



City of San Antonio

Agenda Memorandum

File Number: 15-3074

Agenda Item Number: 1.

Agenda Date: 5/13/2015

In Control: City Council B Session

DEPARTMENT: Office of Management and Budget

DEPARTMENT HEAD: Maria Villagomez

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

FY 2015 Six Plus Six Financial Report, and Five-Year Financial Forecast

SUMMARY:

FY 2015 Six Plus Six Financial Report (2nd Quarter Actuals with Annualized Projections), Mid-Year Budget Adjustment Recommendations, and Five-Year Financial Forecast. City Council will be provided with an informational briefing on the City's Fiscal Year (FY) 2015 Budget status through the second quarter (October through March) of the fiscal year and will be provided with projections on revenues and expenditures for the remaining six months of the fiscal year (April through September). City Council also will be presented with the City's Five-Year Financial Forecast covering Fiscal Year 2016 through Fiscal Year 2020. The Forecast will focus on the City's General Fund, Development Services Enterprise Fund, Solid Waste Enterprise Fund, and the Hotel Occupancy Tax (HOT) Related Funds.

BACKGROUND INFORMATION:

FY 2015 Six Plus Six Financial Report (2nd Quarter Actuals with Annualized Projections) and FY 2015 Mid-Year Budget Adjustment Recommendations

City Council adopted a balanced budget on September 18, 2014 for the City's fiscal year that began October 1, 2014.

In November 2014, the City Council amended the FY 2015 General Fund Budget. This amendment increased the City's contribution to uniform employee healthcare coverage in the amount of \$14,258,562 for FY 2015 by deferring Street Maintenance projects and adjusted the Police and Fire Budgets. This action maintained a

balanced General Fund Budget for FY 2015 as required by law, while adhering to the City's adopted financial policies. This adjustment was necessary because the adopted budget included a reduction in uniform healthcare based on the police union's assurance to achieve a tentative agreement of the labor union contract by the end of October 2014. The City began meeting with the police union to negotiate a new collective bargaining contract in January 2014. To date, there is no agreement with the police union. Further, the fire union has refused to begin negotiations.

As part of the City's financial management practices, City Council will be provided an update on the City's FY 2015 Budget. The FY 2015 Six Plus Six Budget and Financial Status Report will focus on the financial performance through the Second Quarter (October through March) of the fiscal year and will provide projections for the remaining six months of the fiscal year (March through September).

Additionally, the FY 2015 Proposed Mid-Year Budget adjustment will be presented to the City Council. This adjustment recommends adjustments based on revenue and expense actual activity seen in the first six months of the fiscal year along with revenue and expense projections for the remainder of the fiscal year. The recommended FY 2015 Mid-Year Budget Adjustment Ordinance will be considered during the May 14, 2015 City Council "A" Session.

FY 2016 to FY 2020 Five-Year Financial Forecast. Also presented to City Council on May 13, 2015 will be the City's Five-Year Financial Forecast covering Fiscal Year 2016 through Fiscal Year 2020. The Financial Forecast provides a current and long-range financial assessment addressing revenues, City services and programs, and financial reserves. The Forecast will focus on the City's General Fund, Development Services Enterprise Fund, Solid Waste Enterprise Fund, and the HOT Related Funds.

The Financial Forecast is a projection of revenues and expenses for the next five fiscal years based on a set of known economic assumptions as of April 2015. The Financial Forecast is not a budget, it is intended to provide the City Council and the community with an early financial outlook for the City as the budget development process begins for FY 2016.

ISSUE:

City Council will be presented with the FY 2015 Six Plus Six Financial Report (2nd Quarter Actuals with Annualized Projections) along with the FY 2015 Mid-Year Budget Adjustment Recommendations for the operating and capital budgets. The recommended FY 2015 Mid-Year Budget Adjustment Ordinance will be considered during the May 14, 2015 City Council "A" Session.

The City's Five-Year Financial Forecast for FY 2016 to FY 2020 will be presented to the City Council. This Forecast will provide the City Council with financial projections and help identify significant issues that need to be addressed in the upcoming FY 2016 Budget Development Process. The Forecast will focus on the City's General Fund, Development Services Enterprise Fund, Solid Waste Enterprise Fund, and the HOT Related Funds.

ALTERNATIVES:

This is an informational briefing only.

FISCAL IMPACT:

This briefing is for informational purposes. The FY 2015 Mid-Year Adjustment recommendations will be considered at the May 14, 2015 City Council "A" session.

RECOMMENDATION:

The FY 2015 Six Plus Six Budget and Finance Report presentation is a briefing item with no staff recommendation to be considered by the City Council. The recommended Mid-Year Budget Adjustment will be considered by City Council at the May 14, 2015 "A" Session.

The Five-Year Financial Forecast is a briefing item with no staff recommendation to be considered by the City Council.