



City of Grand Island

Tuesday, July 28, 2020

Council Session

Item G-2

Approving Minutes of July 14, 2020 City Council Budget Work Session

Staff Contact: RaNae Edwards

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL BUDGET WORK SESSION
July 14, 2020

Pursuant to due call and notice thereof, a Budget Work Session of the City Council of the City of Grand Island, Nebraska was conducted in the Council Chambers of City Hall, 100 East First Street, on July 14, 2020. Notice of the meeting was given in *The Grand Island Independent* on July 10, 2020.

Mayor Roger G. Steele called the meeting to order at 7:31 p.m. The following City Council members were present: Mike Paulick, Jeremy Jones, Mark Stelk, Vaughn Minton, Julie Hehnke, Clay Schutz, Mitch Nickerson, and Chuck Haase. Jason Conley and Justin Scott were absent. The following City Officials were present: City Administrator Jerry Janulewicz, City Clerk RaNae Edwards, Finance Director Patrick Brown, and Public Works Director John Collins.

SPECIAL ITEMS:

Continued FY 2020/2021 Budget Discussions. Finance Director Patrick Brown stated the good news was the states sales tax for the month of July was up from what was previously figured by his department. He reported that due to the pandemic and the uncertainty of the City's revenue sources for the upcoming budget year, certain decisions needed to be made as to the funding of General Fund operations and the use of Cash Reserves.

The Budget Policy Review Committee met on July 10, 2020 and agreed on Model 2 of 4 Models.

The following assumptions were made for each model:

- 15% reduction in Sales Tax Revenue
- 2% Property Tax Increase (discussion point)
- 3% revenue growth for year 2022 and 2% growth for years 2023-2026
- 3.31% growth in Personnel Services for years 2022-2026 (see historical data)
- 0% cost of living adjustment for non-union members in the General Fund for FY2021
- Transfers out of \$750k for Economic Development (LB840), Community Development \$25k, Transit \$220k, and Capital Equipment of \$500k

Model 2:

Use \$1,445,883 in cash reserves for the FY2021 budget. The transfers into the General Fund consist of \$35,000 for the Vet's Cemetery maintenance, \$65,000 for Grand Generation Center, and \$250,000 KENO funds. The \$1,445,883 does not include capturing the incremental increase in property tax (adjusting the city's mill levy down). If the City keeps the same mill levy, cash reserves would be reduced by \$1,211,190.

Discussion was held regarding Parks and Recreation projects, Grow Grand Island renewal of contract, KENO funds transfer, and personnel services. Discussion was held regarding the 0% increase in personnel services for the non-union. Comments were made about leaving the tax request the same and use the cash balance to lower the levy.

Mr. Brown commented on using cash reserves for situations like what we are going through now with COVID-19. He mentioned the Revised Fiscal Policy which the Budget Policy Committee reviewed and that the Revised Fiscal Policy would come to council at the July 28, 2020 City Council meeting for approval.

Mr. Brown stated next week would be a Study Session to cover the Fee Schedule, Enterprise Funds, Utilities and Public Works budgets.

Mayor Steele stated the historical data showed a 3.31% increase in personnel costs. He thanked Mr. Brown for the work on this budget during these difficult times.

ADJOURNMENT: The meeting was adjourned at 8:04 p.m.

RaNae Edwards
City Clerk