



City of Grand Island

Tuesday, May 27, 2014

Council Session

Item G-2

Approving Minutes of May 20, 2014 City Council Study Session

Staff Contact: RaNae Edwards

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL STUDY SESSION

May 20, 2014

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 May 20, 2014. Notice of the meeting was given in the *Grand Island Independent* on May 14, 2014.

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

The PLEDGE OF ALLEGIANCE was said.

Mayor Vavricek introduced Community Youth Council member Hannah Sugita.

SPECIAL ITEMS:

Heartland Events Center Financial Overview. Diane Willey, Sales and Marketing Director with the Heartland Events Center gave an update of the events in 2013. There were 115 events with 33 new events. New and repeat events were mentioned. More than 1/2 million people attended events at the Heartland Events Center. Challenges mentioned were concert attendance was down, changeovers/multiple events, no hotel property and BCC – “best kept secret”.

Bruce Swihart commented on Fire School and Senior High Graduation which had taken place this past weekend. He commented on the Conference Center facility. Upgrades in the facility were completed with regards to audio and video. The next project being worked on was the upgrade of the scoreboard in the area along with three new cameras, production coordination and communication.

Marcy Luth with Almquist, Maltzahn, Galloway & Luth presented the 2012/2013 audit report of the Heartland Events Center. Total assets of \$6,965,241 were down from last year. Current liabilities were about the same as last year. Total revenue was \$3,255,613 due to increase box office sales. Expense total was \$3,175,918. Long-term debt was discussed.

Margaret Hornady, 2708 Arrowhead Road commented on the noise level of concerts stating the performers brought their own sound systems.

2014/2015 General Fund Budget Preview. Treasurer and Finance Director Jaye Monter gave a brief introduction of the General Fund. Reviewed was the budget calendar and what had taken place so far. The Finance Department was working on payroll costs, 400 Capital Fund, potential funding scenarios, department reviewing their requests and operating expense submissions.

The 2014/2015 budget would provide a continued emphasis on a safer community, Metropolitan Planning Organization (MPO), and the effects of becoming a Metropolitan Statistical Area (MSA) with increased personnel costs (estimated \$1,185,320 in 2015). Comments were made concerning grants to the Police Department which would be ending in the near future.

The following Initial Budget Progress to Date was presented:

- Forecasted 2014 revenue complete
 - 2.5% normalized growth
- 2015 budget revenue built from forecast
 - 2.6% normalized growth
- Departments have been provided targets
 - 6.4% overall personnel cost increase driven by comparability
 - 0% operation increase

Discussion was held concerning the benefits of the City being an MSA community. Total revenue projected for 2015 was a 2.6% increase. Ms. Monter explained the Municipal Equalization Funds which the City first received in 2013. Out of the 30 First Class Cities, Grand Island ranked 7th from the bottom as it related to mill levies. Revenue projections were reviewed with a loss of 1.3% for 2015.

The following 2015 Budget Summary was presented:

Incremental Cash Needs:

Revenue Decline	\$ 955,000
Personnel costs including MSA impact	\$1,734,000
Debt retirement – Library	\$1,590,000
Capital Improvement Projects 400 Fund	<u>\$ 556,000</u>
TOTAL	\$4,835,000

Incremental Funding:

Reduced debt payment	\$ 795,000
Reduced transfers	\$1,300,000
Unspent appropriations 2014 Budget	\$1,150,000
Cash reserve usage to pay Library debt	<u>\$1,590,000</u>
TOTAL	\$4,835,000

Reviewed was the budget timeline for Council meetings. Ms. Monter answered questions regarding basing the budget on a 0% increase for 2015. Discussion was held regarding future years need for tax increases and the paying off of debts.

ADJOURNMENT: The meeting was adjourned at 8:23 p.m.

RaNae Edwards
City Clerk