



City of Grand Island

Tuesday, August 23, 2011

Council Session

Item G2

Approving Minutes of August 11, 2011 City Council Special Meeting

Staff Contact: Shannon Oster

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL SPECIAL MEETING

August 11, 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 August 11, 2011. Notice of the meeting was given in the *Grand Island Independent* on August 4, 2011.

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

INVOCATION was given by CYC member Kaitlin Hehnke followed by the PLEDGE OF ALLEGIANCE.

MAYOR COMMUNITCATION: Mayor Vavricek introduced CYC members, Kaitlin Hehnke, a senior at Grand Island Senior High, and Jessica Wiens, a senior at Grand Island Central Catholic. Mayor Vavricek commented on the four police officers that graduated will join the Police Department. Mayor Vavricek commented on the importance of the budget meetings.

Mayor Vavricek reported that there were documents provided to Council for the public record.

PUBLIC HEARING:

Public Hearing on Proposed FY 2011-2012 City Single Budget. City Administrator Mary Lou Brown reported that the budget story is a revenue story. The General Fund revenue will lose \$2 million in revenue from the 2011 FY to the 2012 FY due to the loss of: no one time transfer of \$1.5 million from the Gas Tax Fund, Legislature cutting \$375,000 in State Aid to Cities, and anticipation of \$125,000 withheld for the Nebraska Advantage Act payments. To balance the budget, Brown stated the goal of City Administration was to offset at least 50% of the revenue lost with new/additional revenue. In the 2012 Proposed Budget there is \$1,268,500 increased revenues, \$517,730 decreased expenses, and \$416,841 use of cash reserves. Brown reported that a combination of revenue and expense reductions in the proposed budget because last year there were \$1.9 million in expense reductions and 25 FTE reductions. A food and beverage allowance, increase in cell phone occupation tax and consumer fees are included in the proposed budget; however based on Council feedback a property tax appears to be a solution. The current property tax levy of .2725, could be increased by Council by .0520 for a total levy of .3245. A minimum of \$1.3 million in sustainable revenue is needed for the 2012 Budget.

Brown reported on expenses in the 2012 Budget. The remainder of the budget shortage is resolved through \$517,730 in cost reductions. Expense reductions were made are to operating and personnel costs.

Brown used program prioritization analytics to illustrate the challenges associated with expense reductions. The program prioritization model is a tool to guide and highlight where questions should be asked, but does not automatically cut or reduce low quartile programs. Cost reductions or elimination may require changes to other areas. Program analytics were reviewed for: mandated to provide services for program greater than a two; reliance on the city to provide service for programs less than three; mandate to provide services for programs with scores less than three and reliance on the city to provide service for programs with scores less than three; on the city to provide service for programs equal to a three; safe community programs with scores greater than a two; and programs that overall fall into quartiles three and four (lowest priority). Examples of programs for each analytics and the cost array were presented.

A review of financial information for programs in the Parks and Recreation Department were presented by Brown. An analysis of Parks services were reviewed for: Parks Management/Maintenance, Heartland Public Shooting Park, Indoor Recreation/Fieldhouse, Aquatics (Island Oasis, Lincoln Pool and youth swim lessons), Recreation (Baseball, Playground, Municipal Band, Children's Theater, Flag Football, Hersey Track Meet, Softball, and Administration), Stolley Park Train, Cemetery, Greenhouse, Golf (Enterprise Fund). Parks and Recreation Director Steve Paustian answered questions about the services presented.

2012 Proposed Budget personnel changes were reported for the General Funds. Changes include:

- Addition of a Assistant City Administrator and Finance Director position combination with the elimination of the Finance Director
- Eliminated a part time meter reader
- The Building and Planning departments are sharing the Planning Secretary for part of the year
- Community Service Officers reduced by 1.0088 FTE
- Reduction of a part time Police Records Clerk
- Half of the personnel costs of the Senior Public Safety Dispatcher in the Emergency Management Department is transferred to the E911 Fund
- Public Works will add an engineer, not fill a Senior Equipment Operator, reduce a part of an Accounting Technician, and transfer the GIS solely to IT.
- The Library will not fill vacant Library Assistant Director position
- Parks and Recreation will reduce seasonal workers

In total there is a reduction of 5.3338 full time equivalents in the General Fund. Brown reported on increased level of responsibility for the Finance Director/Treasurer position.

Discussion was held on the Proposed Budget presentation. The revenue option of increasing property taxes was discussed by Council as the sole option of revenue generation, versus a combination of other sources of revenue. Council discussed if increasing the property tax levy .0520 was fair to residents. Council President Gilbert stated that the Council should reconsider the cell phone company occupation tax. Comments on an adequate amount of cash reserves were

held. Brown reported that twenty people would be impacted if departments had to cut more expenses again.

Council recessed at 9:23pm and resumed at 9:35pm.

Expenses were reviewed and discussed. Brown reported that Governance program reductions were equal to Community Oriented programs. Discussion was held on the Finance Department and payments from the Enterprise Funds.

The proposed Assistant City Administrator personnel change was discussed. Brown answered questions about the increased responsibility of the proposed Assistant City Administrator versus just the Finance Department. Council asked questions about the recruitment and salary ranges of the proposed position.

Council discussed concerns about the proposed reductions to the Community Service Officers hours. Police Chief Lamken commented the impact of reductions.

ORDINANCES:

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

#9315 – Consideration of Amending Chapter 23 of the Grand Island City Code Relative to Food and Beverage Occupation Tax

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 this ordinance on second reading and then upon final passage and call for a roll call vote on each reading and then upon final passage.” Councilmember Nickerson second the motion. Upon roll call vote, all voted aye. Motion adopted.

City Administrator Mary Lou Brown reported that Ordinance #9315 would allow the City to use excess revenue from the food and beverage occupation tax for the State Fair Lottery match, which is \$350,000 a year. The lottery match is required by state statute for the State Fair host city. After the debt payments and lottery match the City could make additional debt payments with surplus funds if Ordinance #9315 is adopted. Food and beverage tax receipts are a bright spot for the City’s revenue.

Raymond O’Connor, 611 Fleetwood, spoke on Ordinance #9315.

Discussion was held on Ordinance #9315. Council discussed the original passage of the Food and Beverage Occupation Tax. Comments were made whether the City should pay off the debt of the Community Fieldhouse building early. Brown reported that the passage of Ordinance #9315 would reduce the amount of revenue necessary to fill the revenue gap.

Motion by Carney, second by Ramsey to approve Ordinance #9315.

Council discussed Ordinance #9315.

Motion by Gilbert, second by Ramsey to call for the question. Upon roll call vote, all voted aye. Motion adopted.

City Clerk: Ordinance #9315 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 Ramsey, Gilbert, Nickerson, Donaldson, Dugan and Gericke voted aye. Councilmember's Carney and Gard voted no. Motion adopted.

City Clerk: Ordinance #9315 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 Ramsey, Gilbert, Nickerson, Donaldson, Dugan and Gericke voted aye. Councilmember's Carney and Gard voted no. Motion adopted.

Mayor Vavricek: By reason of the roll call votes on first reading and then upon final passage, Ordinance #9315 is declared to be lawfully adopted upon publication as required by law.

RESOLUTION:

#2011-212 – Consideration of Approving Contract for Police and Fire Consultant. City Administrator Mary Lou Brown reported that public safety is the largest portion, approximately 50%, of the General Fund budget. This study will help the City make decisions about changes for the Police, Fire and Emergency Management departments. There were four finalists from the request for proposal process that the City interviewed. ICMA receiving the highest score.

Scott Kuhel, 1419 Independence Ave, spoke in opposition to the Police and Fire Consultant.

Discussion was held on regarding the cost, \$84,000, of the contract and this study as an investment for the future. Police Chief Steve Lamken and Fire Chief Troy Hughes answered questions about what the City will receive for the contract.

Motion by Gilbert to approve #2011-212 – Consideration of Approving Contract for Police and Fire Consultant, second by Councilmember Gard. Upon roll call vote, Councilmember's Ramsey, Gilbert, Donaldson, Dugan, Gard and Mayor Vavricek voted aye. Councilmember's Carney, Nickerson and Gericke voted no. Motion adopted.

ADJOURNMENT: The meeting was adjourned at 11:38pm.

Shannon Oster
Assistant to the City Administrator