



# City of Grand Island

Tuesday, August 12, 2003

Council Session

## Item G3

### **Approving Minutes of July 29, 2003 City Council Special Budget Meeting**

*The Minutes of July 29, 2003 City Council Special Budget Meeting are submitted for approval. See attached MINUTES.*

Staff Contact: RaNae Edwards

## OFFICIAL PROCEEDINGS

### CITY OF GRAND ISLAND, NEBRASKA

#### MINUTES OF CITY COUNCIL SPECIAL BUDGET MEETING

July 29, 2003

Pursuant to due call and notice thereof, a Special Budget Meeting 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 29, 2003. Notice of the meeting was given in the Grand Island Independent on July 23, 2003.

Mayor Jay Vavricek called the meeting to order at 6:00 p.m. The following members were present: Councilmembers Meyer, Whitesides, Pielstick, Gilbert, Nickerson, Seifert, Pauly, Hornady, Walker and Haase. The following City Officials were present: City Administrator Marlan Ferguson, City Clerk RaNae Edwards, Public Works Director Steve Riehle, City Attorney Doug Walker and Finance Director David Springer.

PLEDGE OF ALLEGIANCE was said.

ADJOURN TO SOLID WASTE AGENCY: Motion was made by Pielstick, second by Hornady, carried unanimously to adjourn to the Solid Waste Agency.

Public Hearing on Proposed FY 2003-2004 Grand Island Area Solid Waste Agency Budget. Steve Riehle, Public Works Director reported that State law required a Public Hearing on the proposed annual budget and that the Agency budget was the same as the City Solid Waste Division budget (Fund 505). A power point presentation was presented explaining the Solid Waste Agency. This agency was formed in August 1992 and was comprised of Hall County and the City of Grand Island. This was an enterprise fund and received no support from the General Fund. There was no rate increase recommended for October 2003 through September 2004. No public testimony was heard.

#2003-SWA-1 – Approving Adoption of FY 2003-2004 Annual Budget for the Grand Island Area Solid Waste Agency. Betty Curtis representing the Clean Community System spoke concerning a regional facility. Motion by Pielstick, second by Hornady, carried unanimously to approve Resolution #2003-SWA-1.

RETURN TO REGULAR SESSION: Motion by Hornady, second by Walker, to return to Regular Session. Upon roll call vote, Meyer, Pielstick, Gilbert, Nickerson, Seifert, Pauly, Hornady, Walker, and Haase voted aye. Councilmember Whitesides voted no. Motion adopted.

#### PUBLIC HEARING:

Public Hearing on Proposed FY 2003-2004 City Single Budget. Marlan Ferguson, City Administrator, reported that State law required a public hearing on the proposed City Single Budget. Shelly Pointer representing the Crisis Center, 424 West 3<sup>rd</sup> Street spoke concerning a

request for extra funding due to the fact that the Family Violence Coalition was closing and the Crisis Center would take over some of those duties. Kerry Garza, Family Violence Coalition spoke in support of funding the Crisis Center extra money that would have gone to the Family Violence Coalition. No further public testimony was heard.

#### REVIEW OF SALARY ORDINANCE:

Human Resources Director Brenda Sutherland presented the proposed salary ordinance. She mentioned that the largest expense to the City was the same as that for most private employers. That expense being its "personnel costs". The City had no more important asset than its employees. Ms. Sutherland stated we had many impressive facilities in our municipal government - City Hall, our power plants, fire stations, etc., but they were nothing more than bricks and mortar. It was the people that worked in those facilities that made it all happen. The high level of service that our citizens had come to know and expect was delivered by many top notch individuals. During this budget session the focus would be on the projected changes in wages for the 2004 budget year, changes in FTE's for departments and an additional benefit for non-union employees that would provide a benefit to the employees and a cost savings to the City.

Presented were the negotiated changes to the agreements for Fire, Police and AFSCME. The Fire Department contract specified a 4% COLA. The Police Department contract specified a 3.5% COLA and the employees covered under the AFSCME contract were to receive a 2.5% COLA. The amount to be paid to IBEW employees was yet to be determined as contract negotiations were underway. A 2% COLA was being proposed for non-union employees. Non-union positions were surveyed and the recommended changes averaged around 1.3% excluding Utilities. Non-union Utilities positions averaged a 5.6% change. Many positions did not have a change recommended and some departments had no changes department wide.

Ms. Sutherland stated when looking at the changes to this next year's budget the percentage change was higher than those mentioned above. It was important to remember that in addition to the proposed COLA's and position adjustments, there was also movement between salary steps for those employees that were not at the top step in their pay scale. Reviewed was the "Request for FTE" which summarized the proposed changes to the FTE's for Fiscal Year 2003-2004. The term FTE means full time equivalent. FTE's that were being reduced were; Downtown Development Director, Assistant Superintendent - Solid Waste, Computer Operator - I.T., Accountant, Accounting Clerk II, Legal Clerk and Community Projects Director. Classifications that were being requested for additions were; GIS Technician to be split between I.T. and Public Works, a Computer Programmer to reclassify a current employee, Maintenance Worker I - Wastewater, Temporary Clerk - Wastewater, Environmental Clerk, Engineering Tech. and URD Crew Chief - Electric, Sr. Accountant - Finance, Telecommunicator - Emergency Management and a Maintenance Worker - Parks.

Ms. Sutherland stated the Council had expressed an interest in pursuing a benefit for non-union employees called a PEHP or an HRA. Both of these were a benefit to help employees pay for health related benefits after they were no longer employed by the City. Proposed was redirecting 1% of the non-union wages into an account that would go in tax free, grow tax free and come out

tax free to the employee after they had left the employ of the City. Currently, for every \$1 that the City pays an employee, it costs the City roughly \$1.14 and the employee receives somewhere in the neighborhood of \$.59. This would save the City the additional \$.14 and give the employee the whole dollar. Both sides benefit and the employee now would have a benefit in place that would help them with the problem of handling healthcare costs in retirement or transition.

Discussion was had concerning the salary survey, comparability, step raises, zero based budgeting, and full-time equivalent (FTE).

REVIEW OF OUTSIDE AGENCIES: David Springer, Finance Director discussed the Outside Agencies requests and staff recommendations as follows:

CHARITABLE AGENCIES

<u>Organization</u>	<u>2003-2004 Request</u>	<u>Staff Recommend</u>
Community Humanitarian Resource Center	\$ 7,400	\$ 4,500
Convention and Visitors Bureau	\$10,000	\$10,000
Council for International Visitors	\$ 1,000	\$ 1,000
Crisis Center	\$13,000	\$10,200
Family Violence Coalition of Central NE	\$10,000	-----
G.I. Dive and Rescue Team – Trailer	\$ 2,900	-----
Retired and Senior Volunteer Program	\$10,000	\$10,000
Senior Citizens Industries, Inc.	<u>\$15,000</u>	<u>\$15,000</u>
Totals	\$69,300	\$50,700

AGENCIES WITH WORKING RELATIONSHIPS WITH CITY DEPARTMENTS

Central Nebraska Humane Society	\$187,500	\$160,000
Central Nebraska Health Department	\$150,000	\$125,000
Clean Community Systems	<u>\$ 20,000</u>	<u>\$ 20,000</u>
	\$357,500	\$305,000

Councilmembers Meyer and Seifert spoke of concerns about increasing the Outside Agencies while cutting back in our own city department funds. Mr. Springer stated the only increase was to the Central Nebraska Humane Society and the Clean Community Systems. Councilmember Whitesides suggested that all Outside Agencies be given the same amount as last year. Discussion was had concerning the request of the G.I. Dive and Rescue Team, in which Councilmember Hornady mentioned that last year was a one time expense for the City at their request. Councilmember Nickerson recommended a \$10,000 increase to the Central Nebraska Humane Society, since we would not be funding the Family Violence Coalition.

Brad Loeb representing the G.I. Dive and Rescue Team spoke concerning their \$2,900 request. Insurance costs and day-to-day operations were the reason for the request.

Discussion was had regarding the Regional Health Department's request, tobacco monies, and services provided to the surrounding counties.

The City Council took a 10 minutes break at 8:05 p.m.

BUDGET OVERVIEW: David Springer, Finance Director cautioned the Council concerning capital projects and capital fund budgets where revenues were down and expenditures were up. He mentioned capital spending needed to be looked at closely. Nine major funds made up the City budget.

Mill Levy/Property Tax Asking: Property valuation was up approximately 3% with final numbers to be given to the City by the County Assessor by August 20, 2003. The Mill Levy had been held steady over the last several years. Mr. Springer mentioned there was the possibility of increasing property taxes.

General Fund Summary: Projected \$7.1 million for FY 2003-2004 City Budget ending cash balance which was down from \$12 million for FY 2002-2003. Discussion was held with regards to spending more than we were taking in. Personnel costs and capital costs were the majority of the budget expenses. City Administrator Marlan Ferguson stated that part of the decrease in reserves was due to the fact that several major projects had been completed such as the South Locust Project.

Revenue/Expenditure Analysis: Mr. Springer stated revenues were down just short of \$1 million and expenditures were up. Grant money was discussed in which we would probably not get as much money in this fiscal year as last. Transfers were reviewed with approximately \$2.9 million coming in from Gas Tax. Transfers out were mentioned with approximately \$1.9 million going to Capital Projects.

General Fund Five-Year Capital and 400 Fund: Highlights mentioned in the General Fund Five-Year Capital and 400 Fund were: 1) Police Department - computers in the patrol vehicles, replacement patrol vehicles, radars and mobile videos 2) Public Works Department - asphalt roller, pickups and right-of-way acquisition 3) Fire Department - building improvements, equipment and ambulance; 4) Finance Department - integrated accounting software; 5) Building Inspection – vehicle; and 6) Library – Automation System Enhancements and lawn mower.

#### DEPARTMENT REVIEWS:

Public Works Department: Steve Riehle, Public Works Director reported on the Capital 400 Projects for the Public Works Department. A power point presentation was given on the Independence Avenue Project. The proposed budget for the Northwest Transportation was \$1.6 million.

Wendy Cox, 1729 Lariat Lane, requested that the discussion on extending Independence Avenue be postponed until Wednesday, July 30, 2003 at 6:00 p.m. as several other residents could not make this meeting. Councilmember Pielstick asked if she had just been made aware of this proposal. Ms. Cox stated they received a letter in the mail 10 months ago but was not aware of what was being done and felt the City should have notified them at that time. Linda Potter, 1727

Lariat Lane and Gary Horne, 1717 Lariat Lane spoke concerning the lack of notification with regards to this project. Mentioned were concerns of privacy, safety, and cost.

Councilmember Nickerson mentioned a 6' privacy fence along this road which would be at the expense of the City. A lengthy discussion was had concerning the traffic flow on Independence Avenue, Mansfield Road, and Cannon Road.

Councilmember Pielstick stated that this issue had been discussed and budgeted for years and was still not done.

Motion was made by Seifert to continue the Independence Avenue expansion project as had been agreed upon in the past by Council and proceed with construction, second by Pielstick. Upon roll call vote, Councilmembers Meyer, Whitesides, Pielstick, Siefert, Pauly, and Hornady voted aye. Councilmembers Gilbert, Nickerson, Walker and Haase voted no. Motion adopted.

ADJOURNMENT: The meeting was adjourned at 10:20 p.m.

Respectfully submitted,

RaNae Edwards  
City Clerk