



City of San Antonio

Agenda Memorandum

Agenda Item Number: 1

Agenda Date: May 11, 2022

In Control: City Council B Session

DEPARTMENT: Office of Management & Budget

DEPARTMENT HEAD: Justina Tate

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

FY 2022 Six Plus Six Financial Report, Mid-Year Budget Adjustment Recommendations, FY 2023–FY 2027 Five-Year Financial Forecast, and FY 2023 Trial Budget

SUMMARY:

City Council will be provided with an informational briefing on the FY 2022 Six Plus Six Financial Report, Mid-Year Budget Adjustment Recommendations, the Five-Year Financial Forecast covering FY 2023 through FY 2027 and the FY 2023 Trial Budget.

The City Council will be provided with an informational briefing on the City's FY 2022 Budget status through the second quarter (October through March) of the fiscal year and projections on revenues and expenditures for the remaining six months of the fiscal year (April through September). The City Council also will be presented with the City's Five-Year Financial Forecast covering Fiscal Year 2023 through Fiscal Year 2027 and the FY 2023 Trial Budget. The Forecast will focus on the City's General Fund, Development Services Fund, Solid Waste Fund, and the Hotel Occupancy Tax (HOT) Related Funds and the FY 2023 Trial Budget will focus on the General Fund.

BACKGROUND INFORMATION:

FY 2022 Six Plus Six Financial Report (2nd Quarter Actuals with Annualized Projections) and FY 2022 Mid-Year Budget Adjustment Recommendations.

On September 16, 2021, the City Council approved the FY 2022 Operating and Capital Budget. As part of the City's financial management practices, the City Council will be provided an update on the City's FY 2022 Budget. The FY 2022 Six Plus Six Financial Report will focus on the financial and operational 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 (April through September).

Additionally, the FY 2022 Proposed Mid-Year Budget adjustment will be presented to the City Council. This adjustment 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 2022 Mid-year Budget Adjustment Ordinance will be considered during the May 19 City Council "A" Session.

FY 2023 to FY 2027 Five-Year Financial Forecast.

The Five-Year 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 Fund, Solid Waste 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 assumptions as of May 2022. 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 2023. The Five-Year Forecast is the base for the FY 2023 Trial Budget.

FY 2023 Trial Budget

The Trial Budget is a step in the Budget Development Process that was introduced for the FY 2021 Budget Development Process as staff prepared alternatives to balance the budget in the midst of the COVID-19 pandemic for City Council consideration. The process was useful for the City Council and staff to deliberate on alternatives to balance the budget and the FY 2023 Budget Development Process continues with this practice.

The Trial Budget is a preliminary allocation of resources for the next fiscal year and will incorporate policy direction received from City Council during the FY 2023 Goal Setting Session held on Wednesday, April 13. The Trial Budget will provide a two-year balanced plan for the General Fund.

Once the FY 2023 Trial Budget is presented, a community survey will be posted regarding the budget priorities identified in the Trial Budget. The Community will be able to comment and provide feedback on the Trial Budget priorities during the months of May and June. Results of this outreach will be provided to City Council prior to the proposed budget.

ISSUE:

The FY 2022 Six Plus Six Financial Report (2nd Quarter Actuals with Annualized Projections) will be presented along with the FY 2022 Mid-Year Budget Adjustment Recommendations to the operating and capital budgets. The recommended FY 2022 Mid-year Budget Adjustment Ordinance will be considered during the May 19 City Council “A” Session.

City Council will be presented with the City’s Five-Year Financial Forecast for FY 2023 to FY 2027. This will provide the City Council with financial projections and help identify significant issues that need to be addressed in the upcoming FY 2023 Budget Development Process. The Forecast will focus on the City’s General Fund, Development Services Fund, Solid Waste Fund, and the Hotel Occupancy Tax (HOT) Related Funds.

City Council will be presented with the FY 2023 Trial Budget which is a preliminary allocation of resources for the next fiscal year and serves as a beginning point of discussion leading to a more refined proposal in August which is the Proposed Budget.

ALTERNATIVES:

This is an informational briefing only.

FISCAL IMPACT:

This is an informational briefing only. The FY 2022 Mid-Year Adjustment recommendations will be considered at the May 19, 2022 City Council “A” session.

RECOMMENDATION:

This is an informational briefing only.