

FY 2025 3+9 Financial Report

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



Presentation Overview



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

1st Quarter Financial Report

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

1st Quarter Financial Highlights

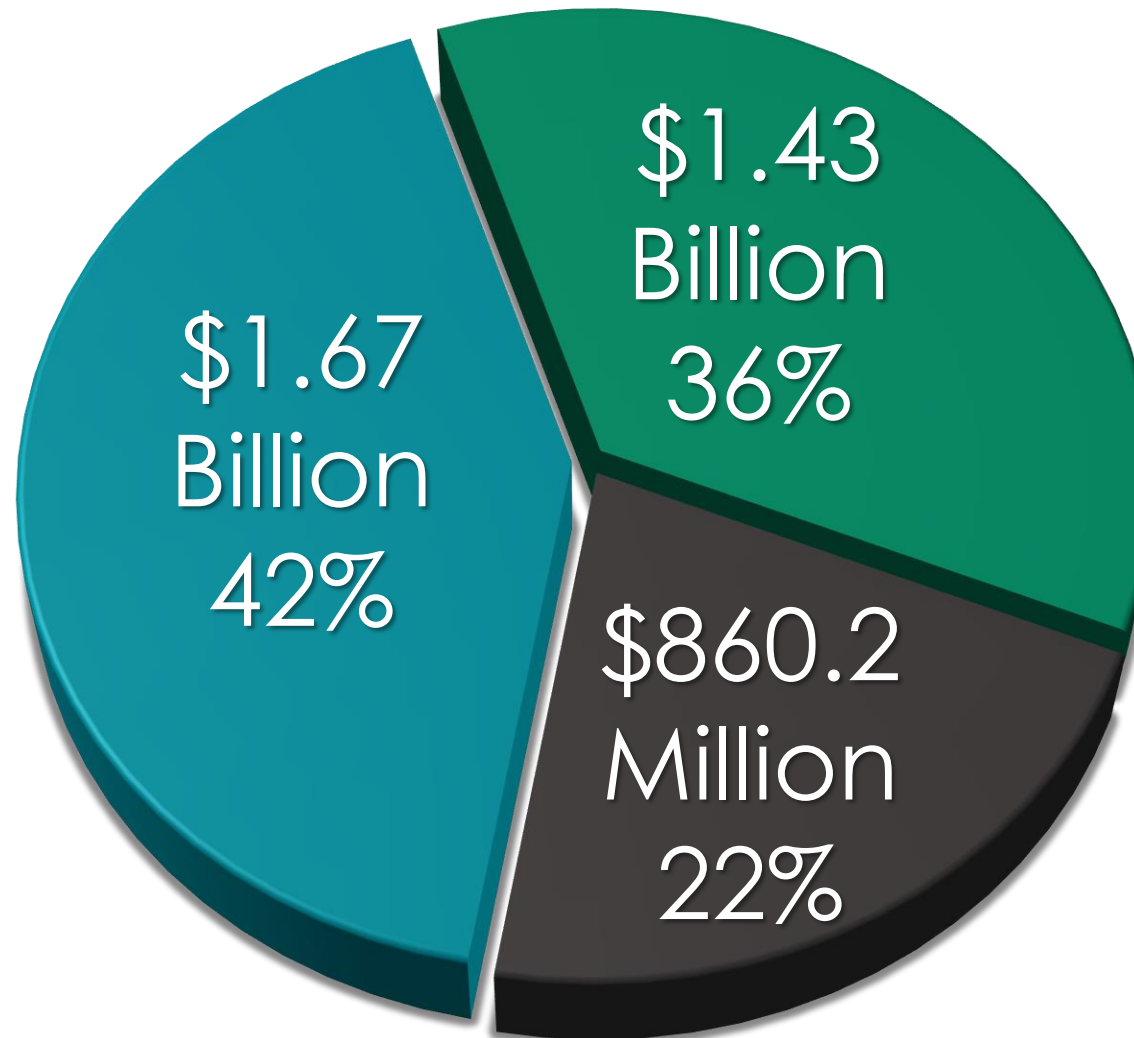
- General Fund results for 1st quarter are in line with budget
 - Property tax performing consistent with Budget
 - Sales tax revenue slightly ahead of last year's actuals but below budget
 - CPS revenue ahead of budget due to electric fuel adjustment
- Restricted Funds
 - Hotel Occupancy Tax and Development 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

General Fund

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



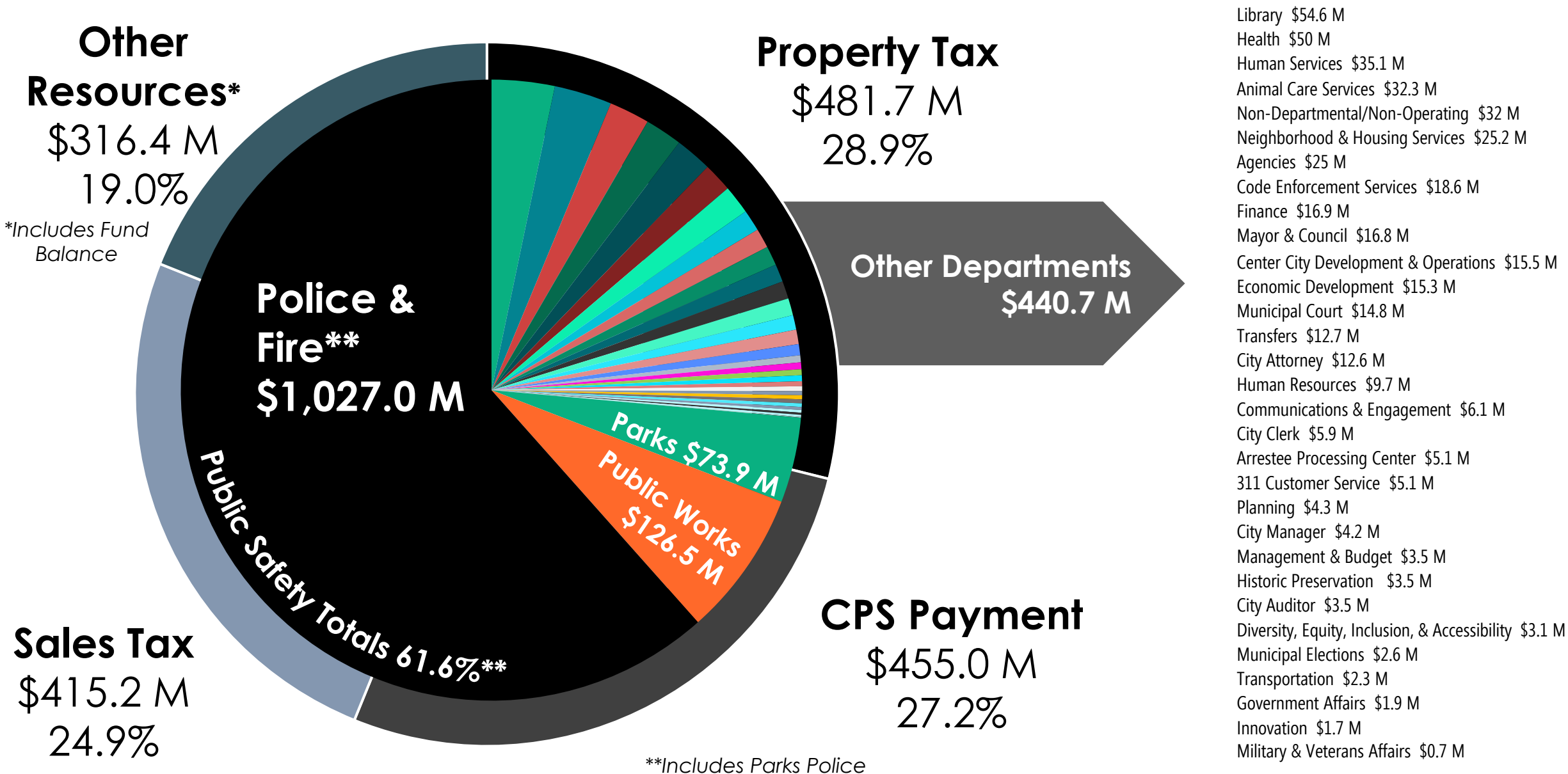
Restricted Funds

- 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



General Fund – 1st Quarter

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

Revenue Source (\$ in Millions)	FY 2025 1 st Quarter Budget	FY 2025 1 st Quarter Actuals	FY 2025 1 st 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
Total	\$510.2	\$515.1	\$4.9

- 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)
Total	\$1,617.4	\$1,616.2	(\$1.2)

- General Fund projected expenses are at budget

Property Tax Revenue % Change from Prior Years



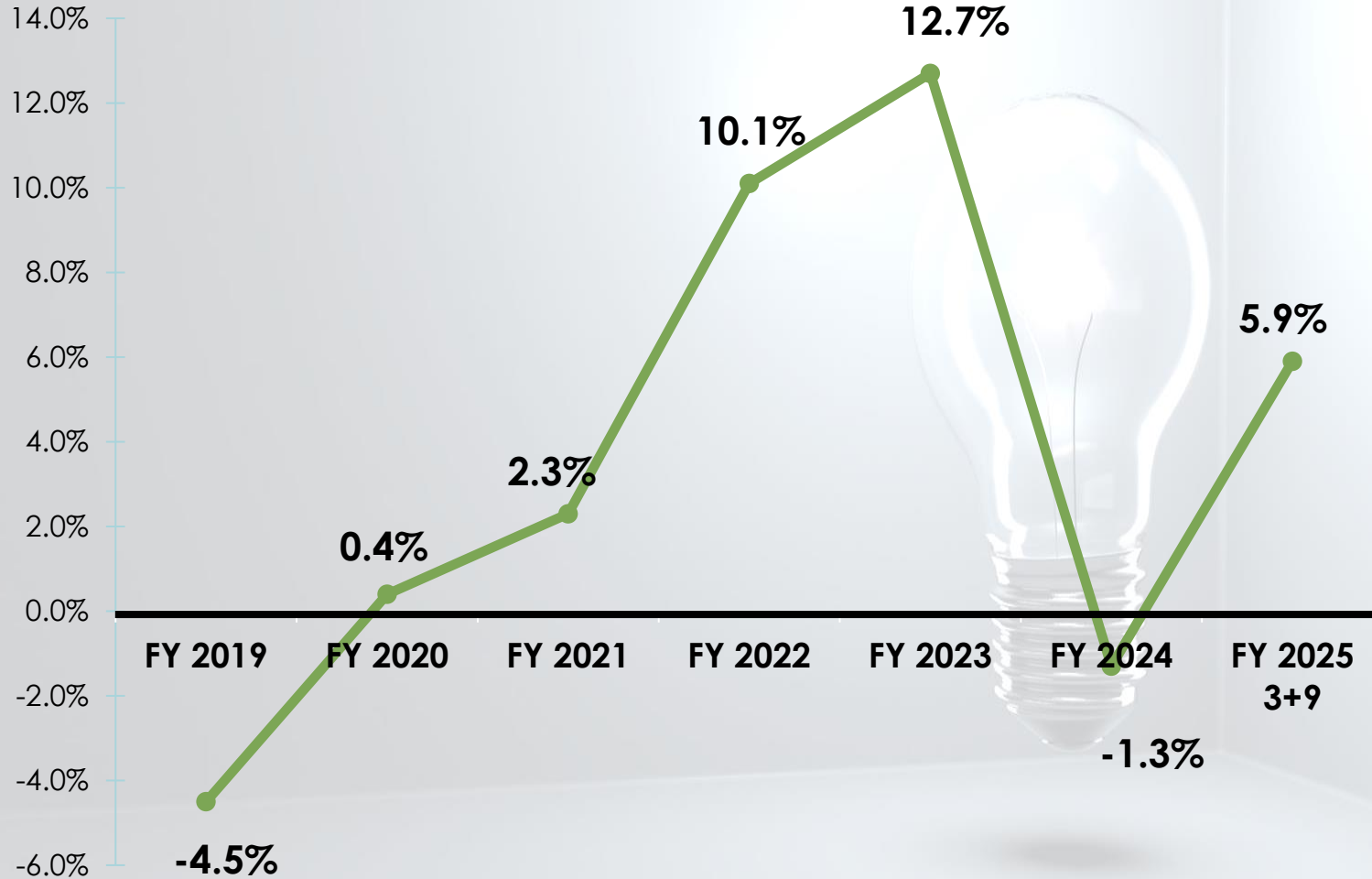
- Property Tax revenue is projected at budget in FY 2025
- Appraisal District Board approved freezing any protested property values at agreed upon value and rolling value to next year
- Change will impact protests filed in tax year 2025 and will impact City's FY 2027 Budget
- Update on estimated impact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

Hotel Occupancy Tax Fund

Revenue (\$ in Millions)	FY 2025 Adopted Budget	1 st 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 st 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)

1st 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)

1st 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)

1st 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%
Total	\$203.7	\$134.7	66%

- 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

Animal Care Services 1st 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 1st Quarter Results

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 1st 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 1st Quarter Results

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

- 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

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

- 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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