



City of Grand Island

Tuesday, August 26, 2008

Council Session

Item G3

Approving Minutes of August 19 and 20, 2008 City Council Budget Meetings

Staff Contact: RaNae Edwards

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL BUDGET MEETING

August 19, 2008

Pursuant to due call and notice thereof, a Regular 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 August 19, 2008. Notice of the meeting was given in *The Grand Island Independent* on August 13, 2008.

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

INVOCATION was given by Reverend Nancy Lambert, Trinity United Methodist Church, 511 North Elm Street followed by the PLEDGE OF ALLEGIANCE.

RESOLUTIONS:

#2008-217 – Consideration of Approving Contract with IBEW. Brenda Sutherland, Human Resources Director reported that city administration had negotiated a labor agreement with IBEW utilities department and finance department that would run from October 1, 2008 through September 30, 2011. Ms. Sutherland explained the increases in the contract.

Questioned was if there would be an increase in electrical rates if this contract was approved. Gary Mader, Utilities Director stated this would not increase the electrical rates.

Motion by Meyer, second by Brown to approve Resolution #2008-217. Upon roll call vote, all voted aye. Motion adopted.

Council President Nickerson and IBEW representatives Mike Semm and Dan Quick signed the contract.

ORDINANCES:

Councilmember Gilbert moved “that the statutory rules requiring ordinances to be read by title on three different days be suspended and that ordinances numbered:

#9178 – Sale of Lot 8, Platte Valley Industrial Park Third Subdivision

#9179 – Consideration of Approving Salary Ordinance

be considered for passage on the same day upon reading by number only and that the City Clerk be permitted to call out the number of these ordinances on first reading and then upon final passage and call for a roll call vote on each reading and then upon final passage.” Councilmember Haase second the motion. Upon roll call vote, all voted aye. Motion adopted.

#9178 – Sale of Lot 8, Platte Valley Industrial Park Third Subdivision

Gary Mader, Utilities Department Director reported Ordinance #9178 would allow for the sale of Lot 8, Platte Valley Industrial Park Third Subdivision to the Grand Island Economic Development Corporation in the amount of \$125,820.00.

Motion by Meyer, second by Ramsey to approve Ordinances #9178.

City Clerk: Ordinance #9178 on first reading. All those in favor of the passage of this ordinance on first reading, answer roll call vote. Upon roll call vote, all voted aye. Motion adopted.

Council member Zapata was present at 7:20 p.m.

City Clerk: Ordinance #9178 on final passage. All those in favor of the passage of this ordinance on final passage, answer roll call vote. Upon roll call vote, all voted aye. Motion adopted.

Council President Nickerson: By reason of the roll call votes on first reading and then upon final passage, Ordinance #9178 is declared to be lawfully adopted upon publication as required by law.

#9179 – Consideration of Approving Salary Ordinance

Brenda Sutherland, Human Resources Director reported Ordinance #9179 was the annual salary ordinance for all city employees for fiscal year beginning October 1, 2008. Many of the wages reflected labor agreements approved previously by the City Council. It was recommended a 3.75% increase to non-union employees and a 4.75% increase for department directors. Ms. Sutherland explained the changes in wages for the union contracts.

Motion by Meyer, second by Ramsey to approve Ordinance #9179.

Discussion was held on the 4.75% increase for Department Directors.

Motion by Meyer, second by Carney to amend Ordinance #9179 to decrease the Department Directors salaries from 4.75% to 3.75%. Upon roll call vote, Councilmember's Meyer, Niemann, Ramsey, Gilbert, Carney, Gericke, Nickerson, Haase, and Brown voted aye. Councilmember Zapata voted no. Motion adopted.

Discussion was held on the Finance Secretary salary. Finance Director David Springer stated this position was non-union and this was an adjustment for the extra work performed in this position.

Motion by Gericke, second by Meyer to adjust the Finance secretary to the same as all other non-union secretaries. Upon roll call vote, all voted aye. Motion adopted.

Discussion was held on non-union salaries and how much of a savings would be realized if the salaries were at 3% instead of the proposed 3.75%. Finance Director David Springer stated he did not have that information, but could get it for council.

Motion by Gilbert, second by Carney to postpone Ordinance #9179 to the August 20, 2008 meeting. Upon roll call vote, Councilmember's Ramsey, Gilbert, Carney, Zapata, Haase and Brown voted aye. Councilmember's Meyer, Niemann, Gericke and Nickerson voted no. Motion adopted.

Review of Proposed FY 2008/2009 City Single Budget. Jeff Pederson, City Administrator presented a brief summary of the city budget including the General Fund, cash balances, and addendums. Mr. Pederson presented the following Key Fiscal Issues:

- Sales tax revenue growth not sufficient to fund operational increases of the General Fund
- Property tax funding a declining percentage of General Fund operations
- Depletion of General Fund Reserves no longer possible at previous years levels New expanded revenue sources necessary to "bridge" time until sales tax debt obligations are paid
- Need to begin to draw down excess monies from Firefighters unallocated fund as a means to deal with revenue needs of the General Fund
- Property Tax levy needs to begin gradual upward adjustment to assume a greater role in the General Fund Revenue
- A plan for funding capital projects in the General Fund needs to be identified to include an increased role for debt financing

The following Major Steps Proposed to Address Issues were presented:

- Increase in property tax mill levy from .238319 to .250000
- Sell General obligation bond of \$2 million to provide revenue for public works projects
- Expense several years of City firefighter retirement match against unallocated fund
- Consider only "critical" additions to workforce
- Funding for only the highest priority capital projects

David Springer, Finance Director explained changes to the Proposed Budget book. (See attached) In addition to these changes were \$50,000 reduction in Fire expenses, \$450,000 reduction in Public Works paving projects, and the deletion of all the capital items in Emergency Management due to the County's lack of funding. Mr. Springer stated the city was in good shape financially.

The council reviewed each department's budget. Discussions were held regarding travel and training, overtime, and insurance.

Motion by Gilbert, second by Gericke to fix the time to which to adjourn to Wednesday, August 20, 2008 at 7:00 p.m. Upon roll call vote, all voted aye. Motion adopted.

ADJOURNMENT: The meeting was adjourned at 9:25 p.m.

City Council Budget Meeting – Cont.
August 20, 2008

Pursuant to due call and notice thereof, a Regular 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 August 20, 2008. Notice of the meeting was given in *The Grand Island Independent* on August 13, 2008.

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

The PLEDGE OF ALLEGIANCE was said followed by roll call.

Finance Director David Springer commented on the time-line for completing the budget.

The City Council resumed review of the 2008/2009 proposed budget.

Discussion was held concerning monies budgeted to clean out ditches, culverts, and detention cells in the Public Works Department. Steve Riehle, Public Works Director stated there were monies budgeted. Mr. Riehle commented on Stolley Park drainage. Explained was the increase in the Curbs, Gutters & Sidewalks line item. This was because of Federal regulations.

Steve Paustian, Parks and Recreation Director answered several question concerning the Heartland Public Shooting Park's budget. Also discussed were capital projects. Mr. Paustian updated the Council on problems with the Lincoln pool.

Council reviewed the five year capital projects. Discussed were Hike/Biker Trails, Soccer/baseball field development at the Veterans Home, Aquatic Development, Grade Separation at Broadwell/UPRR, and South Locust; I-80 to Hwy 34.

Steve Riehle, Public Works Director explained federal matching funds and what they could be used for. Discussion was held regarding way-side horns and closing intersections. Chad Nabity, Regional Planning Director commented that the \$150,000 budgeted for way-side horns were for four crossings and this would be matched with CRA funds.

Steve Paustian, Parks and Recreation Director commented on the Racquet Center. Currently it was being leased.

Discussion was held regarding the funding of the Hartland Public Shooting Park.

Motion by Gilbert, second Meyer to delete the \$150,000 for the CAPP Land Develop-Heartland Public Shooting Park under the 400 Fund Capital Projects. Upon roll call vote, Councilmember's Brown, Haase, Zapata, Nickerson, Carney, Gilbert, Ramsey, Niemann and Meyer voted aye. Councilmember Gericke voted no. Motion adopted.

Discussion was held on budgeted Misc. Safety Enhancements-RR Study in the amount of \$150,000.

Motion by Meyer, second by Niemann to decrease the 400 Fund Capital Project Misc. Safety Enhancements-RR Study from \$150,000 to \$25,000. Upon roll call, Councilmember's Brown, Zapata, Nickerson, Gericke, Carney, Gilbert, Ramsey, Niemann and Meyer voted aye. Councilmember Haase voted no. Motion adopted.

Discussion was held on the budgeted purchase of a bob-cat for the Heartland Public Shooting Park.

Brenda Sutherland, Human Resources Director commented that a decrease of non-union salaries to 3% would be a savings of \$57,608. If Department Director's were included it would be a savings of \$67,973. There would be a savings of \$20,000 if the Travel and Training were reduced 10%.

David Springer, Finance Director explained the Fire & Police Pension fund. A lengthy discussion followed.

Steve Riehle, Public Works Director answered questions concerning increased sewer system pipe in the Stolley Park area. Jeff Pederson, City Administrator commented on the 400 Capital Improvements Fund. Steve Paustian, Parks and Recreation Director commented on the salary ordinance.

#9179 – Consideration of Approving Salary Ordinance

Motion by Gilbert, second by Haase to amend Salary Ordinance #9179 to decrease the non-union salaries to 3% with the exception of Division Chiefs of the Fire Department, Wastewater Superintendent and Library Pages.

Motion by Meyer, second by Carney to call the question. Upon roll call vote, Councilmember's Meyer, Ramsey, Gilbert, Carney, Nickerson, Zapata, and Haase voted aye. Councilmember's Niemann, Gericke and Brown voted no. Motion adopted.

Upon roll call vote on amendment to Salary Ordinance #9170 to decrease the non-union salaries to 3% with the exception of Division Chiefs of the Fire Department, Wastewater Superintendent and Library Pages, Councilmember's Ramsey, Gilbert and Haase voted aye. Councilmember's Meyer, Niemann, Carney, Gericke, Nickerson, Zapata, and Brown voted no. Motion failed.

City Clerk: Ordinances #9179 on first reading. All those in favor of the passage of this ordinance on first reading, answer roll call vote. Upon roll call vote, Councilmember's Meyer, Niemann, Carney, Gericke, Nickerson, Zapata, and Brown voted aye. Councilmember's Ramsey, Gilbert and Haase vote no. Motion adopted.

City Clerk: Ordinance #9179 on final passage. All those in favor of the passage of this ordinance on final passage, answer roll call vote. Upon roll call vote, Councilmember's Meyer, Niemann, Carney, Gericke, Nickerson, Zapata, and Brown voted aye. Councilmember's Ramsey, Gilbert and Haase vote no. Motion adopted.

Council President Nickerson: By reason of the roll call votes on first reading and then upon final passage, Ordinance #9179 is declared to be lawfully adopted upon publication as required by law.

Council recessed at 9:45 p.m. and reconvened at 10:00 p.m.

Discussion was held on the Enterprise Funds. Gary Mader, Utilities Department Director and Steve Riehle, Public Works Director commented on rate increases.

Motion by Carney, second by Gericke to restore \$14,000 in the Legislative budget under Travel and Training. Upon roll call vote, Councilmember's Ramsey, Gilbert, Carney, Gericke, Nickerson and Brown voted aye. Councilmember's Meyer, Niemann, Zapata and Haase voted no. Motion adopted.

Motion by Carney, second by Meyer to hold the Mill Levy at .25 as presented in the proposed budget.

Motion by Gericke, second by Nickerson to amend the Mill Levy to .27. Upon roll call vote, Councilmember's Gericke, Nickerson and Zapata voted aye. Councilmember's Meyer, Niemann, Ramsey, Gilbert, Carney, Haase and Brown voted no. Motion failed.

Roll call upon the main motion to hold the Mill Levy at .25, Councilmember's Brown, Haase, Zapata, Gericke, Carney, Gilbert, Ramsey, Niemann and Meyer voted aye. Councilmember Nickerson voted no. Motion adopted.

Discussion was held concerning bonding capital projects. City Administrator Jeff Pederson stated the City would have to eventually bond capital projects in the future.

Motion by Gilbert, second by Haase to not include \$2 million bonding for the Capital Projects in the 2008/2009 budget. Upon roll call vote, Councilmember's Niemann, Ramsey, Gilbert, Carney and Haase voted aye. Councilmember's Meyer, Gericke, Nickerson, Zapata and Brown voted no. Motion failed.

Motion by Meyer, second by Brown to approve \$2 million bonding for Capital Projects in the 2008/2009 budget. Upon roll call vote, Councilmember's Meyer, Gericke, Nickerson, Zapata and Brown voted aye. Councilmember's Niemann, Ramsey, Gilbert, Carney and Haase voted no. Motion failed.

Motion by Meyer, second by Ramsey to approve the requests made by Mayor Hornady and the changes as presented in the addendum on Tuesday, August 19, 2008 with the exception of the change to Travel and Training in the Legislative budget. Upon roll call vote, Councilmember's Meyer, Ramsey, Gilbert, Carney, Gericke, Nickerson, Zapata, and Brown voted aye. Councilmember's Niemann and Haase voted no. Motion adopted.

Discussion was held regarding traffic signals at the Library. Steve Fosselman, Library Director requested \$70,000 to be included in the 2008/2009 budget to complete this project.

Discussion was held regarding increasing the storm management system pipe from 24" to 36" along Stolley Park Road. Steve Riehle, Public Works Director commented that the engineering study in an amount of \$50,000 was currently in the budget, but the construction in an amount of \$250,000 was not included in the 2008/2009 budget.

Motion by Gilbert, second by Brown to approve the increase of the storm management system from 24" to 36" on Stolley Park Road not to exceed \$250,000.

Motion by Carney, second by Meyer to postpone this item until Tuesday, August 26, 2008. Upon roll call vote, all voted aye. Motion adopted.

David Springer, Finance Director stated that if the Council was going to take action on the State Fair it would have to be done by the September 9, 2008 Council meeting.

ADJOURNMENT: The meeting was adjourned at 11:05 p.m.

RaNae Edwards
City Clerk

FISCAL YEAR 2008-2009 ADDENDUM TO PROPOSED BUDGET

<u>FUND</u>	<u>DEPARTMENT</u>	<u>CHANGE</u>	<u>ACCT #</u>	INCREASE (DECREASE) FUND APPROPRIATION
General	Mayor	Mayor Forgave 2009 Salary	10011203-Payroll	(14,025)
General	Council	Travel Expense Decrease	10011204-85428	(7,000)
General	Finance	IBEW-Contract Wage Changes	10011401-Payroll	7,679
General	Emergency Mgmt	Remove FTE-Communication Specialist	10022601-Payroll	(48,657)
General	Library	Remove FTE-Assistant & Library Page	10044301-Payroll	(42,904)
CHANGE IN APPROPRIATION				(104,907)
PROPOSED APPROPRIATION				36,661,936
AMENDED APPROPRIATION				36,557,029
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400 Fund	Capital Improve	Fiber Optic Connections	40015025-90002	50,000
400 Fund	Capital Improve	Fire Training Center	40015025-90170	(50,000)
400 Fund	Capital Improve	Annual Paving Project	40033530-90060	(100,000)
CHANGE IN APPROPRIATION				(100,000)
PROPOSED APPROPRIATION				3,391,000
AMENDED APPROPRIATION				3,291,000
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505 Fund	Solid Waste			
CHANGE IN APPROPRIATION		Move GPS Equip purchase from 2008 to 2009	50530043-85615	80,000
PROPOSED APPROPRIATION				2,889,477
AMENDED APPROPRIATION				2,969,477
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530 Fund	WWTP			
CHANGE IN APPROPRIATION		10% Engineer Fees-Install Mechanism Primaries	53030054-85213	99,000
PROPOSED APPROPRIATION				12,494,650
AMENDED APPROPRIATION				12,593,650
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605 Fund	Info Technology			
CHANGE IN APPROPRIATION		IBEW-Contract Wage Changes	60510001-Payroll	27,534
PROPOSED APPROPRIATION				1,041,832
AMENDED APPROPRIATION				1,069,366
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2009 Budget Summary Appropriations				
GENERAL FUND				(104,907)
CAPITAL IMPROVEMENTS FUND				(100,000)
ENTERPRISE FUNDS				179,000
INTERNAL SERVICE FUNDS				27,534
CHANGE IN APPROPRIATION				1,627
PROPOSED APPROPRIATION				145,538,070
AMENDED APPROPRIATION				145,539,697

City of Grand Island			Fiscal Year 2008-2009	
<u>Changes to Proposed Annual Budget</u>			<u>Effect on Ending Cash Balance</u>	
	<u>2008 Projection</u>		<u>Reason</u>	
100 Fund	10,495	Decrease Mayor's Salary 2008	Mayor forgave 2008 Salary	
100 Fund	25,000	Increase in Interest Income-Nondepart	Change in projection	
100 Fund	25,000	Increase in Ambulance Revenue	Change in projection	
100 Fund	35,000	Increase in Wireless Franchise Revenue	Change in projection	
100 Fund	(100,000)	Decrease in Sales Tax Revenue	Change in projection	
100 Fund	(4,505)	Net Increase (Decrease)		
210 Fund	80,000	Net Increase (Decrease)	Increase Gas Tax State Funds	
400 Fund	147,676	Net Increase (Decrease)	Increase Intergovernmental Revenue	
401 Fund	40,000	Net Increase (Decrease)	Increase Special Assessment Paving Revenue	
505 Fund	80,000	Net Increase (Decrease)	Move GPS Equip purchase from 2008 to 2009	
530 Fund	(351,219)	50530055-85213-53019	Resolution 2008-206 Sewer Change Order-Capital Ave	
530 Fund	650,000	53030001-74500	Increase Projection Sewer Revenue	
530 Fund	170,000	53030001-74787	Increase Projection Interest Income	
530 Fund	468,781	Net Increase (Decrease)		
615 Fund	500,000	Net Increase (Decrease)	Change in projection for Health Ins employee premiums	
	1,311,952	All Funds 2008 Projection Cash Increase		
<u>2009 Budget</u>			<u>Reason</u>	
100 Fund	104,907	Change in General Fund Appropriations	See 2008-2009 Addendum Proposed Budget Worksheet	
100 Fund	(2,466)	10022605-74773	Remove FTE-Communication Specialist-Health Ins	
100 Fund	25,000	10022102-74528	Increase in Ambulance Revenue	
100 Fund	35,000	10055001-74034	Increase in Wireless Franchise Revenue	
100 Fund	(23,096)	10022601-74355	Decrease revenue from County-50% of expenses	
100 Fund	112,500	10022101-74360	Fire Revenue-Federal Grant-Defibrillator	
100 Fund	251,845	Net Increase (Decrease) 2009		
210 Fund	100,000	Net Increase (Decrease) 2009	Increase Gas Tax State Funds	
400 Fund	100,000	Net Increase (Decrease) 2009	Change in Appropriations	
505 Fund	(80,000)	Net Increase (Decrease) 2009	Change in Appropriations	
530 Fund	(99,000)	Net Increase (Decrease) 2009	Change in Appropriations	
605 Fund	(27,534)	Net Increase (Decrease) 2009	Change in Appropriations	
615 Fund	600,000	Net Increase (Decrease) 2009	Change in projection Health Ins employee premiums	
	845,311	All Funds Cash Increase 2009 Budget		
	2,157,263	All Funds Cash Increase 2008 Projection & 2009 Budget		