

AGENDA ITEM # \_\_\_\_\_

DATE: May 4, 2015

COAC NUMBER: 15-5590ws

**CITY OF GOODYEAR  
CITY COUNCIL ACTION FORM**

**SUBJECT: FY16 Draft Budget Review**

**STAFF PRESENTER:** Lauri  
Wingenroth, Budget and Research  
Manager  
**COMPANY**  
**CONTACT:**

**RECOMMENDATION:**

Council will receive information on and discuss the estimated fiscal year 2015-16 (FY16) draft budget.

**PURPOSE:**

Staff will present an update on the city's FY16 draft budget based on the projected estimated revenues, expenditures, and Capital Improvement Plan (CIP) as presented to the Council in previous work sessions, as well as policy direction and guiding documents for supplemental priorities including the City Strategic Action Plan, Priority Based Budgeting Key Results, City Council retreat direction, and department strategic and operational plans.

The objective of the work session is to receive Council direction on any further evaluation or adjustments to the draft budget in preparation for adoption of the tentative budget on May 18, 2015.

**BACKGROUND AND COMMUNITY BENEFIT:**

The city holds several work sessions as part of the budget development process. An initial, high level five-year revenue preview was discussed with the Council at the October 27, 2014 work session. On February 23, 2015, a presentation was made on the five-year General Fund financial forecast, which validated the status of the assumptions that the October discussion was based upon, as well as confirmed the five-year forecast. March 16, 2015, the Council reviewed tax policy and one-time general fund requests for FY16.

Current operational budgets and the programs and services that are supported were reviewed with the Council April 6 and 7, 2015 to provide the starting point for discussions on specific revenues and expenditure recommendations for next fiscal year. Additionally, the recommended FY16 operating budget asset management program was presented at the April 13, 2015 Council work session.

Work sessions focusing on specific one-year revenues for FY16, recommendations for FY16 expenditures, and for Council to provide consensus direction on any further evaluation or adjustments to the recommended expenditures in preparation for the draft

budget review presentation were held on April 20 and 27, 2015. Compensation, benefits packages, and retirement costs were discussed.

This work session is a high-level overview for the Council to provide consensus direction on any further evaluation or adjustments to the draft FY16 budget prior to the adoption of the tentative budget scheduled for May 18, 2015.

Arizona Revised State Statutes require that Arizona municipalities pass a balanced budget and adoption of the tentative budget sets the maximum expenditure cap for the year. With the adoption of the tentative budget, the Council has set its maximum “limits” for expenditure, but these limits may be reduced upon final adoption.

Although there is no specific date set by state law for adoption of the final budget, there are time constraints on the budget process. State Statutes require that multiple public notices be published once the tentative budget has been adopted. Additionally, state law requires that specific periods of time must pass before a tax levy can be adopted. Thus, the deadline for adoption of the final budget becomes the first Monday in August.

#### **PREVIOUS ACTIONS AND DISCUSSION:**

Previous FY16 budget development discussions with the Council include:

October 27, 2014	Five-year revenue forecasts, FY16 budget calendar
February 23, 2015	Five-year General Fund financial forecast
March 16, 2015	Overview of tax policy, one-time general fund requests
April 6-7, 2015	FY15 department base budget reviews
April 13, 2015	Asset management program
April 20, 2015	Revenues and expenditures
April 27, 2015	Revenues and expenditures (continued)

#### **FISCAL ANALYSIS:**

There is no fiscal impact at this time, as no action will be taken. The presentation is for informational purposes only as staff works to develop the FY16 budget and ten-year CIP.

#### **ATTACHMENTS:**

1. FY16 Revenues
2. Operating Expenditures – All Funds
3. Authorized Positions
4. FY16 Capital Improvement Program
5. FY16 Listing of Supplementals