



City of Grand Island

Tuesday, July 24, 2012

Study Session

Item -2

Discussion on Grand Generation Center Funding

Staff Contact:

Council Agenda Memo

From: Jaye Monter, Finance Director
Meeting: July 24, 2012
Subject: Grand Generation Center Funding
Item #'s: 2
Presenter(s): Jaye Monter, Finance Director

Background

The Mayor has requested a study session to cover the topic of funding for the Grand Generation Center. In order to determine its relevance and to what extent, a detail of actual funding to the Grand Generation Center is included for discussion, along with archived files of the ½ cent sales tax vote passed in 2004.

Discussion

Additional funding for the Grand Generation Center will change the Capital Improvement Projects Fund total for the budget year 2012-2013 from \$4,744,067 which was presented to Council on study sessions July 10th and July 17th, to \$4,596,553. Along with the addition of \$102,486 for the Grand Generation Center, there has been a decrease in the cost estimate of the City Hall HVAC system of \$250,000.

Conclusion

This item is presented to the City Council in a Study Session to allow for any questions to be answered and to create a greater understanding of the issue at hand and how this will affect the 2012-2013 budget.

City of Grand Island					Categories of Payments			
Payments to Grand Generation Center					Outside Agency	Bldg		
Invoice	Inv Date	Council Date	Check #	Amount	Contributions	Improvements	Other	Description
Vendor Payments					Retired Program			
General Fund					& Senior Citizens			
2002-2003	10/10/2002	102202	92540	10,000.00	10,000.00			
2002-2003	10/10/2002	102202	92558	15,000.00	15,000.00			
2203-2004	10/22/2003	102803	101650	10,000.00	10,000.00			
2003-2004	10/22/2003	102803	101669	15,000.00	15,000.00			
2004-2005	10/04/2004	101204	110010	10,000.00	10,000.00			
2004-2005	10/04/2004	101204	110025	15,000.00	15,000.00			
10-13-04	10/18/2004	102604	110369	210,000.00		210,000.00		Bldg. maintenance
111904	12/10/2004	120904	1186	80.00			80.00	BID check-xmas
011705	02/08/2005	021005	604	27,550.00			27,550.00	CRA check-Façade Improvements
2005-2006	10/06/2005	101105	118695	10,000.00	10,000.00			
2005-2006	10/06/2005	101105	118708	15,000.00	15,000.00			
11-17-05	11/22/2005	120605	120094	4,514.29		4,514.29		Landscape
120705	12/12/2005	121305	1337	80.00			80.00	Business Improvement District check-xmas
2006-2007	10/09/2006	102406	127663	10,000.00	10,000.00			
2006-2007	10/09/2006	102406	127680	15,000.00	15,000.00			
2007	11/07/2006	111406	128134	25,000.00		25,000.00		Annual capital contribution
2007-2008	10/16/2007	102307	136130	10,000.00	10,000.00			
2007-2008	10/16/2007	102307	136149	15,000.00	15,000.00			
MAR 2088	03/17/2008	032508	139514	6,435.00		6,435.00		Project Jan-Feb 08
01/04/08	04/16/2008	042208	140174	3,120.00		3,120.00		Architect fees
MAY 2008	08/01/2008	081208	142580	6,248.91		6,248.91		Architect fees
APRIL 2008	08/01/2008	081208	142580	1,840.00		1,840.00		Architect fees
JULY 2008	08/26/2008	090908	143114	356.09		356.09		Architect fees
2009	10/08/2008	101408	143860	15,000.00	15,000.00			
2008-2009	10/08/2008	101408	143859	10,000.00	10,000.00			
2009-2010	11/06/2009	112409	152810	12,000.00	12,000.00			
MAY 2010	05/13/2010	052510	156475	3,934.50			3,934.50	Reimb to Grand Generation for 400 Fund Share Contribution
2011	10/26/2010	110910	160012	9,600.00	9,600.00			
2012 FY	10/06/2011	101111	166927	6,000.00	6,000.00			
Vendor		Totals		491,758.79	202,600.00	257,514.29	31,644.50	
Community Grant Fund-251								
2003 CDBG grant-Expansion and Renovation project				332,500.00			332,500.00	Grand Generation contributed \$120,256 additional dollars
Capital Improvement Projects Fund-400								
400 Fund expenses Paid to Chief Industries				140,000.00		140,000.00		Grand Generation contributed \$51,065 additional dollars
Resolution 2009-171-Kitchen Addition and Renovation								
Totals				964,258.79	202,600.00	397,514.29	364,144.50	
Additional Funding Request 2012-2013 Budget						102,485.71		
						500,000.00		

OFFICIAL PROCEEDINGS

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL STUDY SESSION

March 2, 2004

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 March 2, 2004. Notice of the meeting was given in the Grand Island Independent on February 25, 2004.

Mayor Jay Vavricek called the meeting to order at 7:00 p.m. The following members were present: Councilmembers Meyer, Whitesides, Gilbert, Nickerson, Pauly, Hornady, Walker, and Haase. Councilmembers Cornelius and Pielstick were absent. The following City Officials were present: City Administrator Gary Greer, City Clerk RaNae Edwards, Finance Director David Springer, City Attorney Doug Walker and Public Works Director Steve Riehle.

RESERVE TIME TO SPEAK ON AGENDA ITEMS: No individuals reserved time to speak on agenda items.

MAYOR COMMUNICATION: Mayor Vavricek commented on a meeting with Dewy Heminger, father of Firefighter Bobby Heminger, thanking the City for all they had done after the tragedy in Wood River with the loss of two Firefighters. Also the Mayor commented on the central air service in our community. A meeting will be held on March 10, 2004 at 6:30 p.m. in the Community Meeting Room at City Hall regarding air service through the Central Nebraska Airport. Councilmember Gilbert commented on the water contamination in her area and stated the water main had been completed.

Discussion Concerning ½ Cent Sales Tax Ballot Language. City Administrator Gary Greer stated that on August 27, 2002 the City Council voted to put a measure on the 2004 ballot to consider a ½ Cent Sales Tax for the purpose of expanding parks and recreational opportunities, providing for infrastructure, and property tax relief. It was determined that many important capital projects could not be funded without additional revenue and that the voters should be given the chance to approve paying for projects such as a new fire station, library expansion, law enforcement facility with expanded sales tax. A great deal of discussion had taken place on the possible ballot measure.

In November of 2003, a survey was conducted to receive input from citizens concerning projects which had been suggested as needed capital projects. Six hundred and thirteen respondents prioritized projects in the following order:

1. Construction of 3rd and Broadwell Underpass
2. Replacement of Pine Street Fire Station
3. Police/Sheriff Public Safety Center Replacement
4. Expansion of the Edith Abbott Library

5. Fire Training Facility
6. Grand Generation Center Renovation
7. Expand Island Oasis/ Replace Lincoln Park Pool
8. Reduction of Train Noise
9. Hike/Bike Trail Expansion
10. Ammunition Plant Recreation Development
11. Northwest Park Pool

In order to continue the education process, study sessions were conducted to go more in depth with the projects. The following projects were studied:

1. January 20, 2004 Fire Station, Fire Training Facility, Train Noise
2. February 3, 2004 3rd & Broadwell Underpass, Aquatics, CAAP Development

Additionally, a fire Sprinkler system was approved for funding for the Grand Generation Center on February 10, 2004.

On February 17, 2004, the financial implications of the projects were explored and the idea of using some of the of possible sales tax proceeds for property tax relief was discussed.

During the annual retreat on February 21st the Council discussed the plan presented by City Administration and asked that the final ballot language be reviewed at the March 2, 2004 Study Session before it was placed on a Regular Council Meeting for approval.

On March 9, 2004, the final ballot language would be approved to be sent to the Election Commissioner.

Mr. Greer stated the process had been enlightening, educational and thought provoking concerning the ½ Cent Sales Tax ballot measure. The Council had listened to the public, closely reviewed alternatives and brought greater understanding to the issue at hand. The public had ample time and opportunity to review the proposed projects and to comment on their viability. It was prudent to move forward with the final stages of the process at this time.

In order to assist in the process, City Administration had developed a recommended project plan and ballot language. The proposed plan and ballot language was discussed and evaluated by the City Council during the Retreat on February 21, 2004. The draft plan that was presented during the Retreat had been changed due to new information obtained at the Retreat and an error that was brought to light concerning the amortization schedule.

The following was the proposed plan for the proceeds that was recommended by administration in the event the ½ Cent Sales Tax was passed May 11, 2004.

How should the money be invested?

It appeared that Grand Island residents were very concerned about the expansion of the property tax levy. Therefore, property tax relief seemed to be a very wise investment of sales tax dollars.

Sales tax was derived from a wider group of taxpayers and had been used effectively to provide property tax relief in the past in Grand Island and other Nebraska Communities.

It was recommended that ½ of the proposed sales tax proceeds be used to provide property tax relief and reduce the City's tax rate. It was estimated that the ½ cent sales tax would generate approximately \$4,000,000, allowing for \$2,000,000 in property tax relief.

The remainder of the sales tax proceeds were recommended to go for capital improvement projects to allow for the City to continually improve its facilities.

The sales tax was recommended to not be used for operational or personnel expenditures. This would allow approximately \$2,000,000 to take care of the needs which had not been addressed and allow for future needs to be addressed in a timely manner.

What projects should be accomplished and how were they to be financed?

The projects on the board had been determined to cost approximately \$47 million to bring about. City Administration recommended the following projects be prioritized for the initial use of the approximate \$2,000,000 capital improvement proceeds:

Financed projects:

1)	Fire Station # 1 Replacement	\$3,000,000
2)	Fire Training Facility (Land, Building, Burn Building, Training Tower)	\$4,000,000
3)	Police/Sheriff Law Enforcement Center	\$3,000,000
4)	Library Expansion	\$7,000,000
5)	Aquatics Projects (according to Aquatics plan)	<u>\$3,000,000</u>
Total:		\$20,000,000

The aforementioned if amortized for 20 years at 5 % would create approximate annual costs of:

\$1,593,449.

Annual Cash Projects:

1)	Grand Generation Center Capital Fund	\$100,000
2)	Cornhusker Army Ammunition Recreation Development	\$125,000
3)	Hike/Bike Trail development	\$125,000
4)	Infrastructure Emergency Funds	<u>\$ 56,551</u>
Total:		\$406,551

Annual Grand Total: \$2,000,000

Council Agenda Memo

From: Doug Walker, City Attorney
Meeting: March 9, 2004
Subject: Approving Ballot Language for ½ Cent Sales Tax Vote
Item #'s: I-1
Presenter(s): Doug Walker

Background

The Mayor, City Council and Administration have been working for several months to ascertain the best way to meet the needs of the community for property tax relief and to obtain the necessary funding for several capital improvement projects. The City Council has asked for and obtained input from the public regarding which capital improvement projects should have priority if the sales tax is approved. City Administration has also determined the priority and affordability of various capital improvement projects, after the City's priority of property tax relief has been accomplished.

It is estimated that an additional ½ cent sales tax levy will result in approximately \$4,000,000 of additional revenue. An estimated \$2,000,000 would go to property tax relief which would result in a 30% reduction of the City's property tax levy and a 5% overall reduction in property taxes if the amount of property taxes levied by other taxing entities does not change and if assessed valuations do not increase. This ballot measure would reduce the City's dependence on property taxes and provide for necessary capital improvement projects. The City would also be able to take advantage of the steady growth in sales tax revenues which is expected to continue with the development of major new retail stores. Additional Sales Tax revenues would also diversify and expand the tax base since all residents of the community as well as individuals and businesses from the trade area outside of Grand Island will pay this additional tax, thus shifting the tax burden for supporting local government from property tax.

The annual proceeds from the additional sales tax that would be designated for capital improvement projects would be approximately \$2,000,000. Administration is recommending that the capital improvement projects that should have initial priority once additional sales tax revenues become available would be as follows:

Financed Projects

1)	Fire Station #1 replacement	\$3,000,000
2)	Fire Training Facility	\$4,000,000
3)	Police/Sheriff Law Enforcement Training Center	\$3,000,000
4)	Library Expansion	\$7,000,000
5)	Aquatics Projects (according to Aquatics Plan)	\$3,000,000
Total		\$20,000,000

Estimated Annual Cost for amortizing the above referenced projects **\$1,593,449**

Annual Cash Projects

1)	Grand Generation Center Capital Fund ¹	\$100,000
2)	Cornhusker army ammunition Recreation Development	\$125,000
3)	Hike/Bike Trail development	\$125,000
4)	Infrastructure Emergency funds	\$ 56,551
Total		\$406,551

Annual Total for financed projects and annual cash projects **\$2,000,000**

Discussion

Ballot language has been drafted as set forth in Resolution #2004-56 as shown in conjunction with item I-1 of the agenda. This ballot has been written to designate in advance how the proceeds of an additional ½ cent sales tax will be spent so that the public will have assurance that the proceeds will be used for property tax relief and capital improvements. The ballot language has been revised from earlier versions to accurately reflect current Nebraska Sales Tax Statutes and to reflect the priorities established by the City Council and Administration. If Resolution #2004-56 is approved, the ballot language will be certified on March 10th and delivered to the Hall County Election Commissioner so that it can be placed on the ballot in time for the Election Commissioner to have it certified by the Nebraska Secretary of State and be included on the May 11th Primary Election as well as the absentee ballots for that election.

Alternatives

The Council has the following alternatives concerning the issue at hand. The Council may:

1. Approve Resolution #2004-56 which would place this sales tax measure on the ballot at the May 11th Primary Election.

(OFFICIAL SAMPLE BALLOT)
OFFICIAL MUNICIPAL ELECTION BALLOT

CITY OF GRAND ISLAND, NEBRASKA

Tuesday, May 11, 2004

Sales and Use Tax Proposal:

Shall the Mayor and City Council of the City of Grand Island, Nebraska, impose a sales and use tax in the amount of one-half percent (1/2%) in addition to the one percent (1%) currently in effect, upon the same transactions within the City of Grand Island on which the State of Nebraska is authorized to impose a tax and shall the City of Grand Island increase its budgeted restricted funds for fiscal year 2004-2005 by \$4.5 million over the current year's restricted funds with one-half of the proceeds collected therefrom to be used for property tax relief and one-half of the proceeds used for capital improvements including, but not limited to, fire department facilities, police department facilities, library facilities, parks and recreation facilities, senior/grand generation facilities and infrastructure?

Vote for or against the foregoing proposal.

- ☐ FOR the proposal
- ☐ AGAINST the proposal

RESOLUTION 2004-56

WHEREAS, the City Council of the City of Grand Island have expressed their desire to provide property tax relief and to maintain and improve public safety within the community, expand parks and recreational opportunities; and

WHEREAS, an increase in the local option sales tax is the fairest and best means to fund the foregoing programs; and

WHEREAS, the Mayor and City Council wish to place this issue before the voters of the City of Grand Island for their decision at the statewide primary election of May 11, 2004.

WHEREAS, on August 27, 2002, by Resolution 2002-270, the City Council of the City of Grand Island approved official sample ballot language for use at the May 11, 2004 statewide primary election; and

WHEREAS, it is recommended that such resolution be rescinded and the ballot language set forth below be adopted for the sales tax measure to be submitted at the statewide primary election scheduled for May 11, 2004.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA:

(1) Pursuant to Neb. Rev. Stat. §77-27,142.02, in lieu of a separate special election, the following ballot shall be submitted at the statewide primary election on May 11, 2004:

(OFFICIAL SAMPLE BALLOT)
OFFICIAL MUNICIPAL ELECTION BALLOT
CITY OF GRAND ISLAND, NEBRASKA

Tuesday, May 11, 2004

Sales and Use Tax Proposal:

Shall the Mayor and City Council of the City of Grand Island, Nebraska, impose a sales and use tax in the amount of one-half percent (1/2%) in addition to the one percent (1%) currently in effect, upon the same transactions within the City of Grand Island on which the State of Nebraska is authorized to impose a tax and shall the City of Grand Island increase its budgeted restricted funds for fiscal year 2004-2005 by \$4.5 million over the current year's restricted funds with one-half of the proceeds collected therefrom to be used for property tax relief and one-half of the

Approved as to Form	<input checked="" type="checkbox"/> <i>DRW</i>
March 4, 2004	<input checked="" type="checkbox"/> City Attorney

proceeds used for capital improvements including, but not limited to, fire department facilities, police department facilities, library facilities, parks and recreation facilities, senior/grand generation facilities and infrastructure?

Vote for or against the foregoing proposal.

- ☐ FOR the proposal
- ☐ AGAINST the proposal

(2) The City Clerk is directed to certify the above issue to the Election Commissioner by March 10, 2004 in the manner and form provided in Neb. Rev. Stat. §77-27,142.02.

(3) Resolution 2002-270 approved on August 27, 2002, is hereby rescinded.

Adopted by the City Council of the City of Grand Island, Nebraska on March 9, 2004.



RaNae Edwards, City Clerk

ORDINANCE NO. 8910

An ordinance to adopt an additional one-half (1/2) cent sales and use tax in the City of Grand Island, Hall County, Nebraska; to provide for filing with the Nebraska Tax Commissioner a certified copy of this Ordinance, a certified map of the City of Grand Island, a certified copy of the election results and a statement from the Hall County Election Commissioner indicating that this issue has not been voted on during the last six months; and; and to provide for publication and the effective date of this ordinance.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA:

SECTION 1. By reason of the approval of the voters of the City of Grand Island at the primary election held in the City on May 11, 2004, Grand Island does hereby impose a sales and use tax of one-half of one percent upon the same transactions within the City on which the State of Nebraska is authorized to impose a tax pursuant to the Nebraska Revenue Act of 1967, as amended from time to time, and such sales and use tax shall be in addition to the one percent sales and use tax imposed by the City in Ordinance No. 7600 and the administration of such sales and use taxes shall be by the Nebraska Tax Commissioner pursuant to Neb. Rev. Stat. §77-27,143.

SECTION 2. The sales and use tax imposed by this Ordinance shall commence on the first day of the next calendar quarter which is at least one hundred twenty days following receipt by the Tax Commissioner of a certified copy of this Ordinance as set forth in Neb. Rev. Stat. §77-27,143.

SECTION 3. One-half of the proceeds of the sales and use taxes imposed by this Ordinance shall be used to reduce the real property taxes imposed by the City and one-half of the

Approved as to Form	<input checked="" type="checkbox"/> <i>DRW</i>
May 19, 2004	<input checked="" type="checkbox"/> City Attorney

ORDINANCE NO. 8910 (Cont.)

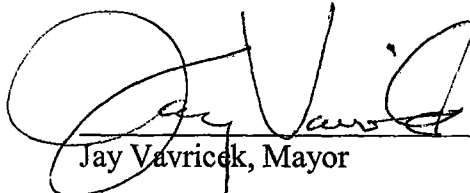
proceeds shall be used to fund capital improvements including but not limited to fire department facilities, police department facilities, library facilities, parks and recreation facilities, senior citizen/Grand Generation Center facilities and infrastructure.

SECTION 4. By reason of the approval of the voters of the City of Grand Island at the primary election held on May 11, 2004, the City of Grand Island shall increase its budgeted restricted funds for fiscal year 2004-2005 and subsequent years by \$4,500,000 over the current year's restricted funds.


SECTION 5. After passage and adoption of this Ordinance, the City Clerk is hereby directed to mail a certified copy of this Ordinance together with a certified map of the City of Grand Island, a certified copy of the election results and a statement from the Hall County Election Commissioner indicating that this issue has not been voted on and failed within the prior twenty-three months preceding the election to the Nebraska Tax Commissioner.

SECTION 6. This Ordinance shall be in full force and take effect, from and after its passage, approval and publication as provided by law.

Enacted: May 25, 2004.


Jay Vavricek, Mayor

Attest:


RaNae Edwards, City Clerk



How can G.I. spend \$3 million?

10-8-03

Mayor starts wish list at council study session

By Tracy Overstreet

overstreet@theindependent.com

Grand Island Mayor Jay Vavricek is recommending that a half-cent sales tax increase to go before voters next year be used for "grand improvements."

It's part of what Vavricek outlined as his "specific purpose" plan for the tax hike expected to generate about \$3 million annually if approved at the ballot box May 11, 2004.

The mayor defined "specific purpose" as using proceeds primarily to fund major capital or so-called "grand improvements."

"This would benefit public safety, infrastructure, quality

of-life improvements and holding the line on the city's property tax asking," he said.

"Grand improvements" already in the city's five-year plan that could benefit from the sales tax include:

- Fire Station No. 1 replacement, \$800,000.

- Fire training center, \$3 million.

- Library expansion, \$7.3 million.

- Lincoln Park pool replacement, \$1.5 million.

- Hike/bike trail expansion, \$2.3 million.

- Island Oasis improvements, \$1 million.

- CAAP recreation development, \$1.4 million.

Turn to Council, page 4-A

Council: Discusses ways to spend tax funds

Continued from page 1-A

- Softball fields, \$400,000.

- Railroad underpass at Third and Broadwell, \$10 million.

Another \$9.5 million in potential projects have also been identified. They include:

- Public Safety Center replacement, \$3 million.

- Railroad noise reduction, \$2 million.

- Northwest Park pool, \$1.5 million.

- CAAP sewer extension, \$2.5 million.

- Grand Generation Center renovation, \$500,000.

Vavricek said he simply wants the discussion to begin on how best to use the sales tax money so that direction can be incorporated into the ballot language due to the election commissioner in March 2004.

"I would ask the council and the people of this community tonight to provide direction on this proposal, ultimately to be before voters in May 2004," Vavricek said Tuesday.

His other desires for the sales

tax are that it sunset after 10 years, that it be used on projects that also benefit non-city residents since Grand Island is a regional shopping hub, and that sales tax-funded projects be paid for in cash with a separate accounting of revenues and expenses.

For accountability, Vavricek has also proposed creating a nine-member review board — comprising one Grand Island city council member from each of five wards and one representative each from Alda, Cairo, Doniphan and Wood River — to scrutinize

how the sales tax revenue is spent.

Councilwoman Margaret Hornady said the sales tax revenue should be used for the twice postponed library expansion. Councilman Fred Whitesides wants it used exclusively for police and fire improvements.

Councilwoman Peg Gilbert urged that limits not be placed on the money and that quality-of-life issues be considered, such as Island Oasis, Kids Kingdom and South Locust Street beautification.

"This is a starting point for discussion," the mayor said.

Council: To determine tax ballot language at Saturday retreat

Continued from page 1-B

the city could tap into and use for capital projects and to either lower or stabilize its reliance on property tax.

Council President Jackie Pielstick was reluctant to tie property tax relief into sales tax ballot language that the council must have written by mid-March. She said any relief the city would give could just be used up by the school district or county in increased tax levies by those boards.

But Councilwomen Joyce Haase and Carole Cornelius said it's just that kind of city property tax relief that could help the schools pass a successful bond to ensure the success of education in Grand Island. A \$24.8 million school bond was defeated by 57 percent of the vote last week.

Councilman Scott Walker proposed earlier this week that at least half of the revenues from the sales tax increase be dedicated to property tax relief — a proposal that he said Tuesday night could mean a \$100 annual savings to the owner of a \$100,000 home.

Councilwoman Peg Gilbert said constituents she contacted favor property tax relief over any of the needs on the city's project list, but \$100 a year is not very meaningful and can easily be consumed by property valua-

Grand Island project needs

Here are the key projects that could receive funding from a half-cent sales tax increase.

Project	Cost
1. New Fire Station No. 1 (Pine Street)	\$3.3 million
2. Fire Training Center	\$7.8 million
3. Library expansion	\$8.1 million
4. Lincoln Park pool replacement	\$2 million
5. Northwest Park pool	\$1.5 million
6. Island Oasis improvements	\$2 million
7. CAAP recreation development	\$2 million
8. Railroad underpass at Third and Broadwell	\$12.6 million
9. Public Safety Center replacement	\$3 million
10. Railroad noise reduction	\$2 million
11. Hike/bike trail expansion	\$2.3 million
12. Grand Generation facility expansion	\$500,000
TOTAL	\$47.2 million

tion increases or levy increases from other government entities.

Greer challenged the council members to think this week about their spending priorities. The council meets at 8 a.m. Saturday for a daylong public retreat at the Crane Meadows Nature Center in Alda, with part of the day dedicated to settling the sales tax ballot language.

While several members of the council expressed strong support for using sales tax dollars to replace the aging Fire Station

No. 1 on Pine Street — a project that has been discussed for more than a decade — others preferred using sales tax dollars to improve things that bring people to Grand Island and help raise the sales tax revenues.

Greer said Grand Island's existing one-cent city sales tax has already provided about \$54 million of property tax relief since the tax was implemented in 1989-90. As long as there was no sunset clause, that relief could continue into the future, he said.

Grand Island's money challenge

Grand Island wants voters to approve a half-cent city sales tax increase May 11 in order to raise about \$ 4 million annually to offset these lost revenues and new expenses.

The lost revenue

- Interest down \$650,000 in four years.
- State aid down \$177,000.
- Motor vehicle tax down \$200,000.
- Ambulance fees decreased \$150,000.
- Grants down \$200,000.

The new expenses

- Operating expenses up \$7 million in four years.
- Personnel costs up \$3 million.
- Economic development spending up \$900,000.
- Mandated accounting change caused \$1 million of street repairs expense to be shifted to general fund.
- \$800,000 of reserves being used for general equipment replacement.

Source: Grand Island Finance Department

2.18-04

City is 'on ³⁻³⁰⁴ right track'

Council feels confident in city sales tax proposal

By Tracy Overstreet

tracy.overstreet@theindependent.com

Although a lot of Grand Island voters are talking about a proposed half-cent city sales tax increase, most seem to be receptive to it, city officials said during a city council study session Tuesday night.

"If you have a better idea or less painful way to get these (city) projects done tell us," Councilman Don Pauly said.

Although he's been issuing that challenge to many voters, none have come up with a different solution.

"I think we're on the right path," Pauly told his colleagues.

Councilman Mitch Nickerson agreed.

"When it comes to the word 'tax' people bristle," he said. "But people seem to be receptive to the approach."

What's next

The council is to vote during its 7 p.m. March 9 meeting to approve the ballot language for the half-cent sales tax increase.

The approach is simply to use the \$4 million generated from a half-cent sales tax increase for property tax relief and capital projects such as a new fire station and an expanded library.

It's the property tax relief component that makes the plan a good one to support, said Councilman Fred Whitesides.

But Gene Dominick, 221 E. First cautioned the council from trying to pull a "gimmick" on the voters.

Although he supports the sales tax initiative, Dominick said the city's promise of "saving taxes" is one he doesn't buy.

The city has said the owner of

Turn to Sales tax, page 5-A

Sales tax: Issue will go to vote on May 11

Continued from page 1-A

A \$100,000 home would save \$112 in property tax by shifting the city's funding reliance more toward sales tax through the half-cent sales tax increase.

That's because the pool of property tax payers is small compared to the pool of sales tax payers, many of whom live outside of Grand Island, said City Administrator Gary Greer.

But Dominick doubts he'll actually save that money because he'll make additional purchases and thus pay more sales tax.

"Don't offer use some kind of gimmick — I know I'm not going to save any money," he said.

But Finance Director David

Springer said Dominick would have to buy \$22,520 worth of taxable goods to pay enough sales tax to cover his \$112 property tax reduction.

"This is a property tax reduction, unless of course, you want to spend more than \$22,000," Whitesides told Dominick.

However, Greer clarified that there may in fact not be a property tax reduction if other governmental entities raise their tax asking or if home values increase — neither of which the city can control.

He said \$2 million of the revenue would go toward property tax relief — the remaining \$2 million is planned for some spe-

cial past due projects.

"The sales tax is not recommended to be used for operational or personnel expenditures," said Greer.

Instead, if the sales tax increase passes May 11, Greer wants the city to take out a \$20 million bond to immediately finance the replacement of Fire Station No. One, develop a Fire Training Center, build a new Public Safety Center for police and sheriff's deputies, expand the library and make improvements to the city's swimming facilities.

The annual payment on that bond over 20 years would be \$1.6 million. The remaining \$400,00

for capital projects would go toward annual spending on the Grand Generation Center (Senior Center), developing recreation opportunities at the former Cornhusker Army Ammunition Plant land, developing more hike and bike trails and having an emergency fund for infrastructure needs.

Dominick praised the council for keeping its courage on the sales tax initiative, particularly following the Feb. 10 defeat of a \$24.8 million Grand Island Public School bond.

The council is to vote during its 7 p.m. March 9 meeting to approve the ballot language for the half-cent sales tax increase.

Sales tax:

4-11-04

Continued from page 1-A

ing another 30 percent — down to the current mil levy of .37154 cents per \$100 of property valuation, which compared to 1990's levy of .7074 when no city sales tax was in force.

Grand Island's proposed half-cent sales tax increase to be voted on in 30 days is estimated to result in another 30 percent drop in property tax asking — down to a city levy of .25895.

"This would mean a \$112 decrease in the city property tax of a \$100,000, or about a 5% decrease in tax," a city fact sheet stated.

"It equates to \$2 million in direct property tax relief," Springer said. "It's significant."

"We're giving people the chance to have their property tax lowered," he said. "However, the school district will probably raise (its property tax asking) to make up the difference so the vote will be to keep your (consolidated) property tax bill the same versus having it go up."

That balance between property tax and sales tax, and the impact from the tax asking of other political subdivisions, can be a tricky one for voters to understand, but City Administrator Gary Greer said he's found Grand Island constituents to be very well informed during the approximately 15 talks he's given this year on the issue.

"People are very aware," he said. "The questions they ask (me) are appropriate and on a higher-level of knowledge."

Of pique interest is knowing how the money will be spent — and why, Greer said.

He explains that about three-quarters of the annual additional sales tax revenue would be used to pay for a 20-year loan the city would take out in order to get immediate results on the highest-need projects.

Those include a fire station to replace the aging Station No. 1 at Koenig and Pine Streets, constructing a Fire Training Center, building a new Public Safety Center in cooperation with Hall County, expanding the library and improving Grand Island's swimming pools.

The remaining new sales tax proceeds would be used annually for minor building projects such as hike and bike trail extensions, developing the shooting range and camping facility at the former Cornhusker Army Ammunition Plant, improving the city — owned building used by the Grand Generation Center Senior Center and helping with any emergency spending needed on city roads, drainage or other infrastructure.

Greer said in no way is the additional sales tax revenue going to be used for salaries or general city operating expenses.

He's talked with people from various occupational backgrounds and age groups and found much support for sales tax to finance city spending.

"Generally people support sales tax more than property tax," he said.

Sales tax: Passes by 232 votes

Continued from page 1-A

"It's a crapshoot," Holloway said.

"It's still close," Mayor Jay Vavricek sighed as the tax supporters gathered Tuesday night at the Chicken Coop in downtown Grand Island to watch the election returns.

But the final tally, showing the sales tax had won by a mere 232 votes, elicited cheers by the gathering that included firefighters and city department directors.

"We're giddy about it," said Scott Kuehl, president of the local firefighters union.

The city plans to use the estimated \$4 million of additional sales tax revenue in Grand Island for property tax relief and past-due capital projects including a new fire station and an expansion on the city library.

Not only were firefighters excited about the replacement of the aging Station No. 1 at Koenig and Pine streets, but they also look forward to having a new \$4 million fire training facility in Grand Island. It too is to be financed with the new sales tax proceeds and was proposed as a way for Grand Island to become the "training capital" in the state for firefighters, rescue personnel and law enforcement due to the State Fire School and Law Enforcement Training Academy already located here.

"It's extra money to spend on our training — it's great," Kuehl said.

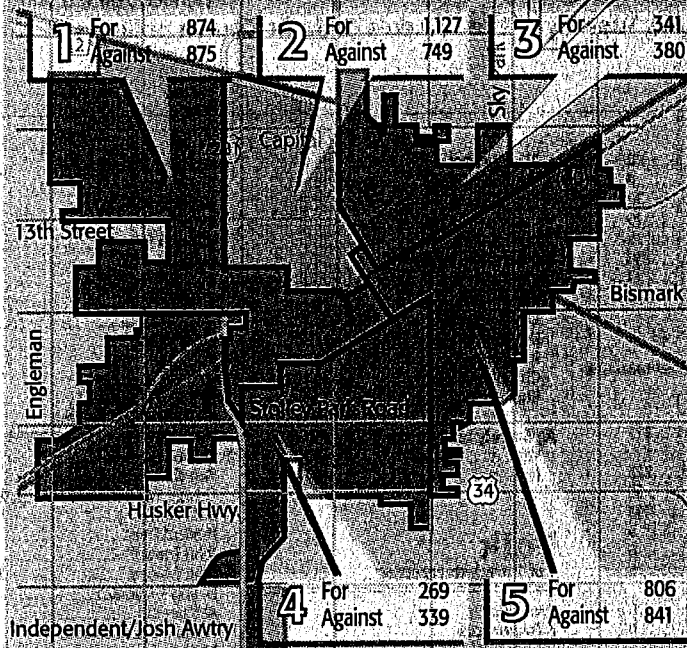
The "training capital" status is also seen as an economic development draw — along with sales tax money that will be used for infrastructure development for new business.

The plan calls for one-half of the money collected from the new half-cent sales tax to go directly for property tax relief. That translates into a 30 percent reduction in the city's property tax asking — or a savings of \$112 on a \$100,000 home.

Marlan Ferguson, president of the Grand Island Area Economic Development Corp. who is also the former city administrator for Grand Island, said what made this initiative different from past pursuits of the sales tax increase was the commitment to property tax relief.

"The property tax reduction was one thing, but the other part

How the sales tax proposal fared by ward



was this really spelled out the money would go for capital projects and specific projects."

Tuesday's vote means on Oct. 1 Grand Island's existing 1-cent city sales tax, implemented in 1990, will increase to 1.5-cents — the maximum a city can charge according to state law.

Grand Island becomes the 42nd city in Nebraska to max out its sales tax authority — a trend that city Finance Director David Springer said is not surprising given the financial struggles that many municipalities have begun to face with reliance on property tax.

"I feel good about two things — the process and the proposal," Vavricek said.

"We're going to reduce property taxes," City Administrator Gary Greer said.

The passage would seem to end the pursuit of the half-cent sales tax for the creation of an endowment fund — an initiative proposed by former Grand Island City Councilman Alan Sydow.

He had gathered signatures on a petition to place his endowment fund question on the May 2006 ballot even though the same question was defeated by voters by 70 percent on a similar petition effort two years ago.

But Sydow said late Tuesday

night that he may actually circulate a third petition to re-allocate the tax.

"I would like to get one-half of the 1.5-cent sales tax for the endowment," Sydow said.

Other planned uses of the sales tax proceeds are a new police/sheriff's law enforcement center, new aquatics projects, improvements to the Grand Generation Center, development of the shooting facility at the Cornhusker Army Ammunition Plant and hike-and-bike trails.

Greer praised the mayor and city council for the work they did.

"It has a lot to do with trust, and the citizens said they trust this council and mayor to do the right thing," he said.

Passage of sales tax helps future

5-13-04

Grand Island voters did the right thing for the future of the city in approving a half-cent increase in the sales tax Tuesday.

With the passage, Grand Island will now be able to address immediate needs within the next several years instead of waiting, perhaps decades, before finding the financing to do the work.

These projects include replacing an outdated 67-year-old Fire Station No. 1, improv-

ing the Grand Generation Center and expanding a crowded library.

What all this means for the quality of life and the public's safety in Grand Island can't be overstated. Because of Tuesday's vote Grand Island will become a better place to live. It's that simple.

Besides that, Grand

Our view

The passage of a half-cent increase in the sales tax is good for Grand Island in that it will lower property taxes and finance needed projects.

Island property owners get a bonus. With half of the revenue from the sales tax increase going for property tax relief, most Grand Islanders will see an overall lower tax bill than what it would have been otherwise.

That doesn't necessarily mean property taxes will drop significantly. The school district, Hall County and other entities also tap that till, but it is unmistakable that property tax bills will be lower than if the half-cent proposal had failed.

While the sales tax passed by only 232 votes, that it passed at all considering the antipathy toward any tax increase is a credit to the process city officials used in shaping the ballot issue. City residents were surveyed on how they would like to see the sales tax revenue spent. And although some adjustments were made, for the most part the city listened to what people said.

Adding property tax relief to the measure after the school bond failed in February may have been a master stroke. The designated projects also reached a broad spectrum of the population from the elderly to those concerned with public safety to young people seeking more recreational opportunities.

With Grand Island reaching its statutory sales tax limit, it's also time for former councilman Alan Sydow to drop his tax endowment idea. Voters resoundingly defeated it two years ago and with Sydow attempting to revive it, Tuesday's vote in actuality was a second rejection of the idea.

The passage of the sales tax hike gives Grand Island a bright future, one in which residents can look forward to property tax relief and also see tangible results of the vote as these projects proceed.

Campaign: Senior voters targeted

Continued from page 1-A

Under state law, city employees may engage in political activity, so long as that activity does not use public resources, said Nebraska Accountability and Disclosure Executive Director Frank Daley.

But Grand Island's firefighters aren't the only ones to benefit from Tuesday's vote. The senior population stands to benefit directly, too, with a proposed annual commitment of about \$100,000 for improvements at the Grand Generation Center senior center at 304 E. Third. While Senior Citizens Industries runs the programming there, the City of Grand Island owns the building.

Kuehl said the firefighters' efforts were in concert with an information campaign led by the pro-sales tax committee, A Half-Cent for a Greater Grand Island.

Campaign chairman Bill Holloway said the committee spent more than \$20,000 informing Grand Island voters about the sales tax increase.

When asked Wednesday by The Independent to disclose where the campaign funds came from, campaign officials declined to release any information. Denise McGovern, with the Grand Island Area Economic Development Corp., which provided clerical help to the committee, said the campaign information could be obtained next month from the Nebraska Accountability and Disclosure Commission when post-election campaign statements are filed.

Those post-election reports are due June 21.

The Half Cent for a Greater Grand Island committee filed a pre-election campaign statement indicating that it had raised \$7,000. That money came neither from the committee, nor individual donors, but rather from "other sources" the reported stated. The committee also reported taking no loans.

Nearly \$6,000 of that \$7,000 was spent as of April 26, the report stated.

Regardless of the committee's information campaign and the firefighter's door-to-door solicitation for support, some voters locked in on the city's commitment to put at least \$2 million of the \$4 million of estimated half-cent sales tax proceeds into property tax relief.

"I voted to try to lower property taxes," said Ward 2 home owner and senior voter Don Rosenthal.

5-13-04

2012/2013

**Budget Foundation
Capital Improvement Projects
400 Fund**

***OVERVIEW
CAPITAL IMPROVEMENT
REQUESTS***

CAPITAL IMPROVEMENT PROJECTS 400 FUND			
2012-2013 BUDGET			
PROJECTS FUNDED BY GENERAL FUND-KENO-SPECIAL ASSESSMENTS			
	2012 Budget	2012 Forecast	2013 Budget
Annual Handicap Ramp Installation	\$ -	\$ -	\$ 165,000
Digital Antenna/Transmission Line Install	\$ -	\$ -	\$ 65,000
Drainage Improvement Districts	\$ -	\$ -	\$ 100,000
Underpass Bridge Engineering	\$ -	\$ -	\$ 60,000
Cannon Ditch Lining	\$ -	\$ -	\$ 250,000
Lincoln Park Pool	\$ 80,000	\$ -	\$ -
Integrated/Comprehensive Drainage Plan	\$ 125,000	\$ -	\$ -
Infrastructure Emergency Funds - Disaster Recovery	\$ 100,000	\$ 100,000	\$ 60,000
Fiber Wireless Connections	\$ 100,000	\$ -	\$ 125,000
City Hall Phone System	\$ 100,000	\$ -	\$ 125,000
City Hall HVAC	\$ 450,000	\$ -	\$ 325,000
Grand Generation Center Building Improvements	\$ -	\$ -	\$ 102,486
Miscellaneous Park Projects	\$ 150,000	\$ 320,659	\$ 150,000
Hiker/Biker Trails	\$ -	\$ -	\$ 20,000
Hiker/Biker Trails - State and Capital Connector	\$ 59,600	\$ -	\$ 83,310
Hiker/Biker Trails-Broadwell-Capital to Eagle Scout	\$ 56,000	\$ -	\$ -
Hiker/Biker Trails- St. Joe	\$ -	\$ 192,107	\$ -
Hiker/Biker Trails-Mormon Island Bridges	\$ 9,000	\$ -	\$ -
Hiker/Biker Trails-Mormon Island Phase 1 & Phase 2	\$ 25,000	\$ -	\$ -
Annual Sidewalk Projects	\$ 25,000	\$ 25,000	\$ 25,000
Line Drainage Concrete Ditch	\$ 50,000	\$ 58,413	\$ 50,000
Athletic Complex Development - Vets Home	\$ -	\$ 7,200	\$ -
Northwest Drainage Project - Feasibility & Design	\$ 375,500	\$ 375,000	\$ 529,816
Moore's Creek, Faidley, Edna Construction	\$ -	\$ 210,365	\$ -
Construct Drainway - CCC to Wood River	\$ 226,441	\$ 250,000	\$ 226,441
TOTALS	\$ 1,931,541	\$ 1,538,744	\$ 2,462,053

CAPITAL IMPROVEMENT PROJECTS 400 FUND 2012-2013 BUDGET PROJECTS FUNDED WITH GAS TAX MONEY			
	2012 Budget	2012 Forecast	2013 Budget
BNSF Shoulder Improvements	\$ -	\$ -	\$ 40,000
Stagecoach Detention Cell Completion	\$ -	\$ -	\$ 400,000
Independence Avenue Drainage	\$ 70,000	\$ -	\$ -
Replace Wood River Bridge @ Blaine	\$ 30,000	\$ -	\$ -
Resurfacing Various Locations - Fed Aid Project	\$ 6,000	\$ 125,300	\$ 677,300
Capital Ave; Webb to Broadwell (includes trail)	\$ 15,000	\$ 66,000	\$ 433,000
Husker Hwy (US Hwy 34) 281 to Locust	\$ 20,000	\$ 157,477	\$ -
Hwy 30 - Grant to W end of concrete (NDOR Project)	\$ 550,000	\$ 571,424	\$ -
Realign Walnut Ent. & Custer/15th Signal	\$ 86,000	\$ 22,400	\$ 11,000
Misc. Safety Enhancements - Railroad Quiet Zone	\$ 226,000	\$ 290,000	\$ -
Wasmer Detention Cell	\$ 320,000	\$ 94,600	\$ 573,200
Capital Ave; Drainway to Webb Road	\$ -	\$ 115,249	\$ -
TOTALS	\$ 1,323,000	\$ 1,442,450	\$ 2,134,500
Total Capital Improvement Requests	\$ 3,254,541	\$ 2,981,194	\$ 4,596,553

Funding Sources 2013 Capital Improvements

General Fund 2013 Transfers :	\$ 838,000
State Gas Tax:	\$ 2,134,500
Keno:	\$ 450,000
Special Assessments:	<u>\$ 710,000</u>
Total Revenue Sources:	\$ 4,132,500
Total Capital Requests:	<u>\$ 4,596,553</u>
Additional Funding Needed:	\$ (464,053)

2012 BOARDS AND COMMISSIONS

Larry Carney	Library Board
Linna Dee Donaldson	Community Development Advisory Board Problem Resolution Team
Scott Dugan	Business Improvement District #7 <i>(So. Locust – Hwy 34 to Stolley)</i> Systems Information Advisory Committee (Spillman)
Randy Gard	Community Redevelopment Authority
John Gericke	Emergency Management/Communications Odor Committee Problem Resolution Team
Peg Gilbert	GI Area Economic Development Heartland Events Center Board
Chuck Haase	Central District Health Board
Mitch Nickerson	Central NE Humane Society Regional Planning Commission
Bob Niemann	Central NE Humane Society Emergency Management/Communications
Kirk Ramsey	Business Improvement District #4 <i>(Downtown)</i> Odor Committee