



# **FY 2025 3+9 Financial Report**

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Presented by Justina Tate, Budget Director  
City Council “B” Session  
February 19, 2025



# Presentation Overview



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- 1<sup>st</sup> Quarter Financial Status Report
- FY 2025 Year End Projections
- FY 2025 Budget Initiatives Highlights
- Next Steps

# 1<sup>st</sup> Quarter Financial Report

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- Unaudited Actuals from October to December
- Compares 1<sup>st</sup> quarter results to FY 2025 Adopted Budget
- Highlights General Fund and selected restricted funds
- Report available on City's Website

# 1<sup>st</sup> Quarter Financial Highlights

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- General Fund results for 1<sup>st</sup> quarter are in line with budget
  - Property tax performing consistent with Budget
  - Sales tax revenue slightly ahead of last year's actuals but below budget
  - CPS revenue ahead of budget due to electric fuel adjustment
- Restricted Funds
  - Hotel Occupancy Tax and Development Services funds performing within budget
  - Solid Waste Fund outperforming projections due to better recycling revenue and less expense
  - Airport revenues are slightly below budget

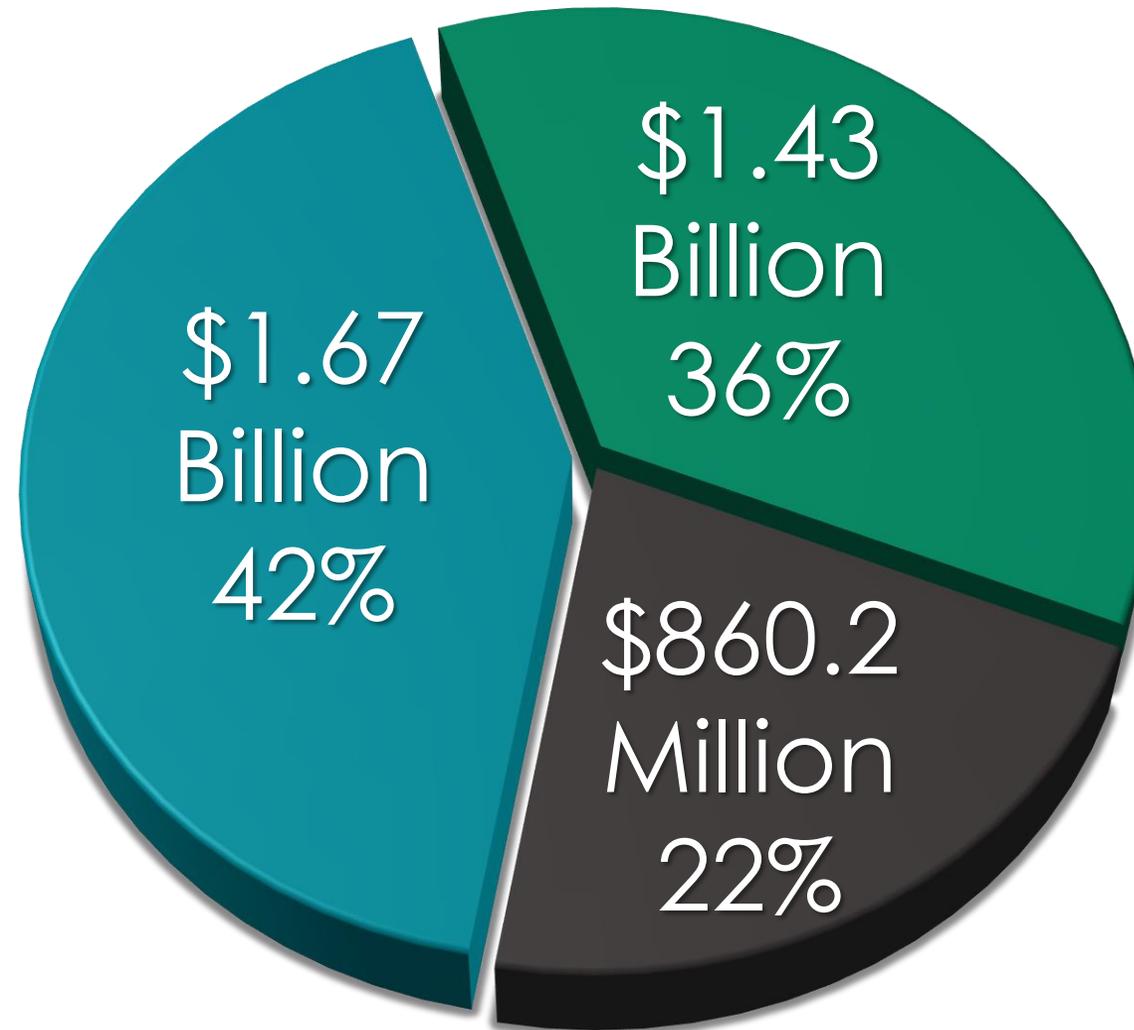
# FY 2025 Adopted Budget

## Total City Budget \$3.96 Billion

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### General Fund

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



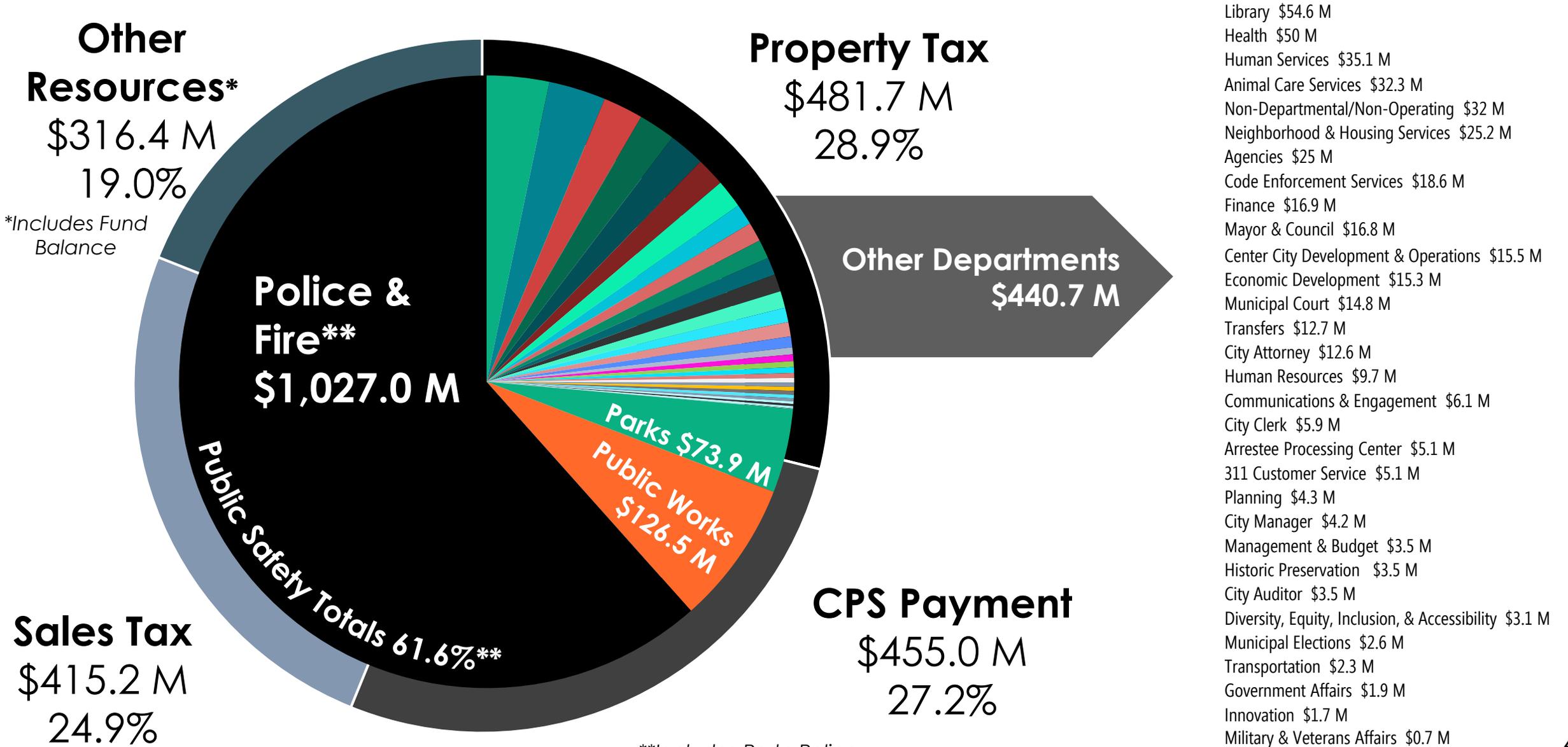
### Restricted Funds

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

### Capital Program

- 2022 bond projects
- Airport projects

# FY 2025 General Fund Adopted Budget: \$1.67 Billion



\*\*Includes Parks Police

# General Fund – 1<sup>st</sup> Quarter

- General Fund revenues are \$4.9 million ahead of Budget

Revenue Source (\$ in Millions)	FY 2025 1 <sup>st</sup> Quarter Budget	FY 2025 1 <sup>st</sup> Quarter Actuals	FY 2025 1 <sup>st</sup> Quarter Variance
Property Tax	\$242.7	\$242.7	\$0
Sales Tax	100.5	99.3	(1.2)
CPS Energy	95.8	100.5	4.7
Other	71.2	72.6	1.4
<b>Total</b>	<b>\$510.2</b>	<b>\$515.1</b>	<b>\$4.9</b>

- General Fund expenses are \$4.1 million below budget for first quarter

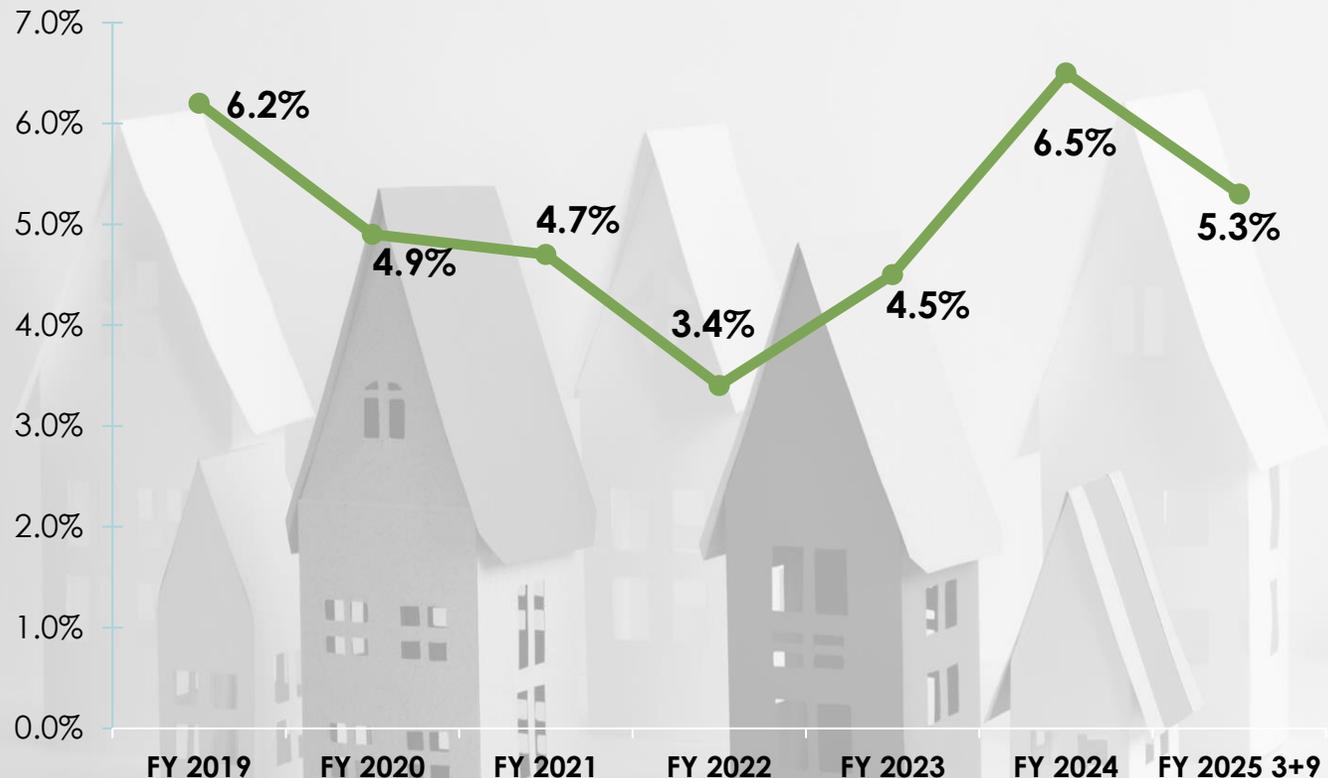
# General Fund – FY 2025 Year End Estimate

- General Fund revenues projected below budget by \$1.2 million

Revenue Source (\$ in Millions)	FY 2025 Budget	3+9 Estimate	Variance
Property Tax	\$481.7	\$481.7	\$0
Sales Tax	415.2	415.2	0
CPS Energy	454.9	454.9	0
Other	265.6	264.4	(\$1.2)
<b>Total</b>	<b>\$1,617.4</b>	<b>\$1,616.2</b>	<b>(\$1.2)</b>

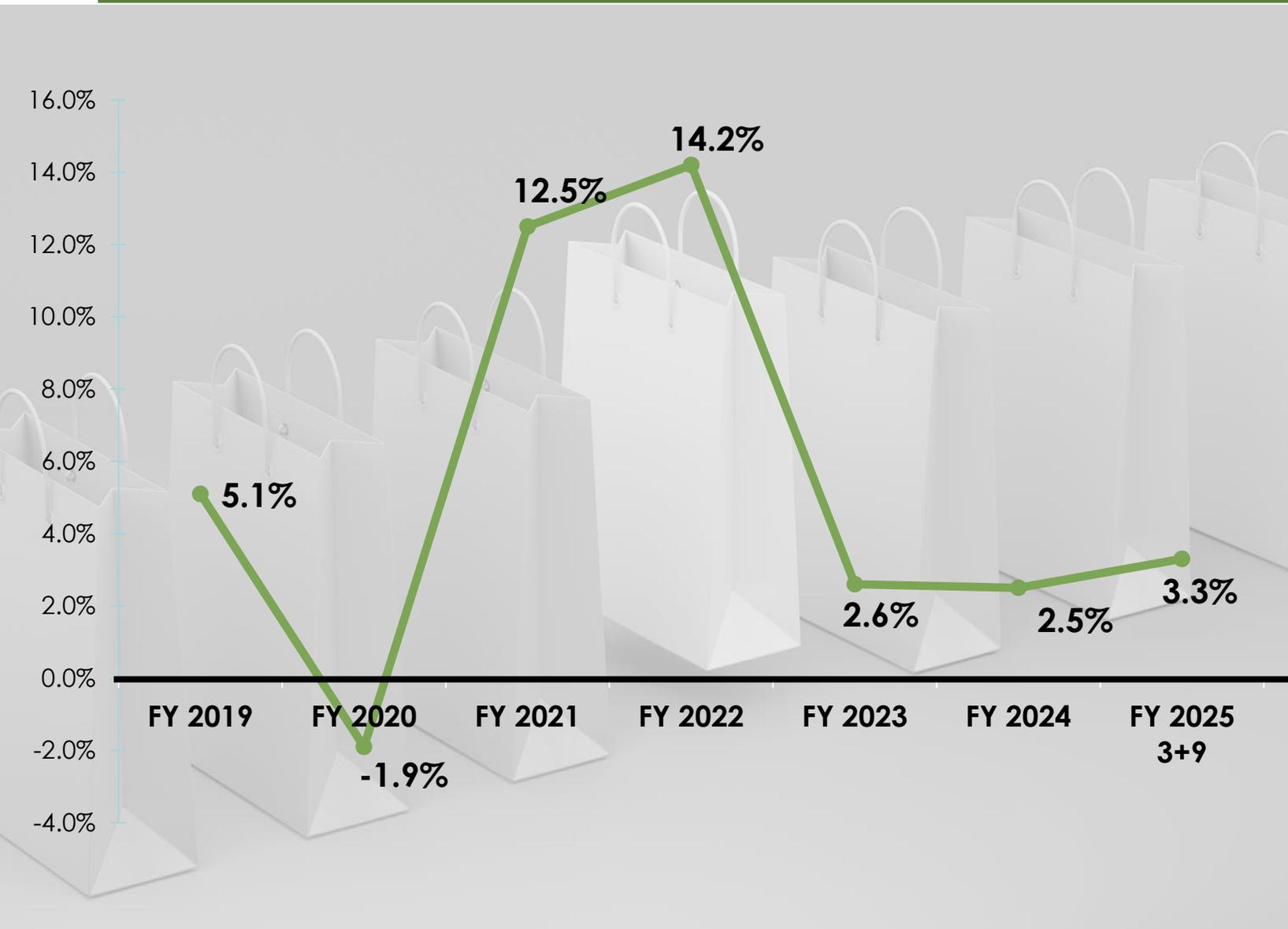
- General Fund projected expenses are at budget

# Property Tax Revenue % Change from Prior Years



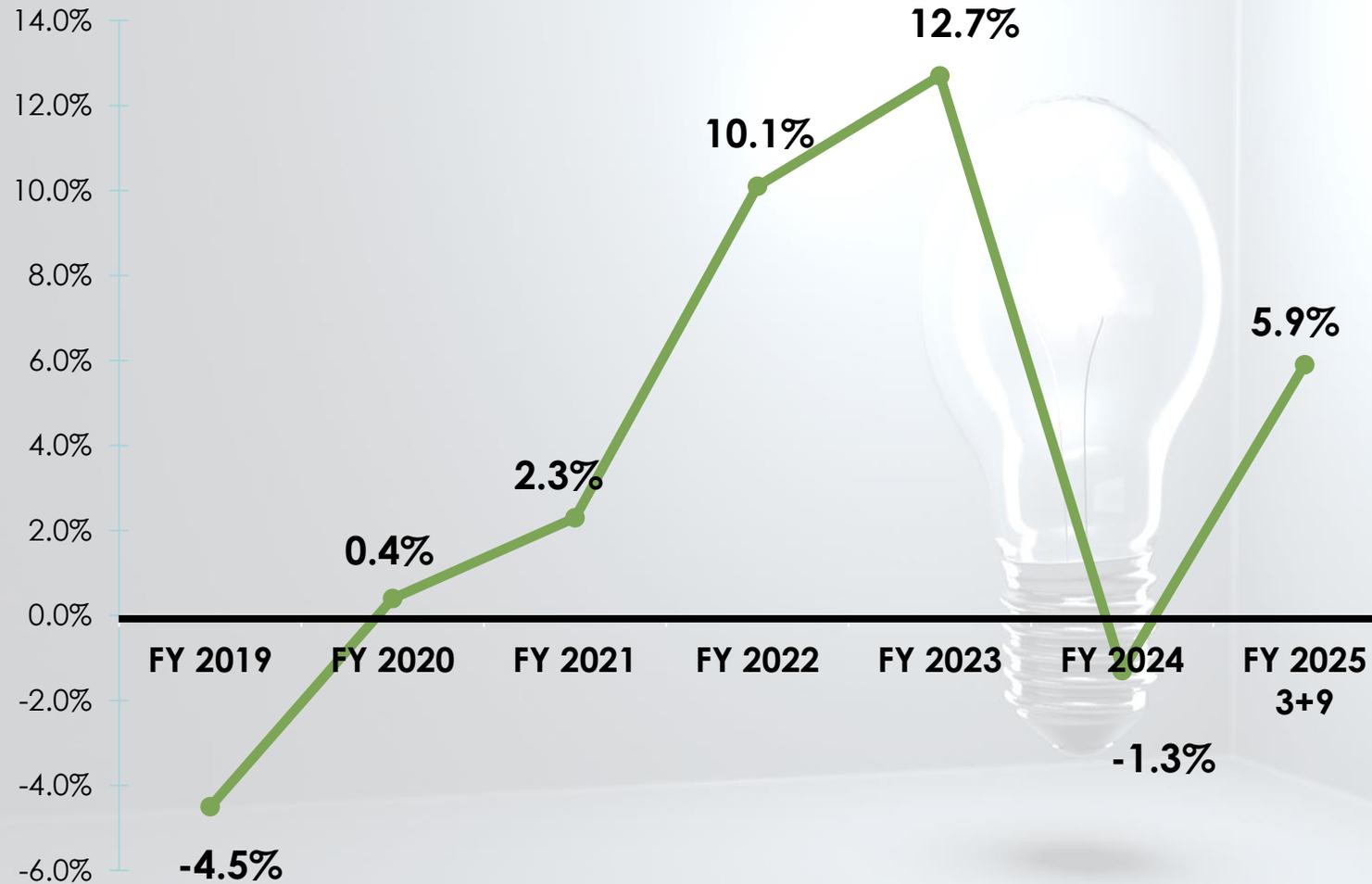
- Property Tax revenue is projected at budget in FY 2025
- Appraisal District Board approved freezing any protested property values at agreed upon value and rolling value to next year
- Change will impact protests filed in tax year 2025 and will impact City's FY 2027 Budget
- Update on estimated impact of this change will be provided during Five Year Forecast

# Sales Tax Revenue % Change from Prior Years



Sales tax still growing, but at a slower pace

# CPS Base Revenue % Change from Prior Years



CPS Base revenue is projected at budget or 5.9% higher than last year



# **Restricted Funds**

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# Hotel Occupancy Tax Fund

Revenue (\$ in Millions)	FY 2025 Adopted Budget	1 <sup>st</sup> Quarter Variance	FY 2025 Year-End Variance
HOT Tax	\$113.0	(\$0.2)	(\$0.2)
Convention Center	24.7	0.2	0.8
Alamodome	21.7	(0.8)	0.1

Expenses (\$ in Millions)	FY 2025 Adopted Budget	1 <sup>st</sup> Quarter Variance	FY 2025 Year-End Variance
Community & Visitor Facilities	\$64.9	\$0.1	\$0.0
Visit San Antonio	28.4	0.0	0.0
Arts & Culture	13.0	0.0	0.1
History and Preservation	12.2	0.0	0.0

# Development Services Fund

(\$ in Millions)

## 1<sup>st</sup> Quarter Results (October to December) Revenues

Budget	Actuals	Variance
\$10.5	\$10.6	\$0.1

## Expenses

\$14.6	\$14.6	\$0.0
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Overall, for the first three months of FY 2025 Development Services Fund is at budget

## FY 2025 3+9 Projections (October to September) Revenues

Budget	Projection	Variance
\$49.3	\$49.4	\$0.1

## Expenses

\$54.1	\$54.1	\$0.0
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For FY 2025 Development Services Fund is projected at budget

# Solid Waste Fund

(\$ in Millions)

## 1<sup>st</sup> Quarter Results (October to December) Revenues

Budget	Actuals	Variance
\$39.7	\$40.3	\$0.6
Expenses		
\$37.1	\$36.3	\$0.8

Overall, for the first three months, Solid Waste is better than budget by \$1.4 million

## FY 2025 3+9 Projections (October to September) Revenues

Budget	Projection	Variance
\$158.7	\$161.5	\$2.8
Expenses		
\$158.5	\$154.0	\$4.5

FY 2025, Solid Waste projects to be \$7.3 million better than budget from recycling revenues, fuel savings, and less maintenance and repair costs

# Airport Fund

(\$ in Millions)

## 1<sup>st</sup> Quarter Results (October to December) Revenues

Budget	Actuals	Variance
\$40.3	\$39.7	(\$0.6)

## Expenses

\$26.6	\$29.6	(\$3.0)
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Overall, for the first three months of FY 2025 Airport Fund is behind budget

## FY 2025 3+9 Projections (October to September) Revenues

Budget	Projection	Variance
\$165.6	\$168.3	\$2.7

## Expenses

\$127.1	\$127.1	(\$0.0)
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For FY 2025, Airport Fund is slightly ahead of budget

# Update of Spending Priorities Approved as part of the ARPA funding process

Programs	Allocation	Expenses as of December 2024	% Spent
Mental Health	\$29.4	\$18.9	64%
Infrastructure (Streets/Bridges/Vision Zero)	28.7	19.9	69%
Small Business	26.8	22.2	83%
Emergency Response/Preparedness	21.6	18.5	86%
Emergency Preparedness	17.9	5.3	30%
Domestic Violence	16.4	16.4	100%
Low Barrier Shelter	15.9	8.3	52%
Morgan's Wonderland	15.0	11.5	77%
TX Biomed	10.0	3.8	38%
Youth	10.0	5.5	55%
Educare	7.0	0.6	8.6%
Seniors	5.0	3.8	76%
<b>Total</b>	<b>\$203.7</b>	<b>\$134.7</b>	<b>66%</b>

- Most programs will be completed by September 2025
- Work related to infrastructure improvements and emergency preparedness will be completed by December 2026
- Any savings will be re-allocated as part of budget process



# **FY 2025 Budget Initiatives Highlights**

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# Animal Care Services 1<sup>st</sup> Quarter Results

## Critical Call Response –\$1.4 Million

- ✓ 13 of 14 Positions have been filled
- ✓ ACS response is 82.4%

## Two New Spay/Neuter Clinics –\$2.7 Million

- ✓ Construction on both clinics in progress with anticipated completion by April 2025
- ✓ Spay/Neuter surgery services approved by City Council on February 13



# Homeless and Housing 1<sup>st</sup> Quarter Results

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## **Low Barrier Shelter – \$9.3 Million**

- ✓ 421 unduplicated clients served
- ✓ 92 clients exited the shelter to stable housing

## **Housing Stability Assistance –\$1.0 Million**

- ✓ Provided 144 eligible individuals with Housing Assistance

## **Rental Assistance –\$1.0 Million**

- ✓ Provided 45 eligible families with Rental Assistance



# Street and Sidewalks

## 1<sup>st</sup> Quarter Results

### **Street Maintenance - \$122 Million**

- ✓ 412 of 1,104 Pavement Preservation Projects completed
- ✓ 77 of 382 Rehabilitation Projects completed

### **Sidewalk Program - \$21.5 Million**

- ✓ 8.8 of 23.6 miles of sidewalk constructed
- ✓ 3.0 of 13.4 miles of sidewalk repaired

### **Non-Service Alleys - \$2.7 Million**

- ✓ Removed debris, overgrown vegetation and repaired 21 of 80 non-service alleys



# Public Safety

## 1<sup>st</sup> Quarter Results

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### Fire Enhanced Squads - \$1.4 Million

- ✓ 15 cadets started the December 2024 class and scheduled to graduate in July
- ✓ Squad units are estimated to be on line July 2025

### 65 Police Officers - \$3.8 million

- ✓ 56 cadets began the November 2024 class and scheduled to graduate in July 2025



# Comprehensive Budget Reviews

 Budget and Office of Innovation are conducting internal reviews of department budgets, services, and processes in FY 2025

- In-depth reviews in 16 focused areas across four departments
- Public Works, Health, Human Services, Parks and Recreation
- Goals are to identify efficiencies, duplication of services, and process improvements
- Update on process and potential recommendations will be included in the Mid-Year review presentation in May

# Budget Process

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- In August 2024, Governance Committee approved staff recommendation to develop a hybrid budget method incorporating zero-based, outcome-based, and priority-based budgeting principles
- Proposed approach to be presented in May as part of mid-year financial review presentation
- PFM Group Consulting retained to assist





# FY 2026 Budget Calendar

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# FY 2026 Recommended Budget Calendar

- City Charter requires the City Manager establish a budget calendar

## Five Year Forecast May

- Six plus Six Report and Five-Year Forecast Presentation: May 7
- Mid Year Ordinance: May 15

## City Council and Community Input May and June

- Budget Survey: May 9
- Goal Setting Session: Week of June 23
  - Trial Budget
  - Results from Community Survey

## FY 2026 Budget Development July

## FY 2026 Proposed Budget Presentation August

- City Manager Proposed Budget Presentation: August 14

## City Council & Community Input August and September

- Budget Worksessions
- Budget Townhalls

## FY 2026 Budget Adoption September

- Budget Adoption: September 18

City Council feedback requested by February 26 and will be available to public by March 7

# Conclusion

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- Early financial update
- Financial position for first three months is inline with Adopted Budget
- Monitoring federal grant funding and economic indicators that may impact FY 2025 and upcoming budget development
- Next update in May with FY 2025 6+6 Financial Report



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