

**CITY OF GOODYEAR  
COUNCIL ACTION REPORT**

<b>SUBJECT: Adopt Resolution 2018-1845 Adopting the FY19 Tentative Budget</b>	<b>STAFF PRESENTER:</b> Lauri Wingenroth, Finance Manager-Budget and Research  <b>CASE NUMBER:</b> None  <b>OTHER PRESENTER:</b> None
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**PROPOSED ACTION:**

ADOPT RESOLUTION NO. 2018-1845 ADOPTING THE FISCAL YEAR 2018-19 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, 2018 AND ENDING JUNE 30, 2019; 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.

**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 FY19 budget process began with a Budget Retreat held on February 5, 2018 where Council discussed policies and priorities for the coming year. A base budget overview was presented on March 19, 2018 in which Council was provided an overview of the FY19 compensation and benefit recommendations as well as information on the citywide Base Budget and General Fund revenue. The City Manager presented a recommended budget on April 9, 2018 and proposed additional revisions to that budget on April 16, 2018. An open house was held and the public invited through In-Focus, web page postings, and social media to learn and ask questions about the proposed budget.

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.

Adoption of the final budget is scheduled for June 11, 2018. The property tax levies are scheduled to be set on June 25, 2018.

### **STAFF ANALYSIS:**

This \$447.4 million Tentative Budget includes \$91.3 million in carry overs from the FY18 budget for planned or in progress projects and initiatives that are not anticipated to be complete by June 30, 2018 as an addition to the budget recommended on April 16, 2018.

The following are the other changes made to the City Manager's Recommended Budget:

- 1) Adds the non-General Fund amounts that were included in the prior CIP for the recreation campus projects to the Capital Project Reserve. Only the General Funds had been accounted for in the Capital Project Reserve in the budget recommended in April.
- 2) Increased the estimated amount to be reimbursed from impact fees to developers based on updated revenue estimates.
- 3) Corrects a mechanical error that overstated the one-time costs of the new fire positions and adds those savings to the Capital Project Reserve.
- 4) Eliminated a CIP project related to the ongoing evaluation of the reuse of existing Fire Station 181 and adds the savings to the Capital Project Reserve.
- 5) Reduced the Fleet Asset Management budget to remove an early carryover and reflected that item in the carryovers.

### **FISCAL ANALYSIS:**

The FY19 Tentative Budget totals \$447.4 million dollars. It is balanced for the General Fund and within resources for Asset Management, Enterprise, Special Revenue, Capital, and Debt Service funds. The use of utility revenue, impact fee and/or property tax supported bond funding is anticipated for Surface Water, Goodyear Water Reclamation Facility expansion, a fire station, initial design of phase two of the police operations facility, and the recreation campus projects. Actual issuance of new bonds will be depended on the pace of spending on the projects and may not be required until FY20.

The tentative budget sets the spending priorities and limits for the coming year. A tentative budget must be adopted as part of the process to establish the appropriations to allow the City to conduct its financial business.

### **RECOMMENDATION:**

Adopt Resolution 2018-1845 adopting the fiscal year 2018-19 (FY19) tentative budget.

### **ATTACHMENTS:**

Resolution 2018-1845

State Budget Schedules A-G

City of Goodyear Tentative Budget