

BUDGET POLICY COMMITTEE

P.O. Box 1968

Grand Island, NE 68802-1968

Phone: (308) 385-5444, ext. 111

Fax: (308) 385-5486

AGENDA

Friday, July 10, 2020

3:30 p.m.

Community Meeting Room (CMR)

Grand Island City Hall

1. Call to Order Chairman Clay Schutz
2. Roll Call Secretary
3. Approval of March 4, 2020 Minutes..... Chairman Clay Schutz
4. Discussion of FY20-21 Budget Items..... Patrick Brown
5. Funding for LB840 Program..... Patrick Brown
6. Funding for Grow Grand Island..... Patrick Brown
7. Public Works Street Projects Bonding Alternatives Patrick Brown
8. Property Tax Request..... Patrick Brown
9. Discussion and Action on Revised City Fiscal Policies Patrick Brown
10. Adjournment Chairman Clay Schutz

OFFICIAL PROCEEDINGS

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF BUDGET POLICY COMMITTEE

March 4, 2020

Pursuant to due call and notice thereof, a Regular Meeting of the Budget Policy Committee of Grand Island, Nebraska was conducted in Conference Room #1 of City Hall, 100 East First Street on March 4, 2020. Notice of the meeting was given in *The Grand Island Independent* on February 27, 2020.

Chairman Clay Schutz called the meeting to order at 3:30 p.m. The following Councilmembers were present: Clay Schutz, Chuck Haase, Jeremy Jones, Jason Conley, and Vaughn Minton. City Officials present were: Mayor Roger Steele, City Administrator Jerry Janulewicz, Deputy City Clerk Jill Granere, and Finance Director Patrick Brown.

Approval of February 19, 2020 Minutes. Motion by Councilmember Minton, second by Councilmember Jones to approve the February 19, 2020 minutes. Upon roll call vote, all voted aye. Motion adopted.

Fiscal Policies Manual. Finance Director Patrick Brown reviewed the changes to the Fiscal Policies Manual.

Fund Balance:

Mr. Brown recommended adding the following section titled "Fund Balance":

IV. Fund Balance

The establishment and maintenance of adequate cash balances and reserves allows the City financial flexibility and security and is recognized as an important factor considered by bond rating agencies and the underwriting community when reviewing City debt issuance. Along with maintaining the City's credit worthiness, such cash balances and reserves provide the means to handle economic uncertainties, local disasters and other unanticipated financial hardships, as well as, to meet cash flow requirements. In addition to the designations noted below, fund balance levels will be sufficient to meet funding requirements for projects approved in prior years that are carried forward into the new year; debt service reserve requirements; and other reserves or designations required by contractual obligations or generally accepted accounting principles.

- General Fund – The City shall strive to maintain the fund balance at no less than 30% of the proposed operating (personnel and operating expenditures combined) budget expenditures for the General Fund.
- Capital Project Funds – There is no minimum fund balance requirement for the Capital Project Funds.

- Debt Service Funds – The City shall maintain sufficient reserves in its debt service funds which shall equal or exceed the reserve fund balances required by bond ordinances. These reserves shall also be adequate to cover future debt service.
- Enterprise Funds – The City shall strive to maintain the fund balance at no less than 30% of the proposed operating budget expenditures for the Enterprise Funds. Fund balance may also include funds equal to the projected cost of replacement, additions of existing capital assets financed on a “pay as you go” basis, and contingency funds.
- Internal Service Fund
 - Health Insurance Cash Balance – The City shall strive to maintain cash balance at no less than four (4) to six (6) months of the proposed operating budget expenditures for Health Insurance.
 - Property & Casualty Cash Balance – The City shall strive to maintain a cash balance at no less than four (4) to six (6) months of the proposed operating budget expenditures for Property & Casualty.
 - Workers Compensation Cash Balance – The City shall strive to maintain a cash balance at no less than four (4) to six (6) months of the proposed operating budget expenditures for Workers Compensation.
 - Information Technology Cash Balance – The City shall strive to maintain a cash balance at no less than 10% of the proposed operating budget expenditures for the Information Technology.
 - Fleet Services Cash Balance – The City shall strive to maintain a cash balance at no less than 10% of the proposed operating budget expenditures for the Fleet Services.
- Pension Trust Funds – The City shall strive to maintain the fund balance based on actuarially determined contribution.
- Agency Funds – There is no minimum fund balance requirement for Agency Funds.
- Use of Fund Balance – Fund Balance shall be used only for emergencies, non-recurring expenditures, or major capital purchases that cannot be accommodated through current year savings. Should such use reduce the balance below the appropriate level set as the objective for that fund as indicated above, restoration recommendations will accompany the decision to utilize said fund balance.

All agreed that the 30% General Fund balance was a good idea.

Councilmember Haase would like to add that if we have an unexpected loss and what insurance wouldn't cover he would like that tied into the four (4) to six (6) months of the proposed operating budget. He suggested having a six (6) to twelve (12) month review. He also suggested adding maintaining a minimum fund balance on the Pension Trust Funds.

Mr. Brown stated our Fleet Services has recently upped there charges to be more compatible with other shops. He also stated we have no debt in the General Fund.

Revenue Policies:

Reviewing the March 4, 2020 committee packet page 6 Mr. Brown recommended deleting items a and b under Section 1) Stability. Under page 7 Section 9) Maximization he recommended changing item c from three (3) to five (5) years.

Councilmember Haase questioned who the “and the finance department” would be. Mr. Brown stated he would look into it.

Mr. Janulewicz suggested changing Section 8) Full Cost Recovery page 7 because we are not getting full cost recovery. Councilmember Minton suggested adding “to strive to ensure the City of Grand Island is reimbursed for the full cost of those services”.

Councilmember Clay Schutz was absent at 4:15 p.m.

Discussion was held regarding the city going away from debt financing.

Discussion regarding Sales Tax:

Mr. Janulewicz stated he sent out an email regarding not having time to get this item on the ballot until November. Discussion was held concerning bringing the language to the committee so they can have a discussion on it. Mr. Janulewicz stated the Ballot language states that the entire proceeds would be devoted for property tax relief which would have gone into the General Fund.

Discussion was held on the Grand Generation Center and some of the money going to maintain that building.

Councilmember Haase explained the history of the previous sales taxes and asked Mr. Janulewicz to look at options going forward after the 2028 expiration date.

Future Agenda Topics:

- Interlocal Agreements
- Bringing in Fire Chief and Police Chief
- Fire - Ambulance
- Sales Tax Impacts/Pros and Cons

The next meeting would be held on Wednesday, March 18, 2020 at 3:30 p.m.

ADJOURNMENT: 5:10 p.m.

Jill Granere
Deputy City Clerk

RaNae Edwards

From: Jerry Janulewicz
Sent: Monday, June 22, 2020 11:12 AM
To: RaNae Edwards
Subject: FW: Grow Grand Island Memo for tonight's study session

Importance: High

From: email4tonja@gmail.com <email4tonja@gmail.com>
Sent: Tuesday, June 16, 2020 3:43 PM
To: Council Jones <CouncilJones@grand-island.com>; Council C Haase <CouncilCHaase@grand-island.com>; Council Minton <councilminton@grand-island.com>; Council Nickerson <councilnickerson@grand-island.com>; Council Paulick <councilpaulick@grand-island.com>; Council Stelk <councilstelk@grand-island.com>; Council Conley <CouncilConley@grand-island.com>; Council Schutz <CouncilSchutz@grand-island.com>; Council Hehnke <councilhehnke@grand-island.com>; Council Scott <CouncilScott@grand-island.com>
Cc: Mayor Steele <MayorSteele@grand-island.com>; Jerry Janulewicz <jerryj@grand-island.com>; Patrick Brown <patrickb@grand-island.com>; Brian Schultz <briansc@grand-island.com>; Brad Mellema <brad@visitgrandisland.com>; Chris Kotulak <Ckotulak@fonnerpark.com>; Cindy Johnson <cjohnson@gichamber.com>; Dave Taylor <dtaylor@grandisland.org>; Dennis Placke <dennis.placke@northwestern.com>; Ed Hannon <ehannon@sfmtc-gi.org>; Heidi Isley <heidii@associated-staffing.com>; Jane Richardson <janejeff@charter.net>; Jeff Palik <jpalik@olssonassociates.com>; Mike Jakubowski <mikej@dinsdaleauto.com>; Nathan DeLaet <gm.ne131@choicehotels.com>; Pam Lancaster <pelcommish@charter.net>; Will Armstrong <will.armstrong@edwardjones.com>
Subject: Grow Grand Island Memo for tonight's study session
Importance: High

This message was sent from outside the company. Please do not click links or open attachments unless you recognize the source of this email and know the content is safe. If you are unsure submit a helpdesk ticket at <https://helpdesk.grand-island.com>

Dear City Council,

Grow Grand Island's current contract with the City of Grand Island ends on September 30, 2020. This is a 2 year contract of \$500,000 per year with a 2-year roll over option. Grow Grand Island was identified as a community partner during the implementation of the Food and Beverage tax which provides the \$500,000 funding annually. This funding enables the Grow Grand Island leadership and volunteers to address the priorities identified by the community, as well as to leverage other funding.

Cindy Johnson, Dave Taylor, Brad Mellema and Tonja Brown met with Mayor Steele and City Administrator Jerry Janulewicz on April 30 in follow up from the February study session and to discuss pandemic impact and recovery. Grow Grand Island expressed a desire to help in any way we can. A partnership, by its very definition, suggests that two entities (in this case the City of Grand Island and Grow Grand Island) join together to address a common goal. This alliance is critical to the future growth of the community of Grand Island. We also are well aware that City budgets, like every business and household budget in the community, have been impacted by COVID-19. As such, difficult decisions must be made in prioritizing expenditures. As your partner, Grow Grand Island offers this for your consideration:

- For the delayed disbursement of \$500,000 for the FY2019-2020, the City to retain up to \$350,000 to use for expenditures consistent with the Food and Beverage Tax Ballot language: The ballot provides that the

revenue derived from the Food and Beverages Tax shall be designated for use in the following order: (i) To make the City's quarterly payments to the Nebraska State Fair Support and Improvement Fund as required by Neb. Rev. Stat. §§2-108-110; (ii) Promote entertainment, agricultural and livestock shows, trade shows and similar events that will attract visitors to Grand Island; (iii) Ongoing enhancement and development of recreation and athletic facilities such as hike, bike and recreational trails, ball fields and other community activity needs; and (iv) Invest in community development projects and activities that stimulate progress and growth for Grand Island.

- The City and Grow Grand Island to work toward a new two-year agreement with a two-year roll over option for FY2020-2021 with a reduced disbursement for year one.

This arrangement would allow Grow Grand Island to complete the projects identified and in progress, while at the same time recognizing the importance of providing assistance to the City in meeting its budgetary obligations. We would hope that recovery from COVID-19 would be well underway by October 2021. We see the projects in our pipeline as key pieces to expediting recovery and growing our local economy.

This is one of many potential options; others may be brought forward. We believe this (or a similar) modification recognizes and respects the unique partnership the City has with Grow Grand Island and the initiatives that have been identified as important to the growth of the community. There are many ways we can build upon what we have learned and partner more effectively with the City and Council members, keeping our eyes to the future and investing in growth initiatives. We invite the current City leaders and elected officials to view Grow Grand Island as a partner and to join forces to pave a way forward.

Sincerely,

Grow Grand Island

CC: Mayor Steele, Jerry Janulewicz, Patrick Brown, Brian Schultz, and GGI Executive Committee

**AGREEMENT BY AND BETWEEN THE CITY OF GRAND ISLAND
AND
GROW GRAND ISLAND, INC. FOR COMMUNITY ENHANCEMENT PROGRAMS.**

This Agreement dated this 25 day of October, 2016, by and between the CITY OF GRAND ISLAND, a Nebraska municipal corporation ("City") and GROW GRAND ISLAND, INC., a Nebraska nonprofit corporation ("GGI"),

WITNESSETH:

WHEREAS, at the primary election held May 2016, the electorate of the City approved by majority vote of the votes cast the imposition of an occupation tax on retailers of food and beverages at a rate of one and one-half percent on the sale of all food and beverages presently subject to sales tax at commercial establishments in the City; and

WHEREAS, the above-mentioned ballot measure directed the occupation tax shall be used for the following community enhancements:

1. The annual financial commitment to the Nebraska State Fair as required by state law;
2. Promote entertainment, agricultural and livestock shows, trade shows and similar events that will attract visitors to Grand Island;
3. Ongoing enhancement and development of recreational and athletic facilities such as hike, bike and recreational trails, ball fields and other community activity needs; and
4. Invest in community development projects and activities that stimulate progress and growth for Grand Island; and

WHEREAS, Nebraska Revised Statute Section 13-315 authorizes cities to expend up to four-tenths of one percent of the taxable valuation of the city for the purpose of encouraging immigration, new industries, and investment and to conduct and carry on a publicity campaign, including a publicity campaign conducted for the purpose of exploiting and advertising the various agricultural, horticultural, manufacturing, commercial, and other resources, including utility services, of the city. Such sum may be expended directly by the city or may be paid to the chamber of commerce or other commercial organization or a similar county organization or multicounty organization or local development corporation to be expended for the purposes enumerated in this section under the direction of the board of directors of the organization; and

WHEREAS, City desires to contract with a community based, private nonprofit corporation to assist and partner with the City for the development of programs, projects, and events specifically designed to promote entertainment, agricultural and livestock shows, trade shows and similar events that will attract visitors to Grand Island and community development projects and activities that stimulate progress and growth for Grand Island; and

WHEREAS, Grow Grand Island, Inc., a Nebraska nonprofit corporation ("GGI"), was organized and established through the effort of community minded individuals and organizations for the purpose of promoting, encouraging, and developing projects and programs to promote entertainment, agricultural and livestock shows, trade shows and similar events that will attract visitors to Grand Island and to invest in community development projects and activities that stimulate progress and growth for Grand Island; and

WHEREAS, GGI has and will obtain funds for its community enhancement programs through private and corporate contributions, grants, gifts, and other sources; and

WHEREAS, it is desirable for City and GGI to participate in a joint public-private effort for the purpose of promoting, encouraging, and developing community enhancement programs for Grand Island; and

WHEREAS, such joint public-private effort enhances efficiency, promotes cost savings and increases the effectiveness of community enhancement programs that would otherwise be realized through a separate private and a separate public program; and

WHEREAS, it is in the best interests of the City, its citizenry, and the Grand Island community and area that City contract with GGI, as set forth herein, for the establishment, development, operation, and maintenance of community enhancement programs within the City.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, City and GGI do hereby agree as follows:

Section 1. Recitals. The recitals contained above are incorporated herein by this reference.

Section 2. Purpose. Through a joint and collaborative effort between City and GGI, the purposes of this Agreement are: (a.) the promotion, encouragement, and development of projects and programs to promote entertainment, agricultural and livestock shows, trade shows and similar events that will attract visitors to Grand Island and (b.) investment in community development projects and activities that stimulate progress and growth for Grand Island, such project and programs, herein referred to as "community enhancement programs."

Section 3. Term. The initial term of this project shall be for a period of twenty-four months commencing October 1, 2016, the "initial term". Subject to Sections 14 and 15, the term shall automatically renew for an additional term of 24 months (the "renewal term").

Section 4. Projects. GGI shall promote, encourage, conduct, develop and fund community enhancement programs utilizing a combination of funds obtained through private and corporate contributions, grants, gifts, and other sources and through the funds hereby provided by City. Funds provided by City (the "City Funds") shall be maintained in a segregated account and shall be expended solely as provided for herein.

Section 5. City Funds.

- a. City shall provide the following funds, derived from city's occupation tax of food and beverage retailers in such amounts and such schedule as set forth herein:

November 1 of each year \$500,000.00 minimum.

Amount could increase with approval by the City Council.

Section 6. Limitation on Use. City Funds shall be utilized and expended by GGI solely for such project, programs and purposes that serve and carry out a public purpose as expressly authorized, necessarily or fairly implied in or incidental to those expressly authorized and those essential to the declared objects and purposes of a city of the first class as expressed by Nebraska statutes as from time to time amended. Such projects, programs and purposes shall encompass and be directed toward encouraging immigration, new industries, and investment and to conduct and carry on a publicity campaign, including a publicity campaign conducted for the purpose of exploiting and advertising the various agricultural, horticultural, manufacturing, commercial, and other resources, including utility services, of the city; to promote entertainment, agricultural and livestock shows, trade shows and similar events that will attract visitors to Grand Island; and investment in community development projects and activities that stimulate progress and growth for Grand Island. No more than 10% of the City Funds will be allowed to be used for employee and operation expenses.

Section 7. Approval by City Administrator. Prior to expending City Funds for a community enhancement project, a summary of the project including such detail and supporting documentation as required by City shall be submitted to City's City Administrator or his or her designee for approval.

Section 8. Accounting. On an annual basis, GGI shall submit its financial audit to City. The audit shall be prepared by a Public Accountant or Public Accountancy firm licensed and authorized to engage in public accountancy within the State of Nebraska.

Section 9. Reports. On a quarterly basis GGI shall provide to City full and complete reports of its activities, programs and projects and an accounting of its receipt and expenditure of public and private funds. Said reports shall be in such form and include such detail as specified by City's Finance Director or his or her designee.

Section 10. Access to Records. During normal business hours, City shall be provided with access to review, inspect, and photocopy records of GGI pertaining to the funding and expenditure of public and private funds for community enhancement projects. Such records shall be maintained by GGI for not less than 60 months following termination of this agreement.

Section 11. Termination. Within 30 days of the expiration of the initial term or subsequent renewal term, or earlier termination as provided herein, all remaining and unobligated City Funds held by GGI shall be returned to and paid to City for deposit in City's food and beverage retailer occupation tax fund.

Section 12. Segregation of Funds. City Funds shall at all times be maintained by GGI on deposit in a national chartered bank in accounts fully insured by the FDIC or, if not fully insured, shall at all times be collaterally secured by a deposit of bonds that are either direct and general obligations of or are unconditionally guaranteed as to both principal and interest by the United States of America and having a market value at least equal to the amount by which the moneys on deposit. All interest received and all profits realized on account of any such investments or reinvestments shall be added to and become a part of city-provided funds and subject to the provisions of this agreement.

Section 13. Bond/Security. GGI shall, at its own expense, supply to city a fidelity bond issued by an insurance company licensed to do business in the State of Nebraska, insuring city against dishonesty or fraudulent acts of the employees of GGI in the amount of \$500,000.00 per employee.

Section 14. Termination for Default. In the event that City reasonably determines that GGI has failed to comply with the material terms of this Agreement in a timely manner ("Default"), City shall notify GGI in writing of the nature of the Default and of the corrective action to be taken. If corrective action is not commenced within 5 days after receipt of written notice and

completed within a reasonable time thereafter, then City may terminate this Agreement by written Notice of Termination to GGI, which termination shall take effect 30 days after delivery of the Notice of Termination. City further reserves the right to prohibit GGI from expending additional City-provided funds during the investigation of any alleged Default and pending corrective action by GGI or a decision by City to terminate the Agreement.

Section 15. Election to Terminate. Either party may elect to terminate this Agreement on the last day of the Initial Term by providing written notice of termination not less than 90 days prior to the end of the then current term. In the event that both parties fail to deliver written notice of an election to terminate, this Agreement will automatically renew for one additional Renewal Term as provided in Section 3. The automatic renewal of this Agreement shall terminate in the event of the termination of this Agreement prior to the expiration of the Initial Term pursuant to the terms of this Agreement.

Section 16. Discrimination. With respect to the activities conducted by it pursuant to this Agreement, GGI will not subject any person to discrimination on the basis of race, color, religion, sex, national origin or ancestry.

Section 17. Procurement. GGI shall adopt, subject to City's approval, a procurement policy that shall provide for open, competitive bidding for purchases of or contracts for materials, supplies, services or labor in the amount of \$20,000 or more and shall prohibit contracts between GGI and members of its board of directors and members of their families.

Section 18. Miscellaneous.

- a. Interpretation. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders. Days, unless otherwise specified, shall be calendar days.
- b. Severability. In the event any covenant, condition or provision herein contained is held to be invalid by a court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained, provided the invalidity of any such covenant, condition or provision does not materially prejudice either City or GGI in its respective rights and obligations contained in the valid covenants, conditions and provisions of this Agreement.

- c. Binding on Successors. Subject to the provisions of SECTION 21, this Agreement binds and inures to the benefit of the parties and their respective successors and assigns.
- d. Headings. The headings of the sections and exhibits of this Agreement are inserted for convenience only; they do not constitute part of this Agreement and are not to be used in its construction.
- e. Authority of City Administrator. Where this Agreement requires or permits City to act and no officer of the City is specified, the City Administrator of the City or the designated representative of the City Administrator has the authority to act on City's behalf.

Section 19. Hold Harmless. GGI shall, and does hereby agree to, have the right and obligation to defend, save, indemnify and hold the City, its corporate authorities, elected and appointed officials, officers, boards, commissions, legal counsel, employees and agents harmless from any injury, claim, demand, suit, judgment, execution, liability, debt, damages or penalty (the "Claims") arising out of resulting from, or alleged to arise out of or result from, GGI's performance of this Agreement..

Section 20. Insurance. In the event GGI regularly employs one or more persons under a contract of hire in the usual course of its business, GGI shall maintain the following insurance and furnish proof to the City Administrator that the foregoing insurance policies have been obtained in the form of a certificate of insurance.

- a. General Liability. General comprehensive liability insurance insuring both GGI and the City, and its officers, boards, commissions, elected and appointed officials, agents and employees, in the minimum amounts of:
 - \$1,000,000 for bodily injury or death to each Person;
 - \$1,000,000 for property damage resulting from any one accident; and
- b. Automobile. Automobile liability insurance with a limit of \$1,000,000 for each person and \$1,000,000 for each accident for property damage with respect to owned and non-owned automobiles for the operation of which GGI is responsible.
- c. Worker's Compensation. Worker's compensation Insurance within the statutory limits.

Section 21. Assignments, Transfers and Similar Actions. Neither the Agreement nor any rights or obligations of GGI pursuant to this Agreement shall be assigned, transferred, pledged, leased, sublet, hypothecated or mortgaged in any manner, in whole or in part, to any person, either by act of GGI, by operation of law or otherwise, without the prior consent of the City. Any such action completed without such prior consent of the City shall be a violation of this Agreement and shall, at the option of the City, which option may be exercised in the City's sole judgment and discretion, allow the City to initiate termination of this Agreement. The grant or waiver of any one or more of said consents shall not render unnecessary any subsequent consent or consents, nor shall the grant of any said consent constitute a waiver of any other rights of the City.

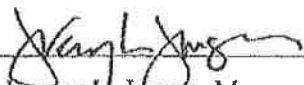
Section 22. Entire Agreement. This Agreement contains all of the agreements, representations, and understandings of the parties hereto, and, subject to the last sentence of this paragraph, supersedes and replaces any previous understandings, commitments, or agreements, whether oral or written.


Section 23. Third Party Beneficiaries. The provisions of this Agreement are intended solely for the benefit of City and GGI, and create no rights or obligations enforceable by any third party, including any creditor of City or GGI, except as otherwise provided by applicable law.


Section 24. Effectiveness Subject To Appropriation. The parties agree and acknowledge that it is a prerequisite to the effectiveness of this Agreement that moneys be appropriated in an amount sufficient to fund the obligations of City under this Agreement. City and GGI further agree that, in the event that the City Council does not appropriate the funding for this Agreement, it shall become null and void.

CITY OF GRAND ISLAND

GROW GRAND ISLAND, INC.

BY 
Jeremy L. Jensen, Mayor

BY 
Print Name: Tonya Denson
Title: City Clerk

ATTEST:

RaNae Edwards, City Clerk

Grand Island, Nebraska

Highway Allocation / Sales Tax Bond

\$15 Million 10 Year Term

Preliminary Sizing Based on Aa2 Rating)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
10/01/2020	-	-	-	-
04/01/2021	-	-	118,923.75	118,923.75
10/01/2021	1,405,000.00	1.080%	118,923.75	1,523,923.75
04/01/2022	-	-	111,336.75	111,336.75
10/01/2022	1,425,000.00	1.210%	111,336.75	1,536,336.75
04/01/2023	-	-	102,715.50	102,715.50
10/01/2023	1,440,000.00	1.320%	102,715.50	1,542,715.50
04/01/2024	-	-	93,211.50	93,211.50
10/01/2024	1,460,000.00	1.440%	93,211.50	1,553,211.50
04/01/2025	-	-	82,699.50	82,699.50
10/01/2025	1,480,000.00	1.550%	82,699.50	1,562,699.50
04/01/2026	-	-	71,229.50	71,229.50
10/01/2026	1,505,000.00	1.650%	71,229.50	1,576,229.50
04/01/2027	-	-	58,813.25	58,813.25
10/01/2027	1,530,000.00	1.770%	58,813.25	1,588,813.25
04/01/2028	-	-	45,272.75	45,272.75
10/01/2028	1,555,000.00	1.830%	45,272.75	1,600,272.75
04/01/2029	-	-	31,044.50	31,044.50
10/01/2029	1,585,000.00	1.910%	31,044.50	1,616,044.50
04/01/2030	-	-	15,907.75	15,907.75
10/01/2030	1,615,000.00	1.970%	15,907.75	1,630,907.75
04/01/2031	-	1.970%	-	-
Total	\$15,000,000.00	-	\$1,462,309.50	\$16,462,309.50

Yield Statistics

Bond Year Dollars	\$84,410.00
Average Life	5.627 Years
Average Coupon	1.7323889%
Net Interest Cost (NIC)	1.7323889%
True Interest Cost (TIC)	1.7277064%
Bond Yield for Arbitrage Purposes	1.7277064%
All Inclusive Cost (AIC)	1.7277064%

IRS Form 8038

Net Interest Cost	1.7323889%
Weighted Average Maturity	5.627 Years

Grand Island, Nebraska

Highway Allocation / Sales Tax Bond

\$15 Million 10 Year Term

Preliminary Sizing Based on Aa2 Rating)

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/01/2020	-	-	-	-	-
04/01/2021	-	-	118,923.75	118,923.75	-
09/30/2021	-	-	-	-	118,923.75
10/01/2021	1,405,000.00	1.080%	118,923.75	1,523,923.75	-
04/01/2022	-	-	111,336.75	111,336.75	-
09/30/2022	-	-	-	-	1,635,260.50
10/01/2022	1,425,000.00	1.210%	111,336.75	1,536,336.75	-
04/01/2023	-	-	102,715.50	102,715.50	-
09/30/2023	-	-	-	-	1,639,052.25
10/01/2023	1,440,000.00	1.320%	102,715.50	1,542,715.50	-
04/01/2024	-	-	93,211.50	93,211.50	-
09/30/2024	-	-	-	-	1,635,927.00
10/01/2024	1,460,000.00	1.440%	93,211.50	1,553,211.50	-
04/01/2025	-	-	82,699.50	82,699.50	-
09/30/2025	-	-	-	-	1,635,911.00
10/01/2025	1,480,000.00	1.550%	82,699.50	1,562,699.50	-
04/01/2026	-	-	71,229.50	71,229.50	-
09/30/2026	-	-	-	-	1,633,929.00
10/01/2026	1,505,000.00	1.650%	71,229.50	1,576,229.50	-
04/01/2027	-	-	58,813.25	58,813.25	-
09/30/2027	-	-	-	-	1,635,042.75
10/01/2027	1,530,000.00	1.770%	58,813.25	1,588,813.25	-
04/01/2028	-	-	45,272.75	45,272.75	-
09/30/2028	-	-	-	-	1,634,086.00
10/01/2028	1,555,000.00	1.830%	45,272.75	1,600,272.75	-
04/01/2029	-	-	31,044.50	31,044.50	-
09/30/2029	-	-	-	-	1,631,317.25
10/01/2029	1,585,000.00	1.910%	31,044.50	1,616,044.50	-
04/01/2030	-	-	15,907.75	15,907.75	-
09/30/2030	-	-	-	-	1,631,952.25
10/01/2030	1,615,000.00	1.970%	15,907.75	1,630,907.75	-
09/30/2031	-	-	-	-	1,630,907.75
Total	\$15,000,000.00	-	\$1,462,309.50	\$16,462,309.50	-

\$15 Million 10 Year Term | SINGLE PURPOSE | 6/11/2020 | 1:51 PM

Grand Island, Nebraska

Highway Allocation / Sales Tax Bond

\$15 Million 10 Year Term

Preliminary Sizing Based on Aa2 Rating)

Debt Service Schedule

Part 2 of 2

Yield Statistics

Bond Year Dollars	\$84,410.00
Average Life	5.627 Years
Average Coupon	1.7323889%
Net Interest Cost (NIC)	1.7323889%
True Interest Cost (TIC)	1.7277064%
Bond Yield for Arbitrage Purposes	1.7277064%
All Inclusive Cost (AIC)	1.7277064%
IRS Form 8038	
Net Interest Cost	1.7323889%
Weighted Average Maturity	5.627 Years

Grand Island, Nebraska

Highway Allocation / Sales Tax Bond

\$15 Million 20 Year Term

Preliminary Sizing Based on Aa2 Rating)

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/01/2020	-	-	-	-	-
04/01/2021	-	-	156,522.25	156,522.25	-
09/30/2021	-	-	-	-	156,522.25
10/01/2021	635,000.00	1.080%	156,522.25	791,522.25	-
04/01/2022	-	-	153,093.25	153,093.25	-
09/30/2022	-	-	-	-	944,615.50
10/01/2022	640,000.00	1.210%	153,093.25	793,093.25	-
04/01/2023	-	-	149,221.25	149,221.25	-
09/30/2023	-	-	-	-	942,314.50
10/01/2023	650,000.00	1.320%	149,221.25	799,221.25	-
04/01/2024	-	-	144,931.25	144,931.25	-
09/30/2024	-	-	-	-	944,152.50
10/01/2024	653,000.00	1.440%	144,931.25	799,931.25	-
04/01/2025	-	-	140,215.25	140,215.25	-
09/30/2025	-	-	-	-	940,146.50
10/01/2025	665,000.00	1.550%	140,215.25	805,215.25	-
04/01/2026	-	-	135,061.50	135,061.50	-
09/30/2026	-	-	-	-	940,276.75
10/01/2026	675,000.00	1.650%	135,061.50	810,061.50	-
04/01/2027	-	-	129,492.75	129,492.75	-
09/30/2027	-	-	-	-	939,554.25
10/01/2027	690,000.00	1.770%	129,492.75	819,492.75	-
04/01/2028	-	-	123,386.25	123,386.25	-
09/30/2028	-	-	-	-	942,879.00
10/01/2028	700,000.00	1.830%	123,386.25	823,386.25	-
04/01/2029	-	-	116,981.25	116,981.25	-
09/30/2029	-	-	-	-	940,367.50
10/01/2029	715,000.00	1.910%	116,981.25	831,981.25	-
04/01/2030	-	-	110,153.00	110,153.00	-
09/30/2030	-	-	-	-	942,134.25
10/01/2030	725,000.00	1.970%	110,153.00	835,153.00	-
04/01/2031	-	-	103,011.75	103,011.75	-
09/30/2031	-	-	-	-	938,164.75
10/01/2031	740,000.00	2.050%	103,011.75	843,011.75	-
04/01/2032	-	-	95,426.75	95,426.75	-
09/30/2032	-	-	-	-	938,438.50
10/01/2032	755,000.00	2.150%	95,426.75	850,426.75	-
04/01/2033	-	-	87,310.50	87,310.50	-
09/30/2033	-	-	-	-	937,737.25
10/01/2033	775,000.00	2.420%	87,310.50	862,310.50	-
04/01/2034	-	-	77,933.00	77,933.00	-
09/30/2034	-	-	-	-	940,243.50
10/01/2034	790,000.00	2.490%	77,933.00	867,933.00	-

\$15 Million 20 Year Term | SINGLE PURPOSE | 6/3/2020 | 11:48 AM

Grand Island, Nebraska

Highway Allocation / Sales Tax Bond

\$15 Million 20 Year Term

Preliminary Sizing Based on Aa2 Rating)

Debt Service Schedule

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/01/2035	-	-	68,097.50	68,097.50	-
09/30/2035	-	-	-	-	936,030.50
10/01/2035	810,000.00	2.530%	68,097.50	878,097.50	-
04/01/2036	-	-	57,851.00	57,851.00	-
09/30/2036	-	-	-	-	935,948.50
10/01/2036	830,000.00	2.570%	57,851.00	887,851.00	-
04/01/2037	-	-	47,185.50	47,185.50	-
09/30/2037	-	-	-	-	935,036.50
10/01/2037	855,000.00	2.620%	47,185.50	902,185.50	-
04/01/2038	-	-	35,985.00	35,985.00	-
09/30/2038	-	-	-	-	938,170.50
10/01/2038	875,000.00	2.640%	35,985.00	910,985.00	-
04/01/2039	-	-	24,435.00	24,435.00	-
09/30/2039	-	-	-	-	935,420.00
10/01/2039	900,000.00	2.670%	24,435.00	924,435.00	-
04/01/2040	-	-	12,420.00	12,420.00	-
09/30/2040	-	-	-	-	936,855.00
10/01/2040	920,000.00	2.700%	12,420.00	932,420.00	-
09/30/2041	-	-	-	-	932,420.00
Total	\$15,000,000.00	-	\$3,937,428.00	\$18,937,428.00	-

Yield Statistics

Bond Year Dollars	\$167,525.00
Average Life	11.168 Years
Average Coupon	2.3503525%
Net Interest Cost (NIC)	2.3503525%
True Interest Cost (TIC)	2.3303169%
Bond Yield for Arbitrage Purposes	2.3303169%
All Inclusive Cost (AIC)	2.3303169%
IRS Form 8038	
Net Interest Cost	2.3503525%
Weighted Average Maturity	11.168 Years

Grand Island, Nebraska

Highway Allocation / Sales Tax Bond

\$20 Million 20 Year Term

*****Preliminary Sizing Based on Aa2 Rating)*****

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/01/2020	-	-	-	-	-
04/01/2021	-	-	208,680.25	208,680.25	-
09/30/2021	-	-	-	-	208,680.25
10/01/2021	845,000.00	1.080%	208,680.25	1,053,680.25	-
04/01/2022	-	-	204,117.25	204,117.25	-
09/30/2022	-	-	-	-	1,257,797.50
10/01/2022	855,000.00	1.210%	204,117.25	1,059,117.25	-
04/01/2023	-	-	198,944.50	198,944.50	-
09/30/2023	-	-	-	-	1,258,061.75
10/01/2023	865,000.00	1.320%	198,944.50	1,063,944.50	-
04/01/2024	-	-	193,235.50	193,235.50	-
09/30/2024	-	-	-	-	1,257,180.00
10/01/2024	875,000.00	1.440%	193,235.50	1,068,235.50	-
04/01/2025	-	-	186,935.50	186,935.50	-
09/30/2025	-	-	-	-	1,255,171.00
10/01/2025	890,000.00	1.550%	186,935.50	1,076,935.50	-
04/01/2026	-	-	180,038.00	180,038.00	-
09/30/2026	-	-	-	-	1,256,973.50
10/01/2026	900,000.00	1.650%	180,038.00	1,080,038.00	-
04/01/2027	-	-	172,613.00	172,613.00	-
09/30/2027	-	-	-	-	1,252,651.00
10/01/2027	915,000.00	1.770%	172,613.00	1,087,613.00	-
04/01/2028	-	-	164,515.25	164,515.25	-
09/30/2028	-	-	-	-	1,252,128.25
10/01/2028	935,000.00	1.830%	164,515.25	1,099,515.25	-
04/01/2029	-	-	155,960.00	155,960.00	-
09/30/2029	-	-	-	-	1,255,475.25
10/01/2029	950,000.00	1.910%	155,960.00	1,105,960.00	-
04/01/2030	-	-	146,887.50	146,887.50	-
09/30/2030	-	-	-	-	1,252,847.50
10/01/2030	970,000.00	1.970%	146,887.50	1,116,887.50	-
04/01/2031	-	-	137,333.00	137,333.00	-
09/30/2031	-	-	-	-	1,254,220.50
10/01/2031	990,000.00	2.050%	137,333.00	1,127,333.00	-
04/01/2032	-	-	127,185.50	127,185.50	-
09/30/2032	-	-	-	-	1,254,518.50
10/01/2032	1,010,000.00	2.150%	127,185.50	1,137,185.50	-
04/01/2033	-	-	116,328.00	116,328.00	-
09/30/2033	-	-	-	-	1,250,513.50
10/01/2033	1,030,000.00	2.420%	116,328.00	1,146,328.00	-
04/01/2034	-	-	103,865.00	103,865.00	-
09/30/2034	-	-	-	-	1,250,193.00
10/01/2034	1,055,000.00	2.490%	103,865.00	1,158,865.00	-
04/01/2035	-	-	90,730.25	90,730.25	-

\$20 Million 20 Year Term | SINGLE PURPOSE | 6/3/2020 | 11:45 AM

Grand Island, Nebraska

Highway Allocation / Sales Tax Bond

\$20 Million 20 Year Term

*****Preliminary Sizing Based on Aa2 Rating)*****

Debt Service Schedule

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/30/2035	-	-	-	-	1,249,595.25
10/01/2035	1,080,000.00	2.530%	90,730.25	1,170,730.25	-
04/01/2036	-	-	77,068.25	77,068.25	-
09/30/2036	-	-	-	-	1,247,798.50
10/01/2036	1,110,000.00	2.570%	77,068.25	1,187,068.25	-
04/01/2037	-	-	62,804.75	62,804.75	-
09/30/2037	-	-	-	-	1,249,873.00
10/01/2037	1,135,000.00	2.620%	62,804.75	1,197,804.75	-
04/01/2038	-	-	47,936.25	47,936.25	-
09/30/2038	-	-	-	-	1,245,741.00
10/01/2038	1,165,000.00	2.640%	47,936.25	1,212,936.25	-
04/01/2039	-	-	32,558.25	32,558.25	-
09/30/2039	-	-	-	-	1,245,494.50
10/01/2039	1,195,000.00	2.670%	32,558.25	1,227,558.25	-
04/01/2040	-	-	16,605.00	16,605.00	-
09/30/2040	-	-	-	-	1,244,163.25
10/01/2040	1,230,000.00	2.700%	16,605.00	1,246,605.00	-
09/30/2041	-	-	-	-	1,246,605.00
Total	\$20,000,000.00	-	\$5,248,682.00	\$25,248,682.00	-

Yield Statistics

Bond Year Dollars	\$223,335.00
Average Life	11.167 Years
Average Coupon	2.3501386%
Net Interest Cost (NIC)	2.3501386%
True Interest Cost (TIC)	2.3301029%
Bond Yield for Arbitrage Purposes	2.3301029%
All Inclusive Cost (AIC)	2.3301029%

IRS Form 8038

Net Interest Cost	2.3501386%
Weighted Average Maturity	11.167 Years

\$20 Million 20 Year Term | SINGLE PURPOSE | 8/3/2020 | 11:45 AM

CITY OF GRAND ISLAND

FISCAL POLICIES MANUAL

I. INTRODUCTION:

The fiscal policies outlined in this document and the supplements are intended to be:

1. Fully consistent with the Mission and Purpose Statement for the City Of Grand Island. "Enhance the quality of life in the Grand Island Community, to recognize the vitality and diversity of our neighborhoods, and to promote development by providing effective and responsive services through vision, respect and courtesy."
2. Enhance quality of life for Grand Island citizens by providing needed services while limiting growth in government budget and size.
3. Make City government clearly and directly accountable to its citizens.

Fiscal Policies are used here to mean the combined policies of Grand Island City government with respect to taxes and other fiscal resources, spending and debt management used in support of the City's public services program. The budget process is the major vehicle for determining and implementing the relevant policies. Fiscal policy applies management principles to social and economic data in meeting budgetary objectives. Its purpose is to provide guidance for good public practice in the planning and financing of public expenditures. Fiscal policy which is both realistic and consistent provides useful guidance for the long-term programming of services and facilities. It provides a set of assumptions under which budget and tax decisions should be made. While established for the best management of governmental resources, fiscal policy also helps set the parameters for governments' role in the broader economy of the community.

Policy formulation is the dual responsibility of the City Administrator and Finance Director, who develops policy recommendations, Mayor, and the City Council, who reviews the recommendations and establishes policy through the adoption of appropriate Ordinances and Resolutions.

The current fiscal policy is presented on the following pages under six broad policy headings: General Financial Objectives, Accounting, Auditing, and Financial Reporting Policies, Fund Balances, Investment Policies, Capital Improvement Policies, Debt management Policies, and Communication and Disclosure Policies.

II. GENERAL FINANCIAL OBJECTIVES

The City of Grand Island's general financial goals are stated as follows:

- 1) To maintain an adequate financial base for purposes of sustaining a prescribed level of services as determined by the State, Mayor, and City Council.

2) To adhere to accounting and management practices as set by the Government Finance Officers' Association (GFOA), statements issued by the Governmental Accounting Standards Board (GASB), and Generally Accepted Accounting Principles (GAAP) guidelines.

3) To respond to local and regional economic conditions, to adjust to changes in the service requirements of our community, and to respond to changes in State and Federal priorities and funding.

4) To maintain appropriate amount of cash reserves by ensuring that the City is in a position to respond to changes in the economy or new service challenges without an undue amount of financial stress.

5) To promote fiscal conservation and to obtain the highest credit rating possible by insuring that the City is at all times in a solid financial condition. This can be defined as:

- a. Cash Solvency - the ability to pay current bills in a timely fashion.
- b. Budgetary Solvency - the ability to balance the budget.
- c. Long-run Solvency - the ability to pay future costs.
- d. Service Level Solvency - the ability to provide needed and desired services.

6) To assure taxpayers that City government is well managed by using prudent financial management practices and maintaining a sound fiscal condition.

III. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

The goals of the Finance Department are fully consistent with the following stated budget and accounting policies of the Grand Island City government. That is, to provide the best financial data possible to allow Administrative and the general citizenry an understanding of the complete financial circumstances surrounding public decision-making so the financial consequences of those decisions can be properly assessed and the rational allocation of City resources be enhanced.

A. Accounting and Reporting Capabilities:

The City of Grand Island's governmental accounting system must make it possible:

- to present fairly and with full disclosure the financial position and results of financial operations of the funds and account groups of the city in conformity with generally accepted accounting principles as defined by the GASB, and
- To determine and demonstrate compliance with finance-related legal and contractual requirements.

B. Fund Accounting:

The accounting system shall be organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations or restrictions.

C. Fixed Assets and Long-Term Liabilities:

Fixed assets shall be accounted for at cost or, if the cost is not practicably determinable, at estimated cost. Donated fixed assets shall be recorded at their estimated fair market value at the time received. Depreciation of general fixed assets shall be recorded in the accounts of individual funds.

D. Basis of Accounting

The basis of accounting will be determined to most efficiently measure financial position and operating results.

E. Financial Reporting:

Appropriate interim financial statements and reports of financial position, operating results, and other pertinent information shall be prepared to facilitate oversight, and where necessary or desired, for external reporting purposes.

An independent public accounting firm shall perform an annual audit and will publicly issue an opinion concerning the City's finances.

F. Budgeting:

The City of Grand Island shall prepare a comprehensive annual budget using the basis of accounting determined in Section III-D covering all funds for each ensuing fiscal period.

The Annual Appropriation Bill, when signed into law, establishes revenue, expenditure/expense and obligation authority at the summary control level of total appropriations for all funds. The City Administrator and the Finance Director shall exercise supervision and control of all budgeted expenditures within these limits, holding expenses below appropriations or allowing over-runs in individual line-items providing that at no time shall the net expenditures exceed the total appropriation for that fund as originally authorized or amended by the Mayor and City Council.

No appropriations measure shall be submitted to or adopted by the Mayor and City Council in which estimated total expenditures, including an accrued deficit, exceed estimated total revenues, including an available surplus.

There are five appropriation types unless regulated otherwise by other statutes; Personnel costs which include all employee compensation and benefit related expenses; Operating expenses which are all expenses that are required for operations; capital expenditures for assets falling within the Capitalization threshold; Debt Service which includes all debt related payments; and fund transfers.

No obligation shall be incurred against, and no payment shall be made from, any appropriation type unless there is sufficient unencumbered balance in the appropriation and sufficient funds are or will be available to meet the obligation.

The Finance Director, after the end of each month, shall transmit to the Mayor and City Council a report depicting the financial condition of budgeted operations, including, but not limited to:

- 1) A report of actual revenues by General Fund departments compared with budgeted revenues.
- 2) A report of actual expenditures by General Fund departments compared with authorized appropriations.
- 3) A statement of Cash Position for all funds with sources and uses of funds compared to prior year and fiscal year-end.
- 4) A Sales Tax Analysis report with historical monthly receipts and annual projection.

All appropriations are annual as authorized by the General Appropriations Act and the unexpended portion shall lapse at year end.

Budgeting comparisons shall be presented in the financial statements as required by GASB and all budgetary procedures shall conform to existing State Law.

The budget shall provide for adequate maintenance of the capital plant and equipment, and for their orderly replacement.

The budget shall provide for adequate funding of the City's retirement programs.

The operating budget shall describe the major program goals to be achieved, and the services and programs to be delivered for the level of funding provided.

IV. FUND BALANCE

The establishment and maintenance of adequate cash balances and reserves allows the City financial flexibility and security and is recognized as an important factor considered by bond rating agencies and the underwriting community when reviewing City debt issuance. Along with maintaining the City's credit worthiness, such cash balances and reserves provide the means to handle economic uncertainties, local disasters and other unanticipated financial hardships, as well as, to meet cash flow requirements. In addition to the designations noted below, fund balance levels will be sufficient to meet funding requirements for projects approved in prior years that are carried forward into the new year; debt service reserve requirements; and other reserves or designations required by contractual obligations or generally accepted accounting principles.

- General Fund - The City shall strive to maintain the fund balance at no less than 30% of the proposed operating (personnel and operating expenditures combined) budget expenditures for the General Fund.
- Capital Project Funds - There is no minimum fund balance requirement for the Capital Project Funds.
- Debt Service Funds - The City shall maintain sufficient reserves in its debt service funds which shall equal or exceed the reserve fund balance of twelve (12) months of debt service or as required by bond ordinances.
- Enterprise Funds - The City shall strive to maintain the fund balance at no less than 30% of

the proposed operating budget expenditures for the Enterprise Funds. Fund balance may also include funds equal to the projected cost of replacement, additions of existing capital assets financed on a "pay as you go" basis, and contingency funds.

- Internal Service Fund
 - Health Insurance Cash Balance- The City shall strive to maintain cash balance at no less than four (4) to six (6) months of the proposed operating budget expenditures for Health Insurance as long as the City is self-insured.
 - Property & Casualty Cash Balance - The City shall strive to maintain a cash balance at no less than four (4) to six (6) months of the proposed operating budget expenditures for Property & Casualty.
 - Workers Compensation Cash Balance - The City shall strive to maintain a cash balance at no less than four (4) to six (6) months of the proposed operating budget expenditures for Workers Compensation.
 - Information Technology Cash Balance - The City shall strive to maintain a cash balance at no less than 10% of the proposed operating budget expenditures for the Information Technology.
 - Fleet Services Cash Balance - The City shall strive to maintain a cash balance at no less than 10% of the proposed operating budget expenditures for the Fleet Services.
- Pension Trust Funds - The City shall strive to maintain the fund balance based on the minimum actuarially determined contribution.
- Agency Funds - There is no minimum fund balance requirement for Agency Funds.
- Use of Fund Balance - Fund Balance shall be used only for emergencies, non- recurring expenditures, or major capital purchases that cannot be accommodated through current year savings. Should such use reduce the balance below the appropriate level set as the objective for that fund as indicated above, restoration recommendations will accompany the decision to utilize said fund balance.

V. PURCHASING POLICIES:

The City Council establishes purchasing policies as detailed in the City Code.

Through the Procurement Code, the City of Grand Island is protected by various safeguards. The Code sets requirements at certain cost levels for bidder security, payment and performance bonding. Ethics for City officials and employees are also clearly established to prevent the acceptance of gratuities and kickbacks, as well as, preventing any City official or employee financial gains from a procurement contract.

The competitive bidding procedure for larger purchases defines any exceptions outlined by the Code and gives basic instructions to user departments for day to day purchasing.

V. REVENUE AND INVESTMENT POLICIES:

Administration of Revenue and Investment Policies is the responsibility of the City Treasurer (Finance Director). The two main objectives of the Finance Director in the role of City Treasurer are the custodian of all City funds and the collector of receipts.

The goals and objectives of the Treasurer's Office include:

- To guarantee the safety of City funds by adhering to statutory requirements regarding bonding and placement of funds and maintaining a system of controls to monitor such activities.
- To maximize earnings on temporarily available funds by seeking the best available combination of safety, interest rates, and lengths of short term investments.
- To conform to the guidelines and objectives as detailed in the Investment Policy document as approved by council.

A. REVENUE POLICIES:

When exercising the City's tariff and taxing powers, the City will comply with the following principles:

1) Stability - A diversified and stable revenue system shall be maintained to ensure fiscal health and absorb short run fluctuations in any one revenue source. Ongoing operating costs should be supported by ongoing, stable revenue sources.

2) Sufficiency - Fees should cover the full cost of issuance, administration and enforcement.

3) Efficiency - A fee should be levied in a way which can be easily and inexpensively administered by the City and complied with by the taxpayer. A minimum of the revenue raised through a fee or tax should be consumed in the process of raising it.

4) Simplicity - Charges and levies should be readily understood by the taxpayer and the official. The amount of the charge or levy should be easily computed and verified.

5) Equitability - No arbitrary distinctions should be made among taxpayers or classes of taxpayers. However, distinctions will be made when the City believes that such distinctions are appropriate and will not have a disproportionate impact on taxpayers or a class of taxpayers.

6) Growth - Fees, charges or levies should not be excessive, so as to either discourage reasonable economic growth or to place the City of Grand Island in a position of comparative disadvantage with other communities. Revenues from growth or development should be targeted to costs related to development or invested in improvements that will benefit future residents or make future services provision more efficient.

7) Reliability and Continuity - Fluctuating federal and state grants should not be used to fund ongoing programs. Grant applications to fund new service programs with State or Federal funds shall be reviewed by the City, with significant consideration given to whether locally generated funds will be required to support these programs when original funding is

no longer available. A minimum of locally generated revenues will be used to replace funding for activities which are or have traditionally been the responsibilities of the Federal and State governments.

8) Full Cost Recovery - Where the City of Grand Island provides services on behalf of other governmental jurisdictions, the City shall establish and maintain agreements and contracts with those jurisdiction - including the Federal Government, the State of Nebraska, Hall County, joint agencies, other counties and incorporated cities, and taxing districts - to strive to ensure the City of Grand Island is reimbursed for the full cost of those services.

9) Maximization - In order to maximize revenues, the City shall, to the fullest extent possible:

- a. Aggressively collect revenues.
- b. Establish all fees and use charges at levels related to recovery of full costs incurred in providing the related services.
- c. Review fees and user charges annually so as to provide for changes in rates to keep pace with changes in the costs of providing services.
- d. Charge fees for all services that benefit limited interests within the community, except for human needs services to persons with limited ability to pay.
- e. Make revenue projections for five years and revise them annually.

B. INVESTMENT POLICIES:

Consistent with the Treasurers' Office stated goals and objectives, the City operates under the following general investment policies:

- 1) The City analyzes the cash flow of all funds on a regular basis to ensure maximum cash availability.
- 2) Market conditions and investment securities are reviewed on a regular basis to determine the maximum yield to be obtained.
- 3) The City will invest as much of its idle cash as possible on a continuous basis. These investments shall be in quality issues and in compliance with Council Resolutions and State Statutes regarding investment requirements.

VI. CAPITAL IMPROVEMENT POLICIES:

A. General

- 1) A Fixed Asset Inventory of the City's physical assets and their conditions shall be developed and maintained.
- 2) The Department Directors, in conjunction with the City Administrator, shall develop a multi-year plan for capital improvements and update it annually. The Capital Improvement Program shall identify estimated costs and funding sources for each capital project, as well as the City Administrator's relative priority, before it is submitted to the Mayor and City Council for review, modification and approval.
- 3) City operating budgets shall provide for adequate facility maintenance and operations. Ongoing maintenance funds shall be estimated and identified prior to making the decision to undertake capital improvements.
- 4) The City shall make improvements to existing facilities and adopt non-capital strategies to increase capacity prior to making recommendations for new facilities.
- 5) The City shall rehabilitate or replace structures which have service problems, safety concerns, or are economically inefficient to operate.

B. Financing Capital Projects is categorized as follows, with financing as noted for each category:

- 1) **Replacement** - Capital expenditures relating to normal replacement of worn or obsolete capital plant should be financed on a pay-as-you-go basis, with debt financing considered where appropriate.
- 2) **Expansion** - Capital expenditures relating to the construction of new or expanded facilities necessitated by growth should be financed primarily on a pay-as-you-go basis, but when the new improvements can be determined to benefit the overall population in the future, debt financing may be appropriate.
- 3) **Unusual** - Some capital expenditures for improvements enhance the quality of life in the City of Grand Island and are consistent with the City's goals but cannot be categorized as essential for the provision of basic services or maintenance of the useful life of existing facilities. Source of funding shall be determined by looking to the ultimate beneficiary of each capital improvement.

C. Prioritization of Capital Projects - Capital improvement needs are to be identified, categorized and prioritized as follows:

- 1) First Priority: Essential Basic Services.
- 2) Second Priority: Essential Maintenance of Effort Services.
- 3) Third Priority: Essential Quality of Life Services.

- 4) Fourth Priority: Desirable Basic Services.
- 5) Fifth Priority: Desirable Maintenance of Effort Services
- 6) Sixth Priority: Desirable Quality of Life Services.

VII. DEBT MANAGEMENT POLICIES:

A. The following debt management policies shall be used to provide the general framework for planning and reviewing debt proposals. The City recognizes that there are no absolute rules or easy formulas that can substitute for a thorough review of all information affecting the City 's debt position. Debt decisions should be the result of deliberate consideration of all factors involved including but not limited to life expectancy of capital improvement and/or expansion.

B. The City of Grand Island will use debt financing when it is appropriate. It shall be judged appropriate only when the following conditions exist:

- 1) When non-continuous capital improvements are desired.
- 2) When it can be determined that future citizen's will receive a benefit from the improvement and/or expansion.

C. The City may use short-term borrowing (Notes) to finance operating needs as a bridge between maturity dates of long term investments, but reasonable forecasting should minimize this need. However, interim financing in anticipation of a definite fixed source of revenue such as property taxes, an authorized but unsold bond issue, or a grant is acceptable. Such tax, bond or grant anticipation notes and warrants shall not:

- 1) Have maturities greater than 2 1/2 years;
- 2) Be rolled over for a period greater than one year; or
- 3) Be issued solely on the expectation that interest rates will decline from current levels.

D. Uses of Debt Financing:

- 1) Bond proceeds shall be limited to financing the costs of planning, design, land acquisition, buildings, permanent structures, attached fixtures or equipment, and infrastructures
- 2) Non-capital furnishings and supplies shall not be financed from bond proceeds.
- 3) Refunding bond issues designed to restructure currently outstanding debt is an acceptable use of bond proceeds.

E. Taxpayer Equity - A significant proportion of the City's property tax payers and citizens should benefit from projects financed by limited general obligation bonds. This principle of taxpayer equity shall be a primary consideration in determining the type of projects selected for financing.

F. When the City of Grand Island utilizes long-term debt financing it shall ensure that the debt is soundly financed by forecasting, conservatively but accurately, all revenue sources that will be utilized to pay the debt.

VIII. COMMUNICATION AND DISCLOSURE POLICIES:

The City of Grand Island's primary financial reporting objectives are keyed to open communication and full disclosure.

A. Financial reporting shall assist in fulfilling the City's duty to be publicly accountable and enable users to assess that accountability.

B. Financial reporting shall assist users in evaluating the operating results of the City of Grand Island for the year.

C. Financial reporting shall assist users in assessing the level of services that can be provided by the City and its ability to meet its obligations as they become due.

D. These primary objectives are divided further into six basic objectives; financial reporting shall:

1) Provide information to determine whether current-year revenues were sufficient to pay for current-year services.

2) Demonstrate whether resources were obtained and used in accordance with the City's legally adopted budget; it shall also demonstrate compliance with other finance-related legal or contractual requirements.

3) Provide information to assist users in assessing the service efforts, costs and accomplishments of the City of Grand Island.

4) Provide information about sources and uses of financial resources and how the City financed its activities and met its cash requirements.

5) Provide information necessary to determine whether the City's financial position improved or deteriorated as a result of the year's operations.

6) Disclose legal or contractual restrictions on resources and risks of potential loss of resources.

E. The City of Grand Island shall maintain good communications with bond rating agencies to inform them about the City's financial condition. Each bond prospectus shall follow the Governmental Finance Officers Association disclosure guidelines.

F. These objectives are not considered to be static. Revisions are to be expected as needs change or as requirements for additional financial reporting information emerges.

IX. CODE OF PROFESSIONAL ETHICS:

A. City officials and employees are enjoined to adhere to legal, moral and professional standards of conduct in the fulfillment of their professional responsibilities.

1) Personal Standards –

a. City officials and employees shall demonstrate and be dedicated to the highest ideals of honor and integrity in all public and personal relationships to merit the respect, trust and confidence of governing officials, other public officials, employees, and of the public.

b. They shall abide by approved professional practices and recommended standards.

2) Responsibility as Public Officials City officials and employees shall recognize and be accountable for their responsibilities as officials in the public sector.

a. They shall be sensitive and responsive to the rights of the public and its changing needs.

b. They shall strive to provide the highest quality of performance and counsel.

c. They shall exercise prudence and integrity in the management of funds in their custody and in all financial transactions.

d. They shall uphold both the letter and the spirit of the constitution, legislation and regulations governing their actions and report violations of the law to the appropriate authorities.

3) Professional Development The City shall emphasize and support a program of professional development. City officials and employees are expected to support programs to enhance their competence and that of their colleagues. Public officials shall promote excellence in the public service.

4) Professional Integrity Information - City officials and employees shall demonstrate professional integrity in the issuance and management of information.

a. They shall not knowingly sign, subscribe to, or permit the issuance of any statement or report which contains any misstatement or which omits any material fact.

b. They shall prepare and present statements and financial information pursuant to applicable law and generally accepted practices and guidelines.

c. They shall respect and protect privileged information to which they have access by virtue of their office.

d. They shall be sensitive and responsive to inquiries from the public and the media, within the framework of state or local government policy.

5) Professional Integrity- Relationships

a. They shall exhibit loyalty and trust in the affairs and interests of the government they serve, within the confines of this Code of Ethics.

b. They shall not knowingly be a party to or condone any illegal or improper activity.

c. They shall respect the rights, responsibilities and integrity of their colleagues and other public officials with whom they work and associate.

d. They shall manage all matters of personnel within the scope of their authority so that fairness and impartiality govern their decisions.

e. They shall promote equal employment opportunities, and in doing so, oppose any discrimination, harassment or other unfair practices.

6) Conflict of Interest - City officials and employees shall actively avoid the appearance of or fact of conflicting interest.

a. They shall discharge their duties without favor and shall refrain from engaging in any outside matters of financial or personal interest incompatible with the impartial and objective performance of their duties.

b. They shall not, directly or indirectly, seek or accept personal gain which would influence, or appear to influence, the conduct of their official duties.

c. They shall not use public property or resources for personal or political gain.