



City of Grand Island

Tuesday, July 22, 2014

Council Session - Corrected

Item G-3

Approving Minutes of July 15, 2014 City Council Study Session

Staff Contact: RaNae Edwards

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL STUDY SESSION

July 15, 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 July 15, 2014. Notice of the meeting was given in the *Grand Island Independent* on July 9, 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, Peg Gilbert, Mitch Nickerson, Linna Dee Donaldson, Chuck Haase, and Julie Hehnke. Councilmember Kent Mann was absent. Councilmember John Gericke was initially absent and attended the meeting at approximately 7:30 p.m. The following City Officials were present: City Administrator Mary Lou Brown, City Clerk RaNae Edwards, City Treasurer and Finance Director Jaye Monter, City Attorney Robert Sivick, and City Engineer and Public Works Director John Collins.

INVOCATION was given by Community Youth Council member Rebecca Riley followed by the PLEDGE OF ALLEGIANCE.

Mayor Vavricek introduced Community Youth Council member Rebecca Riley.

SPECIAL ITEMS:

Planning for Today and Tomorrow City of Grand Island 5,000 Foot View. City Administrator Mary Lou Brown reported that the City's goal was the 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, identify the financial needs for the next 12 months, and lay the groundwork for long-term financial sustainability. The budget was driven by prioritization, backed by citizen awareness and approved by Council.

The following 2015 Budget Summary was given:

Existing revenue sources and current levels of taxation enabled the City to:

- Continue the funding of ICMA public safety recommendations
- Maintain existing or improved levels of service to the community
- Meet State statute regarding employee wage and salary increases
- Address necessary infrastructure maintenance, improvements and construction with a \$9.5 million capital program

all while maintaining a strong financial position with adequate cash reserves to function through a three month financial disaster.

Total proposed budget revenue for 2015 was \$42,541,000 with a mill levy proposed at 0.3241. Presented was the General Fund property tax. The current valuation was \$2,574,553,789 with a 2015 budget valuation estimated increase of 2.5% resulting in General Fund property tax revenue of \$7,453,000. Normalized revenue projected for 2015 was \$37,401,000, a 3.3% increase from 2014.

Significant changes between the 2014 Forecast and 2015 Budget were reviewed beginning with changes creating a safer community. A total of 16 additional employees have been added in the Police Department since 2013 with over \$1 million in incremental expenses in salaries and operating expenses. Major changes in the Fire Department budget included shift commander positions which had been implemented, Life Safety Officer in place for a full year, and a second Life Safety Officer included in the FTE requests. Metropolitan Statistical Area (MSA)/Comparability Rules (CIR) were presented. New city comparisons were to be utilized. Wages reflected the impact of MSA/CIR for all seven union contracts and the non-union employee group with a \$1,059,000 impact. General Fund FTEs were mentioned along with the 2014-2015 Operating Expense. Total reductions for the 2014-2015 operating expense amounted to \$144,020.00 and increases totaled \$180,310.00 for a net increase of \$36,290.00. Less than 1/2% increase from the 2013/2014 budget.

Debt service was presented. Mentioned was possibly retiring the Library bond. Ms. Brown stated the State Fair Building debt was funded by the Food and Beverage Occupation Tax calculated to end December 31, 2015, the related debt retirement was scheduled for July 1, 2017 and the \$425,000 State of Nebraska Lottery Match would need new general fund revenue source beginning October 1, 2016.

The 2015 Capital Improvements Budget Summary was presented with a total capital request of \$9,510,922. The General Fund Cash Balance Summary beginning cash balance was \$10,843,193 with revenue of \$42,541,000, expenses of \$43,467,160 and an proposed ending cash balance of \$9,917,033.

Councilmember Gericke was present at 7:30 p.m. as recognized by Mayor Vavricek.

The following Budget Accomplishments were presented:

- Maintains current level of services within the normalized revenue growth of 3.3%
- Safer and cleaner community
- Economic growth
- Salary increases resulting from state laws governing public employees
- Operation growth – additional full-time equivalents (FTE) and minimal operational expense growth
- Funding for new and current infrastructure
- Unrestricted cash reserve to personnel and operating expense remains at adequate levels (ratio of 22.3%)
- Tax rates are unchanged

Future Planning included the following:

Capital Projects

- 50-year-old Fire Station #2
- Alternative 911 Center
- Improve ISO rating with fire training tower addition
- 20-year-old Island Oasis
- Complete development of Veteran's Athletic fields
- Fieldhouse turf replacement
- Downtown redevelopment
- Cemetery expansion

Community Objectives

- Community visioning process
- Community marketing

The 2014-2015 Budget meeting schedule was discussed.

Tom O'Neill, 2017 Barbara Avenue thanked the City Council and employees of the City for all their hard work and leadership, particularly in light of the fire that occurred downtown earlier in the week.

Comments were made concerning property valuation increases which equated to a property tax revenue increase. Finance Director Jaye Monter stated we would not know the exact valuation from Hall County until August 20, 2014. Discussion was held regarding a safer community and how this budget reflected that. Councilmember Paulick inquired if the budgeted \$1,000,000 increase for wages included the impact of union negotiations.

Downtown redevelopment to promote second story housing was discussed. Ms. Monter stated there was a place holder of \$100,000 in the General Fund budget and \$100,000 in the Community Redevelopment Authority budget for the Downtown redevelopment. Discussion was held regarding the future planning list which was not included in this budget and would have to have additional money to complete.

Ms. Monter explained the \$69,442.00 Information Technology chargeout in the 2014-2015 operating expense of the budget. Discussion was held regarding the budget meeting schedule. Councilmember Gilbert commented on the employee policy in taking city vehicles home.

ADJOURNMENT: The meeting was adjourned at 8:10 p.m.

RaNae Edwards
City Clerk