

JULY 18, 2005

TENTATIVE CHANGES TO RECOMMENDED MAYOR'S BUDGET

PRESENT: KSVOBODA, JCOOK, AMcROY, JCAMP, PNEWMAN;  
RESCHLIMAN, DMARVIN, SHUBKA, CITY STAFF

Ken Svoboda opened the meeting at 10:05 A.M. Steve Hubka stated this meeting was to vote on tentative changes to the Mayor's budget for 2005-06. There will be a public hearing on the budget on August 8. The City Council (CC) will identify final changes on August 10, prior to the adoption of the budget.

Hubka referred to a handout, including General Expense (GE)/Court & Litigation; GE/Joint Budget Committee; (JBC); GE/Shared Services - Corrections, restore funding for school and conferences in Law; and restore funding in Parks for Municipal Band concerts (MBC) to be used as a one-to-one match for private fund-raising efforts (see attached handout).

Newman asked if Hubka could find another \$5,000 and put the entire \$10,000 for the MBC. Hubka said, the private fund raising could be hampered if it is there. Newman said total budgeted income for this year was \$105,000, and a majority of this is private money. She felt this was an event that needed to be funded for the full amount of \$10,000. Newman moved to add \$5,000 to the MBC. Hubka said this would reduce the amount from Corrections another \$5,000. Dan Marvin seconded the motion. Ayes: McRoy, Svoboda, Newman, Marvin, Cook; Nays: Eschilman, Camp. Motion carried 5-2.

Annette McRoy asked for explanation on parking increases, relating to the cost of \$357,000 in the contract for parking management. Fredrickson said his understanding of the increases were comparability for the other garages, and to fill under-utilized garages in the Haymarket and Marketplace. These are significantly under-utilized, so those rates will go down. The rates in the other garages for comparability will actually go up. They are trying to fill all the garages and have people walk a few blocks, using the under-utilized garage, which will allow to fill all garages. The Living Wage Ordinance (LWO) increased approximately \$344,000 and was anticipated. Fredrickson said, for the most part, rate increases are a challenge to consumers of the parking spaces to the facility under-utilized.

McRoy asked if it would encourage people to park in the outer, or under-utilized facilities, if the rates were reduced. This would let the ones closer to the entertainment districts stay the same rate, reducing those on the outside. Fredrickson said, most monthly parking is being raised. In some of the other garages, the proposal is to raise rates approximately \$10.00 in the center of downtown. The City is comparable to other garages in the area, trying to create an incentive to move to the out-lying garages, which are under-utilized. The City is trying to get that dollar different enough to have people make a cognizant choice to move from one garage to the other. The City is trying to give an economic choice for people to park in the other garages, and reduce the waiting list at the garages in the center of town.

Camp said the City is looking for an increase of about \$350,000 in rates downtown. The overall City posture downtown was making an effort to encourage downtown development. Camp said they are taking this away by costing more, and was a mixed signal to the citizens. He said this is a separate issue, trying to balance out the use of facilities. Camp did not agree in raising rates.

Fredrickson agreed the LWO makes cost increase. The garages are bonded, and the City needs to cover the bond costs. He said the City tries to operate like a business, covering their cost. There are people who are willing to pay less, and walk more if that choice is given. He said if the garages are full on the waiting list, that is a negative in bringing businesses to those garages. He felt this was an incentive to bring businesses in. Camp agreed there is a limit on how far people will walk. He thought the bigger picture was to stimulate the economic vitality of downtown Lincoln. He felt this message was a mistake from the City standpoint to charge more for parking. Newman asked Fredrickson if he had any comparability on what other cities charge for parking garages. Fredrickson said there is comparability on the private garages in a similar area downtown. With the higher use facilities, the City is trying to match what they are charging. McRoy asked how much of the \$343,000 is attributable to the LWO, and how much for the contract. Svoboda said they would check on this.

Another concern of McRoy's was the master parking study from last fall. She said this called for rate increases under different management, and streamlining that City operation. Another concern was the City's raising rates, and spending four months on the study trying to implement the parking garages. Fredrickson said the different management structure for parking continues, whether it be meter or garage parking. Meetings on this are ongoing. He said they will be meeting with an advisory group to discuss these issues. The number one recommendation in the study was to create some kind of authority. If this needs to be modified, the City will investigate it. After the public hearing, there will be time for CC to make additional changes. There was more discussion on raising the parking.

Camp was concerned on the following items: long-term in the upcoming budget process; rising health insurance premiums next year; firefighters pension funding level; Public Works 40<sup>th</sup> & "O" area and "O" street widening; adequate funding; proposed fire station bond at approximately \$2,500,000 per station; personnel efficiency; merit pay plan; and infrastructure - failed bond.

McRoy moved that the \$300,000 for the Urban Development CIP be changed to miscellaneous budgets as a line item, earmarked for the "triplets". She wanted CC to receive this letter and inquiry with their partners in Antelope Valley, regarding their responsibility to relocate them. This would enable them to get their letters and responses back from different agencies. If it was still in the budget, it could be used for other purposes. McRoy wanted this earmarked only for this project until the City gets their letters and responses back. They are not taking it out of the budget, but moving it to miscellaneous. McRoy said if they did not need this, it would be in the budget and could be used for other purposes.

Marvin supported McRoy's motion. He felt this question needed to be answered, and this will provide assurance that these buildings can be paid for to be moved, as the funds will be earmarked. Hubka agreed, stating that if this goes to contingency, budget office will go to CC to actually spend that money for whatever purpose it may be. McRoy moved that \$300,000 for Urban Development CIP be moved to miscellaneous budgets and earmarked for triplets. Ayes: McRoy, Eschliman, Svoboda, Newman, Marvin, Camp, Cook. Motion carried 7-0.

Eschliman spoke on marketing costs for the economic developer and CC who are involved in recruiting, retaining and creating jobs. Eschliman moved to add \$10,000 to the Economic Development budget for recruitment expenses. McRoy seconded the motion. Ayes: Eschliman; Nays: McRoy Svoboda, Newman, Marvin, Camp, Cook.. Motion failed 1-6

Eschliman spoke on Urrban and Economic Development and grant writers raising money. She proposed to add a development position and a grant writer. There was some discussion. Motion failed due to lack of a second.

Eschliman spoke on removing the cost of the triplets \$300,000 and redirect to the GF. She also wanted to redirect \$235,000 of general revenue in the CIP to sidewalks within Urban Development's target neighborhoods. Motion failed for the lack of a second.

Eschliman moved to seek corporate sponsorship and retain community events at the same spending level as 2004-05. This would save \$18,000 and cover the Law Department, and redirect that money to the GF. This would also cover the MBC and other expenses.

McRoy seconded this for discussion. Diane Gonzales spoke to this, as the CIC is liaison to many of these special events. They partner with another group tp present, and that partner is responsible for most of the fund raising. The vast majority of funding is coming from the private sector and donations. Gonzales suggested that before CC makes a decision, they should hear from some of these partners. There was further discussion. Ayes: Eschliman; Nays: McRoy, Svoboda, Newman, Marvin, Camp, Cook. Motion failed 1-6.

Eschliman wanted to give Kit Boesch authority to seek bids for privatization of handi-van service via Laidlaw Transportation, or similar entity. This would save 10% in handi-van service. Camp said there were many issues, and they inter-play with the whole transportation system. He thought a precouncil would be beneficial to get a handle on the legal requirements, amounts, supply and service. There was some discussion. Eschliman withdrew her motion.

Camp thanked the Mayor for this budget. He thought it was amazing the Mayor was able to put together a budget that maintains city services, but did not require raising taxes. He said, with a great deal of hard work, the administration has put together a budget that is well-balanced, and protects the priorities of the community, finding the cuts necessary to not raise taxes. Eschliman agreed. Marvin thought there were some tough issues to face with the GF/CIP component and used that as a deferral item for a number of years. One issue he wanted to look at was tackling those elements within the GF to see if they can take care of those projects. Camp said the public would have more opportunities to make modifications to the final budget on August 8. Meeting adjourned at 11:05 A.M.

**ADMINISTRATION'S PROPOSED CHANGES  
TO THE 2005-06 MAYOR'S RECOMMENDED BUDGET  
TAX FUNDS**

	<u>Source Of Funds</u>	<u>Use of Funds</u>
<u>General Expense/Court &amp; Litigation</u> – increase budget to cover costs of State Court Administrator’s decision to claim non-waivable costs remaining unpaid after one year from the City or County that filed the case.		\$59,000
<u>General Expense/Joint Budget Committee</u> – Adjust JBC agency budgets to reflect JBC recommendations. See attached Schedule 1 for detail by agency.	\$24,575	
<u>General Expense/Shared Services</u> – Adjust joint County/City agency budgets to reflect actual budget requests by County agencies. See attached Schedule 2 for detail by agency.		\$31,381
<u>General Expense/Shared Services – Corrections</u> – City share of population is declining making it possible to reduce this line item to cover the increase in costs shown above.	\$85,806	
<u>Law</u> – Restore funding for schools and conferences.		\$15,000
<u>Parks</u> – Restore funding for Municipal Band Concerts at Antelope Park Bandshell to be used as a one-to-one match for private fundraising efforts.		\$5,000
<b>TOTAL CHANGES TO TAX FUNDS</b>	<u>\$110,381</u>	<u>\$110,381</u>

7/15/05

## 1. MAYOR'S DEPARTMENT:

(a) Every council person should be a salesperson for our city and cognizant of the importance of bringing new customers—and their income—to our town. I propose to add \$10,000 to Economic Development. The purpose of this fund is for marketing costs for the Economic Developer and City Council who are involved in recruiting, retaining, and creating jobs. This would be for hospitality funds for *welcoming a potential customer into town, attending continuing education seminars, particularly where networking with other cities is involved, creating booths and rent booth space at conventions promoting Lincoln as a potential employment site, media advertising if an unusual opportunity should present itself, and travel funds to visit a potential employer if the travel budget is inadequate*. Expenditures would be approved upon consultation with LPED as and Daryl Nauman. It is important to note that sometimes it takes years to recruit an employer from out of town, and sometimes you are lucky on the first visit; the return on \$10,000 could be incalculable.

(b) DEVELOPMENT POSITION. The purpose of this position would be to solicit funds to insure operating income and capital funds for various departments with an eye towards the immediate and more importantly over the next 25 years. This person would meet with persons in our community and ask them to make the various city departments a part of their estate planning. Salaries from \$45,000 to \$80,000 + benefits + vehicle seem to be the market for non-profits. In 6-18 months we should be able to raise \_ Million in immediate cash and and \_ Million of planned giving commitments for a beginning level employee. Could be up to \$2 million for an experienced fundraiser. Third party positions are a retainer of about \$3500 to \$5000 per month plus a percentage of funds raised. Profit organizations such as hospitals could be double the wages and fundraising. *The Chronicle of Philanthropy* can provide further study. Let's make assumptions that we can hire someone for \$80,000 which would include benefits and sharing a vehicle with some other department, and raise \$250,000 (triple our investment) in the next year. The expenses for the position and proceeds raised could be budgeted among the following departments or any combination of departments, and adjusted in a year as we see how this takes shape:

- a. Parks 20%
- b. Health Department 10%
- c. Human Services 10%
- d. Aging 10%
- e. Police 10%
- f. Fire 10%
- g. Libraries 10%
- h. Urban Development 20%

(c) GRANT WRITER(S): This we might be able to contract out, preferably to someone locally, who can perform tasks similar to Senator Buetler and Barbara Baier and raise money for programs and capital items for departments who do not have time to explore all possible resources. The cost to hire an employee would be about \$40,000 to \$50,000 per year plus benefits, and they should be expected to at least double their salary. Let's



Joan V Ray  
07/15/05 09:43 AM

To: Steve D Hubka/Notes@Notes  
cc:  
Subject: Fw: budget

Here 'tis.

----- Forwarded by Joan V Ray/Notes on 07/15/2005 09:44 AM -----



"Ken Svoboda"  
<ksvoboda@alltel.net>  
07/15/2005 06:51 AM

To <JRay@ci.lincoln.ne.us>  
cc  
Subject budget

Joan,

I have directed all council members to forward any changes in the budget they would like to make to you by 2:00 this afternoon. If you could forward all changes to all council members and the mayors office I would appreciate it. Also if there are any questions to forward them to the necessary department(s).

Ken

Below are my changes and questions:

1. restore funding to the Municipal Band concert series in the park \$ 10,000  
I would also suggest that this item be permanently placed in the Misc. budget as a special event annually

2. restore funding to the Law Department for travel and conferences \$ 15,000

both of the above items would be restored used any possible savings from a variety of sources.

3. reduce Urban Development C.I.P. by \$300,000  
relocation cost associated to the triplets

QUESTIONS

Equipment and Vehicle Purchase/Lease

Parks Dept.

NW \$50,000 for new large mower (why is this item listed separately as opposed to line itemed on page 33 of fleet services?)

Public Works

truck to transport equipment \$55,000 (new or replacement and what kind of vehicle transporting what kind of equipment?)

Water and Wastewater both had a number of vehicles listed within their budgets as opposed to the fleet service list on page 33

replace pick up in collection \$20,300

replace dump truck \$95,000

Theresa Str. Treatment

service vehicle \$9500 what kind of service vehicle?

TO: Lincoln City Council  
FROM: Jon Camp  
DATE: July 15, 2005  
RE: 2005-2006 Budget

My thoughts on the budget and modifications follow many of my oral comments on Wednesday.

1. Long-term: I am very concerned about the long-term fiscal challenges, especially in the following areas:
  - a. Continued spend-down of the Excess Reserves for the General Fund—I have supported “giving the taxpayers” back their money, but not to support on-going General Fund items. One example for these Reserves would be to apply them to needed infrastructure, such as streets and roads.
  - b. Health Insurance: I am concerned that nothing was done to modify the Plan provisions to achieve greater savings. Further, whether the Plan is renewed with Coventry or rebid, I predict the City will face an approximate 15% increase in premiums next year, which will equate to over \$2,000,000.
  - c. Police and Firefighters Pension Fund: As I have expressed for the past 6 years, this Pension Fund is not being funded at adequate levels. The Fund decreased over \$23,000,000 from August 31, 1998 through August 31, 2004, from an actuarial surplus of \$14.3 million to a deficit of \$9.1 million. Unless the City intends to alter the benefits under this Pension Plan, it must start making much higher levels of contributions.
    - i. I do congratulate Mayor Seng for adding \$500,000 to this year’s funding, from the health insurance savings.
    - ii. NOTE: a few modifications in the assumptions, such as “earnings” could easily make the deficit much greater
    - iii. Our Police and Firefighters are aging, which will results in higher contributions to fund compensation increases in the remaining years of their careers.
    - iv. I have reservations adding any more Police Officers and Firefighters until we meet our obligations to our existing personnel.
  - d. 48<sup>th</sup> & O Street/O Street Widening: Depending on the progress made with the RFP for new projects in this area, I strongly caution against multi-project widenings of O Street. In the long term, each time O Street is shut down for construction, businesses are hurt and economic recovery is hindered. If O Street is to be widened, then the City should choose the length that will ultimately be widened and approach the widening on a one-time basis. To close 46<sup>th</sup> to 52<sup>nd</sup> for one phase, then later 42<sup>nd</sup> to 46<sup>th</sup> for a second phase, then 33<sup>rd</sup> to 42<sup>nd</sup> for a third phase, etc., is detrimental to the economy of O Street.



"Patte Newman"  
<newman2003@neb.rr.com>

To: <JRay@ci.lincoln.ne.us>  
cc: <ksvoboda@alltel.net>, <SHubka@ci.lincoln.ne.us>  
Subject: Re: Budget Comments

07/15/05 12:29 PM

I assume the following adds were made as per our meeting:

\$59,000 for legal for non-waiverable court fees  
\$15,000 for legal for continuing education  
\$10,000 for Municipal Band concerts restored but moved in the  
budget from Parks to Special Events

The cuts to balance these will either have to be found by Steve Hubka or a slight increase in taxes take place which should be minimal.

Thanks Joan.  
Patte

----- Original Message -----

From: <JRay@ci.lincoln.ne.us>  
To: <amcroy@mccrealty.com>; <newman2003@neb.rr.com>; <ksvoboda@alltel.net>;  
<joncampcc@aol.com>; <robine@neb.rr.com>; <dmarvin@neb.rr.com>;  
<JCookcc@aol.com>  
Sent: Friday, July 15, 2005 12:17 PM  
Subject: Budget Comments

>  
> Hi - I've received Budget Comments from Jon & Ken. If anyone has input,  
> the deadline is 2:00 p.m. today. Please send ASAP. Thanks  
>  
> Joan Ray  
> Council Office  
>  
>  
>  
> CONFIDENTIALITY NOTICE: This e-mail message, including any  
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VOTING ROSTER

DATE July 18th, 2005

DEPARTMENT	MOTION									
	McRoy M 2ND M	Eschilman M 2ND M	Svoboda M 2ND M	Newman M 2ND M	Marvin M 2ND M	Camp M 2ND M	Cook M 2ND M			
Mine	N	Y	N	N	N	N	N			
PNTU	M 2ND M	M 2ND M	M 2ND M	M 2ND M	M 2ND M	M 2ND M	M 2ND M			
		Withdrawn								
	M 2ND M	M 2ND M	M 2ND M	M 2ND M	M 2ND M	M 2ND M	M 2ND M			
	M 2ND M	M 2ND M	M 2ND M	M 2ND M	M 2ND M	M 2ND M	M 2ND M			

#4 on labor's bid. Encourage corporate sponsorship. Some \$18,000 to cover lab Dept. 1-6 Comm. Dev. Hold at same level of bid spec.

Give Kit Beach authority to seek bids (purchasing) (vendors) for providing this service (Held in view) (Withdrawn)