



City of Grand Island

Tuesday, January 20, 2009

Study Session

Item -1

Presentation of Financial Trend Monitoring System

Staff Contact: Jeff Pederson

Council Agenda Memo

From: Jeff Pederson, City Administrator
Meeting: January 20, 2009
Subject: Financial Trend Monitoring System
Item #'s: 1
Presenter(s): Jeff Pederson, City Administrator

Background

It is vital at this time that the City Council and Administration attain a common understanding of the current fiscal health of the City of Grand Island. It was clear in the most recent budget process that the General Fund of the City lacks a revenue base that is sufficient to sustain vital and necessary City services at current levels. I believe that solutions to this challenge can best be contemplated and decided upon with a clear identification and assessment of the key influences on revenue sources and expenses both at present and in the recent past.

Discussion

Using the capabilities of City staff, and drawing upon resources available through the International City Management Association, we have developed a useful tool to assist in diagnosing the fiscal health of the City, with a focus on the General Fund. The Financial Trend Monitoring System is a model developed by ICMA decades ago which uses trend indicators to alert a city to existing and potential areas of financial difficulty.

The FTMS model uses a number of indicators to chart ten-year trends in the important areas of community resources, city revenue, city expenditures, and city debt. Each of the indicators in powerful alone, however the real value occurs when indicators are viewed in conjunction with others. The goal is for the indications, taken together, to provide information and understanding for decisions on future fiscal changes, policies, etc.

The Financial Trend Monitoring System will be presented Tuesday evening with the use of power-point slides that will contain graphical analysis of trends, hard financial data, and narrative. The Council will be provided that evening with a hard-copy of the entire presentation for future review and reference beginning with the Council Retreat which is scheduled for January 31.