



Tentative Adoption of the 2016-17 Annual Budget

Regular Meeting
May 23, 2016

Presentation Outline



- FY17 Budget Process Overview
- Financial Policies
- Changes from Draft Budget
- FY17 Tentative Budget
- Next Steps

Budget Process Overview



- Staff process
 - Monitor current year
 - Base Budget
 - Supplemental and Capital project requests
- City Council provides direction and feedback
 - Capital Projects (November and March)
 - Tax Policy and Budget Calendar (January)
 - Five-year forecast (February)
 - Compensation and Benefits (March)
 - Draft budget (2 meetings in April)
- Public Budget Forum

Guiding Principles



- Take Care of What We Have
- Public Safety
- Plan for Anticipated Operating Costs
- Attract, Develop, and Retain a Skilled Workforce
- Gathering Place/100 Acre Site

Financial Policy Changes and Revisions



- Policy Change
 - Combined property tax rate for issuing bonds increased to \$1.74
- Adjust for current practice
- Duplication, clarifications, and corrections

Changes from Draft Budget



Budget Remains at \$254 million

- Based on April 18th and 25th Work Sessions
 - Eliminate self-insurance reserve
 - Replace 1 of 2 full-time Customer Service Clerk positions with temporary position
 - Add a playground for Foothills Community Park
 - Advance playground and canopy replacement for Estrella Village to FY17

Changes from Draft Budget



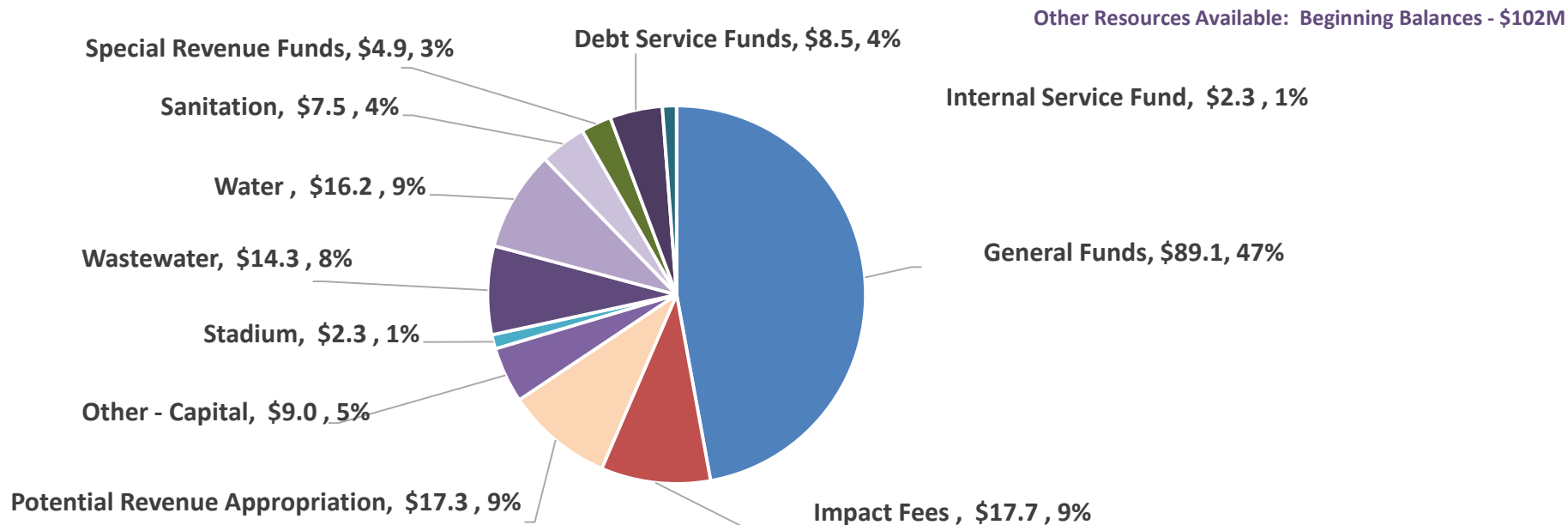
Budget Remains at \$254 million

- Technical Revisions
 - Projected increase in payments required by existing development agreements
 - Add Enterprise fleet and information technology hardware replacements
 - Add Wastewater CMOM project from rate plan changes
- Pending for Final Adoption
 - Disability insurance gap in the public safety pension system

All Funds FY17 Revenues \$189.1M



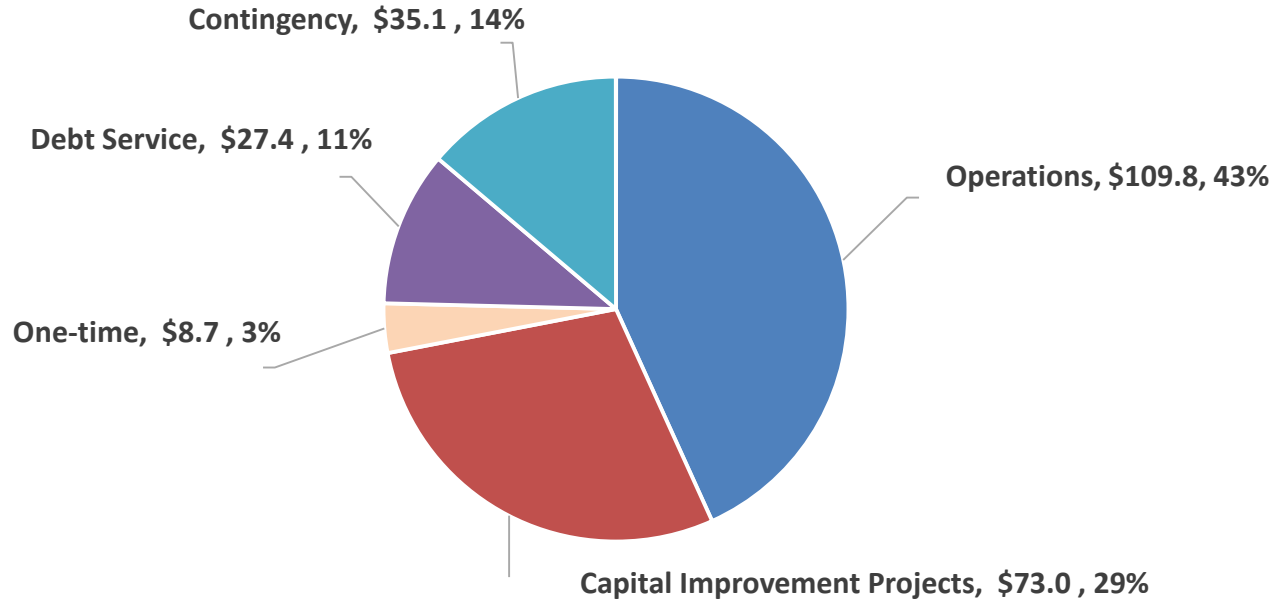
(in millions of dollars)



All Funds FY17 Tentative Budget - \$254M



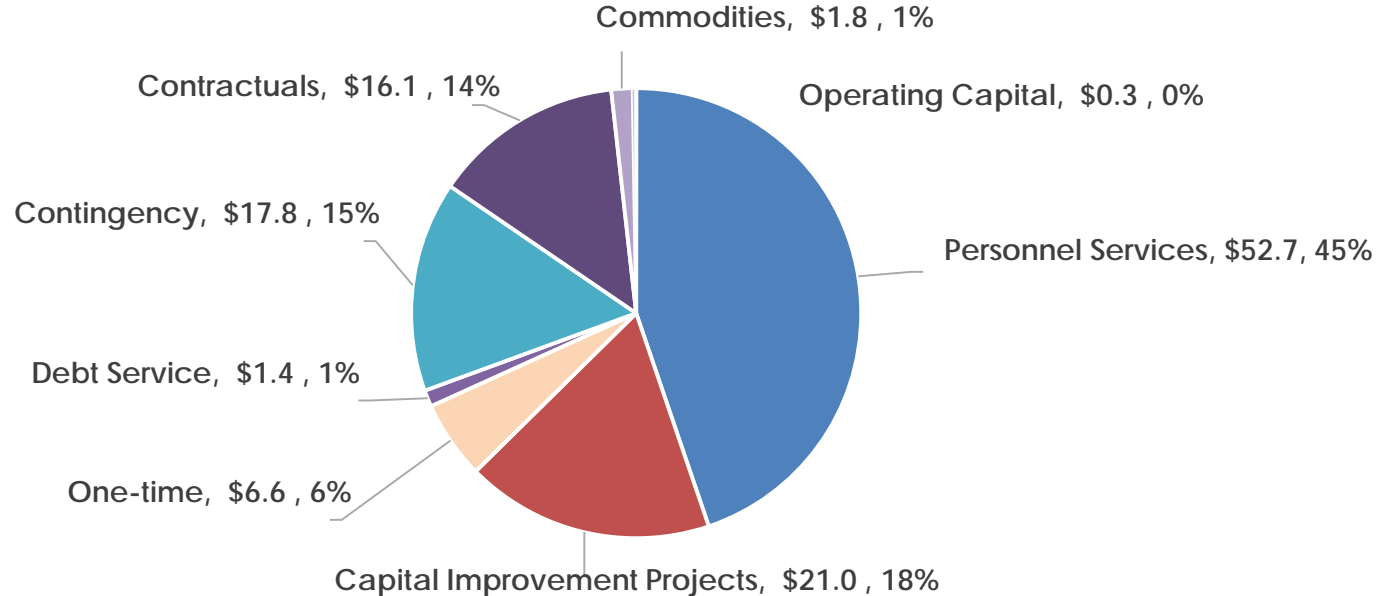
(in millions)



FY17 Tentative Budget General Expenditures - \$117.7M



(in millions of dollars)



Highlights of Supplementals and Additions – General Fund



SUPPLEMENTALS

Take Care of What We Have

- Asset management: fire trucks, patrol vehicles, police radios, right of ways and parks replacements, fire safety and breathing equipment, and other equipment

Public Safety

- Police: patrol squad and investigator, School Resource Officer sergeant, jail and other service contracts
- Fire: Paramedic training, fire station location analysis, training equipment
- Other: Storm drainage, pool repairs, tree trimming

Highlights of Proposed Supplementals and Other Additions – General Fund



SUPPLEMENTALS

Plan for Anticipated Operating Costs

- Operating Cost Set-Aside: build operating budget capacity for expected new programs and services
 - Open Future Capital Projects – 2 fire stations, expansion of police operations facility and park, aquatic center and recreations center
 - Others: future police squad, library transfer from County

Attract, Develop, and Retain a Skilled Workforce

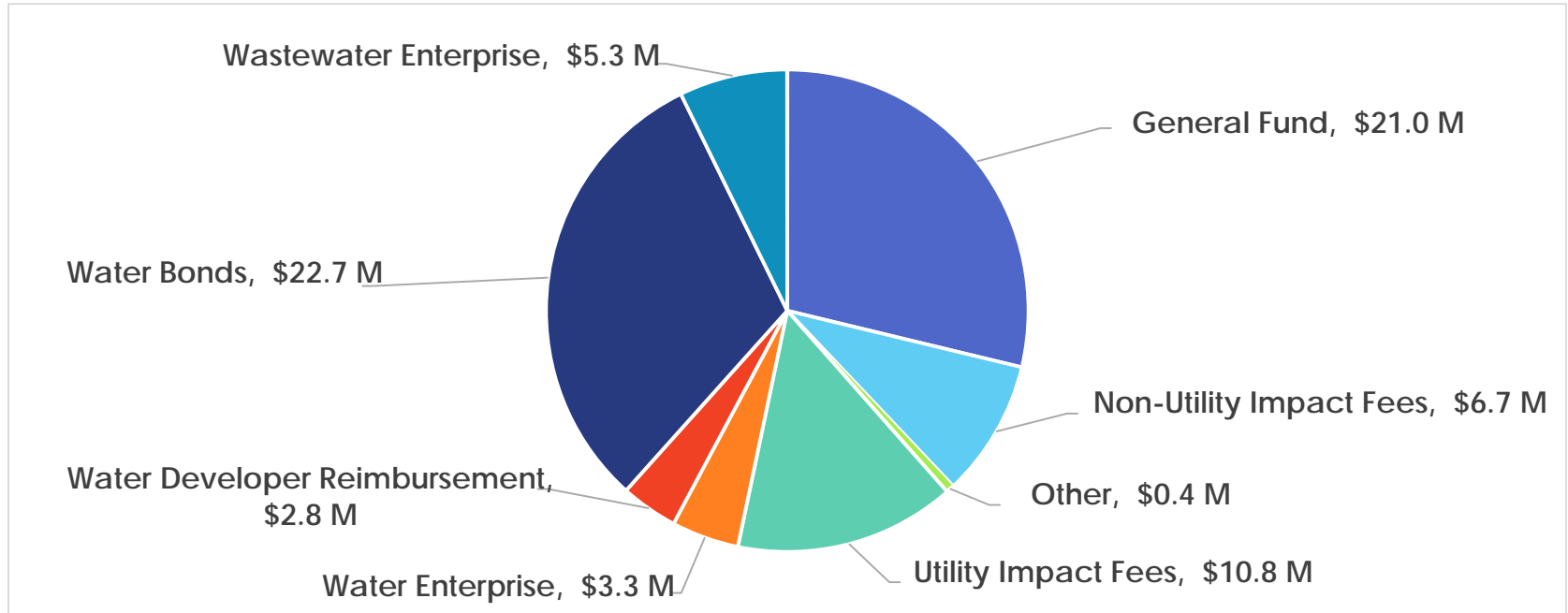
- Tools, technology, training, fair and competitive salaries and benefits

FY17 Tentative Budget

Capital Improvement Projects - \$73.0M



Funding Sources



Capital Project Highlights for FY17



General Government	Water and Wastewater Utilities
Planning for park, recreation center, and aquatics facility	Replace the dome on the Corgett Water Reclamation Plant
2 Traffic Signals	Expand capacity at Adaman Well Site
Complete work on Sarival between Portland and Van Buren	Expand capacity at Goodyear Water Reclamation Facility by 2MGD
Complete first phase of Police Operations facility	Oversize lines to address system-wide need rather than only size for a single development
Various drainage improvements	Begin work to develop new water well
Repair and replace right of way landscaping	Rehab and repair work

Regular Meeting Action Items

June 27	Final Budget Adoption, Truth & Taxation
July 11	Property Tax Levy

Recommended Action



Approve Resolution No. 16-1764
adopting the tentative FY17 budget as
presented for \$254 million