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**CITY OF TEMPE**  
**REQUEST FOR COUNCIL ACTION**

Meeting Date: 05/26/2016  
Agenda Item: 1

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**ACTION:** Hold a public hearing to adopt a resolution adopting the fiscal year 2016-17 Tentative Budget and setting public hearings for June 9, 2016 for the following: 1) adopting the fiscal years 2016-17 through 2020-21 Capital Improvements Program, 2) holding a Truth in Taxation Hearing, 3) approving the fiscal year 2016-17 property tax levy, and 4) adopting the fiscal year 2016-17 Final Budget. Also, setting a public hearing for the final adoption of the property tax levy rate at a meeting scheduled for June 23, 2016. (Resolution No. R2016.53)

**FISCAL IMPACT:** Per City Council direction, the fiscal year (FY) 2016-17 operating budget totals \$442,468,544 and the FY 2016-17 capital budget totals \$143,575,745 for a total financial program of \$586,044,289.

**RECOMMENDATION:** Adopt Resolution No. R2016.53.

**BACKGROUND INFORMATION:** The FY 2016-17 budget planning process included a public budget forum on February 24, 2016, and employee budget forums on April 5 and 6, 2016. During the Issue Review Session portion of Work Study Sessions held on February 18, March 17 and March 29, 2016, the City's FY 2016-17 operating and capital budgets were discussed. On April 21, 2016, the City Manager presented the City's recommended operating and capital budgets for FY 2016-17 to the City Council.

A Budget Review Session Follow-up was held at the May 5, 2016 Work Study Session. Per City Council direction, the following were added to the FY 2016-17 operating budget and capital improvement program:

- \$25,000 to the Maryanne Corder Neighborhood Grants Program
- \$52,000 for ASU sustainability coordination services (annual amount for each of the next 2 years)
- \$150,000 (one-time funding) for the Police Department to hire two temporary detectives
- \$3.5 million contingency to enable spending of GPLET lease revenue and land sale proceeds
- \$10,000 (one-time funding) for the Community Services Department for "little libraries"
- \$100,000 (one-time funding) for potential contract renewals during the fiscal year
- \$60,000 to the Highline Canal Path CIP project for drinking fountains

Also, the FY 2016-17 CIP total appropriation has increased by \$1,370,039. The increase is primarily related to six Water Program projects and one Transportation project that will not be completed by June 30, 2016, as anticipated, and must be reappropriated from FY 2015-16 to FY 2016-17. There is no overall impact to the 5-year CIP.

The tentative budget adoption process establishes the maximum expenditure limit for next year's budget. As required by state statute, Schedules A-G are attached as Exhibit A.

**ATTACHMENTS:** Resolution and Exhibit A.

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Prepared by: Cecilia Robles, Municipal Budget Director