



City of Grand Island

Tuesday, August 10, 2021

Study Session

Item -2

2021/2022 Budget Discussion

Staff Contact: Patrick Brown

Council Agenda Memo

From: Patrick Brown, Finance Director

Meeting: August 10, 2021

Subject: Budget Discussion

Presenter(s): Patrick Brown, Finance Director

Discussion

General Fund appropriations less transfers for FY2022 increased \$2,553,691 or 6.5% mostly due to a 27th period payroll. Usually there are 26 pay periods in the year but every 11 years there are 27. The extra pay period added \$1.1 million to personnel services. Otherwise personnel services increases \$909,426 or 2.9% over FY2021 budget. Personnel services includes a Grant Administrator and an interpreter/translator. Operating expense increases by 4.8% or \$327,265. This increase is due to the cut backs made in the FY2021. Transfers out for operations increases \$217,000 over FY2021 budget.

During the current year we received American Rescue Plan funds of \$4,546,940 which were deposited into the General Fund. In FY2022 budget, we are transferring those funds to the Wasterwater Enterprise Fund for the possible Airport Sewer Project.

The FY2022 budget shows a loan to Solid Waste in order to do the Transfer Station upgrade. The loan would be for \$4.5 million at 3% interest for 20 years. The saves financing costs to Solid Waste and increases the interest revenue for the General Fund.

For FY2022 we are transferring \$1,556,649 to restricted vacancy savings. This amount is for FY2021 and FY2022. Going forward we are planning on moving 50%-75% of personnel services savings to vacancy savings each year. The City's Fiscal Policies will be updated to reflect this change and how those funds are to be used in the future.

General Fund Revenues for FY2022 include a three percent increase projection for Property Taxes. Property valuations will not be known until August 20th. This is leaving the mill levy at 0.3445 as it is today. Sales tax projection is based off of current receipts and an average of the last two years plus two percent. FY2021 budget Sales Tax projection for the General Fund was \$11,125,000 which had been the lowest projection in several years due to COVID-19. FY2022 Sales Tax projection for the General Fund is \$13.4 million.

There will be a change in the budget calendar. LB148 was adopted in 2020 stating City's will be required to have a public hearing regarding the budget, that is separate from a regular City Council meeting; therefore, the public hearing for the City of Grand Island's budget could be rescheduled to another date to accommodate LB148.

In addition, LB644 was also passed and will take effect in 2022 requiring a joint public hearing between the City, County, School and the Community College if one or all request an increase of 2% plus growth, or more in property tax requirement. Hall County will be required to send notification to all property owners informing them of the public hearing and how much taxes would go up. The cost of mailing the notification to property owners would be split between the entities requesting an increase in property taxes; if only one entity is requesting an increase, that entity would pay the entire cost of mailing.

A link to the FY2022 Grand Island Proposed Budget was sent to you via email with your Council packet and below.

<https://www.grand-island.com/departments/finance/budgets/2022-budget>

Revenue Growth % 2.00%
Transfers OUT % 3.00%

Operating Exp. Growth % 2.00%
Personnel Exp. Growth % 4.00%

General Fund Projection 5 YR - FTE Worksheet

	2021 Budget Forecast	2022 Proposed Budget	2023	2024	2025	2026	2027	Comments
Beginning Cash	\$ 19,163,271	\$ 30,657,791	\$ 21,610,851	\$ 21,565,853	\$ 20,828,210	\$ 19,356,898	\$ 17,108,987	
General Fund Revenues	\$ 37,623,556	\$ 41,128,481	\$ 41,851,051	\$ 42,688,072	\$ 43,541,833	\$ 44,412,670	\$ 45,300,923	
Revenue Projection Adjustment	\$ 2,625,714							
Cares Act Receipts - 02/2021	\$ 3,523,669							
American Rescue Plan	\$ 4,546,940							
Loan Receivable - Solid Waste			\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	
Vacancy Savings Use		\$ 555,056	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfers In	\$ 100,000	\$ 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	\$ 48,419,879	\$ 41,783,537	\$ 42,251,051	\$ 43,088,072	\$ 43,941,833	\$ 44,812,670	\$ 45,700,923	
Personnel Services	\$ 30,976,782	\$ 32,986,067	\$ 33,305,510	\$ 34,637,730	\$ 36,023,239	\$ 37,464,169	\$ 38,962,736	Assumes a 4.0% increase from 2023-2027
End of Year Vacancy adjustment	\$ (1,864,429)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating Expense	\$ 6,759,657	\$ 7,085,470	\$ 7,227,179	\$ 7,371,723	\$ 7,519,157	\$ 7,669,541	\$ 7,822,931	Assumes a 2.0% increase from 2023-2027
End of Year Operating adjustment	\$ (441,651)							
Transfers Out - Operations	\$ 1,495,000	\$ 1,712,000	\$ 1,763,360	\$ 1,816,261	\$ 1,870,749	\$ 1,926,871	\$ 1,984,677	Eco-Devo \$750k, Com-Dev \$25k, Transit \$272k, Cap Equip \$600K, \$65 Parking (lot maint)
Total Expenses - Operations	\$ 36,925,359	\$ 41,783,537	\$ 42,296,049	\$ 43,825,714	\$ 45,413,145	\$ 47,060,581	\$ 48,770,344	
Transfers Out - ARP		\$ 4,546,940						
Loan to Solid Waste (Transfer Station)		\$ 4,500,000						3% Loan to the Transfer Station Project
Total Appropriations	\$ 36,925,359	\$ 50,830,477	\$ 42,296,049	\$ 43,825,714	\$ 45,413,145	\$ 47,060,581	\$ 48,770,344	
Ending Cash - Total	\$ 30,657,791	\$ 21,610,851	\$ 21,565,853	\$ 20,828,210	\$ 19,356,898	\$ 17,108,987	\$ 14,039,566	
Ending Cash - Unrestricted		\$ 20,110,851	\$ 19,565,853	\$ 18,328,210	\$ 16,356,898	\$ 13,608,987	\$ 10,039,566	
Ending Cash - Vacancy Savings		\$ 1,500,000	\$ 2,000,000	\$ 2,500,000	\$ 3,000,000	\$ 3,500,000	\$ 4,000,000	
Unrestricted Cash								

General Fund Sales Tax Revenue

Month	% Chg from last 5 yrs Weighted Average	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
October (August Sales)	-6.1%	\$1,057,781	\$1,188,794	\$1,075,924	\$1,119,883	\$1,038,538	\$1,024,841
November (September Sales)	4.2%	\$1,174,042	\$1,171,705	\$1,117,435	\$1,072,596	\$1,085,533	\$1,093,208
December (October Sales)	14.7%	\$1,149,438	\$1,081,071	\$951,082	\$953,390	\$935,263	\$991,574
January (November Sales)	-0.8%	\$1,078,953	\$1,139,676	\$1,063,966	\$1,050,638	\$1,019,233	\$942,240
February (December Sales)	4.6%	\$1,355,388	\$1,382,855	\$1,198,305	\$1,274,948	\$1,277,850	\$1,318,613
March (January Sales)	13.9%	\$1,037,466	\$952,840	\$874,532	\$919,814	\$833,057	\$868,222
April (February Sales)	10.0%	\$1,001,105	\$1,043,773	\$717,073	\$920,792	\$931,049	\$899,326
May (March Sales)	22.9%	\$1,321,216	\$1,044,475	\$1,127,306	\$1,050,343	\$1,086,982	\$1,095,096
June (April Sales)	38.9%	\$1,304,190	\$841,215	\$1,050,553	\$922,793	\$1,025,074	\$986,570
July (May Sales)	21.0%	\$1,295,614	\$1,050,249	\$1,132,561	\$1,085,910	\$939,020	\$1,047,591
August (June Sales)			\$1,137,414	\$1,148,371	\$612,804	\$1,100,370	\$1,117,141
September (July Sales)			\$1,146,471	\$1,084,297	\$1,096,061	\$1,048,272	\$1,065,520
Total	11.7%	\$11,775,193	\$13,180,537	\$12,541,406	\$12,079,972	\$12,320,242	\$12,449,941
Budget		\$11,125,000	\$12,500,000	\$12,931,309	\$12,677,755	\$12,677,755	\$12,368,541
% of Budget		105.8%	87.2%	79.7%	81.8%	80.2%	83.0%
2004 Sales Tax		\$2,355,039	\$2,636,107	\$2,508,671	\$2,416,574	\$2,464,640	\$2,490,586
2018 Sales Tax		\$4,710,077	\$5,272,215	\$1,766,313	\$0	\$0	\$0
Total Sales Tax		\$18,840,308	\$21,088,859	\$16,816,390	\$14,496,546	\$14,784,882	\$14,940,527