



# City of Grand Island

Tuesday, August 09, 2011

Council Session

## Item G1

**Approving Minutes of July 25, 2011 City Council Special Meeting**

Staff Contact: RaNae Edwards

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL SPECIAL MEETING

July 25, 2011

Pursuant to due call and notice thereof, a Special 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 July 25, 2011. Notice of the meeting was given in the *Grand Island Independent* on July 19, 2011.

Mayor Jay Vavricek called the meeting to order at 7:00 p.m. The following Councilmember's were present: Chuck Haase, Larry Carney, Bob Niemann, Kirk Ramsey, Peg Gilbert, Mitch Nickerson, Linna Dee Donaldson, Randy Gard, and John Gericke. Councilmember Scott Dugan was absent. The following City Officials were present: City Administrator/Finance Director Mary Lou Brown, City Clerk RaNae Edwards, City Attorney Robert Sivick, and Public Works Director John Collins.

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

MAYOR COMMUNITCATION: Mentioned were 600 Boy Scouts visiting the community for the Merit Badge University.

OTHER ITEMS:

Discussion Concerning Municipal Equalization Funding and Property Taxes. City Administrator Mary Lou Brown reported that the Nebraska State Statutes offers a funding source to municipalities based on the calculation of state aid through the Municipal Equalization Fund (MEF). Funds were provided by the State through the insurance premium tax and the state administration fee on local option sales taxes collected by the State. Payments were based on a formula that compared municipalities' population and valuation with the statewide averages. Calculations were based on the non-bond property tax levy.

Ms. Brown stated the City of Grand Island mill levy would need to be increased for 2011-2012 in order to receive MEF dollars in 2013.

Currently a \$100,000 City homeowner pays \$22.71 a month for City services – streets, police, fire, library, parks, etc. Grand Island ranks the 6<sup>th</sup> lowest tax levy of all 1<sup>st</sup> Class Cities including Lincoln and Omaha. Every mill the City levies equals \$243,143.

The estimated valuation for 2012 was \$2,431,429,948. Several scenarios were presented representing the different levels of MEF calculations and what that increase would be to homeowners. \$17,462,000 was distributed to Cities across the state for 2011-2012.

Discussion was held regarding revenue sources and sustainability. Councilmember Nickerson made comments concerning raising taxes for legitimate reasons and not just to receive MEF monies. Ms. Brown stated there was no guarantee these funds would be received or continued.

Councilmember Gericke stated that if this increase was approved he would like to see no increase in fees or occupation taxes. Councilmember Haase stated he would not be in favor of raising property taxes to receive the MEF monies unless we decreased the sales tax.

Councilmember Carney commented on this being a select group of people who would pay the tax and wanted to know what the money would be used for. Councilmember Gard stated we don't know if the MEF monies would be sustainable and something we don't have control over.

Mayor Vavricek remarked on the need for sustainable revenue and that expenses were outpacing revenues. This was a potential option to use for increased revenues to maintain our current services.

Discussion Concerning Community Redevelopment Authority 2011-2012 Budget. Regional Planning Director Chad Naby presented the 2011-2012 Community Redevelopment Authority (CRA) budget. The CRA was requesting property tax revenues of \$431,384 for the 2011-2012 budget, the same as last year. City Administration recommended an additional \$201,000 for Lincoln Park Pool as part of the CRA budget by increasing the levy to \$0.026 per \$100/valuation. The additional funding would generate approximately \$200,787 to be used to pay off bonds issued for the purpose of rebuilding the Lincoln Park Pool. An Interlocal agreement between the City and CRA would be needed for CRA to issue bonds for the project. Tax Increment Financing (TIF) could be used for this project as it was in a Blighted and Substandard area and would have a longer term to be paid off.

Ms. Brown stated this was a way to bring closer to the Lincoln Park Pool. Three alternatives were mentioned: 1.) Cash, 2.) CRA; and 3.) Public vote.

The following people spoke:

- Barry Sandstrom, 2117 West Charles Street – concerned about CRA building Lincoln Pool and if it was that important should it go to a vote of the people. Other alternatives were mentioned such as partnering with the YMCA, schools, hospital, etc.
- Michael Hollman, 8220 West Fork Avenue, Hastings - CYC Student – spoke in support – suggested private and corporate funding
- Danielle Jim, 4239 Arizona Avenue - CYC Student – spoke in support – swimming lessons, water safety and education, partnering with the Grand Generation Center
- Garrett Coble, 670 12<sup>th</sup> Avenue, St. Paul - CYC Student – spoke in support – social contact and benefit to the community
- Deb Wetzel, 1003 Nebraska Avenue - spoke in support – recommended an Olympic size pool
- Adrienne Redwine, 1709 Mansfield Road – spoke in support
- Rachel Carlson, 1028 Sagewood Avenue – spoke in support – mentioned swimming lessons and the need for a deep water pool

Discussion was held concerning the cash position in CRA in the coming years. Mr. Naby stated CRA budgeted to spend all their money in the fiscal year to be used for projects to benefit the tax payers. Mr. Naby answered questions concerning other projects that may not be done because the levy would be maxed out and could not take on additional activities. Mentioned was that an

area would have to be defined to be used for TIF bonding that wouldn't jeopardize other projects in the area.

Councilmember Gilbert stated this issue should go to a vote of the people. Lincoln Pool was a want and not a need. Several Councilmember's spoke in support of CRA budgeting for Lincoln Park Pool. Mr. Nabity explained in order to issue TIF Bonds an Interlocal Agreement with CRA and the City would be needed. Parks and Recreation Director Steve Paustian answered questions concerning the staffing of Lincoln Park Pool. They had resources in place and would not need to increase costs. Councilmember Nickerson stated he felt the City needed to look at the big picture such as a different area, bigger pool, etc.

Mentioned was this was not a request from CRA, it was a City Administration recommendation.

Mayor Vavricek complimented the CYC on their involvement on this issue and encouraged them to continue their leadership.

ADJOURNMENT: The meeting was adjourned at 9:10 p.m.

RaNae Edwards  
City Clerk