



# City of Grand Island

Tuesday, August 30, 2022

Special Meeting

## Item E-1

### **Public Hearing on FY 2022-2023 Annual Single City Budget and the Annual Appropriations Bill**

*Council action will take place at the Regular Meeting of August 30, 2022 under Ordinances item F-3.*

Staff Contact: Patrick Brown

# **Council Agenda Memo**

**From:** Patrick Brown, Finance Director

**Meeting:** August 30, 2022

**Subject:** Public Hearing on FY2022-2023 Annual Single City Budget and Annual Appropriations Bill

**Presenter(s):** Patrick Brown, Finance Director

## **Background**

The purpose of the meeting is to comply with the requirements of Neb.Rev.Stat. Sec. 13-506 as amended by Laws 2020 LB 148, which requires:

Each governing body shall each year or biennial period conduct a public hearing on its proposed budget statement. Such hearing shall be held separately from any regularly scheduled meeting of the governing body and shall not be limited by time. Notice of place and time of such hearing, together with a summary of the proposed budget statement, shall be published at least four calendar days prior to the date set for hearing in a newspaper of general circulation within the governing body's jurisdiction. . . . At such hearing, the governing body shall make at least three copies of the proposed budget statement available to the public and shall make a presentation outlining key provisions of the proposed budget statement, including, but not limited to, a comparison with the prior year's budget. Any member of the public desiring to speak on the proposed budget statement shall be allowed to address the governing body at the hearing and shall be given a reasonable amount of time to do so. After such hearing, the proposed budget statement shall be adopted, or amended and adopted as amended, and a written record shall be kept of such hearing. The amount to be received from personal and real property taxation shall be certified to the levying board after the proposed budget statement is adopted or is amended and adopted as amended. There will be no council action taken during this meeting.

## **Discussion**

The “Notice of Budget Hearing and Budget Summary” was published in the Grand Island Independent on August 26, 2022. It is appropriate at this time to solicit public comment. The action item for this public hearing will be under Ordinances at the City Council meeting on August 30, 2022 following the Special Meeting of City Council.

The following is a comparison of the fiscal year 2023 proposed budget to the FY2022 adopted budget:

- The FY2023 budget appropriation is 8.8% or \$20,435,226 higher than the FY2022 adopted budget. The difference is mainly due to increase costs from inflation, delayed capital purchases from FY2022 (supply chain issues), and appropriation of American Rescue Plan funds of \$4,546,940 for potential project(s).
- All Funds Revenue projections for FY2023 increased 8.3% or \$16,200,412 over FY2022 budget.
- Overall the City's property tax valuation increased 5%. The City is requesting to increase its tax ask for Property Tax by 4% of which the City keeps 3% and the County gets an administration fee of 1%. Community Redevelopment Authority is requesting the same tax ask as FY2022 (\$745,146) and an additional 1% fee for Hall County's administration fee. The City's mill levy will decrease for the fourth straight year from 0.323600 to 0.319454.
- Total Sales Tax revenue is forecasted at \$24,085,936 for FY2023. It is a 10.4% or \$2,275,300 increase over FY2022 budget. The increase was due to the sustained increase in sales tax collections in the last year and quarter.
- All other revenue sources in the General Fund account for \$2,766,770 increase over FY2022 budget. A large portion of the increase is due to the rebalancing of revenues and costs between the General Fund and Enterprise Funds.
- Transfers decreased in the FY2023 by \$7,057,176 due to American Rescue Plan funds not being transferred (they have been including in budget authority to spend) and not transferring funds to Solid Waste for financing the improvements at the Transfer Station. Costs have increased for the Transfer Station project therefore it will be forwarded to Council for approval along with proposed funding.

**Additional FTE's and Reclassifications:**

- The General Fund will be adding 13.58 full-time equivalents (FTE's) and they are as follows:
  - Fire/Ambulance Department will increase its staff by three FTE's (Fire/Paramedics for ambulance service) for a cost of \$307,755
  - Adding 0.20 FTE to Administrative Assistant Part Time in the Building Department for a cost of \$10,662
  - Emergency Management is adding two FTE Public Safety Dispatchers for a cost of \$158,128 which is split with Hall County at 50%. Also there is a reclassification of three Public Safety Dispatchers to Senior Public Safety Dispatchers for a cost of \$27,237 which would be split with Hall County.
  - Parks and Recreation is adding a Parks Maintenance Worker at a cost of \$71,189.
  - Planning Department is adding 0.38 FTE for a Planner. This is part of a rebalance of expenses between the General Fund and Utilities. The cost to the General Fund is \$36,559 which is split 50% with Hall County.
  - Police Department is adding two Public Safety Apprentices FTE's for a cost of \$158,110. Also adding one FTE (4 part time staff members) Airport Police Officer(s) for a cost of \$71,178.
  - Reclassification of an Engineer in Public Works to an Engineer 1 or 2 or Senior for a cost of \$10,076.

- Library is adding three FTE's including a Librarian, 1.25 FTE Part time Library Assistant I's, 0.25 FTE Part time Library Page, and 0.50 FTE Part time Summer Workers for a total cost of \$154,832.85.
- Finance Department is adding one FTE Risk Manager placeholder. Finance, Administration, and Human Resource will conduct a study as to the need of a Risk Manager. The budget includes three months of budget authority but the hiring of the Risk Manager will be presented to City Council before moving forward. The cost to the General Fund will be \$41,723.
- The Streets Division is reclassing two Senior Maintenance Workers to Senior Equipment Operators for a cost of \$1,746
- Solid Waste is adding an Office Manager for a cost of \$90,469 and reclassing the Accounting Technician position to a Solid Waste Division Clerk for a cost of \$13,639.
- The Utility Department decreased their FTE's by 0.38 (Planner costs moved to General Fund) saving \$36,559.
- Water Department is adding one FTE Water Maintenance Worker for a cost of \$87,330.
- Waste Water Operations is reclassing an Accounting Technician to Administrative Assistant, Engineer to Engineer I or II or Senior, Engineer Technician to Engineer Technician I or II or Senior, and adding one FTE FOG (Fats, Oils, and Grease) Program Manager. Total cost is 104,000.
- General Fund Personnel Services for FY2023 increased 8% due to step increases, cost of living adjustments, and four new union contracts. Operating expenses increased 9% (excluding the \$4.5m American Rescue Plan appropriation) for the General Fund over FY2022 budget.
- Investment in Capital Improvement Projects for proposed budget FY2023 is \$49,594,533 plus an investment in Capital Equipment of \$3,494,941.

Below is a list of Capital Improvement Projects. Some of the projects not listed below that are in the budget include Festoon Lighting for downtown (\$180K), restrooms at the Amur/Kaufman Plaza (\$104k), land purchase behind the new Emergency Management Center (\$139k), demolition of buildings at the Heartland Public Shoot Park (\$100k), and various other Parks projects.

## Public Works Projects


Project	2023	2024	2025	2026	2027	2028
Annual Handicap Ramp	\$ 165,000	\$ 169,950	\$ 175,000	\$ 180,000	\$ 185,700	\$ 191,400
Webb Rd Paving Assessments	\$ 80,500	\$ 80,500	\$ 80,500	\$ -	\$ -	\$ -
Five Points Intersection Improvements	\$ 586,900	\$ -	\$ -	\$ -	\$ -	\$ -
Hwy 30 Realignment	\$ -	\$ -	\$ 892,566	\$ -	\$ -	\$ -
Broadwell /UPRR Grade Separation	\$ 100,000	\$ 720,000	\$ 420,000	\$ 933,000	\$ 467,000	\$ 18,720,000
North Rd; Old Potash Hwy to 13th St	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -
North Rd; Old Potash Hwy to Hwy 30	\$ 2,650,000	\$ -	\$ -	\$ -	\$ -	\$ -
Custer Ave; Old Potash Hwy to Forrest St	\$ 1,700,000	\$ -	\$ -	\$ -	\$ -	\$ -
Eddy St Underpass Rehab	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -
Locust St; 2nd St to Fonner Park R	\$ 450,000	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -	\$ -
Veterans Legacy (contingent on other funding)	\$ 150,000	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -
Claude Rd; State St/Diers Ave to Claude Rd	\$ 2,400,000	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Payment	\$ 1,708,850	\$ 1,763,150	\$ 1,759,350	\$ 1,758,450	\$ 1,760,250	\$ 1,762,450
NW Flood Control Project	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
N Moores Creek 80 Wetland Detention	\$ 210,000	\$ 1,400,000	\$ 350,000	\$ -	\$ -	\$ -
Sidewalk Cost Share Program	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
PVIP Drainage District No. 2020-1	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -
Citywide Drainage	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Street/Fleet Facility Study	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -
Brookline/Henry Drainage Improvements	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>\$ 11,746,250</b>	<b>\$ 10,608,600</b>	<b>\$ 8,952,416</b>	<b>\$ 3,146,450</b>	<b>\$ 2,687,950</b>	<b>\$ 20,948,850</b>

## Solid Waste Projects/Equipment

CITY OF Grand Island

### FY 2023 Notable Capital Expenditures

- Replacement of landfill dozer (\$925,000)
- Replacement of Transfer Station truck-tractor (\$115,000 – was supposed to take place this current fiscal year)
- Begin Transfer Station improvements (\$4,200,000)



## Waste Water Projects


CITY OF Grand Island NEBRASKA	
2023 Capital Improvement Projects	
WWTP Security Improvements	\$ 50,000
WWTP Flow Improvements	\$ 8,765,000
UV System Upgrade	\$ 60,000
Central NE Regional Airport Collection System Rehab	\$ 2,300,000
Lift Station No. 1 Rehabilitation	\$ 50,000
Lift Station No. 17 Relocation	\$ 1,550,000
Lift Station No. 28 Equalization Tank	\$ 2,175,000
North Central Sanitary Sewer Rehab; 2022-S-1	\$ 675,000
Grant Funded Assessment Districts	\$ 150,000
Veterans Legacy	\$ 30,000
	\$ 15,805,000

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## Electric Utility Capital Improvements

CITY OF Grand Island NEBRASKA UTILITIES	
Electric Capital Improvements	
☛ Total Capital Budget - \$12,370,000	
☛ Transmission and Substation Upgrades - \$1,350,000	
☛ Bond payments - \$3,805,000	
☛ Distribution improvements - \$6,515,000	
☛ Power plant maintenance/improvements - \$50,000	
☛ Burdick Station demolition - \$3,000,000 (Accrued expense)	

## Water Utility Capital Improvements



### Electric Capital Improvements

- ☛ Total Capital Budget - \$12,370,000
- ☛ Transmission and Substation Upgrades - \$1,350,000
- ☛ Bond payments - \$3,805,000
- ☛ Distribution improvements - \$6,515,000
- ☛ Power plant maintenance/improvements - \$50,000
- ☛ Burdick Station demolition - \$3,000,000 (Accrued expense)

Below is the Notice of Budget Hearing and Budget Summary.

City of Grand Island			
IN			
Hall County, Nebraska			
<b>NOTICE OF BUDGET HEARING AND BUDGET SUMMARY</b>			
PUBLIC NOTICE is hereby given, in compliance with the provisions of State Statute Sections 13-501 to 13-513, that the governing body will meet on the 30 day of August 2022, at 7:00 o'clock P.M., at 100 E 1st St for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to the following proposed budget. The budget detail is available at the office of the Clerk during regular business hours.			
2020-2021 Actual Disbursements & Transfers			\$ 243,203,566.00
2021-2022 Actual/Estimated Disbursements & Transfers			\$ 236,320,540.00
2022-2023 Proposed Budget of Disbursements & Transfers			\$ 273,245,385.00
2022-2023 Necessary Cash Reserve			\$ 121,540,801.00
2022-2023 Total Resources Available			\$ 394,786,186.00
Total 2022-2023 Personal & Real Property Tax Requirement			\$ 12,968,678.76
Unused Budget Authority Created For Next Year			\$ 21,487,410.78
<b>Breakdown of Property Tax:</b>			
Personal and Real Property Tax Required for Non-Bond Purposes			\$ 12,968,678.76
Personal and Real Property Tax Required for Bonds			\$ -
<b>NOTICE OF SPECIAL HEARING TO SET FINAL TAX REQUEST</b>			
PUBLIC NOTICE is hereby given, in compliance with the provisions of State Statute Section 77-1632, that the governing body will meet on the 30 day of August 2022, at 7:00 o'clock P.M., at 100 E 1st St for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to setting the final tax request.			
	2021	2022	Change
Operating Budget	260,185,039.00	273,245,385.00	5%
Property Tax Request	\$ 12,487,780.00	\$ 12,968,678.76	4%
Valuation	3,626,392,825	3,821,381,633	5%
Tax Rate	0.358226	0.339371	-5%
Tax Rate if Prior Tax Request was at Current Valuation	0.326787		