



# City of San Antonio

## Agenda Memorandum

**File Number:**19-3294

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**Agenda Item Number:** 4.

**Agenda Date:** 5/16/2019

**In Control:** City Council A Session

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**DEPARTMENT:** Office of Management and Budget (OMB)

**DEPARTMENT HEAD:** Justina Tate

**COUNCIL DISTRICTS IMPACTED:** City Wide

**SUBJECT:** FY 2019 Mid-Year Budget Adjustment

### **SUMMARY:**

A mid-year budget adjustment is recommended to the FY 2019 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. Additionally several budget adjustments are recommended in the General Fund, Restricted Funds and the Capital Budget.

### **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 13, 2018 for the City's fiscal year that began October 1, 2018.

The FY 2019 Six Plus Six Budget and Finance Report (2nd Quarter Report) was presented to the City Council at the May 8<sup>th</sup> "B" Session. At this presentation, City Council was provided with a briefing and recommended Mid -Year Budget Adjustment for the General Fund and various restricted funds.

The Mid-Year Budget adjustment also recommends four adjustments in the General Fund totaling \$288,072 funded from the General Fund Contingency; three adjustments funded by restricted funds 1,258,699 funded by the Development Services Fund and the Hotel Occupancy Tax Fund; and two adjustments in the capital budget funded from the Capital Budget Contingency. Attached is a detail listing of these budget amendments.

**ISSUE:**

The FY 2019 Six Plus Six Budget and Finance report to be presented to City Council during the May 8<sup>th</sup> “B” Session will provide City Council with an informational briefing on the City’s FY 2019 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 2019 Budget that are recommended for increases or decreases. The specific appropriation adjustments with supporting resources and justifications will be presented during the May 8<sup>th</sup> City Council “B” Session.

**ALTERNATIVES:**

Should the recommended Mid-Year Budget Adjustment not be implemented, the FY 2019 budget would not be reset to reflect the actual revenues and expenditure activity for the first six months of FY 2019 and projections for the remaining six months of the fiscal year.

**FISCAL IMPACT:**

The FY 2019 Mid-Year Budget Adjustment adjusts appropriation levels and adjusts budgeted revenues within the General Fund and some restricted funds. The Mid-Year Budget adjustment also recommends four adjustments in the General Fund totaling \$288,072 funded from the General Fund Contingency; three adjustments funded by restricted funds 1,258,699 funded by the Development Services Fund and the Hotel Occupancy Tax Fund; and two adjustments in the capital budget funded from the Capital Budget Contingency. Attached is a detail listing of these budget amendments.

**RECOMMENDATION:**

Staff recommends approval of the FY 2019 Mid-Year Budget Adjustment providing the necessary appropriation levels for the identified Funds and Departments as presented to City Council at the May 8<sup>th</sup> “B” Session.