



City of Grand Island

Tuesday, August 24, 2010

Council Session

Item G2

**Approving Minutes of August 12, 2010 City Council Special
(Budget) Meeting**

Staff Contact: RaNae Edwards

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL BUDGET MEETING

August 12, 2010

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 12, 2010. Notice of the meeting was given in *The Grand Island Independent* on August 6, 2010.

Mayor Hornady called the meeting to order at 7:00 p.m. The following City Council members were present: Councilmember's Meyer, Niemann, Haase, Carney, Dugan, Ramsey, Zapata, Nickerson, and Gericke. Council President Gilbert arrived late. The following City Officials were present: City Administrator Jeff Pederson, Assistant to the City Administrator Shannon Oster, Finance Director Mary Lou Brown, City Attorney Dale Shotkoski, and Public Works Director Steve Riehle.

INVOCATION was given by Mayor Hornady followed by the PLEDGE OF ALLEGIANCE.

MAYOR COMMUNICATION: Mayor Hornady introduced Community Youth Council members, Daniel Carlson and Alec Baxter.

PUBLIC HEARING:

Public Hearing on Proposed FY 2010-2011 City Single Budget. This item was continued from the Special (Budget) Meetings of August 3, 5 & 10, 2010.

The following people spoke with regards to the Proposed FY 2010-2011 City Single Budget:

- Ralph Naber, 4017 West Capital Avenue wanted to speak about the Capital Improvement Projects on North Road and Capital Avenue projects.

No further public testimony was heard.

Review of Proposed FY 2010/2011 City Single Budget. The City Council continued the review and discussion of the FY 2010/2011 City Single Budget. Jeff Pederson, City Administrator, spoke on the request on Tuesday August 10th to present Council a list of excess City assets. The list was not discussed, but a study session will be scheduled for the topic in the fall. Pederson said remaining staff questions and requests from Tuesday, August 10th on the General Fund will be addressed on Tuesday, August 17th.

Capital Improvement Program Budget Review

Steve Riehle, Public Works Director, presented the review of the CIP Fund by a PowerPoint presentation with an overview of the CIP budget. Riehle explained that CIP projects were scored and ranked according to the following criteria:

- Reaffirmation of Committed Projects
- Fund Leveraging
- Overall Cost to City

- Life Safety and Legal Issues
- Immediacy of Need-Urgency
- Operational Savings and Efficiencies
- Do-able, Ease of Implementation, Likelihood of Success, Difficulty Implementing and Solve the Need

Riehle showed the projects in the 2011 CIP Fund according to three funding sources:

- Gas Taxes:
- Bonding
- Special Assessments & Keno

Review of Round-Abouts and North Road and Capital Avenue Round-About

Riehle discussed in more detail the North Road and Capital Avenue Round-About project, which is appropriated \$360,000 by Gas Taxes. Accident and congestion at this intersection was first studied by the City in 1986, and reviewed by Council in 2005, when the intersection was one short of warrants for a signal. Riehle explained why Round-Abouts are safer than other traffic calming devices, and require less operational costs. As a result round-abouts have greatly increased over the last 20 years. Examples of Norfolk, Nebraska were presented. Kansas Dept of Transportation has a significant website on Round-Abouts. Riehle recommended the Council pass the CIP as part of the budget and a future study session could be held on round-abouts.

Discussion was held regarding the proposed North Road and Capital Avenue round-about. Councilmember Nickerson commented on the number of accidents at the intersection from the Nebraska Department of Roads website.

Council asked if the Gas Tax funding needed to be used only for road related projects. Riehle replied yes, but with some exceptions to drainage. Discussion was held on projects funded by bonding versus projects that could use gas tax funds.

Home and property concerns were expressed, which Riehle replied that the Public Works Department has talked to the property owners at the intersection and they were okay with the round-about project.

Council asked about the Fiber Optic Connection project not being complete. Mary Lou Brown, Finance Director answered that the project is underway and more funds than projected could be spent, but not new money budgeted.

Mary Lou Brown answered questions about a decrease in the Gas Tax cash balance over the last three years. Brown said the decrease was an effort to draw down a high cash balance in the 2011 Budget, but \$500,000 is not used in a sustainable manner.

Motion by Carney that the Council request that the CRA conduct a study about the impact the Lincoln Park Pool has on the area wherein it is located, as well as on the City as a whole, and provide Council with the results within 90 days, second by Gericke.

Comments were made on the timeframe to complete a study and the CRAs ability to complete a study requested.

Upon roll call vote to request a study on Lincoln Park Pool Councilmember's Meyer, Niemann, Haase, Carney, Zapata, Nickerson, and Gericke aye. Councilmember's Gilbert, Dugan, and Ramsey voted no. Motion adopted.

Discussion regarding the round-about project resumed and Riehle answered questions about how round-about handle traffic. Riehle told the Council that round-about handle traffic better than signals.

Motion by Meyer to leave this (North and Capital Round-About) in the CIP, but have a study session on other options besides round-about, second by Carney.

Discussion about removing the round-about project or keeping it in the CIP Budget was held.

Upon roll call vote to leave the round-about in the Budget and study later Councilmember's Meyer, Carney, Dugan, and Gericke vote aye. Councilmember's Niemann, Gilbert, Haase, Ramsey, Zapata, and Nickerson voted no. Motion failed.

Gilbert motioned to remove the round-about from the FY2010-2011 CIP Budget, second by Ramsey. Upon roll call vote Councilmember's Meyer, Niemann, Gilbert, Haase, Carney, Dugan, Ramsey, Zapata, and Nickerson voted aye. Councilmember Gericke voted no. Motion adopted.

Nickerson made a motion to fund the Independence Ave Drainage and Wasmer Detention Cell projects funded by Gas Tax, second by Niemann.

Discussion was held on reallocating funds to different projects, and if State and Federal regulations would allow that. Pederson cautioned the Council from moving funding away from the CIP fund to maintain an adequately funded level.

Upon roll call vote to allocate Gas Tax funds Councilmember's Meyer, Niemann, Gilbert, Carney, Dugan, Ramsey, Nickerson and Gericke voted aye. Councilmember Zapata and Haase voted no. Motion adopted.

Council Member Haase left the meeting at 8:15 p.m.

More discussion was held on the CIP Fund and reallocating projects away from funding by bonding. Council discussed the Environmental Study and Engineering of Broadwell/UPRR (Union Pacific Railroad) project. Riehle said the study will help determine if the rest of the project should move forward. Mayor Hornady told the Council she called UP last week and they assured her things will be moving faster. Riehle asked what the difference between an overpass and underpass with the railroad.

Motion by Niemann to strike the Environmental Study from UPRR from the budget, second by Gilbert.

Upon roll call vote Councilmember's Meyer, Niemann, Gilbert, Carney, Dugan, Ramsey, Zapata, Nickerson and Gericke voted aye. Motion adopted.

Council discussed what should happen with additional funding no longer appropriated to CIP projects removed. Comments were made requesting that City staff have enough time by Tuesday to see what additional projects could move forward in the CIP fund since other projects were removed. Some Council did not want to re-appropriate funds to new projects. Brown clarified that transfers from the CIP Fund to the General Fund were because anticipated revenue from a Federal grant.

Motion by Dugan to adopt the CIP as amended tonight with a placeholder for \$100,000 gas tax appropriation, second by Niemann.

Upon roll call vote to adopt the amended CIP with a \$100,000 placeholder Councilmember's Niemann, Gilbert, Carney, Dugan, Ramsey, Zapata, Nickerson and Gericke voted aye. Councilmember Meyer voted no. Motion adopted.

Meeting recessed at 8:35 p.m.

Ramsey left at 8:35 p.m.

Readjourn at 8:50 p.m.

Review of Enterprise Funds:

Utilities

Utilities Director, Gary Mader, presented the review of the Utility Funds. He explained the bulk of the budget expenditures are fuel, equipment, etc, with a small portion to personnel. Mader explained that the Utilities Department participated in Program Prioritization and has been budgeting like Program Prioritization several years. Both Electric and Water utilities will continue multiple projects for the next several years for improvements and redevelopment of aging infrastructure. Utilities are not budgeted for rate increases.

There were questions for Mader and a discussion on the Electric and Water Utilities. Mader explained the Utilities Department is constantly planning ahead to address future issues and any potential new Federal or State regulations. Potential for contamination problems and avoiding those was discussed.

Gilbert said she is uncomfortable with the difference between revenues and expenditures in the Water and Electric Funds. Mader explained that is for capital improvements and planning for the future unknown costs. Gilbert asked about starting to do automated meter readings.

Wastewater Treatment Fund

Steve Riehle, Public Works Director, presented the Waste Water Treatment Plant budget. He said the WWTP has moved their emphasis from the treatment plant to the collection system, specifically for capital improvements. This is a result of JBS constructing their own pre-treatment facilities.

Carney commented on odor issues related to the WWTP. Nickerson asked about odor improvements with JBS and the WWTP since a study session was held in May. The Mayor

explained there is an Odor Committee researching the issue and an upcoming study session is planned.

The impact on operating revenues with JBS as a WWTP customer was discussed. Riehle said they are working on a revised rate model to plan for future years.

A concern about the lower cash balance reserves in comparison to prior years was expressed by Councilmember's. Pederson explained that the reserves are budgeted for large capital expenses, which is not an ongoing operating expense, so revenues are not less than operating expenditures. Staff said there will be a study session on the WWTP comprehensive plan, which will discuss the restructuring of rate structure, specifically regarding the change in capacity without JBS.

Jackrabbit Run Golf Course

Steve Paustian, Parks and Recreation Director, presented the Jackrabbit Run Golf Course budget. The Golf Course has been becoming more efficient over the last few years and is operating in the "black," in other words with a profit after operating expenses. That has allowed the Golf Course to put money back into improvements and replacements.

The ongoing replacement irrigation system was discussed. Paustian estimated several more years to replace the system due to staff time, the amount of income remaining after operating expense, and wear and tear. Meyer would like to see a larger club house area.

Nickerson prepared a spreadsheet for Council and staff explaining what an additional mill levy would look like for informational purposes only. He emphasized that he is not necessarily advocating raising property taxes, but wanted to have the information out in the public. The sheet was not discussed by the Council.

Gilbert asked Brown if there are any other "pressures" or sustainability issues to address in future budget years besides a \$500,000 gas tax pressure mentioned at the beginning of the meeting. Brown explained that wages will be an issue next budget year.

Budget discussing will resume Tuesday August 17th at 7:00 p.m.

ADJOURNMENT: The meeting was adjourned at 9:50 p.m.

Shannon Oster
Assistant to the City Administrator