



# **City of Grand Island**

**Tuesday, July 20, 2021**

**Study Session**

## **Item -3**

### **General Fund and FTE Budget Discussions**

**Staff Contact: Patrick Brown**

# Council Agenda Memo

**From:** Patrick Brown, Finance Director  
**Meeting:** July 20, 2021  
**Subject:** Budget Work Shop – General Fund and FTE Discussion  
**Presenter(s):** Patrick Brown, Finance Director

## Discussion

General Fund Revenues for FY2021 will exceed our budgeted revenues by approximately \$2 million (excluding the CARES Act funds received). Last year's budget presented quite of few unknowns and we budgeted with those unknowns in mind. Thankfully those unknowns turn out positive. Instead of using \$1.5 million in cash reserves for the FY2021 budget, cash reserves will increase approximately \$2.6 million.

Personnel Services will be approximately \$1.8 million under budget. This is due to many of positions being vacant in Police and Fire. Fire/Ambulance is projected to be fully staffed by the end of the fiscal year. Operating expenses are being projected to be approximately \$288k less than budgeted.

For FY2022, the General Fund is currently projected at a 3.3% growth over last year's budget. Property Tax revenues are projected for a 3% growth if the mill levy is not changed. The mill levy was decreased the last two years. Sales tax projections are based off of the last three year averages plus 2% and with the anticipation of our current inflation continuing in 2022.

Expenses include the FTE's that are mentioned below. Our projected cash reserves are currently projected at 56% which is higher than the 20-30% range as specified in the City's fiscal policy.

Two weeks ago Solid Waste presented a Transfer Station Upgrade plan for approximately \$4.5 million. Council should consider an opportunity to lend \$4.5 million to Solid Waste for several reasons. Lending the funds would reduce the cash reserve percentage from 56% to 44%. Solid Waste would save on loan costs (bank fees, bonding costs, etc.). The General Fund would benefit from the interest payments received. Currently the City is only getting 0.20% on certificate of deposits. The General Fund would assess a 3% interest rate on the note. The market rate for such a loan is 3 to 5 percent. Interest revenue for the first year would approximately be \$120k.

Administration and Finance recommends the following Full Time Equivalent (FTE) additions and changes for FY2022 City Budget.

- The addition of three (3) Firefighter/Paramedics or EMT if the SAFER grant is approved. The SAFER grant application was brought to Council March 9, 2021 and notification of award is set for September 30, 2021. If awarded, the SAFER grant will pay for three firefighters' wages and benefits for a three-year period for a total of approximately \$831,000. Unlike previous years, there isn't a local cost share requirement or a commitment to retain the firefighters once the grant period runs out.
- The addition of one (1) Grants Administrator to the General Fund. The estimated cost of a Grants Administrator is \$91,116. This position would be funded by administrative fees associated with awarded grants. The administrative fee is usually 10% of the grant. Transit and Community Development will also contribute to the cost of the Grants Administrator for services in assisting with the reporting aspect of their grants. The Grants Administrator would work with all City Departments.
- The addition of one (1) Interpreter/Translator. The estimated cost of an Interpreter/Translator is \$54,889. The position will be located at the Customer Service Building located at 1306 W 3<sup>rd</sup>. This position would be funded by Enterprise Funds through payroll reimbursement. The services of the Interpreter/Translator would be available for all Departments and would be billed accordingly for services rendered.
- The addition of one (1) Equipment Operator for the Streets Department. The estimated cost an Equipment Operator is \$47,174. The source of funding is Gas Tax in the 210 Fund. The additional equipment operator would allow for two street sweepers to run during the summer months. This will allow for better level of service for street sweeping on arterial roadways and greatly reduce the response time to sweep accident debris. Additional benefits include a higher level of service for alley grading and snow removal.
- The addition of 0.25 FTE to the Solid Waste Department (Transfer Station). The estimated cost is \$12,136. This is a request for an additional part-time clerk to work on Saturday mornings at the transfer station to work with and assist the other part-time clerk. During busier months (April thru October) there are often over 150 customers that utilize the transfer station between the hours of 7:00 am to noon. This is simply too much of a work load for one clerk to handle week in and week out.