
Library Board

Monday, July 20, 2020

Regular Meeting

Item F2

Discussion of FY 2020/2021 Budget Process

Work continues on the City budget. The first attachment shows administrative changes made to the Library budget since the last board meeting. The second attachment is a document presented to Council at its July 14, 2020 budget session. Model 2 seems to be favored with a mill levy decision by Council forthcoming.

The spreadsheets for each model do not appear to take into account needed future additions to the Library's FTE count. As a review, the Library's current FTE count is 23.5 but has been administratively reduced to 18 FTE due to COVID-19.

Staff Contact:

		Yearly	Yearly	FY 2020	Period 1	Period 1	FY 2020	FY 2020	Period 2	Period 2	FY 2021	FY 2021
	Account Name	View 2018	View 2019	Budget	Base	Adjustments	Proposed 06112020	Proposed 07022020	Base	Adjustments	Proposed 06112020	Proposed 07022020
100-143-10044301-85105	SALARIES - REGULAR	1,017,300	1,044,763	1,154,011	1,001,490	37,120	1,038,610	983,716	1,001,490	0	1,001,490	1,001,490
100-143-10044301-85110	SALARIES - OVERTIME	273	555	750	0	675	675	314	0	1,000	1,000	1,000
100-143-10044301-85115	F.I.C.A. PAYROLL TAXES	73,408	75,277	88,132	76,614	2,705	79,319	69,908	76,614	0	76,614	76,614
100-143-10044301-85120	HEALTH INSURANCE	106,053	108,582	131,756	179,386	-60,806	118,580	115,623	179,386	0	179,386	179,386
100-143-10044301-85125	LIFE INSURANCE	1,549	1,541	1,500	1,600	-250	1,350	1,485	1,600	0	1,600	1,600
100-143-10044301-85130	DISABILITY INSURANCE	1,754	1,885	2,135	2,788	-866	1,922	2,093	2,788	0	2,788	2,788
100-143-10044301-85135	TUITION REIMBURSEMENT	1,000	0	0	0	0	0	0	0	0	0	0
100-143-10044301-85145	PENSION CONTRIBUTION	47,135	48,197	50,191	55,680	-7,680	48,000	49,722	55,680	0	55,680	55,680
100-143-10044301-85150	WORKERS COMPENSATION	1,178	877	2,043	1,968	-129	1,839	1,839	1,968	0	1,968	1,968
100-143-10044301-85160	OTHER EMPLOYEE BENEFITS	599	676	800	0	0	0	525	0	0	0	0
100-143-10044301-85161	HRA-VEBA	18,954	11,965	11,440	12,220	-1,220	11,000	11,227	12,220	0	12,220	12,220
Total Personnel		1,269,204	1,294,318	1,442,758	1,331,745	-30,450	1,301,295	1,236,452	1,331,745	1,000	1,332,745	1,332,745
Savings from 2020 Budget							141,463	206,306			110,013	110,013
100-143-10044301-85213	CONTRACT SERVICES	10,147	21,897	10,000	10,000	8,000	18,000	18,000	10,000	0	10,000	10,000
100-143-10044301-85241	COMPUTER SERVICES	34,513	34,281	31,848	31,848	-1,848	30,000	30,000	31,848	-1,848	30,000	30,000
100-143-10044301-85245	PRINTING & BINDING SERVICES	3,269	1,887	2,300	2,300	-1,300	1,000	1,000	2,300	-2,300	0	0
100-143-10044301-85305	UTILITY SERVICES	61,970	45,679	55,000	55,000	0	55,000	55,000	55,000	0	55,000	55,000
100-143-10044301-85317	NATURAL GAS	4,670	4,965	5,000	5,000	-1,000	4,000	4,000	5,000	0	5,000	5,000
100-143-10044301-85319	REPAIR & MAIN-LAND IMP/IRRIGAT	909	90	1,000	1,000	-800	200	200	1,000	0	1,000	1,000
100-143-10044301-85324	REPAIR & MAINT - BUILDING	23,016	31,139	15,000	15,000	10,000	25,000	25,000	15,000	0	15,000	20,000
100-143-10044301-85330	REPAIR & MAINT-OFF FURN & EQ	13,826	12,822	15,000	15,000	0	15,000	15,000	15,000	0	15,000	15,000
100-143-10044301-85335	REPAIR & MAINT - VEHICLES	0	99	480	480	0	480	480	480	0	480	480
100-143-10044301-85350	SANITATION SERVICE	502	421	500	500	100	600	600	500	250	750	750
100-143-10044301-85413	POSTAGE	5,482	5,679	6,000	6,000	-2,000	4,000	4,000	6,000	0	6,000	6,000
100-143-10044301-85416	ADVERTISING	743	879	800	800	-360	440	440	800	-550	250	250
100-143-10044301-85422	DUES & SUBSCRIPTIONS	25,801	26,590	26,000	26,000	0	26,000	26,000	26,000	0	26,000	26,000
100-143-10044301-85425	BOOKS	123,317	104,517	106,273	106,273	-26,273	80,000	80,000	106,273	-11,273	95,000	95,000
100-143-10044301-85426	AV/ELECTRONIC MEDIA	128,136	126,785	106,274	106,274	0	106,274	106,274	106,274	-2,574	103,700	98,700
100-143-10044301-85427	PERIODICALS	15,297	15,152	15,500	15,500	0	15,500	15,500	15,500	-1,500	14,000	14,000
100-143-10044301-85428	TRAVEL & TRAINING	2,138	2,644	2,500	2,500	1,300	3,800	3,800	2,500	0	2,500	2,500
100-143-10044301-85453	CASH OVER & SHORT	88	76	100	100	0	100	100	100	0	100	100
100-143-10044301-85490	OTHER EXPENDITURES	1,050	1,231	1,000	1,000	0	1,000	1,000	1,000	0	1,000	1,000
100-143-10044301-85505	OFFICE SUPPLIES	47,131	62,870	56,000	56,000	-8,000	48,000	48,000	56,000	-5,000	51,000	51,000
100-143-10044301-85510	CLEANING SUPPLIES	2,220	2,612	4,000	4,000	0	4,000	4,000	4,000	0	4,000	4,000
100-143-10044301-85515	GASOLINE	399	457	500	500	0	500	500	500	0	500	500
100-143-10044301-85540	SMALL TOOLS & PARTS	15,657	12,068	15,000	15,000	-6,368	8,632	8,632	15,000	-5,791	9,209	9,209
Total Operating		520,280	514,838	476,075	476,075	-28,549	447,526	447,526	476,075	-30,586	445,489	445,489
Savings from 2020 Budget							28,549	28,549			30,586	30,586
Total 100 Fund Budget		1,789,484	1,809,156	1,918,833	1,807,820	-58,999	1,748,821	1,683,978	1,807,820	-29,586	1,778,234	1,778,234
Savings from 2020 Budget							170,012	234,855			140,599	140,599



City of Grand Island

Tuesday, July 14, 2020

Council Session/Budget Work Session

Item -1

Continued FY 2020/2021 Budget Discussions

Staff Contact: Patrick Brown

Council Budget Work Session Memo

From: Patrick Brown, Finance Director

Meeting: July 14, 2020

Subject: General Fund Budget Discussion

Presenter(s): Patrick Brown, Finance Director

Background

Due to the pandemic and the uncertainty of the City's revenue sources for the upcoming budget year, certain decisions need to be made as to the funding of General Fund operations and the use of Cash Reserves. The City's use of Cash Reserves provides the City the means to handle economic uncertainties, local disasters, and any other unanticipated financial hardships.

Discussion

The City's Fiscal Year (FY) 2021 Budget will be a challenge. It's a challenge because of the abrupt change and uncertainty in revenue streams and how those changes will affect City operations going forward. For the models of the following pages we used these assumptions:

- 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 1:

In this model we would use \$1,695,883 in cash reserves for the FY2021 budget. The only transfers into the General Fund would be \$35,000 for the Vet's Cemetery maintenance and \$65,000 for Grand Generation Center. The \$1,695,883 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 \$1,461,190.

Model 2:

In this model we would 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.

Model 3:

In this model we would use \$695,883 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, \$250,000 KENO funds, and \$750,000 from Food & Beverage Occupation Tax. This model assumes there would not be a payment to Grow Grand Island from the Food & Beverage Fund. Parks projects were also funded out of the Food & Beverage fund in the past but in this model Park's Projects would be funded by 2004 Sales Tax. The \$695,883 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 \$461,190.

Model 4:

In this model we would use \$461,190 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, \$250,000 KENO funds, and \$750,000 from Food & Beverage Occupation Tax.

Recommendation

Finance and Administration is looking for recommendations from City Council on the funding of General Fund operations and the use of Cash Reserves.

Model 1

	2019	2020	2021	2022	2023	2024	2025	2026	Comments
Beginning Cash		13,305,411	13,648,685	11,952,802	10,449,000	8,514,626	6,127,318	3,263,798	
Revenue		39,208,970	37,380,179	38,501,584	39,271,616	40,057,048	40,858,189	41,675,353	3% growth in 2022, 2% for 2023-2026
End of Year Adjustment		-\$1,251,943	-	-	-	-	-	-	-3.2%
If City reduces mill levy to keep property tax receipts the same.			(234,693)						
Transfers In		35,000	100,000	100,000	100,000	100,000	100,000	100,000	\$35k from Farm Income (vet's cemetery), \$65k from 2004 Sales Tax (Grand Generation)
Total Revenue		37,992,027	37,245,486	38,601,584	39,371,616	40,157,048	40,958,189	41,775,353	
Personnel Services		29,865,965	30,799,558	31,819,023	32,872,233	33,960,304	35,084,390	36,245,683	Assumes a 3.31% increase from 2022-2036; non-union members 0% cost of living adjustment for 2021
End of Year Vacancy adjustment		(1,016,065)	-	-	-	-	-	-	
Personnel Svcs % of Total Appropriations		76.6%	79.1%						
Operating Expense		7,249,062	6,646,811	6,746,513	6,847,711	6,950,427	7,054,683	7,160,503	Assumes a 1.5% increase from 2021-2031
End of Year Operating adjustment		(550,209)							
Operating Exp. % of Total Appropriations		17.8%	17.1%						
Transfers Out		2,100,000	1,495,000	1,539,850	1,586,046	1,633,627	1,682,636	1,733,115	Eco-Devo \$750k, Com-Dev \$25k, Transit \$220k, Cap Equip \$500K - 3% Growth
End of Year Transfer Savings		-	-	-	-	-	-	-	
Transfers % of Total Appropriations		5.6%	3.8%						
		-	-	-	-	-	-	-	
Total Appropriations		37,648,753	38,941,369	40,105,387	41,305,989	42,544,357	43,821,709	45,139,301	
Ending Cash	13,305,411	13,648,685	11,952,802	10,449,000	8,514,626	6,127,318	3,263,798	(100,150)	
Cash as % of Appropriations		36.25%	30.69%	26.05%	20.61%	14.40%	7.45%	-0.22%	
Use of Cash Reserves		343,274	(1,695,883)						

Model 2

Revenue Growth %	2.00%	Operating Exp. Growth %	1.50%
Transfers OUT %	3.00%	Personnel Exp. Growth %	3.31%

General Fund Projection 5 YR - FTE Worksheet

	2019	2020	2021	2022	2023	2024	2025	2026	Comments
Beginning Cash		13,305,411	13,648,685	12,202,802	10,699,000	8,764,626	6,377,318	3,513,798	
Revenue		39,208,970	37,380,179	38,501,584	39,271,616	40,057,048	40,858,189	41,675,353	3% growth in 2022, 2% growth 2023-2026
End of Year Adjustment		-\$1,251,943	-	-	-	-	-	-	-3.2%
If City reduces mill levy to keep property tax receipts the same.			(234,693)						
Transfers In		35,000	350,000	100,000	100,000	100,000	100,000	100,000	\$35k from Farm Income (vet's cemetery), \$65k from 2004 Sales Tax (Grand Generation), KENO \$250k
Total Revenue		37,992,027	37,495,486	38,601,584	39,371,616	40,157,048	40,958,189	41,775,353	
Personnel Services		29,865,965	30,799,558	31,819,023	32,872,233	33,960,304	35,084,390	36,245,683	Assumes a 3.31% increase from 2022-2036; non-union members 0% cost of living adjustment for 2021
End of Year Vacancy adjustment		(1,016,065)	-	-	-	-	-	-	
Personnel Svcs % of Total Appropriations		76.6%	79.1%						
Operating Expense		7,249,062	6,646,811	6,746,513	6,847,711	6,950,427	7,054,683	7,160,503	Assumes a 1.5% increase from 2021-2031
End of Year Operating adjustment		(550,209)							
Operating Exp. % of Total Appropriations		17.8%	17.1%						
Transfers Out		2,100,000	1,495,000	1,539,850	1,586,046	1,633,627	1,682,636	1,733,115	Eco-Devo \$750k, Com-Dev \$25k, Transit \$220k, Cap Equip \$500K - 3% Growth
End of Year Transfer Savings		-	-	-	-	-	-	-	
Transfers % of Total Appropriations		5.6%	3.8%						
Total Appropriations		37,648,753	38,941,369	40,105,387	41,305,989	42,544,357	43,821,709	45,139,301	
Ending Cash	13,305,411	13,648,685	12,202,802	10,699,000	8,764,626	6,377,318	3,513,798	149,850	
Cash as % of Appropriations		36.25%	31.34%	26.68%	21.22%	14.99%	8.02%	0.33%	
Use of Cash Reserves		343,274	(1,445,883)						

Model 3

Revenue Growth %	2.00%	Operating Exp. Growth %	1.50%
Transfers OUT %	3.00%	Personnel Exp. Growth %	3.31%

General Fund Projection 5 YR - FTE Worksheet

	2019	2020	2021	2022	2023	2024	2025	2026	Comments
Beginning Cash		13,305,411	13,648,685	12,952,802	11,449,000	9,514,626	7,127,318	4,263,798	
Revenue		39,208,970	37,380,179	38,501,584	39,271,616	40,057,048	40,858,189	41,675,353	3% growth in 2022, 2% growth 2023-2026
End of Year Adjustment		-\$1,251,943	-	-	-	-	-	-	-3.2%
If City reduces mill levy to keep property tax receipts the same.			(234,693)						
Transfers In		35,000	1,100,000	100,000	100,000	100,000	100,000	100,000	\$35k from Farm Income (vet's cemetery), \$65k from 2004 Sales Tax (Grand Generation), KENO \$250k, Food & Beverage \$750k (Economic Development Agreement). Stop KENO & FB Transfer starting in 2022
Total Revenue		37,992,027	38,245,486	38,601,584	39,371,616	40,157,048	40,958,189	41,775,353	
Personnel Services		29,865,965	30,799,558	31,819,023	32,872,233	33,960,304	35,084,390	36,245,683	Assumes a 3.31% increase from 2022-2036; non-union members 0% cost of living adjustment for 2021
End of Year Vacancy adjustment		(1,016,065)	-	-	-	-	-	-	
Personnel Svcs % of Total Appropriations		76.6%	79.1%						
Operating Expense		7,249,062	6,646,811	6,746,513	6,847,711	6,950,427	7,054,683	7,160,503	Assumes a 1.5% increase from 2021-2031
End of Year Operating adjustment		(550,209)							
Operating Exp. % of Total Appropriations		17.8%	17.1%						
Transfers Out		2,100,000	1,495,000	1,539,850	1,586,046	1,633,627	1,682,636	1,733,115	Eco-Devo \$750k, Com-Dev \$25k, Transit \$220k, Cap Equip \$500K - 3% Growth
End of Year Transfer Savings		-	-	-	-	-	-	-	
Transfers % of Total Appropriations		5.6%	3.8%						
Total Appropriations		37,648,753	38,941,369	40,105,387	41,305,989	42,544,357	43,821,709	45,139,301	
Ending Cash	13,305,411	13,648,685	12,952,802	11,449,000	9,514,626	7,127,318	4,263,798	899,850	
Cash as % of Appropriations		36.25%	33.26%	28.55%	23.03%	16.75%	9.73%	1.99%	
Use of Cash Reserves		343,274	(695,883)						

Model 4

Revenue Growth %	2.00%	Operating Exp. Growth %	1.50%
Transfers OUT %	3.00%	Personnel Exp. Growth %	3.31%

General Fund Projection 5 YR - FTE Worksheet

	2019	2020	2021	2022	2023	2024	2025	2026	Comments
Beginning Cash		13,305,411	13,648,685	13,187,495	11,683,693	9,749,319	7,362,011	4,498,491	
Revenue		39,208,970	37,380,179	38,501,584	39,271,616	40,057,048	40,858,189	41,675,353	3% growth in 2022, 2% growth 2023-2026
End of Year Adjustment		-\$1,251,943	-	-	-	-	-	-	-3.2%
Transfers In		35,000	1,100,000	100,000	100,000	100,000	100,000	100,000	\$35k from Farm Income (vet's cemetery), \$65k from 2004 Sales Tax (Grand Generation), KENO \$250k, Food & Beverage \$750k (Economic Development Agreement). Stop KENO & FB Transfer starting in 2022
Total Revenue		37,992,027	38,480,179	38,601,584	39,371,616	40,157,048	40,958,189	41,775,353	
Personnel Services		29,865,965	30,799,558	31,819,023	32,872,233	33,960,304	35,084,390	36,245,683	Assumes a 3.31% increase from 2022-2036; non-union members 0% cost of living adjustment for 2021
End of Year Vacancy adjustment		(1,016,065)	-	-	-	-	-	-	
Personnel Svcs % of Total Appropriations		76.6%	79.1%						
Operating Expense		7,249,062	6,646,811	6,746,513	6,847,711	6,950,427	7,054,683	7,160,503	Assumes a 1.5% increase from 2021-2031
End of Year Operating adjustment		(550,209)							
Operating Exp. % of Total Appropriations		17.8%	17.1%						
Transfers Out		2,100,000	1,495,000	1,539,850	1,586,046	1,633,627	1,682,636	1,733,115	Eco-Devo \$750k, Com-Dev \$25k, Transit \$220k, Cap Equip \$500K - 3% Growth
End of Year Transfer Savings		-	-	-	-	-	-	-	
Transfers % of Total Appropriations		5.6%	3.8%						
Total Appropriations		37,648,753	38,941,369	40,105,387	41,305,989	42,544,357	43,821,709	45,139,301	
Ending Cash	13,305,411	13,648,685	13,187,495	11,683,693	9,749,319	7,362,011	4,498,491	1,134,543	
Cash as % of Appropriations		36.25%	33.87%	29.13%	23.60%	17.30%	10.27%	2.51%	
Use of Cash Reserves		343,274	(461,190)						

Personnel Cost % Change			
	Personnel Costs	% change over prior year	
2011	22,574,946		
2012	22,628,819	0.24%	
2013	23,423,719	3.51%	
2014	26,225,124	11.96%	5.41% average
2015	27,373,839	4.38%	
2016	29,275,793	6.95%	
2017	27,423,210	-6.33%	Critical Decisions made
2018	26,366,468	-3.85%	Critical Decisions made
2019	27,616,755	4.74%	
2020 Budget	29,865,958	8.14%	5.42% average
2021 Prop Budget	30,869,119	3.36%	
Overall Average		3.31%	