



# **City of Grand Island**

**Tuesday, August 23, 2016**

**Council Session**

## **Item G-2**

**Approving Minutes of August 16, 2016 City Council Study Session**

**Staff Contact: RaNae Edwards**

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL STUDY SESSION

August 16, 2016

Pursuant to due call and notice thereof, a Study Session of the City Council of the City of Grand Island, Nebraska was conducted in the Council Chambers of City Hall, 100 East First Street, on August 16, 2016. Notice of the meeting was given in the *Grand Island Independent* on August 10, 2016.

Mayor Jeremy L. Jensen called the meeting to order at 7:00 p.m. The following Councilmembers were present: Mitch Nickerson, Mark Stelk, Chuck Haase, Julie Hehnke, Linna Dee Donaldson, Michelle Fitzke, Vaughn Minton, and Mike Paulick. Councilmembers Roger Steele and Jeremy Jones were absent. The following City Officials were present: City Administrator Marlan Ferguson, City Clerk RaNae Edwards, Finance Director Renae Griffiths, City Attorney Jerry Janulewicz, and Public Works Director John Collins.

Mayor Jensen introduced Community Youth Council member Megan Woods and board member Danna Burchess.

INVOCATION was given by Community Youth Council member Megan Woods followed by the PLEDGE OF ALLEGIANCE.

SPECIAL ITEMS:

Discussion Concerning 1/2 Cent Sales Tax Ballot Language. City Administrator Marlan Ferguson reported that Nebraska State Statute 77-27,142 allowed for incorporated municipalities to impose a sales and use tax of up to 1/2% above the allowed 1 1/2%. In order to increase the current sales tax rate, 70% of the City Council would have to approve this for a vote at a primary or general election. The proceeds would have to be used for public infrastructure projects and would terminate no more than 10 years after its effective date, or if bonds were issued and the sales tax revenue was used for payment of bonds. An interlocal agreement would have to be established with a political subdivision within the City/County. It could not be one that was in existence for 1-year preceding the election. If the vote would fail it could not be voted on again for at least 23 months.

Mr. Ferguson gave the following brief history of sales tax in Grand Island: November 1989 voters approved a sales and use tax of 1% for property tax relief. In May 2004 voters approved an additional 1/2% sales and use tax for property tax relief and for capital improvements.

The goal to this tax was to put before the voters at the November 8, 2016 General Election an additional 1/2% sales tax on all purchases made in Grand Island. The additional 1/2% would begin in April 2017.

Presented was the proposed ballot language. The additional revenue would be used to fund the following infrastructure projects:

- Public sidewalk construction, reconstruction and rehabilitation and pedestrian safety improvement projects
- Downtown parking improvements to serve the needs of business owners and the public
- Flood control and water drainage improvements
- Street and road paving, construction, and improvements
- Railroad-street grade separation projects, including rehabilitation of current underpasses
- Train noise reduction
- Public safety capital equipment purchases
- Improve automobile, freight, bicycle and pedestrian traffic safety
- Protect property values through drainage improvements and railroad noise reduction
- Promote a vibrant and economically thriving downtown business district through rehabilitation of public parking lots and, if needed, development of new parking capacity

Mr. Ferguson stated this tax would generate approximately \$5.5 million per year. Councilmember Stelk mentioned property tax relief. Mayor Jensen stated that the \$1.7 million per year would help the General Fund. Councilmember Paulick stated this was a fair tax.

Finance Director Renae Griffiths commented on the General Fund projections. Councilmember Nickerson commented on the aging infrastructure within the city, the need to take care of them and the importance of passing this 1/2 % tax increase. If a person spent \$1,000 on taxable goods in one month the increase would be \$5.00.

Councilmember Haase supported this being voted by the people. He stated property tax relief was needed. He wanted the Council to commit to using the \$1.7 million to reduce property tax. One way to do that was to reduce staff to right-size the budget. Mayor Jensen complimented Council and staff on working through these issues. Mr. Ferguson stated if we lowered property taxes we would have a reduction in state aid. Mayor stated personnel costs were a huge part of the budget and that we needed to look at sustainable revenue.

Presentation on Proposed Fiscal Year 2016-2017 Community Redevelopment Authority (CRA) Budget. Regional Planning Director Chad Nabity stated it was a privilege to present the 2016-2017 Community Redevelopment Authority (CRA) budget. He mentioned the responsibilities of the CRA were outlined in State Statutes to address certain areas of the city in need of improvement and development. The CRA had the ability to expend funds to acquire substandard or blighted areas, make public improvements, and assist with development and redevelopment projects in specified areas.

There were currently 18 designated Blighted and Substandard Areas within the Grand Island City Limits. The City of Grand Island had the authority to designate up to 35% of the community as blighted and substandard. Presently 19.84% of the City had been designated blighted and substandard.

The CRA was requesting property tax revenues of \$746,691 including \$198,050 for Lincoln Pool Construction and Bonds and \$548,645 for all other CRA programs. The CRA was requesting the same levy that was approved last year.

Reviewed were the CRA budget and projects. Councilmember Haase asked if there was any room to reduce the tax asking amount for CRA. Mr. Nabity stated the Council could make that decision. Comments were made regarding the amount of money not being used. Mr. Nabity stated not all projects would be completed this year but we had to budget for them.

ADJOURNMENT: The meeting was adjourned at 8:12 p.m.

RaNae Edwards  
City Clerk