

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

DATE: May 22, 2017

COAC #: 17-5995

**CITY OF GOODYEAR  
CITY COUNCIL ACTION FORM**

**SUBJECT: ADOPT RESOLUTION 17-1785 ADOPTING THE FY18 TENTATIVE BUDGET; ADOPT FINANCIAL POLICIES.**

**STAFF PRESENTER:** Lauri Wingenroth,  
Budget & Research Manager

**CASE NUMBER:** N/A

**OTHER PRESENTER:** N/A

**PROPOSED ACTION:**

ADOPT RESOLUTION NO. 17-1785 ADOPTING THE FISCAL YEAR 2017-18 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, 2017 AND ENDING JUNE 30, 2018; 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; ADOPTION OF FINANCIAL POLICIES.

**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.

Council was updated on the FY17 Beginning Balance during the December 19, 2016 Council work session. The increase in that beginning balance becomes the first input of one-time resources for the FY18 budget. At the February 6, 2017 work session, staff presented the General Fund Five Year Forecast & Initial Revenue estimates for FY17 and FY18. These sessions provided information on FY18 ongoing and one-time resources for the General Fund and a sense of budget capacity. At the March 20, 2016 work session, staff presented the CIP & Supplementals Funding Requests and provided initial recommendations on item for funding consideration. At the April 10, 2017 work session, staff presented the Enterprise Funds-Draft FY18 Budgets and 10-Year CIP. At the April 17, 2017 work session, staff presented the Budget Process Overview and General Fund FY18 Draft Budget and CIP Projects.

Adoption of the final budget is scheduled for June 2017. The property tax levies are scheduled to be set July 2017.

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.

Through the annual budget process, the city's financial policies are reviewed and discussed with the Council, including a discussion on any changes for the next fiscal year. This is critical, as these policies set the foundation for the development of projection and budget models, and influence the ultimate balanced budget that is recommended.

#### **STAFF ANALYSIS:**

The Finance staff and Executive Budget Committee have reviewed the proposed adoption of the fiscal year 2017-2018 (FY18) tentative budget and financial policies 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 FY18 tentative budget is \$320.3 million.

#### **RECOMMENDATION:**

Adopt the fiscal year 2017-18 (FY18) tentative budget and financial policies.

#### **ATTACHMENTS:**

1. Resolution 17-1785
2. FY18 City Manager Message
3. Summary of Changes from Draft Budget
4. Lean Summary
5. Tentative Budget-Schedule 1
6. Tentative Budget-Schedule 2
7. Tentative Budget-Schedule 3
8. Tentative Budget-Schedule 4
9. Tentative Budget-Schedule 5A
10. Tentative Budget-Schedule 5
11. Tentative Budget-Schedule 6
12. Tentative Budget-Schedule 7
13. Tentative Budget-Schedule 8
14. Tentative Budget-Schedule 9
15. Tentative Budget-Schedule 10
16. Tentative Budget-Schedule 11
17. CIP 10 YR Tentative
18. Tentative State Budget Schedules
19. Financial Policies