



# City of San Antonio

## Agenda Memorandum

**File Number:** 14-1662

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**Agenda Item Number:** 5.

**Agenda Date:** 8/7/2014

**In Control:** City Council A Session

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**DEPARTMENT:** Office of Management & Budget

**DEPARTMENT HEAD:** Maria Villagomez

**COUNCIL DISTRICTS IMPACTED:** City Wide

### **SUBJECT:**

Presentation of City's FY 2015 Proposed Annual Budget

### **SUMMARY:**

On August 7, 2014, the City Manager will present to the Mayor and City Council a Proposed Balanced Operating and Capital Budget for Fiscal Year (FY) 2015. 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 date, time, and place for two Budget Public Hearings and two Ad Valorem Tax Rate Public Hearings.

The FY 2015 Operating and Capital Budget, the Ad Valorem City Property Tax Rate, and revenue adjustments are scheduled to be adopted by City Council on Thursday, September 18, 2014.

### **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 2015 Budget Development**

On March 20, the City Manager provided the FY 2015 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 2015 proposed budget, Community Budget Input Meetings on the proposed budget and City property tax rate, and budget adoption.

On May 14, 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 2015 to FY 2019. Following this presentation, the City hosted five community meetings between the dates of May 19 to May 22 to obtain community input prior to the development of the FY 2015 budget.

A City Council Budget Goal Setting Worksession was held on May 27 to obtain policy direction from the City Council for the development of the FY 2015 Budget. At this meeting, City Council also endorsed the updated financial policies to guide the development of the FY 2015 Proposed Budget.

Consistent with the Budget Calendar presented to City Council in March, the City will host five (5) community budget meetings between August 11 and August 14 on the proposed budget. A total of ten (10) City Council budget worksessions are scheduled between August 12 and September 17 that will allow for in-depth analysis and discussion of budget proposals included in the FY 2015 Proposed Budget.

## **ISSUE:**

### **FY 2015 Proposed Budget**

On August 7, 2014, the City Manager will present to the Mayor and City Council the Proposed Operating and Capital Budget for Fiscal Year (FY) 2015. 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 date, time, and place for two Budget Public Hearings and two Ad Valorem Tax Rate Public Hearings.

The FY 2015 Operating and Capital Budget, the Ad Valorem City Property Tax Rate, and revenue adjustments are scheduled to be adopted by City Council on Thursday, September 18, 2014.

**City Council Budget Worksessions on the Proposed Budget.** Following the Proposed Budget presentation on August 7, the budget calendar includes up to ten (10) City Council Worksessions on the FY 2015 Proposed Budget. The worksessions will allow in-depth analysis and discussion of budget proposals and service delivery goals for FY 2015. Included in Attachment I are the proposed dates, times and topic areas for the Budget Worksessions.

**Community Budget Meetings:** The City will host five (5) Community Budget Input Meetings on the Proposed Budget from August 11 through August 14. These Community Budget Input Meetings provide residents an opportunity to learn about the City's proposed budget and provide their input before the budget is adopted. Included in Attachment II are the times, dates and location of these meetings.

### **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 2015 Proposed Budget. The hearings would take place on Wednesday, August 20 and Wednesday, September 10 in the City Council Chambers immediately following the FY 2015 Proposed Ad Valorem City Tax Rate Public Hearings.

City property tax rate public hearings are required by State Law and are recommended by staff as the FY 2015 Proposed Ad Valorem City Tax Rate will exceed the Effective Tax Rate. There is no recommended Property Tax Rate increase included in the FY 2015 Budget.

Notice for the Proposed Budget and Tax Rate Public Hearings and Community Budget input meetings 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 2015 Proposed Budget on Thursday, August 7, 2014. Following the presentation, City Council will be provided with in-depth information on the Proposed Budget. City Council may amend items of the FY 2015 Proposed Budget prior to the adoption on Thursday, September 18 provided that the budget remains balanced.

**FISCAL IMPACT:**

The FY 2015 Proposed Budget will be presented on Thursday, August 7, 2014. The final FY 2015 Budget, Ad Valorem Property Tax Rate, and other revenue adjustments for FY 2015 are scheduled for adoption on Thursday, September 18, 2014. Once adopted, the budget will become the City's spending plan for the fiscal year. The City's FY 2015 fiscal year begins on October 1 and ends on September 30.

**RECOMMENDATION:**

No action is required by City Council for the FY 2015 Proposed Budget presentation as it has been scheduled for presentation purposes only. Staff recommends City Council approves recommended dates, times and place of the two required FY 2015 Ad Valorem Tax Rate Public Hearings. The FY 2015 Proposed Budget Document will be provided to City Council on the morning of August 7, 2014.