

AGENDA ITEM # _____

DATE: June 22, 2015

COAC NUMBER: 15-5605

**CITY OF GOODYEAR
CITY COUNCIL ACTION FORM**

**SUBJECT: ADOPT RES 15-1706
ADOPTING THE FY16 FINAL
BUDGET.**

STAFF PRESENTER: Lauri
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Manager
COMPANY
CONTACT:

RECOMMENDATION:

ADOPT RESOLUTION NO. 15-1706 DETERMINING AND ADOPTING THE FINAL ESTIMATES OF PROPOSED EXPENDITURES BY THE CITY OF GOODYEAR FOR THE FISCAL YEAR BEGINNING JULY 1, 2015 AND ENDING JUNE 30, 2016.

PURPOSE:

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

BACKGROUND AND COMMUNITY BENEFIT:

Arizona Revised State Statutes require that Arizona municipalities pass a balanced budget. Adoption of the tentative budget, which sets the maximum expenditure cap for the year, is one of the first steps in this process. Goodyear's tentative budget was adopted at a regular meeting of the City Council on May 18, 2015. With the adoption of the tentative budget, the Council set its maximum limits for expenditure, but these limits may be reduced upon final adoption. Modification between the tentative budget and final budget may be made, but are generally accounting in nature.

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.

In addition, as required by state law, the total final budget of \$236 million does not exceed the \$236 million adopted tentative budget. With the budget, the City seeks to exercise strong fiscal management policies that provide the highest community benefit in the most efficient manner.

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 including capital improvement projects 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 operating and capital project expenditures in preparation for the draft budget review presentation were held on April 20 and 27, 2015. Compensation, benefits packages, retirement costs, and the 10-Year Capital Improvement Program 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.

The FY16 tentative budget was adopted at the May 18, 2015 regular Council meeting.

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
May 18, 2015	Tentative budget adoption

Adoption of the property tax levy is scheduled for 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 final budget is \$236 million.

ATTACHMENTS:

1. Resolution
2. Fiscal Year 15-16 Final Budget Presentation