

AGENDA ITEM #: _____

DATE: May 23, 2016

COAC #: 16-5833

**CITY OF GOODYEAR
CITY COUNCIL ACTION FORM**

SUBJECT: ADOPT RESOLUTION 16-1764 ADOPTING THE FY17 TENTATIVE BUDGET.

STAFF PRESENTER: Lauri Wingenroth,
Budget & Research Manager

CASE NUMBER: N/A

OTHER PRESENTER: N/A

RECOMMENDATION:

ADOPT RESOLUTION NO. 16-1764 ADOPTING THE FISCAL YEAR 2016-17 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, 2016 AND ENDING JUNE 30, 2017; 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 2016-17 (FY17) tentative budget.

BACKGROUND AND PREVIOUS ACTIONS:

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.

The city holds several work sessions as part of the budget development process. An initial, high level Capital Improvement Program (CIP) preview was discussed with the Council at the November 16, 2015 Council retreat. At the January 4, 2016 retreat, a presentation was made on the budget calendar and tax policy. On February 22, 2016, a presentation was made on the five-year General Fund, Sanitation Fund and key Capital Funds financial forecasts. On March 14, 2016, the Council reviewed the CIP projects requested by departments and provided further direction and initial recommendations. On April 18 and 25, 2016 work sessions were held for the Council to discuss and provide consensus direction on the FY17 Draft Annual Budget and Draft FY17 10-year CIP prior to the adoption of the tentative budget scheduled for May 23, 2016.

Previous FY17 budget development discussions with the Council include:

November 16, 2015	Capital Improvement Program
January 4, 2016	Budget Calendar and Tax Policy
February 22, 2016	Operating and Capital Funds Five-Year Forecast
March 14, 2016	CIP Projects Overview
April 18, 2016	Draft Budget Overview
April 25, 2016	Draft Budget Overview Continued

Adoption of the final budget is scheduled for June 27, 2016. The property tax levies are scheduled to be set July 11, 2016.

CURRENT POLICY:

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.

STAFF ANALYSIS:

The Finance staff and Executive Budget Committee have reviewed the proposed adoption of the fiscal year 2016-2017 (FY17) tentative budget and find that they are in compliance with state law and city policies. They are in support of the proposed action.

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 FY17 tentative budget is \$254 million.

ATTACHMENTS:

1. Resolution 16-1764
2. Budget message
3. Financial policies
4. State budget forms A-G
5. City budget schedules 1-11
6. 10-year Capital Improvement Plan