



City of San Antonio

Agenda Memorandum

File Number:21-4334

Agenda Item Number: 1.

Agenda Date: 6/16/2021

In Control: City Council B Session

DEPARTMENT: Office of Management and Budget

DEPARTMENT HEAD: Scott Huizenga

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

FY 2022 Trial Budget

SUMMARY:

City Council will be provided with an informational briefing on the City's FY 2022 Trial Budget for the General Fund and some restricted funds including the Hotel Occupancy Tax Fund.

BACKGROUND INFORMATION:

The Trial Budget is a step in the Budget Development Process that was introduced last year as staff prepared alternatives to balance the budget in the midst of the COVID-19 pandemic for City Council consideration. The process was useful for the City Council and Staff to deliberate on alternatives to balance the budget and the FY 2022 Budget Development Process continues with this practice.

The Trial Budget is a preliminary allocation of resources for the next fiscal year and serves as a beginning point of discussion leading to a more refined proposal in August which is the Proposed Budget. The Trial Budget is an important step in the Budget process that allows the City Council and the Community to provide input that culminates with the policy direction provided to the City Manager at the City Council Budget Goal Setting Session.

The financial forecast presented to the City Council on May 12 will be the basis for the Trial Budget and will

reflect the most up-to-date revenue and expense projections.

COVID-19 caused a dramatic impact to the local economy resulting in significant revenue losses to the General Fund, Hotel Occupancy Tax Fund, and other restricted funds. Over the past year, the City Council approved measures to keep the budget in balance including canceling or suspending programs and projects including street maintenance, economic development incentives, no civilian pay increases, and instituting a civilian hiring freeze. Economic uncertainty remains even while several sectors of the economy recover from the COVID-19 pandemic.

The Trial Budget will provide a two-year balanced plan for the General Funds and certain restricted funds including the Hotel Occupancy Tax. This Trial Budget will include recommendations to use some of the American Rescue Plan Act (ARPA) funds for revenue recovery, financial stability, and immediate needs of the community.

The Trial Budget presented on June 16th will be discussed in detail during the June 25th City Council Goal Setting Session.

Additionally, the city will hold virtual community outreach sessions between June 16 and June 24 to receive feedback from the community on the FY 2022 Trial Budget. Results of this outreach will be presented to the City Council at the Goal Setting Session on June 25th.

ISSUE:

City Council will be presented with the FY 2022 Trial Budget which is a preliminary allocation of resources for the next fiscal year and serves as a beginning point of discussion leading to a more refined proposal in August which is the Proposed Budget. The Trial Budget will focus on the City's General Fund and certain restricted funds including the Hotel Occupancy Tax.

ALTERNATIVES:

This is an informational briefing only.

FISCAL IMPACT:

This is an informational briefing only.

RECOMMENDATION:

This is an informational briefing only.