



City of San Antonio

Agenda Memorandum

File Number:20-3384

Agenda Item Number: 6.

Agenda Date: 6/4/2020

In Control: City Council A Session

DEPARTMENT: City Manager's Office

DEPARTMENT HEAD: María Villagómez

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

FY 2020 Budget Adjustment

SUMMARY:

A budget adjustment is recommended to the FY 2020 Budget that will result in a revised budget based on actual revenues and expenditures for the first seven months of the fiscal year (October to April) and projections for the remaining five months of the fiscal year (May to September) in the General Fund and various Restricted Funds. This includes revenue impacts and programs suspended or delayed as a result of the impact of COVID-19. Additionally, several budget adjustments are recommended in the General Fund and Restricted Funds.

This ordinance also includes ratification of emergency contracts and purchases, grant awards related to the City's response to the COVID-19 pandemic, approval of abatements or deferrals of certain revenues and other actions taken by the City related to COVID-19

BACKGROUND INFORMATION:

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

On September 12, 2019, the City Council adopted a balanced budget for the City's fiscal year 2020 that began October 1, 2019. As part of the City's financial management practices, City staff meets with the City Manager on a monthly basis to review the financial performance of the City and on a quarterly basis, a report is provided to the City Council.

As a result of the financial impact of the COVID-19 pandemic on the City's Budget, City staff has presented frequent updates to the City Council since March. These presentations have included the projected revenue loss in the general fund and restricted funds as well as actions taken to suspend or delay some programs to maintain a balanced budget.

The FY 2020 Mid-Year Budget and Finance Report was presented to the City Council at the May 28th "A" 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 (See Attachment I).

The May 28th "A" Session also included a briefing on grant awards totaling \$347 Million. These grants have been awarded to the City of San Antonio by various Federal agencies to manage the response and recovery of COVID-19 within the community (See Attachment II).

In addition, the ratification of Emergency Contracts and Purchases funded by these grant awards totaling \$10.7 Million was presented to City Council at the May 28th "A" Session. These emergency purchases were necessary to address the response and recovery due to the impact of COVID-19 within the community. These purchases include: Personal Protective Equipment, Hand Sanitizer and other disinfecting products, testing and lab services, patient lodging, medical equipment, custodial services and vehicles (See Attachment III).

Finally, the City Council was briefed on May 28th about recommended requests received by the City for revenue abatements and deferrals in the General Fund and some restricted funds (See Attachment IV).

ISSUE:

The FY 2020 Mid-Year Budget and Finance report presented to City Council during the May 28th "A" Session provided City Council with an informational briefing on the City's FY 2020 financial status of revenues and expenses through the first seven months of the fiscal year (October to April) and projections for the remaining five months (May to September). During the briefing City Council was provided information regarding specific areas within the FY 2020 Budget that are recommended for increases or decreases which includes revisions for revenue impacts and programs suspended or delayed as a result of the impact of COVID-19. Grant awards, emergency contracts and purchases, as well as abatements and deferrals of certain revenues were also presented during the May 28th "A" Session.

ALTERNATIVES:

Should the recommended Mid-Year Budget Adjustment not be implemented, the FY 2020 Budget would not be reset to reflect the actual revenues and expenditure activity for the first seven months of the FY 2020 and projections for the remaining five months of the fiscal year. Nor would the City be able to accept the grant awards and procure the emergency contracts and purchases required due to the impact of COVID-19.

FISCAL IMPACT:

The FY 2020 Mid-Year Budget Adjustment adjusts appropriation levels and adjusts budgeted revenues within

the General Fund and certain Restricted Funds. Additionally, this ordinance will ratify COVID-19 related grants in an amount of \$347 Million and ratify certain emergency purchases in an amount of \$10.7 Million. Finally, this ordinance will approve certain revenue abatements and deferrals in the General Fund, Airport Operations and Maintenance Fund, Market Square Fund, Parking Fund, Convention Sports Facilities funds, and other restricted funds. Attached is a detail listing of these budget adjustments.

RECOMMENDATION:

Staff recommends approval of the FY 2020 Mid-Year Budget Adjustment providing the necessary appropriation levels for the identified Funds and Departments, the ratification of Grant Awards, and the ratification of Emergency Contracts and Purchases, and abatements and deferrals of certain revenues as presented to City Council at the May 28th “A” Session