



# **City of Grand Island**

**Tuesday, May 13, 2008**

**Council Session**

## **Item G1**

**Approving Minutes of April 17, 2008 Special Study Session/Goals  
and Budget Retreat**

**Staff Contact: RaNae Edwards**

## CITY OF GRAND ISLAND, NEBRASKA

### MINUTES OF CITY COUNCIL SPECIAL STUDY SESSION (GOALS & BUDGET RETREAT)

April 17, 2008

Pursuant to due call and notice thereof, a Study Session (Retreat) of the City Council of the City of Grand Island, Nebraska was conducted at the Edith Abbot Memorial Library, 211 North Washington Street on April 17, 2008. Notice of the meeting was given in the *Grand Island Independent* on April 9, 2008.

Mayor Margaret Hornady called the meeting to order at 5:00 p.m. The following members were present: Councilmember's Nickerson, Brown, Gilbert, Haase, Meyer, Niemann, Ramsey, Carney, and Zapata. Councilmember Gericke was absent. The following City Officials were present: City Administrator Jeff Pederson, City Clerk RaNae Edwards, and Assistant to the City Administrator Paul Briseno.

#### **INTRODUCTION:**

City Administrator Jeff Pederson thanked the Mayor and council for attending.

#### **2007-2008 GOALS AND UPDATE:**

Assistant to the City Administrator Paul Briseno updated the Mayor and Council on the 2007-2008 City Council Goals.

##### Public Safety:

- Completed construction on Fire Station #1
- Completed construction on Police/Sheriff Law Enforcement Center
- Emergency Communication center in progress

##### Infrastructure:

- Railroad Corridor Study

##### Government Efficiency:

- Inter local partnerships were taking place with Public Works and Building Departments
- City Code review and updates – Building and Public Works would be coming forward

##### Quality of Life:

- Library expansion completed
- Start construction of Aerated Static Pile facility needs to come off

##### Public Health:

- Smoking Ban to take effect June 1, 2008

Discussion was held on the Island Oasis children's play area. Steve Paustian, Parks & Recreation Director commented this was ready to go pending funding. Emergency Communication Center (ECC) was discussed with funding provided through a County grant. Cell phone 50 cent funding was mentioned with an explanation from Jon Rosenlund regarding how the ECC budget worked. David Springer explained the landline and cell phone revenues and General fund and E-911 funds. E-911 surcharge was collected by the state.

### **BUDGET OVERVIEW:**

David Springer presented the sales tax and property tax analysis with regards to the 1/2% sales tax initiative. The additional property tax relief equaled a property tax revenue loss in the amount of \$2,369,333. Expenditures were not keeping up with revenues. Several union contracts were in the process of negotiations. 3% to 3½% increase in personnel costs in the General Fund was expected for 2008-2009. 70% of the general fund was for personnel costs. Capital projects were presented and discussed.

The following overview of the budget was presented:

- Revenues not keeping up with personnel costs, let alone other operating.
- Property Tax and Sales Tax Analysis.
- Estimated sales tax growth and a return to .25 property levy only generated about \$675k, while personnel costs increased nearly \$800,
- Nearly 70% of General Fund operating was personnel. Any new FTEs requested would need persuasive justifications.
- Capital Projects fund had \$14.8 million penciled in for 2009 & \$11.7 million for 2010, as detailed on pages 212-214 of the Budget Book. These would have to be pared at least in half, even with state/federal contributions.
- Would need to transfer over a million from Police/Fire backstop reserves.
- Need direction on outside agencies. Humane Society handled with RFP.
- Goal of cash reserves in the \$5-6 million range.
- Ongoing annual commitments:
  - Economic Development Corporation; \$750,000
  - Library bonds; \$830,000; 2016
  - Event Center bonds; \$570,000; 2025
  - Law Enforcement Center bonds; \$855,000; 2018

**OUTSIDE AGENCIES:**

<u>ORGANIZATION</u>	<u>2004</u> <u>\$ FUNDED</u>	<u>2005</u> <u>FUNDED</u>	<u>2006</u> <u>FUNDED</u>	<u>2007</u> <u>FUNDED</u>	<u>2008</u> <u>REQUESTED</u>	<u>STAFF</u> <u>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. L. 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 (Suzer on kind, postage, etc.)					\$ 900	\$ 900
Third City Community Clinic					\$ 1,000	0
Headland 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</u> <u>\$ FUNDED</u>	<u>2005</u> <u>FUNDED</u>	<u>2006</u> <u>FUNDED</u>	<u>2007</u> <u>FUNDED</u>	<u>2008</u> <u>REQUESTED</u>	<u>STAFF</u> <u>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	\$ 120,000
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	\$ 307,500
<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>\$ 372,900</b>

The City has issued a Request for Proposals for Humane Society services. Discussion was held concerning a future study session, criteria, and a phasing out for supporting these agencies. Councilmember Nickerson recommended a committee be appointed to review the criteria for outside agencies. Councilmember Carney suggested we find out what the value was to the city from each agency. Mayor Hornady suggested this be the last year to fund these agencies.

Councilmember Gericke was present at 6:20 p.m.

### **TIMETABLE AND BUDGET PROCESS:**

Finance Director David Springer presented the following overview of the budget timeline:

- Concentration heavily on the General Fund which operates the City's functions. Enterprise Funds function as business entities, receive no tax monies. Any rate changes must be approved by council.
- Departments submit 2008 projections and new budget request mid-May.
- Departmental conferences with City Administrator/Finance Director, end of May.
- Council involvement and various actions, June into September.

Councilmember Carney was absent at 7:10 p.m.

### **STATE FAIR PRESENTATION:**

Don Dunn, Chairman of the Board of the Grand Island Area Chamber of Commerce presented a PowerPoint on the State Fair moving to Grand Island. Economic impact, increased city sales tax revenues, enhanced utilization of the Heartland Events Center, showcase importance of Nebraska agriculture were a few to the reasons to have the State Fair come to Grand Island. The process of bringing the State Fair to Grand Island was presented.

Mr. Dunn explained the following Financial Contributions:

Total Improvements = \$42 million

Outside Funding = \$33.5 million

Community Funding = \$8.5 million

The following Community's Funding Opportunities were presented:

- Public/Private Partnerships
- Support from corporations, individuals, local and state-wide foundations
- Potential revenue stream from public sources
  - \* City occupation tax expansion paid by non-residents
  - \* Hall County Agricultural Society
  - \* Economic Development and/or CRA funds, County keno proceeds

The following were proposed City Involvement opportunities:

- North/South Road to provide for improved transportation convenience, pedestrian safety and emergency responder accessibility
- Infrastructure (parking lot, lighting, recreation, paving, drainage, relocation/extension of utilities)

- 10% match of State Lottery Proceeds to State Fair

Cindy Johnson and Jay Vavricek were present to answer questions. Discussion was held regarding the \$8.5 million funding. Any improvements made by the City within the Fonner Park area goes towards the \$8.5 million, such as dedicated streets, water/sewer lines, electrical lines, engineering costs, etc. The impact of the State Fair on the City of Lincoln was \$27 million gross. Funding sources were reviewed such as Keno, CRA, EDC - LB 840 funds and bonding up to \$5 million without going to a vote of the people. Possible joint bonding with the City and County was mentioned. Other sources were mentioned such as Community Development Block Grants, turn back tax, public/private donations, corporations, hotel/motel occupation tax, etc.

Jay Vavricek commented on the increased activity to the City of Grand Island to get the State Fair here through new jobs, construction, etc. He stressed it would take the whole community working together to make this work.

Mr. Dunn stated LB 1116 would to be signed by Governor Heinemann at Fonner Park tomorrow morning to move the State Fair to Grand Island. The bill included a provision to have a representative from Grand Island on the State Fair board. Discussion was held on who would own the buildings on the sight. Mr. Dunn stated the State Fair would not own the buildings. Further discussion would need to be held, but would be owned by the community of Grand Island. The next step for the City would be to create a committee including City, County, CRA, Chamber, etc. representatives to discuss financing issues.

#### **2008-2009 GOALS DEVELOPMENT:**

City Administrator Jeff Pederson commented on the reformation and adoption of a new set of goals. Mentioned were goal statements to drive the objectives.

Mayor Hornady thanked everyone in attendance.

**ADJOURNMENT:** The meeting was adjourned at 9:00 p.m.

RaNae Edwards  
City Clerk