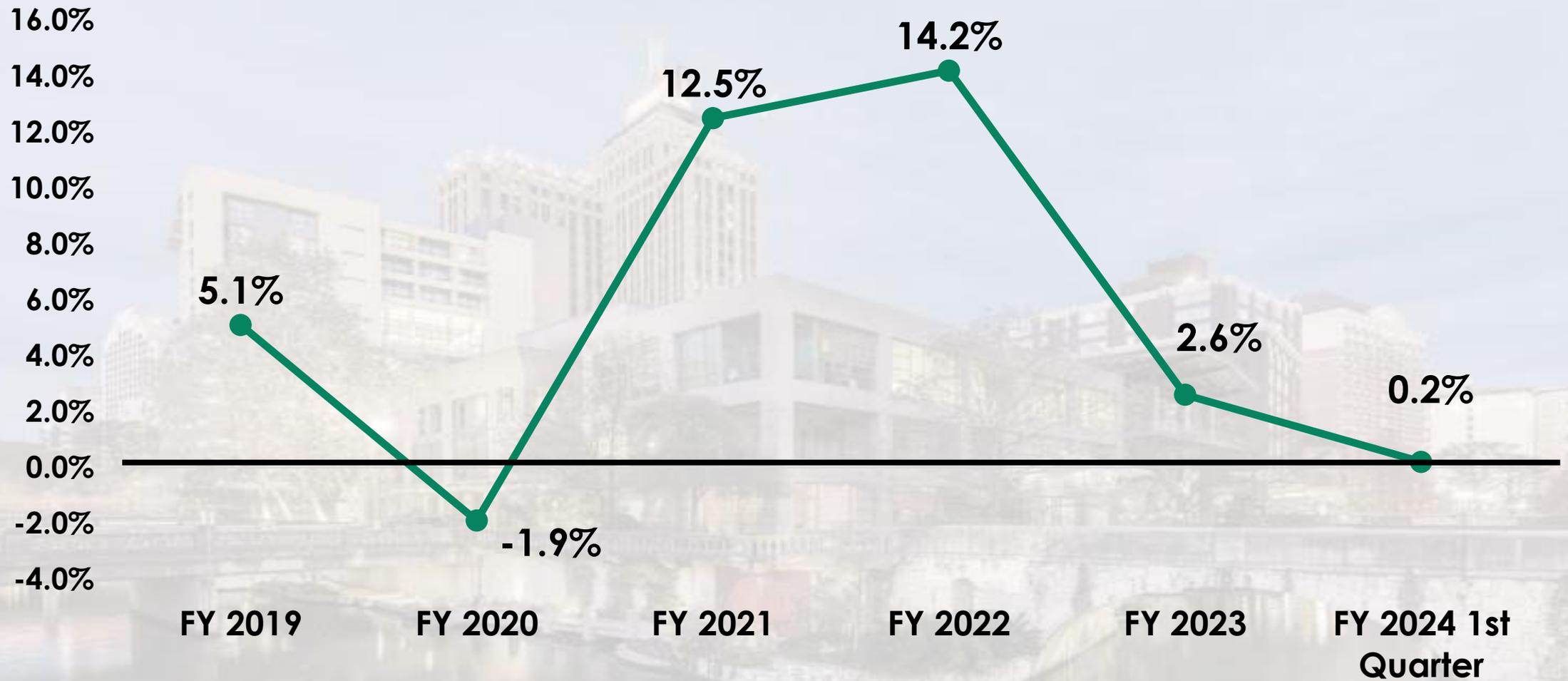
	Oct	Nov	Dec	Total
FY 2023 Actuals	\$34.4	\$31.0	\$31.6	\$97.0
FY 2024 Budget	\$36.1	\$32.0	\$32.5	\$100.6
FY 2024 Actuals	\$33.3	\$31.9	\$32.0	\$97.2
Variance to FY 2024 Budget	(\$2.8)	(\$0.1)	(\$0.5)	(\$3.4)

Variance to Budget



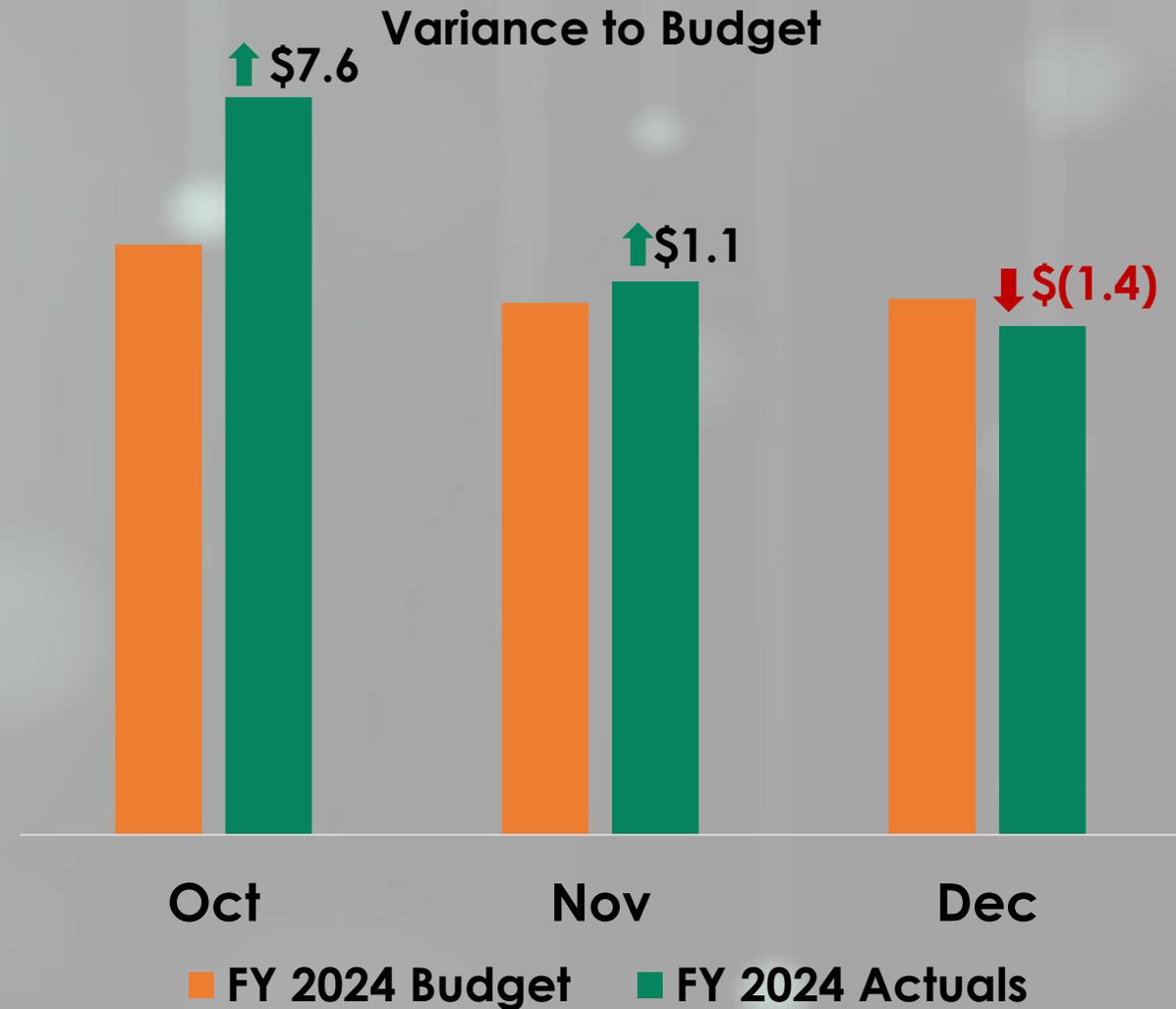
- FY 2024 actuals are 0.2% higher than last year and (3.4%) lower than budget

Sales Tax Revenue % Change from Prior Years



CPS Energy (in Millions)

	Oct	Nov	Dec	Total
FY 2023 Actuals	\$34.4	\$27.9	\$26.8	\$89.1
FY 2024 Budget	\$30.4	\$27.4	\$27.6	\$85.4
FY 2024 Actuals	\$38.0	\$28.5	\$26.2	\$92.7
Variance to FY 2024 Budget	\$7.6	\$1.1	(\$1.4)	\$7.3



FY 2024 General Fund Revenues

Revenue (\$ in Millions)	FY 2024 Adopted Budget	FY 2024 3+9 Projection	FY 2024 3+9 Projection Variance
Property Tax	\$465.9	\$465.9	\$0
City Sales Tax	411.6	411.6	0
CPS Energy*	421.0	436.3	15.3
Other Revenues	246.4	255.0	8.6
Total	\$1,544.9	\$1,568.8	\$23.9

* Includes CPS Energy Rate increase of \$8 million effective February 2024.

General Fund FY 2024 3+9 Projections

(\$ in Millions)

FY 2024 Revenue

Budget* \$1,544.9

3+9 Projections \$1,568.8

Variance \$23.9

FY 2024 Expenses

Budget \$1,602.5

3+9 Projections \$1,603.2

Variance (\$0.7)

*Does not include Beginning Balance

General Fund Conclusion

- Preliminary financial update
- Economy still growing but at slower pace
- Closely monitoring sales tax revenue
- Continue analyzing resources above Adopted Budget to reserve for Fire Collective Bargaining Agreement



Restricted Funds

Hotel Occupancy Tax Fund (\$ in millions)

Revenue	FY 2024 1st Quarter Budget	1st Quarter Variance	FY 2024 3+9 Projection Variance
HOT Tax	\$23.8	(\$1.2)	\$0.0
Convention Center	\$4.2	\$0.1	\$1.5
Alamodome	\$2.4	\$1.0	\$0.3

Expenses	FY 2024 1st Quarter Budget	1st Quarter Variance	FY 2024 3+9 Projection Variance
Community & Visitor Facilities	\$13.4	\$0.3	\$0.0
Visit San Antonio	\$6.9	\$0.0	\$0.0
Arts & Culture	\$3.0	\$0.0	\$0.1
History and Preservation	\$3.0	\$0.0	\$0.0

- **Fund is \$200,000 ahead of 1st Quarter Plan**
- **Fund is projected \$1.9 Million ahead of FY 2024 Budget**

Airport Passengers (In Millions)

1st Quarter Totals



Fiscal Year Totals



Note: Passenger count for 2023 calendar year was 10.7 million passengers

Airport Fund (\$ in Millions)

1st Quarter Results

Revenues

Budget	Actuals	Variance
\$35.8	\$38.0	\$2.2

Expenses

Budget	Actuals	Variance
\$26.3	\$26.9	(\$0.6)

\$1.6 Million Ahead of Budget

FY 2024 3+9 Projections

Revenues

Budget	Projection	Variance
\$135.1	\$143.5	\$8.4

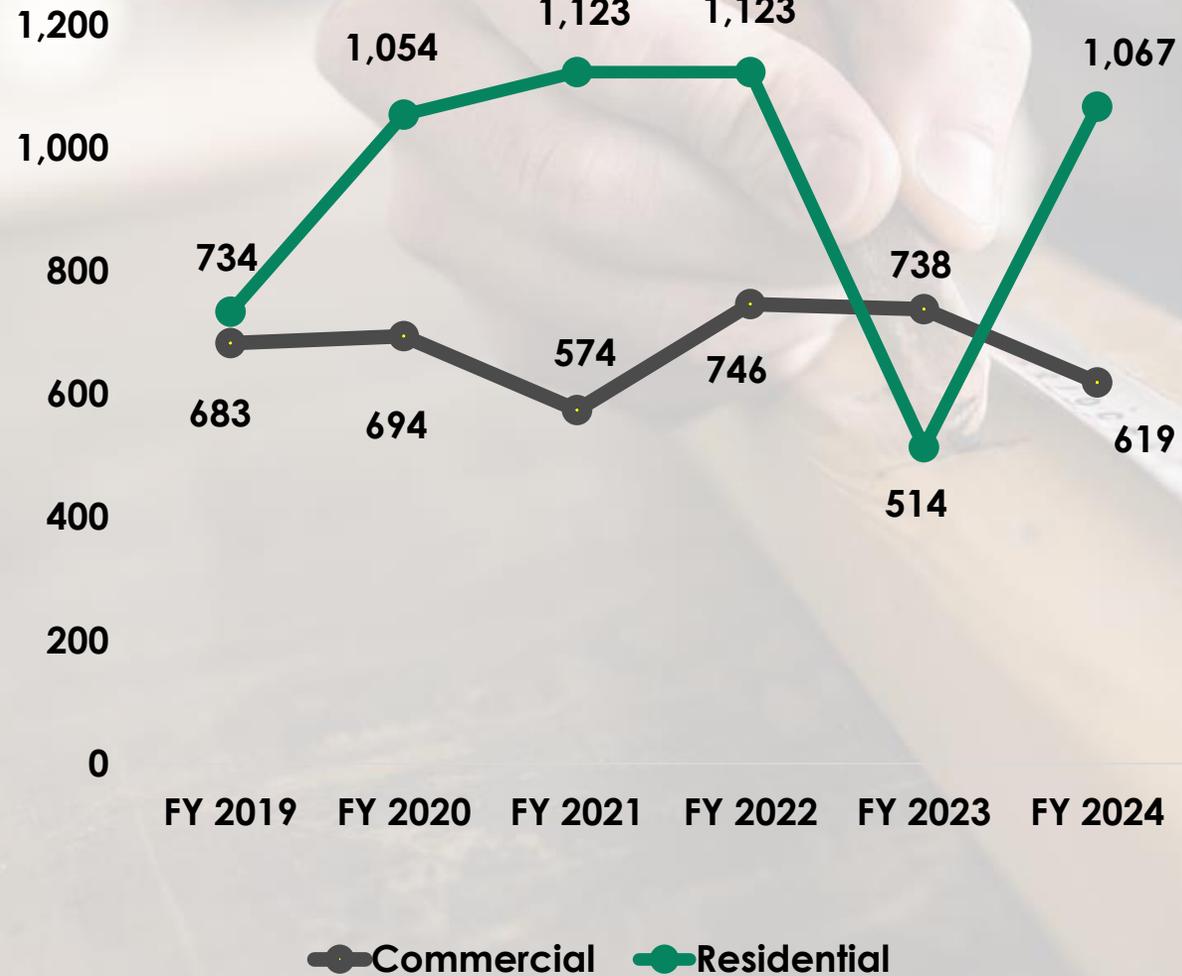
Expenses

Budget	Projection	Variance
\$121.4	\$123.2	\$(1.8)

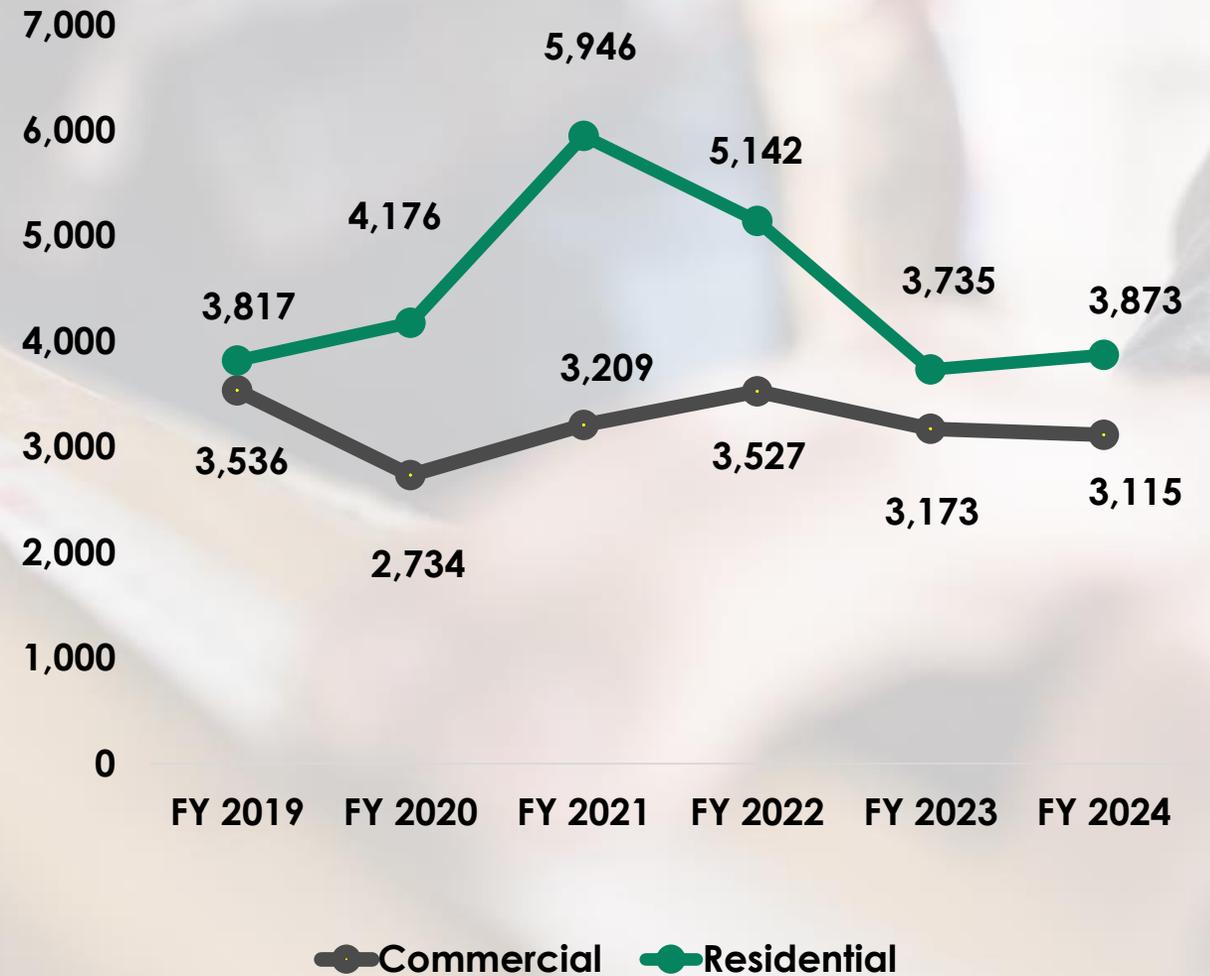
\$6.6 Million Ahead of Budget

Development Services Fund – Building Permits

1st Quarter



Fiscal Year



Development Services Fund

1st Quarter Results

Revenues

Budget	Actuals	Variance
\$10.9	\$10.5	\$(0.4)

Expenses

Budget	Actuals	Variance
\$12.9	\$12.9	\$0.0

\$0.4 Million Behind Budget

FY 2024 3+9 Projections

Revenues

Budget	Projection	Variance
\$49.8	\$49.7	\$(0.1)

Expenses

Budget	Projection	Variance
\$52.4	\$52.3	\$0.1

Project to be at budget

Solid Waste Fund

1st Quarter Results

Revenues

Budget	Actuals	Variance
\$38.1	\$38.1	\$0.0

Expenses

Budget	Actuals	Variance
\$34.8	\$35.2	\$(0.4)

\$0.4 Million Behind Budget

FY 2024 3+9 Projections

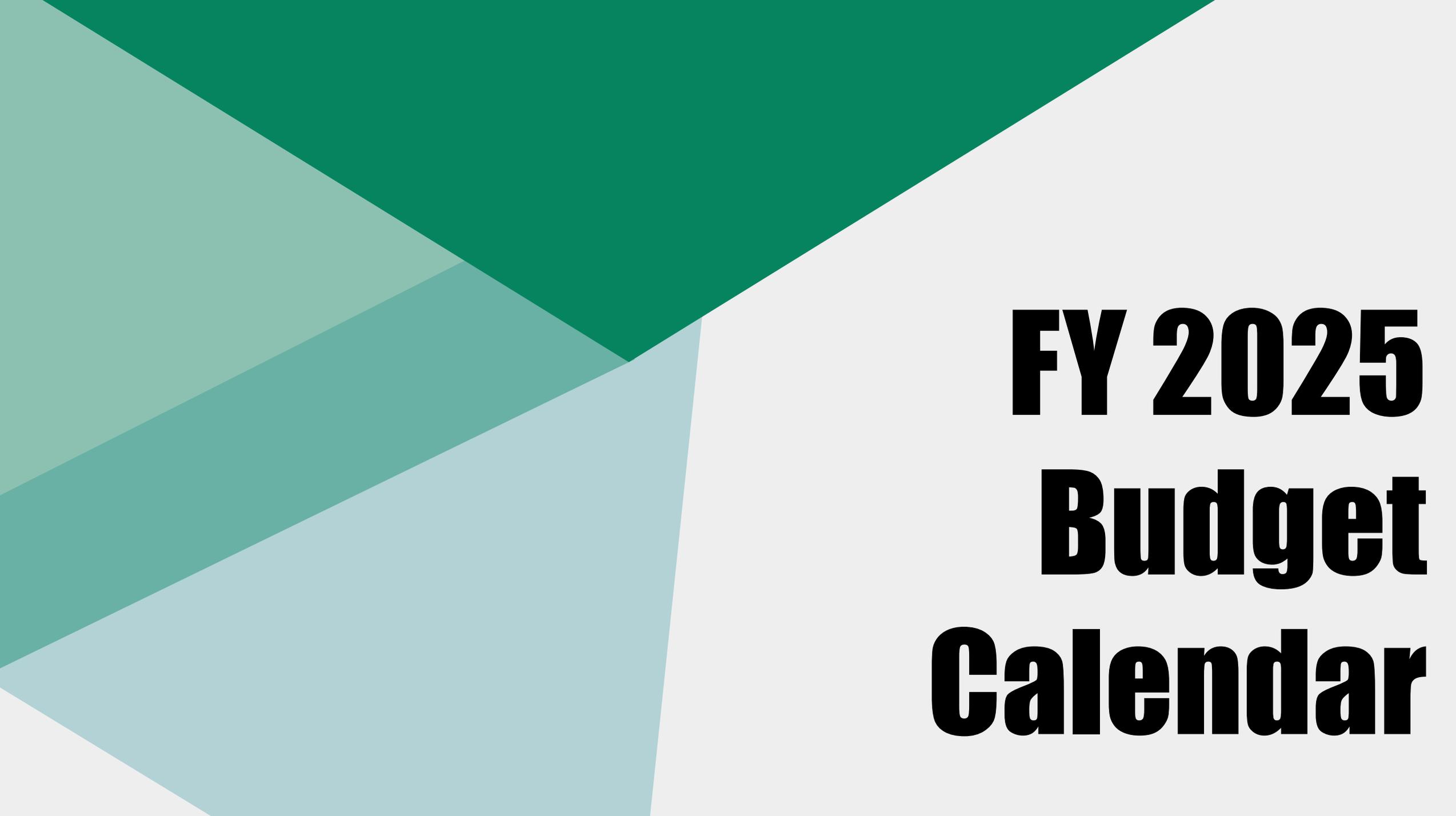
Revenues

Budget	Projection	Variance
\$151.6	\$151.4	\$(0.2)

Expenses

Budget	Projection	Variance
\$148.8	\$149.8	\$(1.0)

\$1.2 Million Behind Budget



**FY 2025
Budget
Calendar**

FY 2025 Recommended Budget Calendar

City Council Input April and May

- Five Year Forecast Presentation: April 17
- Goal Setting Session: April 18
- Trial Budget: May 8

Community Input May and June

- Budget Survey
- Budget Survey and Community Input presentation: June 20

FY 2025 Budget Development July

FY 2025 Proposed Budget Presentation August

- City Manager Proposed Budget Presentation: August 15

City Council & Community Input August and September

- Budget Worksessions
- Budget Townhalls

FY 2025 Budget Adoption September

- Budget Adoption: September 19

FY 2025 Recommended Budget Worksessions

Current Practice

Event	Date
Department Worksessions	10 Worksessions
Days and Time	Tuesday: 4 Worksessions Wednesday: 3 Worksessions Thursday: 3 Worksessions
Budget Amendment Worksessions	2 Worksessions

Recommended

Event	Date
Department Worksessions	3 Worksessions
Days and Time	Wednesdays: 9:00 – 5:00 PM
Budget Amendment Worksessions	2 Worksessions

Conclusion

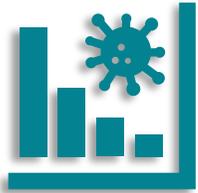
- Early financial update
- Positive financial position for first three months
- Next update in April with FY 2024 6+6 Financial Report

Programs funded with American Rescue Plan Act (ARPA) Financial Update



Presented by: Gwen Estrada, ARPA Executive Officer
City Council "B" Session
February 14, 2024

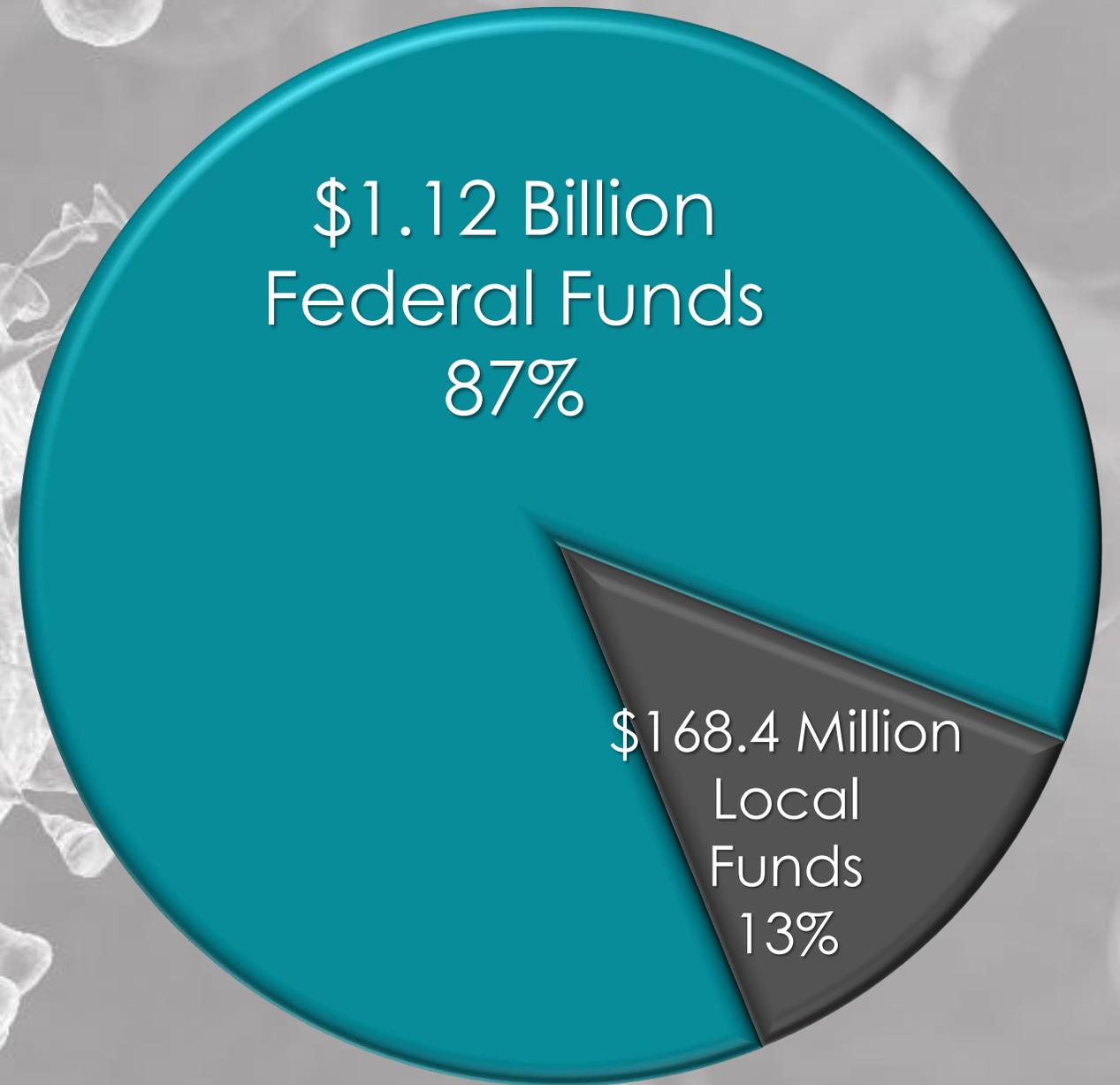
Presentation Overview



Financial Update

- ✓ Recovery & Resiliency Plan
- ✓ American Rescue Plan Act (ARPA) Programs

**City's
Investment
in COVID-19
Response &
Recovery:
\$1.29 Billion**



COVID-19 Response and Recovery & Resiliency Plan Financial Update

Through December 2023

Programs (\$ In Millions)	Budget	Spent	Committed	Balance
Emergency Response	\$175.5	\$175.5	\$0.0	\$0.0
Health Implementation	71.2	61.6	9.6	0.0
Recovery & Resiliency	331.7	330.9	0.8	0.0
Other CARES Programs	126.5	123.1	3.4	0.0
Other	13.9	13.9	0.0	0.0
FEMA Reimbursement Reserve	11.4	0.0	11.4	0.0
Total	\$730.2	\$705.0	\$25.2	\$0.0

FEMA Reimbursements Update

Program (\$ in Millions)	Spent	Reimbursed	Outstanding
COVID-19 Response	\$17.8	\$1.4	\$16.4
Storm Uri Response	\$6.0	\$1.0	\$5.0
Migrant Response	\$24.2	\$24.2*	\$0.0

Note: Amount reflects \$20.7 million of reimbursements received, and \$3.5 million of federal funds allocated to COSA not yet received.

ARPA State & Local Fiscal Recovery Funds

\$326.9 Million

Funds allocated through a two-phase strategy

- Phase 1: Stabilized City FY 2022 Budget and addressed immediate needs
- Phase 2: City Council approved a spending framework in February 2022 after robust community input process

Program (\$ in Millions)	Phase I	Phase II
Convention / Dome Operations	\$48.3	
Public Health & Safety/ Mental Health	14.5	27.0
Infrastructure	14.9	45.8
Domestic Violence, Seniors, Youth, Arts, Housing	18.3	71.3
Emergency Response		50.4
Small Business		26.8
Employee Retention		9.5
Total	\$96.1	\$230.8

Note: Phases adjusted to reflect reprogrammed balances.

ARPA Financial Update (All Grant Awards)

Through Dec. 2023

Program (\$ in Millions)	Budget	Spent	Committed	Balance
Housing Security	\$102.6	\$78.8	\$23.8	
Emergency Response	29.7	1.1	28.6	
COVID-19 Response	22.0	16.6	5.4	
Convention/Dome Ops.	48.3	48.3		
Infrastructure	60.7	20.4	40.3	
Small Business	33.9	21.1	12.8	
Utility Assistance	30.0	30.0		
Mental Health	29.6	8.9	20.7	
Domestic Violence	16.4	7.9	8.5	
Youth & Seniors	15.9	1.9	14.0	
City Employee Retention	9.5	9.5		
Arts	7.6	7.6		
Digital Connectivity	8.7	1.6	7.1	
Non-Profit Social Services	4.3	0.7	3.6	
Other Programs	142.5	105.9	36.6	3.2*
Total	\$561.7	\$360.3	\$201.4	\$3.2

*Unallocated Interest Earnings recommended to be added to the FEMA reimbursement reserve of \$11.4 million



Opioid Settlement Funds

**Presented by: Justina Tate, Budget Director
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Overview of Opioid Settlement Funds

- City, County, and State of Texas all joined lawsuits against opioid manufacturers and distributors
- Settlements to date include pharmacy chains, opioid manufacturers, distributors, and more
- State of Texas has secured more than \$1.6 billion in opioid settlement funds, up to 15% of which will be passed through to local governments



COSA Settlement Funding

- COSA anticipates receiving **\$6.1 Million** as its share of an opioid litigation settlement, to be paid out over **18 years**
 - COSA has **received \$1.4M to date**
 - Pending Council approval, plan is to disburse a portion in FY24
 - At this point, no future disbursements have been scheduled for this settlement
- Claims are pending against additional defendants



FY2024 & FY2025 Recommended Spending Plan

	FY 2024	FY2025	Total
Substance Use Outreach & Community Capacity Building Initiative	\$148,000	\$286,000	\$434,000
Harm Reduction Supplies	50,000	50,000	100,000
Narcan Kit Supplies	25,000	50,000	75,000
Substance Use Resource Portal	50,000	0	50,000
Targeted Provider Education Addressing Stigma Around Pregnant People Experiencing Addiction	0	150,000	150,000
Medically Assisted Treatment for Street Outreach Clients	50,000	50,000	100,000
Total	\$323,000	\$586,000	\$909,000

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