



City of Grand Island

Tuesday, August 13, 2013
Council Session

Item G-2

Approving Minutes of August 6, 2013 City Council Study Session

Staff Contact: RaNae Edwards

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL STUDY SESSION

August 6, 2013

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 6, 2013. Notice of the meeting was given in the *Grand Island Independent* on July 31, 2013.

Mayor Jay Vavricek called the meeting to order at 7:00 p.m. The following Councilmembers were present: Vaughn Minton, Mike Paulick, Scott Dugan, John Gericke, Mitch Nickerson, Julie Hehnke, Chuck Haase, Linna Dee Donaldson, and Bob Niemann. Councilmember Peg Gilbert was absent. The following City Officials were present: City Administrator Mary Lou Brown, City Clerk RaNae Edwards, City Attorney Robert Sivick, Finance Director Jaye Monter, and Public Works Director John Collins.

INVOCATION given by Community Youth Council member Jordyn Barnett followed by the PLEDGE OF ALLEGIANCE.

SPECIAL ITEMS:

Heartland Events Center Financial Overview. Barry Sandstrom, Chairman of the Heartland Events Center Board introduced Marcy Luth, CPA representing Almquist Maltzahn Galloway & Luth. Ms. Luth gave an update of the 2011 and 2012 Financial Statements for Fonner Park Exposition & Events Center, Inc. (Heartland Events Center). Total assets for 2011 were \$7,920,192 and 2012 total assets were \$7,471,592. Revenues exceeded expenses in 2012 by \$150,000. Mentioned was that two bonds had been refinanced.

Diane Willey, Sales and Marketing Director for the Events Center reported that the total events in 2011 were 143 and in 2012 there were 141. Mentioned were major events held at the Events Center and upcoming entertainment/concerts.

Comments were made regarding the quality of life the Events Center provided and that most facilities like this did not make money. Mentioned was the importance of the Danger Football team using this facility.

Discussion was held regarding the lease/purchase agreement. Ownership of the building at the end of the lease agreement would be the City of Grand Island. Equipment since construction of the facility was completed would not be owned by the City. Discussion was held concerning the financial assets of the Center. There was 11 years left on the lease agreement.

2014 Proposed Budget Presentation – General Fund, Capital Improvement Projects Fund, Metropolitan Planning Organization. Mayor Vavricek commented on the dedication of the Department Directors in preparing the 2013-2014 budget. Future planning was mentioned as being very important. Introduced were the following Department Directors:

- Steve Fosselman, Library Director
- Craig Lewis, Building Department Director
- Chad Nabity, Regional Planning Director
- Steve Lamken, Police Chief
- Jon Rosenlund, Emergency Management Director
- Brenda Sutherland, Human Resources Director
- Tim Luchsinger, Utilities Director
- John Collins, Public Works Director
- Robert Sivick, City Attorney
- Jaye Monter, Finance Director
- Todd McCoy, Parks & Recreation Director
- Cory Schmidt, Fire Chief

City Administrator Mary Lou Brown stated the goal for the City of Grand Island was financial sustainability of City policies and services to best serve the people of Grand Island. The purpose of the budget was to meet service expectations based on prioritization, to identify the financial needs for the next 12 months, and lay the groundwork for long-term financial sustainability. Focus of the Study Session was on the General Fund.

The following six impacts of the budget were funded with no additional proposed tax increase, no additional employee layoffs, no additional service cuts and no depletion of cash reserves:

- Safer community
- Metropolitan Planning Organization implementation
- Public transit funding
- Effects of becoming a Metropolitan Statistical Area along with impact of comparability rules
- Operational growth – additional full-time equivalents (FTE) and 4% operational expense growth
- Increased healthcare and worker's compensation costs

Proposed were seven incremental FTE positions for the Police Department with 5 additional Police Officers and 2 additional community service officers with over \$1 million incremental expenses in salaries and operating expenses in 2013 and 2014.

The Metropolitan Planning Organization (MPO) proposed a MPO Program Manager at \$100,000 for salary and benefits and public transit funding at \$100,000 City's share to County. Funding for these two items will originate with the General Fund and would transfer to Special Revenue Funds 225 (MPO Fund) and 226 (Transit Fund).

Mentioned was the City of Grand Island was a Metropolitan Statistical Area (MSA) and would utilize new city comparisons – cities no less than half and no more than twice the size of Grand Island (25,000 – 100,000). This would impact the Fraternal Order of Police contract as well as non-union proposed increases for FY 2013-2014 in the amount of \$675,388. The impact would

be greater in 2014-2015 when the remaining six union contracts were negotiated using the new city comparisons.

Proposed were 2.0 FTEs in Engineering Services of the Public Works Department; 0.5 FTE reallocation in Emergency Management – would move from the Enhanced 911 Communications Fund to the General Fund; and 0.5 FTE addition in Parks & Recreation for a \$300,000 impact.

Operating expenses had declined from 2009 through 2012, but costs had increased. A 4% operating expense increase or \$340,000 was figured into the 2013-2014 budget using program prioritization.

Healthcare costs had increased 30% due to increased claims during the current fiscal year and increased costs related to the Affordable Care Act. The City could reduce the impact through implementation of a Health Savings Account (HSA) and higher deductibles. Expected was an increase of \$579,000 in health insurance and \$260,000 in worker's compensation.

Ms. Brown reviewed funding sources stating revenue growth of 3.9% equated to \$1,533,224. Excess cash (appropriated, unspent) from the current fiscal year was \$1,694,136. Total revenue for 2013 was forecasted at \$39,136,946. Budgeted for 2014 was \$40,670,170 (3.9% growth).

Finance Director Jaye Monter reported on the General Fund Capital. Fire Chief Cory Schmidt committed on the General Fund Capital purchases for the Fire Department. Ms. Brown explained the process for the departments requesting capital expenses. Comments were made concerning recurring revenues with recurring expenses.

Reviewed were several future capital projects and how they would be funded. Proposed was that taxes would remain at current rates and cash reserves would remain at adequate levels. It was suggested that Council consider generating additional revenue from expanded tax authority for law enforcement costs dedicated to lowering crime and set aside funds for pre-identified capital projects and community objectives.

Discussion was held concerning fiscal policies. A lengthy discussion was held on the \$1,694,136 in unspent cash. Mentioned was that this money should be spent on capital items. Comments were made that Council may need to look at increasing the tax levy.

Council recessed at 9:20 p.m. and reconvened at 9:33 p.m.

Public Works Director John Collins commented on the life cycle of equipment and the use of lease agreements for some of the equipment. Reviewed were the ongoing Capital Projects for 2013 and the following proposed Capital projects for 2014:

- Annual Handicap Ramp Installation \$165,000
- Annual Sidewalk Projects \$ 25,000
- Capital Avenue; Webb Rd to Broadwell Ave Widening \$1,854,500
(Reimbursement - \$1,486,000)
- Annual Concrete Ditch Lining \$ 50,000
- Northwest Flood Control Project \$620,000

• Highway 281 Safety Study	\$ 50,000
• Hike/Bike Trails – Miscellaneous	\$ 20,000
• Moores Creek Drain Extension (Old Potash to Edna)	\$ 90,000
• Pavement Management Services	\$ 50,000
• Resurfacing Various Locations – Federal Aid (Reimbursement - \$21,600)	\$610,000
• Systematic Preventative Maintenance Bridges	\$ 60,000
• State and Capital Connector Trail (Reimbursement - \$7,000)	\$ 83,308
• Stuhr Road Concrete Overlay	\$ 40,000
• Underpass Bridges Engineering, Maintenance & Repair	\$140,000
• US Highway 30 Drainage Improvements	\$ 71,485
• Realign Walnut Entrance & Custer Avenue/15 th Signal (Reimbursement - \$5,000)	\$ 33,000
• Asset Management Software	\$100,000
• Blaine Street Bridge Replacement	\$250,000
• Cambridge Dewatering Well Replacement	\$ 75,000
• Faidley Ave Connection (North Rd to Irongate Ave)	\$650,000
• Comprehensive Integrated Drainage Plan	\$150,000
• Annual Miscellaneous Park Projects	\$150,000
• Niedfeldt Park – 6.8 acres	\$ 50,000
• Shady Bend Reconstruction (Bismark – Gregory)	\$100,000
• Wasmer Detention Cell Development – 2.2 acres	\$ 35,000
• Webb Road Street Improvement District No. 1260	\$1,700,000 (bond)
• Westgate road Street Improvement District No. 1261	\$580,000 (bond)
• Westgate Industrial Park Drainage District	\$200,000
• Website Content Management Upgrade from CMS4 to CMS6	\$20,000
• Partial HD Upgrade for GITV	\$ 20,000
• Grand Generation Center Building	\$100,000
• Cemetery Expansion Design	\$ 65,000
• Information Technology – Disaster Recovery	\$ 40,000

Total Capital requests for 2013-2014 were \$8,247,393. \$835,000 of capital dollars was mandated, \$2,652,393 of capital dollars was funding Federal Aid projects, and \$1,519,600 was to be reimbursed for Federal Aid projects.

Comments were made concerning the Wasmer Detention Cell. Mr. Collins stated this project would be completed within the next year. Mr. McCoy stated once the Public Works Department finished the drainage project the Parks & Recreation Department would provide grading, seeding, irrigation, trees and benches. There would be no play ground equipment at this location.

Regional Planning Director Chad Nabity reported on the Grand Island Area Metropolitan Planning Organization (GIAMPO). The MPO Policy board had met several times. Reviewed were GIAMPO 2014 Budget and Funding for a total of \$355,119 of which \$71,024 would be matching funds from the City.

ADJOURNMENT: The meeting was adjourned at 10:25 p.m.

RaNae Edwards
City Clerk