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Chadrad Communications, Inc.
226 Bordeaux St - Chadron, NE 69337
308-432-5545 fax 308-432-5601
E-mail: kcsr@chadrad.com



(Neb.)-Chadron City Council Discusses Project Funding Options *UPDATED*  [Listen](#)



By: Roxie Graham-Marski Posted at: 01/16/2013 10:24 AM

*Photo: The Chadron city council and city employees discuss the city's future projects and financing options.
(Photo by KCSR-Roxie Graham-Marski)*

(CHADRON)-The Chadron city council brainstormed and discussed at their special meeting workshop Tuesday night. The agenda was packed with big-ticket items, and the meeting didn't conclude until nearly 11:30 p.m. Mayor Karin Fischer says when she first looked at the agenda, she thought it might be a long one.

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Council member Paris Fisher said although long, the meeting provided an opportunity not always afforded regular meetings.

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When asked if he'd be interested in more workshops in the future, councilman Fisher said...

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Mayor Fischer said she felt some good ground work was laid at the meeting.

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City manager Wayne Anderson updated the council on findings from the LB840 reauthorization committee, which has been seeking financing methods for the proposed First Street and Main Street Stormwater Project. The stormwater runoff project, which would upgrade the city's storm and sewer pipes as well as city streets, is estimated at approximately \$4 million. The committee has determined three main financing options to pay for the project: raising property taxes, authorizing a vote to pass a straight sales tax initiative, or authorizing a vote to re-implement an LB840 sales tax option, and retain community and economic development funds. The committee recommended the third option, which would continue the ½ cent sales tax for economic development, if voters agree, that will currently be expiring in October 2014. Anderson said approximately \$400,000 is collected each year as a result of the tax. He explained that if 80 percent of those funds were appropriated to the project, 20 percent would remain for community development and betterment projects, and the total collected over a 15-year period for the stormwater

upgrade would be approximately \$4.8 million. The project needs to be in motion in order for the state to continue their plans for the renovation of Highway 20/Third Street through town.

Council member John Gamby said he thought a fourth option would be to utilize ½ a cent from an original one cent sales tax that was created to lower property taxes and fund street projects. Anderson argued that that option would end up increasing property taxes. Council member Bill Barth said he is in favor of the sales tax option as opposed to a property tax levy because the burden falls more equally on all those shopping in Chadron, from college students to tourists to residents, not just home owners.

Anderson said there is the possibility of using capital reserve money to fund the city's portion of the state's Highway 20/Third Street project. The total project will cost about \$6 million, and the city's portion will run around \$1.2 million. Approximately \$4.5 million in city reserve funds are currently sitting in CDs and earning a minimal .1 interest rate. Anderson said using some of this money would save the city over \$100,000 in interest in the long run. Vice mayor Levi Grant said he did not want to dip into the city's cash reserves if possible.

Residents will most likely get the option to vote in late March/early April on whether they want the stormwater project to continue. Mayor Karin Fischer says the city is in need of this project and the downside to being frugal is that things eventually fall to disrepair. She also said it is a plus that the community as a whole will get to decide on whether the project moves forward. Anderson called for the council to find a way to be united on the project as it heads toward a vote of the people.

(Questions? Comments? E-mail roxie@chadrad.com.)

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