

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

DATE: May 18, 2015

COAC NUMBER: 15-5603

**CITY OF GOODYEAR  
CITY COUNCIL ACTION FORM**

**SUBJECT: ADOPT RESOLUTION 15-1705 ADOPTING THE FY16 TENTATIVE BUDGET.**

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

**RECOMMENDATION:**

ADOPT RESOLUTION NO. 15-1705 ADOPTING THE FISCAL YEAR 2015-16 ESTIMATES OF REVENUES AND EXPENSES FOR THE CITY OF GOODYEAR, INCLUDING ESTIMATED PROPERTY TAX LEVY AND PROPERTY TAX RATES, AS THE TENTATIVE BUDGET FOR FISCAL YEAR BEGINNING JULY 1, 2015 AND ENDING JUNE 30, 2016; SETTING FORTH THE RECEIPTS AND THE AMOUNTS ESTIMATED AS COLLECTIBLE FOR THE PREVIOUS FISCAL YEAR; THE AMOUNT PROPOSED TO BE RAISED BY DIRECT PROPERTY TAXATION FOR THE VARIOUS PURPOSES; GIVING NOTICE OF THE TIME FOR HEARING TAXPAYERS; FOR ADOPTION OF BUDGET AND SETTING THE TAX LEVIES.

**PURPOSE:**

Adoption of the fiscal year 2015-16 (FY16) tentative budget.

**BACKGROUND AND COMMUNITY BENEFIT:**

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:**

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 department operational budgets and their programs and services 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.

On May 4, 2015 a high-level overview work session was held 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.

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)
May 4, 2015	Draft budget review

Adoption of the final budget is scheduled for June 22, 2015. The property tax levies are scheduled to be set July 6, 2015.

### **FISCAL ANALYSIS:**

In accordance with State law, a fiscal year budget must be approved and adopted so the City can conduct its financial business. The total proposed FY16 tentative budget is \$236 million.

### **ATTACHMENTS:**

1. Resolution
2. Budget message and financial policies
3. State budget forms A-G
4. City budget schedules 1-11
5. 10-year Capital Improvement Plan