



City of San Antonio

Agenda Memorandum

File Number: 16-4396

Agenda Item Number: 4A.

Agenda Date: 8/18/2016

In Control: City Council A Session

DEPARTMENT: Office of Management & Budget

DEPARTMENT HEAD: John Woodruff

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Presentation of City's FY 2017 Proposed Annual Budget

SUMMARY:

On August 18, 2016, the City Manager will present to the Mayor and City Council a Proposed Operating and Capital Budget for Fiscal Year (FY) 2017. The City's fiscal year begins on October 1 and ends on September 30. Following this presentation, the City Council will consider an ordinance setting the proposed tax rate and an ordinance setting the date, time, and place for two Budget Public Hearings and two Ad Valorem Tax Rate Public Hearings.

The FY 2017 Operating and Capital Budget, the Tax Year 2016 Ad Valorem City Property Tax Rate, and revenue adjustments are scheduled to be adopted by City Council on Thursday, September 15, 2016.

BACKGROUND INFORMATION:

Each year, the City Manager presents a proposed balanced budget that reflects the City Council policy direction and service priorities from the residents of San Antonio.

FY 2017 Budget Development

On March 16, the City Manager provided the FY 2017 Budget Calendar, setting key dates for the development of the proposed budget, to the City Council. The key dates in the calendar included the presentation of the Five Year Financial Forecast, City Council Goal Setting Session, Community Budget Input Meetings prior to the development of the budget, a presentation of the FY 2017 proposed budget, Community Budget Input Meetings on the proposed budget, Budget and Tax Rate Public Hearings, and City property tax rate, and budget adoption.

On May 11, City Council was presented with recommended updates to the City's Financial Management Policies and the Five Year Financial Forecast covering the years of FY 2017 to FY 2021.

As part of the FY 2017 Budget Development process, City staff gathered input on the priorities of the community for the FY 2017 Budget by attending various community wide events during the months of April and May. During these events residents were given the opportunity to provide input on their budget priorities through the San Antonio Budget Survey. Residents were also invited to provide input through the City's website, social media, and through the City's Budget Input Box available at city departments, libraries, community centers, and online. A report with the results from these meeting was provided at the June 8th City Council Budget Policy Goal Setting Session. During this Worksession, City Council provided policy direction for the development of the FY 2017 Budget.

Consistent with the Budget Calendar presented to City Council in March, the City will host four Budget Open Houses in August. A total of five (5) City Council budget worksessions are scheduled for August 24, August 30, August 31, September 7, and September 14 will allow for in-depth analysis and discussion of budget proposals included in the FY 2017 Proposed Budget.

ISSUE:

FY 2017 Proposed Budget

On August 18, 2016, the City Manager will present to the Mayor and City Council the Proposed Operating and Capital Budget for Fiscal Year (FY) 2017. The City's fiscal year begins on October 1 and ends on September 30. Following this presentation, the City Council will consider an ordinance setting the proposed tax rate and an ordinance setting the date, time, and place for two Budget Public Hearings and two Ad Valorem Tax Rate Public Hearings.

The FY 2017 Operating and Capital Budget, the Tax Year 2016 Ad Valorem City Property Tax Rate, and revenue adjustments are scheduled to be adopted by City Council on Thursday, September 15, 2016.

City Council Budget Worksessions on the Proposed Budget: Following the Proposed Budget presentation on August 18, the budget calendar includes up to five (5) City Council Worksessions on the FY 2017 Proposed Budget. The worksessions will allow in-depth analysis and discussion of budget proposals and service delivery goals for FY 2017.

Community Budget Meetings: The City will hold Budget Open Houses on the Proposed Budget during the month of August. These meetings will provide residents an opportunity to learn about the City's proposed budget and provide their input before the budget is adopted.

Setting the Proposed Property Tax Rate: Consistent with prior practice, City Staff recommends City Council adopt an ordinance setting the proposed Property Tax Rate for Tax Year 2016. As stated below, there is no recommended City Property Tax Rate increase included in the FY 2017 Budget.

Setting the Date, Time, and Place for the Proposed Budget and Tax Rate Public Hearings

Consistent with the requirements of the City Charter and State Law, City staff recommends City Council hold two Public Hearings on the FY 2017 Proposed Budget. The hearings would take place on Wednesday, August 31 and Wednesday, September 7, 2016 in the City Council Chambers immediately following the Tax Year 2016 Proposed Ad Valorem City Tax Rate Public Hearings.

City property tax rate public hearings are required by State Law because the Proposed Ad Valorem Tax Rate for Tax Year 2016 will exceed the Effective Tax Rate. There is no recommended City Property Tax Rate increase included in the FY 2017 Budget.

Notice for the Proposed Budget, Tax Rate Public Hearings and Budget Open Houses will be posted in the Express-News and the La Prensa. Announcements will also be published on the City's Internet Web site and promoted on the City's cable TV Channel 21 (TVSA). Additionally, the City's 311 Customer Service Call Center and Libraries will provide residents with the date and time of the public hearings as well as other budget calendar events when requested.

ALTERNATIVES:

The City Manager will present the FY 2017 Proposed Budget on Thursday, August 18, 2016. Following the presentation, City Council will be provided with in-depth information on the Proposed Budget. City Council may amend items in the FY 2017 Proposed Budget prior to the adoption on Thursday, September 15, provided that the budget remains balanced.

FISCAL IMPACT:

The FY 2017 Proposed Budget will be presented on Thursday, August 18, 2016. The final FY 2017 Budget, 2016 Ad Valorem Property Tax Rate, and other revenue adjustments for FY 2017 are scheduled for adoption on Thursday, September 15, 2016. Once adopted, the budget will become the City's spending plan for the fiscal year. The City's FY 2017 fiscal year begins on October 1 and ends on September 30.

RECOMMENDATION:

No action is required by City Council for the FY 2017 Proposed Budget presentation as it has been scheduled for presentation purposes only. The FY 2017 Proposed Budget Document will be provided to City Council on the morning of August 18, 2016.

Staff recommends City Council approve the ordinance setting the dates, times and place of the FY 2017 Budget Public Hearings and the Tax Year 2016 Ad Valorem Tax Rate Public Hearings, and the ordinance setting the proposed Property Tax Rate.