



# City of Grand Island

Tuesday, August 16, 2022

Study Session

## Item -4

### General Budget Discussion

Staff Contact: Patrick Brown

# Council Agenda Memo

**From:** Patrick Brown, Finance Director  
**Meeting:** August 16, 2022  
**Subject:** Budget Discussions Study Session  
**Presenter(s):** Patrick Brown, Finance Director

Overall the City's receipts were stronger than anticipated and expenses were lower than budgeted. Supply line issues, and hiring challenges were some of the reasons expenses were well below budget. Inflation is creating and will continue to create challenges in the next couple of years in purchasing commodities, equipment, and contracting out capital improvement projects.

## **FY2022 Budget Projection**

FY2022 Revenues were under forecasted for FY2022. Sales Tax receipts remained strong throughout the year eclipsing FY2021 General Fund Sales Tax by \$2.5m. Property Tax receipts were steady due to the mill levy decrease. All other receipts have been steady for FY2022. Expenses are going to be well under budget mainly due to vacancy savings.

- Emergency Management projected vacant savings of \$182,272
- Finance projected vacancy savings of \$125,162
- Fire & Ambulance vacancy savings of \$804,750
- Legal vacancy savings of \$214,501
- Parks vacancy savings of \$117,484
- Police vacancy savings of \$712,341
- All other general fund departments vacancy savings of \$93,924

Operating expense savings for FY2022 is projected at \$189,694. Overall this will create a higher cash reserve going into FY2023 budget.

## **Challenges going forward**

The challenges going forward are the ones I've previously mentioned. Inflation is currently at 8.5%. Gas and Diesel prices have eased a bit recently. Supply line issues have caused shipments to be delayed months if not years. Staff is working around those challenges. Hiring has been a national issue that has affected Grand Island as well. As with every other employer in the city, the City is having a hard time filling positions. The

economy is at an incredibly volatile state which in turn makes budgeting much more difficult.

### **FY2023 Budget Overview**

*Revenue Assumptions* – Overall revenues for the General Fund increased 11.4% or \$4.7m over FY2022 budget. The major sources of revenues for the General Fund is Sales Tax and Property Tax. Sales tax are projected at 12.2% over FY2022 budget. The previous year's sales tax collection was \$2m over FY2021 budget which was not accounted for in forecasting FY2022. FY2023 has been adjusted accordingly. Property Tax is forecasting a 3% increase. This would be the first increase in three years. Legislative Bill (LB)644 limits property tax increases to real growth and 2% before mandating hearings with other local government entities. From my conversations with Hall County, 3% will probably be below real growth and 2%. If that is true and the City stays at 3% increase, the City's mill levy could still decrease. Finance recommends at least a 3% increase in Property Tax not so much for FY2023 but what will be needed to fund governmental operations in the coming years and the process it takes to increase property tax above the 2% plus real growth.

FY2023 budget encompasses changes to the In Lieu of Property Tax receipts the General Fund receives from enterprise funds. The change brings transparency to how revenues/expenses are calculated between the General Fund and Enterprise Funds. In the past the In Lieu of Property Tax receipts were limited due to bond covenants and in order to collect fees from the Enterprise Funds for General Fund services (legal, clerk, administration, etc.), the Enterprise Funds paid Administration Fees based off of some obscure calculations. Also the Enterprise Funds were paying more for employer related health care costs than General Fund. The proposed budget rebalances these costs and puts all funds on an even playing field for costs. The Electric Utility will pay a 5% In Lieu of Property Tax fee on Retail Sales and Water and Wastewater will pay a 2% fee on Retail Sales as well. Solid Waste will continue to pay an Administration Fee to the General Fund of 2%. Overall the General Fund will receive a net increase of \$450k in the rebalancing of revenues and expenses.

*Expense Assumptions* – Overall expenses are increasing 8.8% or \$3.6m over FY2022 budget. Personnel expenses are projected to increase 8.6% or \$2.8m due to several new union contracts, increases in non-union pay and benefits, reclassification and additional recommended FTE's. The FTE's currently in the FY2023 budget are below.

### **Building Department – additional FTE (General Fund)**

- Adding 0.20 FTE to Administrative Assistant Part-Time – Why is the position needed? An increase in construction activity. Last six year average revenue to expense 99%, last six year average construction valuation \$116.5 million, 2022 year to date \$10 million construction valuation above last year numbers. The department has a significant number of permits that are not getting inspections, the permit is applied for, no inspection are called for and the permit is being

voided for lack of progress only to find it was completed years ago and no inspections were made. We would have the time for the inspections if contact was made to schedule and confirm the work has proceeded. Permit systems can prepare a list of projects but cannot make the contact and scheduling. The increase in work load and revenue I believe justify the request.

- How many similar positions do you have in the department? One full time Administrative Assistant position.
- Total Cost - \$10,662

#### **Emergency Management – additional FTE’s (General Fund)**

- 2 Public Safety Dispatchers - Why is the position needed? We really need four new staff in the Emergency Center to keep our shifts at 4 seats per shift. Jon Rosenlund is asking for 2 this year. These positions are funded 50% by the County, so the City actually only pays for half of the total costs of each employee. The last time FTE’s were added to Emergency Management was 2011.
- How many similar positions do you have in the department? 13 Public Safety Dispatchers and 3 Senior Dispatchers.
- Total Cost - \$158,128 (to be split between the City and Hall County)

#### **Emergency Management – Reclassifications (General Fund)**

- Three Public Safety Dispatchers would be reclassified to Senior Public Safety Dispatchers.
- Why is the position needed? Currently, Jon has only 3 senior dispatchers, one per shift. Because they don’t work 7 days a week, that leaves almost 1/3 of shifts working without a supervisor, sometimes more when seniors take time off. We would like to reclassify three Dispatchers to become Senior Dispatchers. This would provide authorized supervision to all shifts and will also accommodate the increased load the ProQA and other call reviews will require with the new system. It is estimated that promoting 3 dispatchers to senior dispatcher will add approximately \$27k to personnel services. A small price to pay for the benefits in supervision and quality assurance.
- How many similar positions do you have in the department? 3 senior dispatchers currently on staff today.
- Total Cost - \$27,237 (to be split between the City and Hall County)

#### **Parks and Recreation – additional/Reclassification FTE’s (General Fund)**

- Parks Maintenance Worker – why is the position needed? To keep up with the growth of the department and expectations from the public and City Council.
- How many similar positions do you have in the department? 10 similar positions.
- Total Cost - \$71,189

### **Planning Department – moving FTE from Utilities to General Fund**

- Planner 1 - This is part of the rebalance of expenses/revenues between the General Fund and Electric Utility. Due to technology and personnel at the Electric Utility, this position (FTE portion) is not used for any specific utility work.
- Total Cost to General Fund is \$36,559. This position is a shared position with the County. (50%)

### **Police Department – additional FTE's (General Fund)**

- (2) Public Safety Apprentices – One full time and two part time positions. These positions were approved in April of 2022.
- Total Cost - \$158,110
- 4 Part Time Airport Police Officers – Why is the position needed? Currently one police officer goes out to the airport for departures. The additional part time airport police officers would alleviate the need to take an officer off patrol.
- Total Cost - \$71,178

### **Public Works Engineering – reclassification of FTE (General Fund)**

- Reclass an Engineering 1 PW to Engineering 1 or 2 or Senior.
- Why is the position needed? The Engineering series is necessary to attract & retain qualified Engineers.
- How many similar positions are in the department? There are currently two (2) Engineer 1 positions, one of which is vacant and has high turnover. The other is a licensed Engineer with over 20 years of experience. The Engineer II and Senior positions would be new classes but not new FTE's. These changes will allow for more flexibility in hiring and retaining Engineers in the Public Works Department. An entry level engineer would be designated as an Engineer 1 (intern) whereas experienced engineers would be put in the engineer II (required to have a PE designation) or senior (number of years of experience) category depending on experience.
- Total Cost - \$0 to \$10,076 dependent on the experience.

### **Library – additional 3 FTE's (General Fund)**

- **1.0 FTE Librarian I/II.** This Librarian's duties would complement the duties of the existing Librarians. In addition, this Librarian's duties would include:
  - Oversee Makerspace, Digital Media Lab, and Portable Digital Media Lab
  - Coordinate Library website and social media outreach
  - Work with technology vendors such as TLC, Bibliotheca, Comprise, Demco, and Beanstack to maintain and upgrade existing library technologies
  - Create and maintain a Library Technology Plan
  - Ensure upgrades and fixes to servers, kiosks, computers, software, etc. are completed in a timely manner

- Evaluate and provide recommendations on Library technology updates
  - Work with City IT
  - Research technical issues, offer computer classes, Book-a-Librarian, and provide staff training.
- **1.25 FTE Part-time Library Assistant I's.** Library Assistant I's handle all day-to-day customer-facing service functions of the library, in addition to:
    - Processing new materials
    - Assisting patrons at the
    - Planning, coordinating, and running library programs
    - Assisting with community outreach and library marketing
    - Checking in materials so they can be reshelved/Answering phones
- **0.25 FTE Part-time Library Page.** Do we have stats for how many books get returned on a given day? Sundays we usually have a pile. In addition to shelving, Library Pages' duties also include:
    - Shelf-reading to ensure books are in order and not missing
    - Assisting customers with directions, finding books, and using the catalog
    - Assisting customers over the phone with questions, book requests and renewals, meeting room booking requests, etc.
    - Supervising the Children's Area
- **0.5 FTE Part-time Summer Temporary Workers.** Summer is the busiest time in the Library and in order to maintain a robust Summer Reading Program and ensure the bustling Children's Area is adequately supervised, and provide programming for children, teens, and adults, as well as outreach and partner programs with the community we must have summer help.

### **Streets Division (210 Fund) – reclassification of FTE**

- Reclass two Senior Maintenance Worker positions to Senior Equipment Operators. Why is the position needed? This position provides oversight and technical expertise in equipment operation and participates in a wide variety of road maintenance and construction operating of the heaviest and most complex pieces of equipment. This position also aids in the progress of right-of-way maintenance by operating equipment for drainway clearing, mowing, tree trimming, as well as performing additional street sweeping and fill in when extra man power is required for traffic control or large projects. A variety of other duties are performed by this position, which include operating equipment for snow plowing and salting, roadway improvements/rehabilitation, as well as cover stand-by shifts as assigned. This will help hiring and retention.
- How many similar positions do you have in the department? There are 5 FT Senior Equipment Operators currently.
- Total Cost - \$1,746

### **Solid Waste (505 Fund) – reclassification and additional FTE**

- Office Manager – SW - Why is this position needed? The position oversees all aspects of the office and assists the Superintendent with the accounting for the division. This position would oversee 3.5 division clerks (currently 2.5 FTE division clerks – see below) and seasonal workers. This would reduce overtime costs substantially.
- Total Cost - \$90,469
- Solid Waste Division Clerk – the Accounting Technician position would be eliminated and add 1 FTE to Solid Waste Division Clerk. Due to the increases in workloads and the difficulty of scheduling when employees are sick or vacation, this additional position would alleviate the issues of short staffing in different areas and/or decreasing hours at the landfill. Also with the additional scale coming online, there will be a need for additional staffing. This a front office reorganization that will improve efficiencies currently and in the future growth of the Transfer Station.
- Total Cost – (\$13,639) – together the cost would be \$77,010

### **Utility Department – (520 Fund)**

- Due to the rebalance of expenses/revenues, the 0.38 FTE will be moved to the General Fund. See above – Planner.
- Total Cost – (\$36,559)

### **Water Department – (525 Fund) – additional FTE**

- Water Maintenance Worker – Why is the position needed? Water service lines are currently owned by property owner from the water main to the point of use. For about half of the owners, this includes ownership of the service line under the street, which can add \$5,000 to the service line repair. This is a hardship for many owners and obtaining financing and finding a plumber to perform the repair can take weeks and, in many cases, the leaking water will undermine the street and adjacent utilities. Utilities management is recommending that the water utility assume ownership of water service lines in the public right of way from the property owner in to allow an equitable and timely response to service line failures. Anticipated repairs of these service lines based on building permit records will require additional staff.
- How many similar positions do you have in the department? Water maintenance worker – 6, Senior Water Maintenance worker – 3
- Total Cost - \$87,330

## Waste Water (530 Fund) – reclassification and additional FTE

- Reclass Accounting Technician – WW to Administrative Assistant – WW. Why is the position needed? This position is the center of the Wastewater Treatment Plant budget monitoring and daily office functions.
- How many similar positions are in the department? There was one in the past, however none at this time.
- Total Cost - \$3,111
- Reclass Engineer I – WWTP to Engineering I or II or Senior. The Engineering series is necessary to attract & retain qualified Engineers. Please see PW Engineer proposed changes for more detail.
- Total Cost - \$11,986
- Reclass Engineer Technician to Engineer Technician I or II or Senior Why is the position needed? The Engineering Technician series is necessary to attract & retain qualified Engineer Technicians.
- Total Cost - \$2,967
- One additional FTE – WWTP FOG (Fats, Oils, and Grease) Program Manager. Why is the position needed? This new position will develop Fats, Oils, and Grease policies and procedures, and ordinances in support of the Wastewater infrastructure throughout the City.
- Total Cost - \$85,936

### Total Costs by Funds

- General Fund - \$582,767
- Electric Fund – (\$36,559)
- Water Fund - \$87,330
- Waste Water Fund - \$104,000
- Solid Waste Fund - \$77,010
- Streets Fund - \$1,746

These adjustments are needed to keep up with the current labor market. Operating expenses are projected to increase by 9.4% or \$670k over FY2022 budget. This increase is due to the overall rising costs of commodities.