



# City of Grand Island

Tuesday, May 16, 2017

Study Session

## Item -1

### FY 2018 Budget Discussion

Staff Contact: Marlan Ferguson

# **Council Agenda Memo**

**From:** Marlan Ferguson, City Administrator

**Meeting:** May 16, 2017

**Subject:** FY 2018 Budget Discussion

**Presenter(s):** Renae Griffiths, Finance Director  
Marlan Ferguson, City Administrator

## **Background**

During the budget process for the 2017 Fiscal Year Budget much discussion was held concerning future budgets and sustainability. The Mayor and City Council have determined to have a balanced budget for Fiscal Year 2018. In order to accomplish that goal there will need to be some tough decisions made. Currently the City's expenditures in the general fund are growing at a faster rate than the revenues in the General Fund. This is the result of a number of events, including becoming an MSA community which causes salaries to increase substantially by way of comparing to a different array of Cities. At the same time the City made the decision after a recommendation from a Public Safety Study completed by the ICMA; to increase the number of police officers and support staff in the police department by 17 FTE since 2012. In the FY 2017 Budget 62% of the expenditures in the General Fund is for the Public Safety Departments. In addition 77% of the expenditures are for personnel costs. As you know several study sessions were held to review various departments. The Administration has been reviewing expenditures, revenues and other ways to balance the budget.

## **Discussion**

Tonight's study session is for the purpose of discussing and reviewing the FY 2018 budget of expenditures and revenues. We want the City Council to have a good understanding of the current budget concerns and look at long term planning. The administration is recommending that no more than 70% of the general fund revenues will be used for personnel expenses.

## **Conclusion**

This item is presented to the City Council in a Study Session to allow for input from the council members. No action will be taken tonight since this is a study session.

CITY OF

Grand Island

NEBRASKA

**2018**  
***General Fund and Streets Department***

**Budget Based on Revenues**

***5-16-17***

# Budget Based on Revenue

- 70% for Personnel Costs
- Remaining 30% split between:
  - Operating Expenses
  - Capital Expenses
  - Debt Payments

## **Impact of Change**

- Estimated 2018 General Fund and Streets Department Revenue is \$41,057,282
- 2017 Budgeted Expenditures is \$45,931,621
- Needed reduction for 2018 is \$4,874,339

## Breakdown of needed cuts

Categories	2017 Budgeted Expenses	Desired \$	Desired % of Rev.	(Decrease)/Increase
Personnel Services	30,622,364	28,740,097	70.00%	(1,882,267)
Operating Expenses	11,819,693	9,443,175	23.00%	(2,376,519)
Capital Outlay-Departments	2,768,676	2,463,437	6.00%	(305,239)
Capital Outlay-Debt	720,888	410,573	1.00%	(310,315)
	<b>45,931,621</b>	<b>41,057,282</b>	<b>100.00%</b>	<b>(4,874,339)</b>

## **Additional Potential Revenues**

- Property Tax Increase
- Change to Terms for Natural Gas Revenue
- Stormwater Charge
- Rental Car Occupation Tax
- Revenue from Utility Fund(s)