



By Jan Schultz
The Imperial Republican

Gov. Dave Heineman learned from local leaders in Imperial last week the doom and gloom of a recession hasn't been felt here yet.

But, that doesn't mean people here aren't concerned about what's happening elsewhere in the country, and wondering what the future has in store.

The Governor requested the meeting last Friday to get some one-on-one input on the economy and what types of problems local communities like Imperial may be facing.

About 15 attended the gathering at the soon-to-be Mid-Plains Community College satellite campus at the corner of 14th and Broadway (the former Hometown Pharmacy).

Many mentioned the good crop prices of recent months and increased land values as big reasons this area probably hasn't experienced some of the economic downturn as other parts of the country have.

"If we were a little further west and there was no Internet, we wouldn't know about a recession going on," said Kelly Hammerlun, president of Pinnacle Bank.

He said they are still making loans, and money is as available as it was two years ago.

However, the good times for most of agriculture now may change and local leaders wonder how that will affect things later on.

School Supt. Matt Fisher said he appreciated the commitment the Governor has to education, but has concerns with changes to the state aid formula made last year, that funneled more money to Lincoln and Omaha.

And, Fisher said they are "tweaking" the formula again.

"The rural schools took a hit" last year, Fisher noted.

Chase County Schools' state funds dropped \$193,700 from the previous year, after the formula changed. He told the Governor he hopes that doesn't happen again.

"It helped us, though, with strong land prices and ag industry here, which increased valuations," Fisher said.

"But, it's a big concern where ag land values will go," he added.

The current proposals in the federal stimulus bill, now in the hands of the U.S. Senate, would earmark millions for schools in Omaha and Lincoln, but what the rural areas would receive, "will not be a huge difference maker," Fisher added.

Heineman noted that 25 of the 49 state senators are from the three urban counties in the state, so developing relationships with senators from those areas could be beneficial.

"Rural Nebraska needs to organize to make sure urban senators understand your problems out here," he said.

He even suggested inviting them out to the western part of the state sometime.

NRD Manager Jasper Fanning said the Imperial community is fortunate due to the abundant water supply here.

But, for those times when it's not so bright in the ag sector, it's important to bring in industry not directly associated with agriculture, Fanning added.

History has shown, Fanning continued, that two things have brought this country out of recessions—war and tax cuts.

Not wanting to promote the former, Fanning reminded the Governor that there is a huge impact on local taxes when state funds going to local entities are cut.

Over the past three years, Fanning estimated what the Upper Republican NRD receives from the state in funding has dropped by an estimated \$300,000.

“State budgets impact our local budgets. So I encourage you to do all you can” in that area, Fanning said.

Heineman said he was aware of the interrelationship between state and local governments but also warned that the more money you take from state government, the more they will want you to do.

“So, you need the right balance,” he said.

Heineman said tax cuts need to be targeted to the middle class, and said changes also need to be made to the state’s income tax laws.

“If your adjusted gross income is at \$50,000 or above, you pay the same state income tax as Warren Buffet,” Heineman said.

“That needs to change.”

Housing continues to be a problem in communities such as Imperial, and the city probably would not be able to accommodate a huge workforce if the city did land some type of new industry, said Leslie Carlholm, Imperial’s economic development director.

There are state funds for housing projects, but accessing some of them like the “New Neighborhoods” program becomes difficult for small communities like Imperial due to some requirements, Carlholm said, such as having an industrial site set aside.

One upside of the economic downturn in other areas of the country was highlighted by Jonathan Beverly.

He and his wife, Tracy, both live here but have jobs elsewhere in the country, thanks to technology.

His wife’s business, a one-person website development and management firm, has picked up two new customers recently from other areas of the country experiencing layoffs. He said those companies have begun outsourcing their work to save employee expenses.

“We can capitalize on this,” Beverly said.

Heineman agreed, saying Nebraska has a lot to offer, including its quality of life, its work ethic and that people here care.

He noted Yahoo’s decision last year to locate a data center in Nebraska. When negotiations started, Heineman said state officials asked what the company needed to get it to locate here.

After fulfilling a list of five items, the state then set up a secure website for the company officials, who could ask questions through it.

After that, Heineman said he called the company weekly, asking them when they were going to sign on the line.

When they committed, Heineman asked them what was the reason they finally decided to locate here.

“Because you wanted us,” they told him.

“Those relationships are very important. It’s not just the check,” Heineman said.

“When quality of life is important we can compete with anyone,” the Governor said.