



# **City of Grand Island**

**Tuesday, February 14, 2012**

**Council Session**

## **Item G2**

**Approving Minutes of January 31, 2012 City Council Study Session**

**Staff Contact: RaNae Edwards**

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL STUDY SESSION

January 31, 2012

Pursuant to due call and notice thereof, a Study Session 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 January 31, 2012. Notice of the meeting was given in the *Grand Island Independent* on January 25, 2012.

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, Scott Dugan, Randy Gard, and John Gericke. The following City Officials were present: City Administrator Mary Lou Brown, City Clerk RaNae Edwards, City Attorney Bob Sivick, and Interim Finance Director Jaye Monter.

INVOCATION was given by Community Youth Council member Dillon Spies followed by the PLEDGE OF ALLEGIANCE.

Mayor Vavricek introduced Community Youth Council members Dillon Spies and McKenzie Reed.

Also mentioned was that item 3 – Update Concerning the Wastewater Treatment Plant Headworks Project had been pulled from the agenda because the presentation was received after the agenda and packet were released and Council and the public did not have an opportunity to review it. This would be brought to a future Study Session.

OTHER ITEMS:

Update Concerning Heartland Events Center Operations. City Administrator Mary Lou Brown commented on the \$20.6 million asset of the Heartland Events Center (HEC). The City entered into a Lease Purchase Agreement in 2004 and the last payment will be made in 2024 at which time the City will own the building. The Management Agreement required an annual accounting to the City Council of which this was the first.

Marcy Luth, CPA with Almquist Maltzahn Galloway & Luth gave a financial overview of the Heartland Events Center (HEC). This organization was formed in 1998 with pledges starting to be received in 2000. Cash/Certificates of Deposit/Trust Investments in 2004 were \$8,674,653. Over the years the cash went down due to construction of the \$20,000,000 building. There was a balance of \$1,307,470 in 2011 of which \$300,000 had been designated for maintenance.

Net assets in 2011 were \$399,055. Equipment costs reflected HEC investment had risen over the years with a 2011 preliminary ending balance of \$979,438.

There were two bonds for HEC, one from the City of Grand Island and the other from Hall County. Contributions and Grants preliminary balance for 2011 was \$247,738. Operating

expenses over the last three years were over \$3,000,000 each year or about \$300,000 each month.

Discussion was held regarding the operating cost for Fonner Park employees who helped market the HEC. Ms. Luth stated the employees were Fonner Park employees and HEC paid Fonner Park. Depreciated value of HEC by 2024 was estimated at \$5,000,000.

Hugh Miner, Fonner Park CEO presented a PowerPoint of the history of the HEC. In the 1950's there was no permanent location for the Hall County Fair. In 1953 a group of leaders met to address the need to develop a permanent site for the county fair and host other community and area events.

At a joint meeting between Fonner Park and the Hall County Agricultural Society reached an agreement to work together. The Fonner group formed a non-profit public service corporation – the Hall County Livestock Improvement Association, Inc. Land was purchased from Gus Fonner. \$220,000 was raised to purchase land, build a race track, grandstand and barns to be used for racing, and be the location of the Hall County Fair and other community events.

A racing license to conduct thoroughbred race meets was received from the Nebraska State Racing Commission. In 1954 the first race took place. Future growth took place over the years at Fonner Park.

The first attempt to build an 8,000 seat facility was placed on the ballot on November 7, 1989 to be funded by a sales tax and was not approved by voters. In 1995 the issue was again on the ballot to be funded again by a 1/2 percent city sales tax and was not successful. In 1997, The Heartland Vision 2000 Study Group identified an Events Center as the Top Goal to accomplish.

In 1997, several motel owners met with Fonner Park CEO, Hugh Miner and asked if Fonner Park would consider taking the lead role in the development of a year round community facility on behalf of the community and motels. The City of Grand Island authorized the implementation of a 2% lodging tax to be used by the Heartland Events Center. The motel lodging tax would be used to cover any operating shortfalls and also for other operational expenses to include marketing and other needs.

Articles of Incorporation were filled out with the State of Nebraska for a new subsidiary corporation of Fonner Park to obtain approval from the IRS for the new corporation to become a non-profit 501-C3 corporation. This allowed donors to make a tax deductible contribution for the construction of the civic center.

Mr. Miner mentioned the project was a joint venture. The Community Redevelopment Authority provided \$25,000 to assist in the initial development of the project. The Grand Island Economic Development Corporation provided \$50,000 to develop schematic drawings for the project. Business & Community leaders played a major role in fund raising efforts for the project. Area Foundations, Trusts, and Corporations also played a key role in making the center a reality by making major contributions to fund construction of the facility.

The following were key funding to make the project a reality:

- City of Grand Island                      \$7.5 million
- Eihusen Foundation                      \$1.6 million
- Bosselman Family                      \$1.3 million
- Hall County                      \$1 million
- St. Francis Medical Center                      \$1 million
- Reynolds Foundation                      \$1 million

The following Fonner Park in-Kind Contributions were presented:

- \$10 million in infrastructure from hall County Livestock Improvement Association which included: parking, land, and existing space located on the main floor of the Concourse, Club House & Skyline levels of the Grandstand add to areas that could also be used for HEC events.
- These areas along with the Fonner Park 4-H Bldg & Café, and the Racing Office, and the new Nebraska State Fair Buildings make the Fonner Complex competitive with any facility outside of Omaha.

The following General Uses for the Facility were mentioned along with pictures showing many events held at HEC:

- Community Activities
- Educational Activities
- Family Activities
- Senior Activities
- Youth Activates
- Agricultural Shows & Conferences
- Trade Shows
- Sporting Events
- Performing Arts
- Entertainment
- Conventions
- Concerts
- Art Shows & Exhibits

Mr. Miner answered questions concerning the use of the facility for charitable events and the expenses for the events. Mentioned was a \$69,000 update to the sound system in 2011. Explained was three promotional staff and if people wanted to use the Events Center they were to contact Fonner Park.

Mentioned were the HEC Board members present: Barry Sandstrom, Steve Dowding, Jim Cannon, and Council President Peg Gilbert. Fonner Park Board members were: Ken Gnadt, Steve Kunzman, Steve Dowding, and Bruce Swihart.

Mr. Miner stated the biggest issue in the near future for HEC was to overlay the parking lot.

Cindy Johnson, Grand Island Area Chamber of Commerce, 309 West 2<sup>nd</sup> Street commented on the great asset we have in the HEC and moving to the next level with National and Regional competitions.

Discussion Concerning Open Burning. Interim Fire Chief Tim Hiemer gave a PowerPoint on the background history of open burning.

Up until July, 1991 burning was allowed on Wednesdays and Saturdays. At this time a complete burn ban was issued. On March 17, 1994 Council voted to place a repeal of burn ban on the May ballot. On May 24, 1994 Council passed Ordinance 7993 to allow opening burning for two weeks in the fall and two weeks in the spring. Currently open burning of yard waste is allowed two weeks in October and two weeks in April.

Problems with open burning were: consistent smoky haze over the city for the two week period; generates unnecessary complaint calls to 911; endangers property – has the ability to spread to structures; unable to ensure safety regulations are followed; encourages the burning of non-yard waste; one of only three surveyed cities in Nebraska that allow open burning. The Fire Department is currently not issuing burn permits, as per State Statutes do to the sheer number being issued.

The reasons for changing the current regulations were:

- Residents can now dispose of yard waste, free of charge, at the Transfer Station. This was not the case in 1994.
- In general society is recycling.
- People enjoy clean air year around.
- Enforce the State Statute on open burning.
- Promote safe and clean living.

Mr. Hiemer recommended the Council adopt the State Statute and not allow permits for open burning, except for special considerations and encourage use of the free composite site. This would require a 2/3 vote of the Council to over turn the 1994 election vote.

The following special considerations were recommended:

- Live fire training
- Essential agricultural operations
- Destruction of dangerous or storm damaged materials or diseased trees
- Clerk of land for development – requires permit from NE Dept. of Environmental Quality before issuing a burn permit for above fires
- Recreational or cooking fires in approved containers

Paul Wicht, 924 South Kimball spoke in opposition. Lewis Kent, 624 East Meves Avenue spoke in support of the burning ban.

Discussion was held concerning the State Statute banning open burning and the City Code currently allowed open burning with a permit. City Attorney Bob Sivick stated the City Code may be in conflict with State Statutes. Enforcement was mentioned. Mr. Hiemer stated if the

open burning was changed by issuing permits it would increase the work load in the Fire Department.

Councilmember Nickerson suggested this issue go to a vote of the people this year since it was important in 1994 and passed.

Update Concerning the Wastewater Treatment Plant Headworks Project. This item was pulled from the agenda.

ADJOURNMENT: The meeting was adjourned at 8:37 p.m.

RaNae Edwards  
City Clerk