



# City of San Antonio

## Agenda Memorandum

**File Number:**20-3854

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**Agenda Item Number:** 1.

**Agenda Date:** 6/26/2020

**In Control:** City Council Special Session

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**DEPARTMENT:** City Manager's Office

**DEPARTMENT HEAD:** Maria Villagómez

**COUNCIL DISTRICTS IMPACTED:** City Wide

### **SUBJECT:**

City Council Goal Setting Session for the FY 2021 Budget

### **SUMMARY:**

On June 26, 2020, the City Council FY 2021 Budget Goal Setting Session will be held. The purpose of the Budget Goal Setting Session is to discuss the FY 2021 Trial Budget, discuss potential reductions and obtain City Council policy direction that will guide the City Manager and staff in developing the FY 2021 Proposed Budget and the FY 2022 Budget-Plan. City Council may take action to approve certain policy and priority matters related to the Budget Goal Setting Process.

### **BACKGROUND INFORMATION:**

The City of San Antonio's fiscal year begins on October 1, and ends September 30. Each year the City Manager transmits a budget development calendar to the City Council with key dates for each phase of the budget process. The phases include (1) Trial Budget & Five-Year Financial Forecast and public input before the budget is prepared, (2) City Council Budget Goal Setting Session, (3) Proposed Budget for the upcoming fiscal year, (4) City Council budget worksessions, and public input meetings/public hearings on the proposed budget, and (5) adoption of the Budget for the next fiscal year. The Annual Operating and Capital Budget must be approved by the City Council not later than September 27 of every year in accordance with the City Charter.

**Trial Budget & Five Year Financial Forecast:** On June 18, 2020, City Council was provided a briefing on the City's Five Year Financial Forecast covering Fiscal Year 2021 through Fiscal Year 2025 as well as the FY 2021 Trial Budget.

As a result of the impact of COVID -19 on the economy, financial challenges are expected in FY 2021. On June 18, the City Manager presented a Trial Budget to City Council for the General Fund, Hotel Occupancy Tax, Airport Fund, and Development Services Fund.

The Trial Budget includes certain revenue and expenditure assumptions, as well as potential reductions to certain funds as a result of the impact of COVID-19 on the economy. The Trial Budget provides an opportunity to discuss potential reductions to the budget before the proposed budget is developed.

Additionally, the City will be holding virtual community outreach between June 18 and June 24 to receive feedback from the community on the FY 2021 Trial budget. Results of this outreach will be presented to the City Council at the Goal Setting Session on June 26<sup>th</sup>.

**City Council Budget Goal Setting Session:** On June 26, 2020, the City Council FY 2021 Budget Goal Setting Session will be held. The purpose of the Budget Goal Setting Session is to discuss the FY 2021 Trial Budget, discuss potential reductions and obtain City Council policy direction that will guide the City Manager and staff in developing the FY 2021 Proposed Budget and the FY 2022 Budget-Plan.

**Proposed Budget:** On August 6, 2020 the City Manager will present the FY 2021 Proposed Operating and Capital Budget to City Council. This budget will be prepared from June to July and will incorporate the policy direction provided by the City Council on June 26 and the community input provided through the SASpeakUp Campaign.

**Budget Adoption:** After the Budget is proposed on August 6, 2020, the City Council will have an opportunity to review the budget in detail at several worksessions between August 10 to September 16, 2020. Community Input Sessions for the public to comment on the budget will be held during the same period. The Budget is scheduled to be approved on September 17, 2020.

## **ISSUE:**

The purpose of the Budget Goal Setting Session is to discuss the FY 2021 Trial Budget, discuss potential reductions and obtain City Council policy direction that will guide the City Manager and staff in developing the FY 2021 Proposed Budget and the FY 2022 Budget-Plan. The anticipated outcome of this session is to receive policy direction on the FY 2021 Trial Budget that will be utilized by staff to prepare a balanced Fiscal Year 2021 Proposed Annual Operating and Capital Budget.

## **ALTERNATIVES:**

This item is a scheduled event consistent with the endorsed FY 2021 Budget Development Calendar.

## **FISCAL IMPACT:**

The City Council Budget Policy Goal Setting Session will provide service delivery priorities to be utilized in the upcoming FY 2021 Budget development process and prepare a spending plan that aligns with City Council priorities.

## **RECOMMENDATION:**

Staff's recommendation is to conduct the June 26, 2020 City Council Budget Policy Goal Setting Worksession.