



City of San Antonio

Agenda Memorandum

File Number:16-3035

Agenda Item Number: 13.

Agenda Date: 5/12/2016

In Control: City Council A Session

DEPARTMENT: Office of Management and Budget

DEPARTMENT HEAD: John Woodruff (OMB)

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT: FY 2016 Mid-Year Budget Adjustment

SUMMARY:

A mid-year budget adjustment is recommended to the FY 2016 Budget that will result in a revised budget based on actual revenues and expenditures for the six months of the fiscal year (October to March) and projections for the remaining six months of the fiscal year (April to September) in the General Fund and various Restricted Funds.

BACKGROUND INFORMATION:

As part of the City's financial management practices, the City Manager recommends a Mid-Year Budget Adjustment for City Council consideration annually. This Adjustment aligns revenues and expenses based on actual activity for the first six months of the fiscal year (October to March) and updated projections for the remaining six months of the fiscal year (April to September). The result of this adjustment is a revised Budget for the Fiscal Year.

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.

The FY 2016 Six Plus Six Financial Report (2nd Quarter Report) will be presented to the City Council at the May 11th “B” Session. At this presentation, City Council will be provided with a briefing and recommended Mid -Year Budget Adjustment for the General Fund and various restricted funds.

ISSUE:

The Six Plus Six Financial report to be presented to City Council during the May 11th ”B” Session will provide City Council with an informational briefing on the City’s FY 2016 financial status of revenues and expenses through the second quarter of the fiscal year (October to March) and projections for the remaining six months (April to September). At this briefing, City Council will be provided with information regarding specific areas within the FY 2016 Budget that are recommended for increases or decreases. The specific appropriation adjustments with supporting resources and justifications will be presented during the May 11th City Council “B” Session.

ALTERNATIVES:

Should the recommended Mid-Year Budget Adjustment not be implemented, the FY 2016 budget would not be reset to reflect the actual revenues and expenditure activity for the first six months of FY 2016 and projections for the remaining six months of the fiscal year.

FISCAL IMPACT:

The FY 2016 Mid-Year Budget Adjustment adjusts appropriation levels and adjusts budgeted revenues within the General Fund and some restricted funds.

RECOMMENDATION:

Staff recommends approval of the FY 2016 Mid-Year Budget Adjustment providing the necessary appropriation levels for the identified Funds and Departments to be presented to City Council at the May 11th “B” Session.