

# City of Grandview

*Budget in Brief*



# What is a budget?

- The budget is the a plan of estimated revenues and projected expenditures for a specific period of time
- Budgeting in the public sector is deciding how to allocate available funds among different programs
- The budget identifies which programs and projects are to be provided and at what level of service

# Budget Development

|                    |   |
|--------------------|---|
| April through June | Departmental budget development and submission to Administration for review   |
| June/July          | City Administrator meets with department directors to discuss budget submissions  |
|                    | First draft of annual budget submitted to City Administrator for final adjustments to be presented to Board of Aldermen |
| mid-August         | Budget presented to Board of Aldermen   |
| late-August        | Board of Aldermen hold public hearing to receive comments regarding budget; work sessions to review proposed budget     |
| September          | Budget Adopted for October 1 fiscal year  |

# Fund Budgeting

- A “fund” is a fiscal entity with revenues and expenditures separated for the purpose of carrying out a specific purpose or activity.
  - General Fund
  - Sanitary Sewer Fund
  - Capital Improvements Sales Tax Fund
  - Transportation Sales Tax Fund
  - Debt Service Fund
  - Park Levy Fund
  - Community Center Sales Tax Fund
- “Fund Balance” is the difference between a fund’s revenues and expenditures.

# Hancock Amendment

- Limits local governments' ability to raise taxes without voter approval. Contains several provisions:
  - Voter approval required before any “tax, license or fees” not authorized when the Amendment was adopted (e.g. Capital Improvements Sales Tax) to be levied or increased
  - Voter approval required when raising current levy above the level at time of adoption. Statutes limit property tax levy to \$1.00 per \$100 of assessed value (Grandview currently levies the full \$.99 per \$100 assessed valuation for General Fund)
  - Limits revenue from property taxes to not increase by more than the Consumer Price Index, which excludes new construction and improvements.

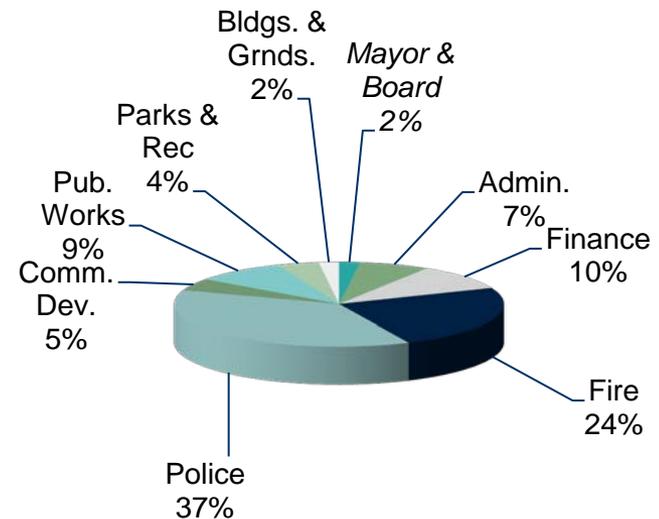
# Total Budget – 2017

## \$ 31,919,345

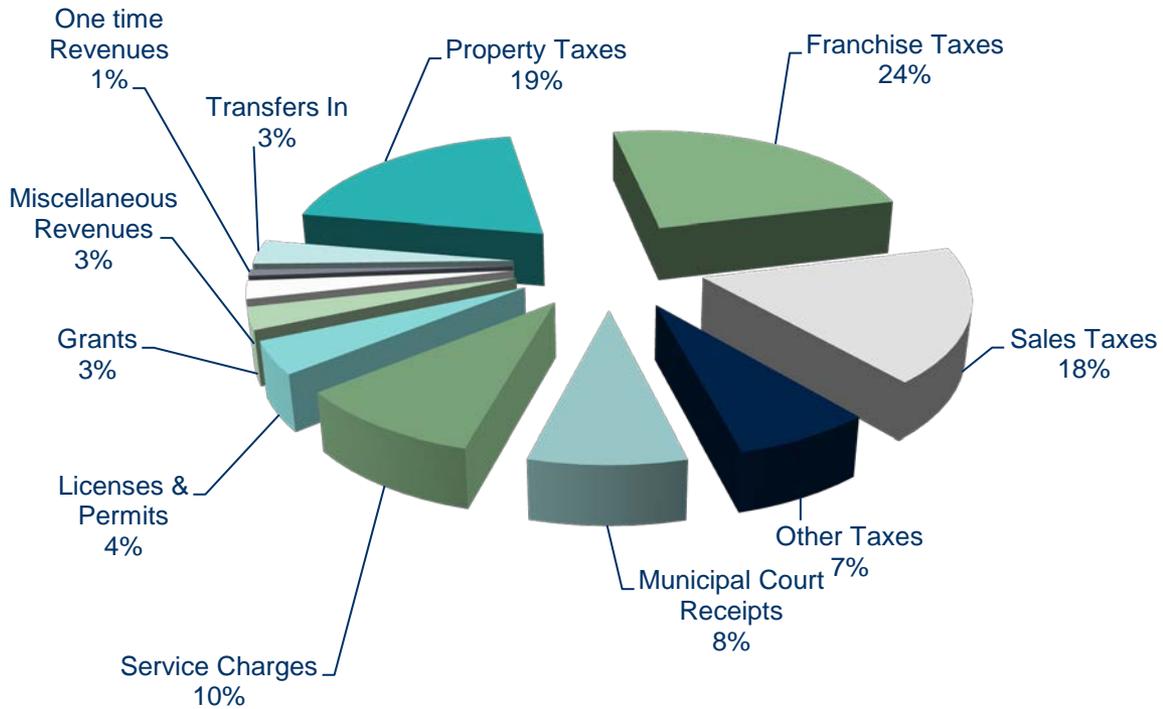
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|--|---------------|
| General Fund                               | \$ 14,763,733 |
| Transportation Sales Tax Fund              | 555,000       |
| Capital Improvement Sales Tax Fund         | 1,508,400     |
| Community Center Sales Tax Fund            | 2,378,000     |
| Park Levy Fund                             | 492,500       |
| Neighborhood Parks Fund                    | 60,000        |
| Police Forfeiture Fund                     | 10,000        |
| Housing Rehabilitation Loan Fund           | 45,000        |
| Economic Development Enhancement Fund      | 323,823       |
| Tax Increment Financing Funds              | 3,852,545     |
| Public Works Facility Fund                 | 7,000         |
| Debt Service Funds                         | 1,743,179     |
| 2015 Park/Pub Safety Improvement Bond Fund | 2,200,000     |
| Sanitary Sewer Fund                        | 3,930,165     |
| Insurance Deductible Fund                  | 50,000        |

# General Fund

- The General Fund is used for the day-to-day operations of the city departments, it is not generally used for capital improvement projects



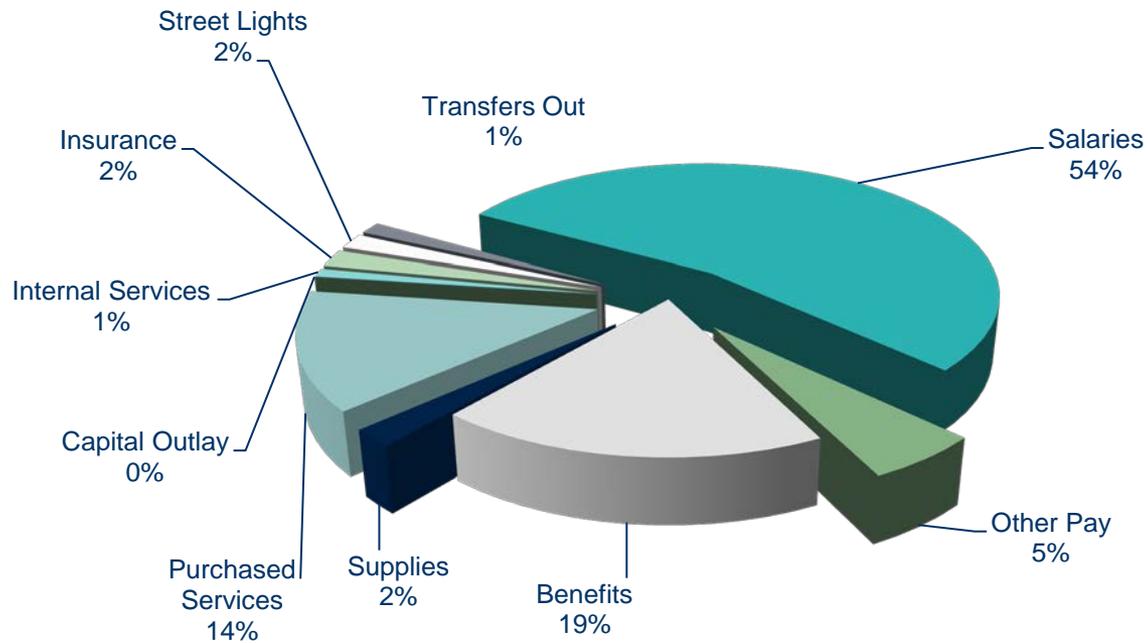
# General Fund Revenues



# General Fund Revenues

- 2017 Revenues total \$14,771,603
- 61% of revenues come from 3 sources:
  - Franchise Fees ( revenues from City-levied taxes on electric, telephone and natural gas utilities)
  - Property Taxes
  - Sales Taxes
- Assessed Valuation increased slightly (1.6%) in 2016, following a 5.44% increase in 2015
- Next five largest revenues have realized a \$300,000 loss in the past two years

# General Fund Expenditures



# General Fund Expenditures

- 2017 Expenditures Total \$ 14,763,733
- Health Care costs have seen a \$40,000 to \$80,000 annual increase for the past several years
- The city's contribution to employee retirement costs increased \$30,000 for 2017
- Since 2008, staffing levels have been reduced by 8%, without layoffs

# Sanitary Sewer Fund

- An Enterprise (business-like) Fund provides funding for the City's Sanitary Sewer system
- Funded through user fees
  - Rates are established based on rate studies to ensure appropriate levels of funds are available for operating, maintenance and improvements to the system
- Provides for construction and maintenance of the sewer system and treatment of wastewater (treatment is contracted with Little Blue Valley Sewer District)
- 2017 Revenues:                   \$ 3,829,300
- 2017 Expenditures:               \$ 3,930,165

# Capital Improvement Sales Tax

- ½-cent sales tax devoted to funding capital equipment and infrastructure improvements to City facilities
- Originally approved by voters in August of 1998 for 10 years
- Renewed in November 2007
- Current plan expires December 31, 2018
- 2017 Budget \$1,508,400

# Transportation Sales Tax

- ½-cent sales tax for road and bridge improvements
- Approved by voters in 1986 – initially a 5 year plan
- Recent renewals have extended to a 10 year plan
- Most recent renewal in 2010
- 2017 Revenues:                 \$ 1,212,500
- 2017 Expenditures:         \$   555,000
  - \$50,000 for curb and sidewalk construction
  - \$65,000 for curb replacement
  - \$375,000 for overlay
  - \$65,000 for slurry seal

# Debt Service Funds

- Cover the cost of large-scale projects that the city cannot pay for completely at the time of the projects
- The City uses long-term debt financing (bonds) to cover the immediate costs of large projects
- The city uses two types of outstanding debt - general obligation bonds and certificates of participation

# Park Levy Fund

- 12-cent per \$100 of assessed valuation
- Adopted by voters in 1989
- Generate funds for developing and maintaining the park system
- 2017 Revenues: \$ 352,500
- 2017 Expenditures: \$ 492,500
  - Mulch playgrounds
  - Paint picnic shelters
  - John Anderson Parking Lot Improvements
  - Hydraulic Equipment for Bucket Truck
  - Tree Inventory
  - Remove Hazardous Trees

# Community Center Sales Tax Fund

- ½-cent sales tax for construction and operation of The View
- Approved by voters in November 2001
- Pays for debt on construction and a portion of operating costs relating to the community center
- Remaining operating costs are financed with:
  - Memberships
  - Rentals
  - Special Programs
- 2017 Budget includes \$100,000 for marketing and promotion of the Grandview Amphitheatre
- 2017 Revenues: \$ 2,278,000
- 2017 Expenditures: \$2,378,000