



# **City of Grand Island**

**Tuesday, June 26, 2007**

**Council Session**

## **Item G3**

**Approving Minutes of June 19, 2007 City Council Study Session**

**Staff Contact: RaNae Edwards**

## OFFICIAL PROCEEDINGS

### CITY OF GRAND ISLAND, NEBRASKA

#### MINUTES OF CITY COUNCIL STUDY SESSION

June 19, 2007

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 Community Meeting Room of City Hall, 100 East First Street, on June 19, 2007. Notice of the meeting was given in the *Grand Island Independent* on June 15, 2007.

Mayor Margaret Hornady called the meeting to order at 7:00 p.m. The following members were present: Councilmember's Carney, Walker, Gericke, Brown, Gilbert, Whitesides, Haase, and Meyer. Councilmember Nickerson and Zapata were absent. The following City Officials were present: City Clerk RaNae Edwards, City Attorney Dale Shotkoski, Public Works Director Steve Riehle, and Finance Director David Springer.

INVOCATION was given by Pastor Charles Gregory, First Baptist Church, 811 West 10<sup>th</sup> Street followed by the PLEDGE OF ALLEGIANCE.

Councilmember Zapata present at 7:05 p.m.

MAYOR COMMUNICATION: Mayor Hornady mentioned that Railroad Days would be held downtown on June 23-24, 2007 in conjunction with the Hall County 150<sup>th</sup> Celebration. Also mentioned was the Celebration of Progress Event at the Heartland Public Shooting Park this Saturday, June 23, 2007.

Review of 2007/2008 Budget Process. David Springer, Finance Director briefed the Council on the Budget Preparation Schedule for 2007/2008. Reviewed was what had been done and what needed to be done to complete the 2007/2008 budget. Mentioned were the dates of upcoming meetings and public hearings that needed to be held before the budget could be finalized. Mr. Springer presented a PowerPoint updating the council on the various funds within the budget.

Review of 2007/2008 Outside Agencies Funding Requests: David Springer, Finance Director reported that at the last regular City Council meeting of June 12, 2007 council requested guidelines for outside funding. Mr. Springer stated City Attorney Dale Shotkoski and Assistant City Attorney Wes Nespor had spent time formulating criteria for funding the outside agencies.

Wes Nespor, Assistant City Attorney reported on the findings as set out by the Nebraska Constitution. (Attached were the suggested guidelines presented.)

Discussion was held regarding those agencies with working relationships with City departments. Grants and matching funds were discussed. Retired and Senior Volunteer Program (RSVP) and Senior Citizens Industries required matching funds otherwise they would not be able to function.

Councilmember Gilbert commented that tax dollars should not be funding these agencies nor could the city afford to fund these except for the Convention and Visitors Bureau. Councilmember Zapata suggested not eliminating them completely but gradually lowering the funds they receive from the city. Councilmember Gericke stated those organizations serving a city function would be more cost effective than if the city had to perform those services.

Lewis Kent, 624 Meves asked the council to hold the line on outside funding and complimented the Finance Department on their presentation.

John Meister, 1417 Piper Street representing the Fishing Derby gave a brief background and requested the council fund their \$2,000 request.

Dianna Meyer representing the Court Appointed Special Advocate (CASA ) explained their request of \$5,000.

Shelly Garlic, 105 Mulberry, Alda, Nebraska representing the Crisis Center explained the services provided by the Crisis Center and those services that would be cut or reduced if not funded in the amount of \$12,000.

Marvin Anderson representing Hope Harbor and Gloriann Modson, Hastings, Nebraska Executive Director explained the services provided by Hope Harbor. Requested was \$5,000.

Terry Galloway representing the Humane Society presented the costs for the nonprofit organization and the services they provide for the City. Requested was \$225,000.

Councilmember Whitesides presented his recommendation for funding the outside agencies as follows:

Hope Harbor	\$4,500
CVB	10,000
International Visitors	1,000
Crisis Center	-----
GI Dive and Rescue	-----
RSVP	10,000
Senior Citizens Ind.	15,000
Multicultural Coalition	-----
Fishing Derby	-----
Ethnic Festival	<u>900</u>
Total	\$41,400

Humane Society	\$170,000
Health Department	100,000
Clean Community	<u>20,000</u>
	\$290,000

Total	\$331,400
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Karen Rathke representing United Way commented that objective criteria were needed for council to make an informed decision. Ms. Rathke offered her services to work with the outside agencies and the council to come up with those objectives. Discussion was held regarding contracts with each agency.

(See attached summary of Outside Agencies funding requests and staff recommendation.)

Council took a 10 minute break.

Review of 2007/2008 Full Time Equivalent's (FTE) Requests: David Springer, Finance Director reported that at the last Regular City Council meeting of June 12, 2007 the City Council requested more information regarding FTE's for each department.

Question was asked concerning the original requests for FTE's which were 28 additional FTE's for 2007/2008. City staff reduced this amount to 12.270.

Steve Paustian, Parks and Recreation Director explained his request for 2.250 FTE's for the Recreation and Heartland Public Shooting Park. Also explained were the hours, maintenance, and events at the Shooting Park. Mr. Paustian stated a business plan was in the process.

Steve Lamken, Police Chief explained the request for 1.000 FTE Custodian at the Law Enforcement Center. Out sourcing was discussed for the maintenance of the new building. Mr. Lamken stated 1/2 of the custodial service would be out sourced. Hall County would be paying rent for the space used by the Sheriff's department.

Jon Rosenlund, Emergency Management Director commented on his request of 1.000 FTE in which the county would pay for half of this position as it pays for half of all costs through the Emergency Management department.

Gary Mader, Utilities Director commented on using consultants for some of the engineering services. Explained were the benefits of having those services in house. Mr. Mader explained the request for 3.000 FTE's in the Utilities Department.

The question was asked if adding the requested FTE's and Outside Agencies would increase the tax rate. Finance Director David Springer stated these would not raise the tax rate but cash reserves would decrease.

Steve Fosselman, Library Director commented on the request of 2.000 FTE's for the Library. Part-time versus full-time was discussed. Mr. Fosselman stated the Library was meeting minimum standards.

Lewis Kent, 624 East Meves spoke in opposition to hiring new employees.

Steve Riehle, Public Works Director explained the revenue projection for the Solid Waste Division with regards to the 1.000 FTE requested.

(See attached summary of FTE requests.)

ADJOURNMENT: The meeting was adjourned at 10:05 p.m.

RaNae Edwards  
City Clerk

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**INTEROFFICE MEMORANDUM**

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**TO:** DAVID SPRINGER  
**FROM:** WESLEY D. NESPOR  
**SUBJECT:** FUNDS TO NON-PROFITS FOR PUBLIC PURPOSES  
**DATE:** 6/21/2007  
**CC:** RANAE EDWARDS

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The Nebraska Constitution prohibits lending or giving credit in aid of any individual, association, or corporation. Courts have held this to mean lending credit which is not used for a public purpose. What constitutes a public purpose must be decided on a case by case basis focusing on the object sought to be accomplished and the degree and manner in which that object affects the public welfare. *Unsolicited requests* for money should be from non-profit entities because for-profit companies should go through the competitive bid/proposal process.

Suggested guidelines

- 1 Council should prepare a written statement of the public purpose and how the entity will accomplish it. This is absolutely necessary because the Supreme Court has stated repeatedly that "it is for the Legislature (city council) to decide in the first instance what is and what is not a public purpose...". *State v. Cornell*, 53 Neb. 556.
- 2 There should be a contract with the entity setting forth the purposes/services and itemized costs to accomplish those purposes (Humane Society for example).
- 3 There should be an annual accounting of how the funds were used. (see *Chase v County of Douglas*, 195 Neb. 838 regarding contract and accounting as measures to ensure expenditures are being used for a public purpose).
- 4 Some general guidelines to use in determining if the expenditure is for a public purpose.
  - a. Is the general public benefited or only a small group? (e.g. if funds are given to a private entity for buses, the service must be available to the entire public and not just for use by members or patrons of the entity).
  - b. If benefits redound to individuals, are those benefits only incidental to the benefits to the general public. (e.g. funds given to the chamber of commerce to "advertise the city" may benefit the members of the chamber but that is only incidental to the broader purpose of attracting tourists and industry for the benefit of the entire community).
  - c. Is real estate being purchased or improved which will house a private entity? Case law disapproves this practice specifically.
  - d. Are fixed assets being purchased or human resources acquired which will be used by the entity for other purposes? (e.g. Government funds are used to pay 100% of the costs of an employee or equipment but only part of the employee's/equipment's time is spent or used for the public purpose).

<u>ORGANIZATION</u>	<u>2004 FUNDED</u>	<u>2005 FUNDED</u>	<u>2006 FUNDED</u>	<u>2007 FUNDED</u>	<u>2008 REQUESTED</u>	<u>STAFF RECOMMEND</u>
Hope Harbor	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 5,000	\$ 4,500
Convention and Visitors Bureau	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 15,000	\$ 10,000
Council for International Visitors	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Crisis Center	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 13,000	\$ 12,000
G. I. Dive and Rescue Team - Trailer	\$ 2,500	\$ -	\$ 2,000	\$ 2,000	\$ -	\$ -
Retired and Senior Volunteer Program (RSVP)	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Senior Citizens Industries, Inc.	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Multicultural Coalition		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Fishing Derby	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Central Nebraska Ethnic Festival (Some in kind, postage, etc.)					\$ 900	\$ 900
Third City Community Clinic					\$ 1,000	0
Heartland CASA (Court Appointed Special Advocate)					\$ 5,000	0
Totals	\$ 57,000	\$ 64,500	\$ 66,500	\$ 66,500	\$ 71,000	\$ 65,400

**AGENCIES WITH WORKING RELATIONSHIPS WITH CITY DEPARTMENTS**

<u>ORGANIZATION</u>	<u>2004 FUNDED</u>	<u>2005 FUNDED</u>	<u>2006 FUNDED</u>	<u>2007 FUNDED</u>	<u>2008 REQUESTED</u>	<u>STAFF RECOMMEND</u>
Central Nebraska Humane Society	\$150,000	\$157,500	\$157,500	\$167,500	\$ 225,000	\$ 167,500
Central Nebraska Health Department	\$135,000	\$135,000	\$135,000	\$125,000	\$ 125,000	\$ 125,000
Clean Community Systems	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Totals	\$305,000	\$312,500	\$312,500	\$312,500	\$ 370,000	\$ 312,500
<b>TOTAL OUTSIDE AGENCIES</b>	<b>\$362,000</b>	<b>\$377,000</b>	<b>\$379,000</b>	<b>\$379,000</b>	<b>\$ 441,000</b>	<b>\$ 377,900</b>





## SUMMARY OF REQUESTED FTE'S, FISCAL YEAR 2007-2008

( Five Year Financial Impact )

		PERSONAL COST					
Dept No.	Department Name	FTE Recommended	Changes	2008-9 Estimate	2009-10 Estimate	2010-11 Estimate	2011-12 Estimate
<b>ENTERPRISE FUNDS</b>							
<b>505 Sanitary Landfill</b>							
	Equipment Operator	1.000	\$33,686	\$34,697	\$35,737	\$36,810	\$37,914
<b>510 Golf Course</b>							
	Seasonal Part-Time	0.500	\$10,140	\$10,444	\$10,758	\$11,080	\$11,413
	Maintenance Worker II	(1.000)	(\$58,881)	(\$60,647)	(\$62,467)	(\$64,341)	(\$66,271)
	<b>Total Golf Course</b>	(0.500)	(\$48,741)	(\$50,203)	(\$51,709)	(\$53,261)	(\$54,858)
<b>520 Electric Utility</b>							
	Electrical Engineer	1.000	\$61,393	\$63,235	\$65,132	\$67,086	\$69,098
	Wireworker II	1.000	\$58,893	\$60,660	\$62,480	\$64,354	\$66,285
	Lineman Apprentice	1.000	\$53,540	\$55,146	\$56,801	\$58,505	\$60,260
	<b>Total Electrical Utility</b>	3.000	\$173,826	\$179,041	\$184,412	\$189,944	\$195,643
<b>53+A Sewer Utility</b>							
	Maintenance Mechanic I or II	1.000	\$48,950	\$50,419	\$51,931	\$53,489	\$55,094
	<b>Total Sewer Utility</b>	1.000	\$48,950	\$50,419	\$51,931	\$53,489	\$55,094
<b>TOTAL ENTERPRISE FUNDS</b>		4.500	\$207,721	\$213,953	\$220,371	\$226,982	\$233,792
<b>TOTAL CITY</b>		12.270	\$459,249	\$478,944	\$493,312	\$508,112	\$523,355