



City of Grand Island

Tuesday, June 14, 2011

Council Session

Item I5

#2011-146 - Consideration of First Amendment to Display Agreement with the Central Nebraska Humane Society

Staff Contact: Mary Lou Brown

Council Agenda Memo

From: Mary Lou Brown, City Administrator

Meeting: June 14, 2011

Subject: Amendment to the Display Agreement with the Central Nebraska Humane Society

Item #'s: I-5

Presenter(s): Mary Lou Brown, City Administrator

Background

In 2002, the City of Grand Island and the Central Nebraska Humane Society entered into an agreement for the Humane Society to hold an annual light display at Stolley Park as a fundraiser. In 2003, by resolution 2003-265, the City agreed to pay for the cost of the electrical power installation for the light display as a loan to the Humane Society. The total cost of the project was \$39,512.80, paid by the City in December 2003. According to the original agreement, an annual 15% payback of the fundraiser's net proceeds would be paid to the City with no interest until paid in full.

The Humane Society discontinued the light display and therefore has not had the means to make payments established in the original agreement. There is an outstanding balance of \$28,704.47, due to the City. The City received payments from the Humane Society in 2004, 2005, 2006, and 2008, for a total of \$10,808.33. There was no payment in 2007, 2009, and 2010.

Discussion

In order to address the outstanding debt of \$28,704.47, and ensuring future repayments, officials from the City and Humane Society met this spring in order to negotiate a modified payment plan. The proposed Amendment to the Agreement revises the payment schedule, but it does not change the loan balance. The revised payment plan acknowledges the Humane Society's current financial position and also the timing coincides with future cash flows. The plan is as follows: \$100 annually starting in 2011 until 2013; and \$10,000 annual payments beginning in 2014 until the City is paid in full. The alternative option is for the City Council to elect to waive the remaining balance in

recognition of the services provided to the citizens of Grand Island. This action would result in a write off of the loan balance.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Postpone the issue to future date

Recommendation

City Administration recommends that the Council approve the First Amendment to the Display Agreement between the City of Grand Island and the Central Nebraska Humane Society.

Sample Motion

Move to approve the First Amendment to the Display Agreement between the City of Grand Island and the Central Nebraska Humane Society.

**FIRST AMENDMENT
TO
DISPLAY AGREEMENT BETWEEN
THE CITY OF GRAND ISLAND
AND
THE CENTRAL NEBRASKA HUMANE SOCIETY**

THIS AMENDMENT to the Agreement between the City of Grand Island, Nebraska, “City” and The Central Nebraska Humane Society, “Humane Society”, entered into on _____, _____, 2011 amends the payment obligations herein for the Agreement that was entered into by the Parties in order for the Humane Society to hold fundraisers at Stolley Park, Grand Island, NE beginning in 2003.

1. Pursuant to the display agreement, paragraph five (5), the City would pay to install electrical power and the Humane Society agreed to reimburse the City’s expense for such on an annual basis. The payments were to be 15% of the Humane Societies net proceeds until the debt was paid in total.

2. As of the above-referenced date, the outstanding payments amount to \$28,704.47.

3. Upon negotiations between the parties, it has been agreed that the Humane Society shall pay one hundred dollars (\$100.00) on an annual basis for three years, first payment becoming due on or before the first day of July 1, 2011. Payments shall increase to ten thousand dollars (\$10,000.00) annually in the fourth year until the outstanding debt is paid in total. All payments will be due on July 1.

IN WITNESS WHEREOF the parties have executed this Amendment to the original agreement on the ____ day of _____, 2011.

The Central Nebraska Humane Society,

By: _____

Attest:

CITY OF GRAND ISLAND, NEBRASKA,
A Municipal Corporation,

RaNae Edwards, City Clerk

By: _____
Jay Vavricek, Mayor

Approved as to form by City Attorney _____
Approved by Resolution 2011 - _____

RESOLUTION 2011-146

WHEREAS, on November 26, 2002, by Resolution 2002-369, the City Council of the City of Grand Island agreed to allow the Central Nebraska Humane Society to use a portion of Stolley Park to provide a light display as an annual fund raiser for the organization and the Central Nebraska Humane Society agreed to pay for electrical junction box hookups for such displays; and

WHEREAS, the city provided such junction boxes and there is still outstanding and due, twenty eight thousand seven hundred four dollars and forty seven cents (\$28,704.47) and it has been determined that modifications to the payment schedule are necessary; and

WHEREAS, such modifications have been incorporated into FIRST AMENDMENT TO DISPLAY AGREEMENT BETWEEN THE CITY OF GRAND ISLAND AND THE CENTRAL NEBRASKA HUMANE SOCIETY; and

WHEREAS, the result of such modification will not affect the contract price, however, the contract payment schedule shall be amended to reflect a revised payment schedule as follows: one hundred dollar (\$100.00) payments during the years 2011, 2012, and 2013 and ten thousand dollar (\$10,000.00) payments annually, starting 2014 and continuing until full payment is received by the City of Grand Island with payments due on July 1 of each year.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Mayor be, and hereby is, authorized and directed to execute amendment to the display agreement between the City of Grand Island and the Central Nebraska Humane Society to provide the modifications in payment schedule as set out above.

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Adopted by the City Council of the City of Grand Island, Nebraska, June 14, 2011.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form ☐ _____
June 10, 2011 ☐ City Attorney