



City of Grand Island

Tuesday, August 22, 2017

Council Session

Item I-1

#2017-238 – Consideration of Reporting Golf Operations in the General Fund Instead of an Enterprise Fund

Staff Contact: Renae Jimenez

Council Agenda Memo

From: Renae Jimenez, Finance Director

Meeting: August 22, 2017

Subject: Reclassification and inclusion of revenue and expenses of Golf operations into the General Fund

Presenter(s): Renae Jimenez, Finance Director

Background

The City has handled the operations of the Golf course as an enterprise fund. The rounds of golf have decreased resulting in decreasing revenues. The general fund has made transfers to the golf fund to help support its activities. The question has been raised as to whether or not the golf operations should be reported in the general fund.

Discussion

As noted above, the general fund has made transfers to the golf fund to support it. The rounds have decreased resulting in decreasing revenue and it's expected the general fund will need to support the golf fund again. It has been suggested that if the general fund continues to support the golf operations via a transfer, then why not just put the operations into the general fund as it is not raising enough from user fees to support costs and thus, would not be an enterprise fund.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Approve the resolution reclassifying the golf course operations to the general fund.
2. Postpone the issue to a future meeting.
3. Take no action.

Recommendation

It is Council's decision to either approve the reclassification to general fund or leave it as it is.

Sample Motion

Approve the resolution reclassifying the golf course operations to the general fund.

RESOLUTION 2017-238

WHEREAS, the City's municipal golf course is classified for budget purposes as an enterprise fund; and

WHEREAS, during the 2017-2018 budget process it was determined that the Golf Fund no longer functions as an Enterprise Fund due to an imbalance between revenue and expenses; and

WHEREAS, the City Council will adopt the 2017-2018 Budget at the September 12, 2017 meeting; and

WHEREAS, reclassification and inclusion of the revenue and expenses of the municipal golf course into the City's general fund for the 2017-2018 budget would facilitate budgeting and accounting between general fund and enterprise fund functions.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, as follows:

1. The municipal golf course should be and is hereby reclassified as a general fund function and obligation for the 2017-2018 Budget.
2. Funds remaining in the enterprise Golf Fund at the conclusion of the City's 2016-2017 budget year shall be transferred to the General Fund and allocated to the operation of the municipal golf course.

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Adopted by the City Council of the City of Grand Island, Nebraska, August 22, 2017

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
August 18, 2017	☐ City Attorney