



# City of San Antonio

## Agenda Memorandum

**File Number:**16-3034

---

**Agenda Item Number:** 1.

**Agenda Date:** 5/11/2016

**In Control:** City Council B Session

---

**DEPARTMENT:** Office of Management and Budget

**DEPARTMENT HEAD:** John Woodruff

**COUNCIL DISTRICTS IMPACTED:** City Wide

### **SUBJECT:**

FY 2016 Six Plus Six Financial Report, and Five-Year Financial Forecast

### **SUMMARY:**

**FY 2016 Six Plus Six Financial Report (2<sup>nd</sup> 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) 2016 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 2017 through Fiscal Year 2021. 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 2016 Six Plus Six Financial Report (2<sup>nd</sup> Quarter Actuals with Annualized Projections) and FY 2016 Mid-Year Budget Adjustment Recommendations**

City Council adopted a balanced budget on September 10, 2015 for the City's fiscal year that began October 1, 2015.

In October 2015, the City Council amended the FY 2016 General Fund Budget. Prior to the budget adoption, the Mayor and City Council had deferred the adoption of City Council requested amendments to the General Fund with the anticipation that a collective bargaining agreement with the Police Union would be tentatively

agreed on by early October and that funding for the amendments could potentially be needed for a tentative agreement.

The City began meeting with the police union to negotiate a new collective bargaining contract in January 2014. Significant progress was made during the month of September 2015; however on September 30, the Police Union notified the Mayor and City Council of their decision to cease contract negotiations. As a result of this, the amendments to the FY 2016 General Fund Budget, deferred in September, were approved by City Council in October.

As part of the City's financial management practices, City Council will be provided an update on the City's FY 2016 Budget. The FY 2016 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 2016 Proposed Mid-Year Budget adjustment will be presented to the City Council. This 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 2016 Mid-Year Budget Adjustment Ordinance will be considered during the May 12, 2016 City Council "A" Session.

**FY 2017 to FY 2021 Five-Year Financial Forecast.** Also presented to City Council on May 11, 2016 will be the City's Five-Year Financial Forecast covering Fiscal Year 2017 through Fiscal Year 2021. 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 2016. 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 2017.

## **ISSUE:**

City Council will be presented with the FY 2016 Six Plus Six Financial Report (2nd Quarter Actuals with Annualized Projections) along with the FY 2016 Mid-Year Budget Adjustment Recommendations for the operating and capital budgets. The recommended FY 2016 Mid-Year Budget Adjustment Ordinance will be considered during the May 12, 2016 City Council "A" Session.

The City's Five-Year Financial Forecast for FY 2017 to FY 2021 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 2017 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 2016 Mid-Year Adjustment recommendations will be considered at the May 12, 2016 City Council "A" session.

**RECOMMENDATION:**

The FY 2016 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 12, 2016 "A" Session.

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