

**Kearney, Nebraska**  
**September 11, 2023**  
**5:30 p.m.**

A special meeting of the City Council of Kearney, Nebraska, was convened in open and public session at 5:30 p.m. on September 11, 2023, in the Council Chambers at City Hall. Present were: Stanley A. Clouse, President of the Council; Peggy Eynetich, City Clerk; Council Members Randy Buschkoetter, Tami James Moore, and Jonathan Nikkila. Absent: Bruce Lear. Michael Morgan, City Manager; Michael Tye, City Attorney; Brenda Jensen, Deputy City Manager; Kayla James, Director of Finance; Tony Jelinek, Director of Utilities; Andy Harter, Director of Public Works; Scott Hayden, Director of Recreational Services; Eric Hellriegel, Director of Parks; Nate Mollring, Director of Information Tech; Jim Lynaugh, Airport Manager; Matt Williams, Library Director; Bryan Waugh, Chief of Police; Jason Whalen, Fire Administrator; and Taylor Jaeger, Assistant Director of Finance, were also present.

Notice of the meeting was given in advance thereof by publication in the Kearney Hub, the designated method for giving notice, a copy of the proof of publication being attached to these minutes. Advance notice of the meeting was also given to the City Council and a copy of their acknowledgment or receipt of such notice is attached to these minutes. Availability of the Agenda was communicated in the advance notice and in the notice to the Mayor and City Council. All proceedings hereafter shown were taken while the meeting was open to the attendance of the public.

## **I. ROUTINE BUSINESS**

### **ANNOUNCEMENT**

Mayor Clouse announced that in accordance with Section 84-1412 of the Nebraska Revised Statutes, a current copy of the Open Meetings Act is available for review and is posted on the wall of the Council Chambers.

### **CONDUCT A PUBLIC HEARING ON THE CITY OF KEARNEY BUDGET FOR THE 2023-2024 FISCAL YEAR**

Mayor Clouse opened the public hearing on the City of Kearney Budget for the 2023-2024 Fiscal Year.

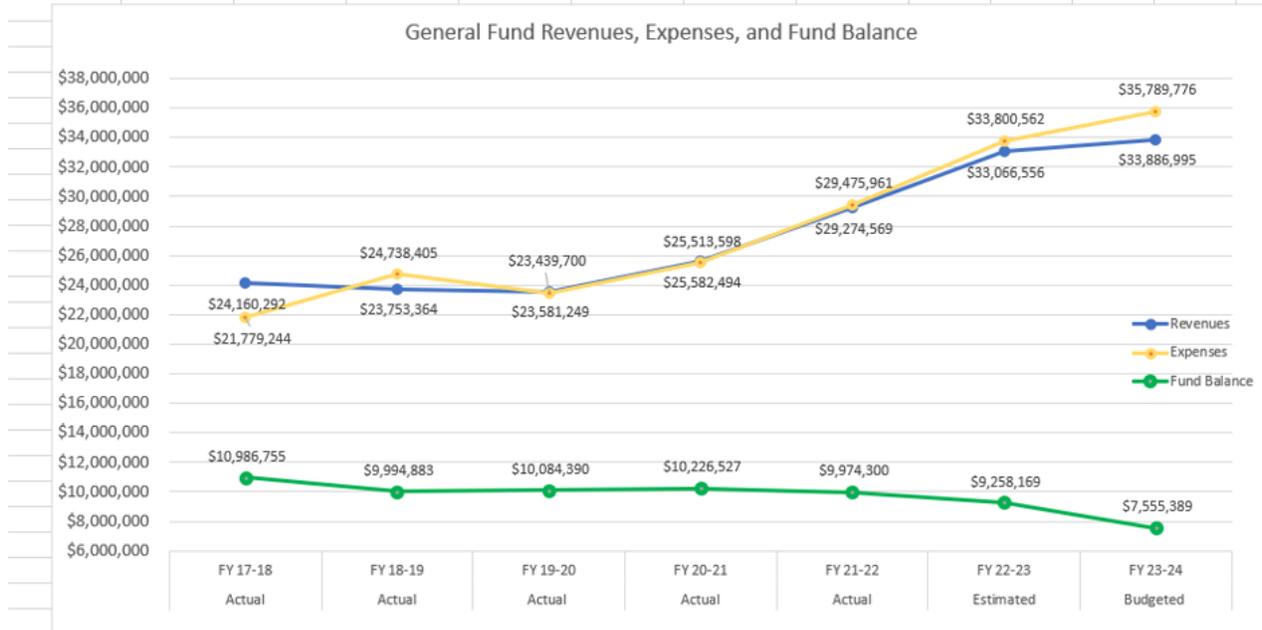
Kayla James, Finance Director, presented the 2023-2024 budget that addressed Expenditures, Personnel, Capital Outlay, Debt Service, Revenues, Property Taxes, Sales Tax Revenues, Fund balance and Miscellaneous items.

General funds are proposed to increase by approximately \$2,300,000 or 7%, while other funds are down nearly \$10,000,000 or 8% leading to an overall decrease in expenditures of approximately \$8,000,000 or 5.87%.

**Proposed Expenditures By Fund**

	<u>FY 23</u>	<u>FY24</u>
<b>General Fund</b>		
Personal Services	\$20,244,411	\$21,254,525
Supplies & Materials	11,263,973	12,447,628
Capital Outlay	1,941,072	2,076,152
Debt Service	0	0
	<b>\$33,449,456</b>	<b>\$35,778,305</b>
<b>Other Funds</b>	<b>\$134,081,091</b>	<b>\$123,662,857</b>
<b>Total</b>	<b>\$167,530,547</b>	<b>\$159,441,162</b>

	Actual	Actual	Actual	Actual	Actual	Estimated	Budgeted
	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Revenues	\$24,160,292	\$23,753,364	\$23,581,249	\$25,582,494	\$29,274,569	\$33,066,556	\$33,886,995
Expenses	\$21,779,244	\$24,738,405	\$23,439,700	\$25,513,598	\$29,475,961	\$33,800,562	\$35,789,776
Fund Balance	\$10,986,755	\$ 9,994,883	\$10,084,390	\$10,226,527	\$ 9,974,300	\$ 9,258,169	\$ 7,555,389



Ms. James reviewed Personnel Services for Fiscal Year 2024 which includes a 3% cost of living adjustment and noted the City of Kearney will have 346 employees; there will be a 6% increase in employee and employer health and dental premiums.

**Personnel Services**

**HIGHLIGHTS**

3.0% Pay Plan Adjustment – Governmental Funds	\$495,672
3.0% Pay Plan Adjustment – Proprietary Funds	<u>\$201,477</u>
Total	\$697,149

<u># of Employees</u>	<u>FY23</u>	<u>Mid-Year Add/Del</u>	<u>New</u>	<u>FY24</u>
Full-Time	297	4	2	303
Part-Time	<u>44</u>	<u>-1</u>	<u>0</u>	<u>43</u>
Total	341	3	2	346

FY24 Position additions/reductions:

- Added 1 Maintenance Worker - Water
- 1 Communications Specialist - Police

**6% Increase in Employee and Employer Health/Dental Premiums**

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Ms. James noted the Special Revenue and Capital Project Funds will increase due in part to the Sports Complex and Enterprise funds will decrease approximately \$14,000,000. In total, Capital Outlay funds will decrease approximately 9.6%.

**Capital Outlay by Fund**

	<u>FY23</u>	<u>FY24</u>
General Fund	\$1,941,072	\$1,736,888
Special Revenue Funds	\$593,500	\$2,984,500
Capital Project Funds	\$37,947,741	\$42,279,558
Enterprise Funds	\$44,723,313	\$30,023,755
<u>Internal Service Funds</u>	<u>\$44,500</u>	<u>\$31,000</u>
Total	\$85,250,126	\$77,055,701

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Ms. James detailed planned expenditures for the top 9 Capital Improvement Projects and noted these projects will account for 78% of the total capital expenditures for all funds.

### **Top 9 Capital Improvement Projects**

	<u>Project / Funding Source</u>	<u>Cost</u>	<u>FY24 Expenditures</u>
1.	Kearney SportsPlex Voter approved GO Bonds/Other Funds	(\$46,500,000)	\$35,860,991
2.	WWTP Phase II 1% Clean Water SRF Loan / Revenue Bond	(\$34,000,000)	\$19,000,000
3.	Younes Drive City Funds	(\$1,596,870)	\$1,435,279
4.	Airport Box Hangar CARES / Bipartisan Infrastructure Law	(\$6,000,756)	\$1,050,000
5.	28 <sup>th</sup> Street, I Ave to L Ave Special Sales Tax	(\$797,000)	\$797,000
6.	Cemetery North Addition Special Sales Tax	(\$1,124,024)	\$611,000
7.	Younes Drive Stormwater Drainage Storm Water Utility Fund	(\$550,000)	\$550,000
8.	Airport Terminal Renov CARES	(\$4,797,907)	\$550,000
9.	Yanney Park Pavilion Donation	(\$3,704,500)	<u>\$505,000</u>
	Total		\$60,359,270

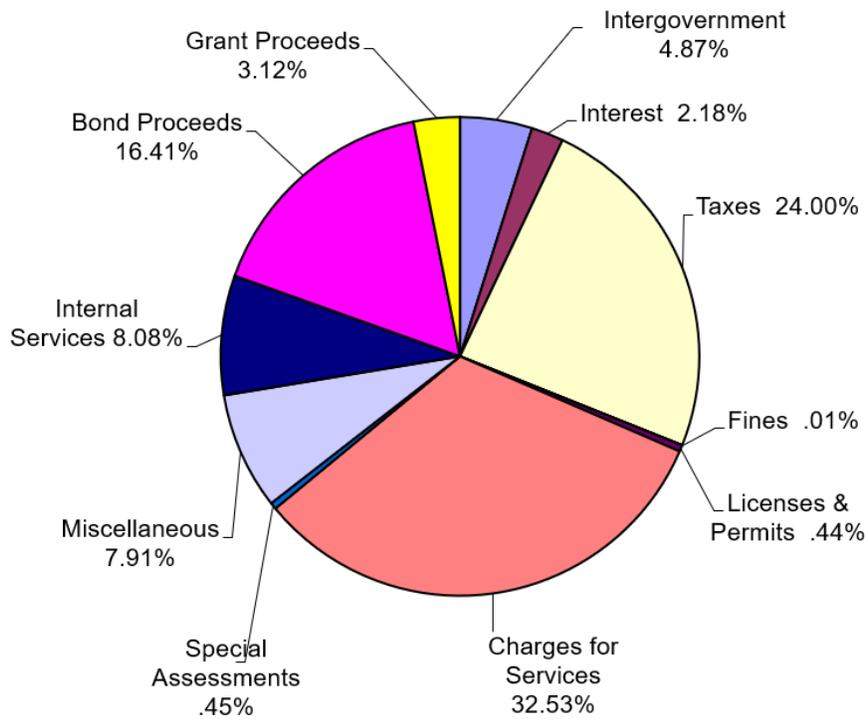
Ms. James stated taxes including property, sales, and restaurant occupation taxes have remained flat and noted Bond proceeds and grants will decrease due to the Waste Water Treatment Plant and Airport projects nearing completion. In total, projected revenues will be down roughly \$14,000,000.

### **Projected Revenues by Source**

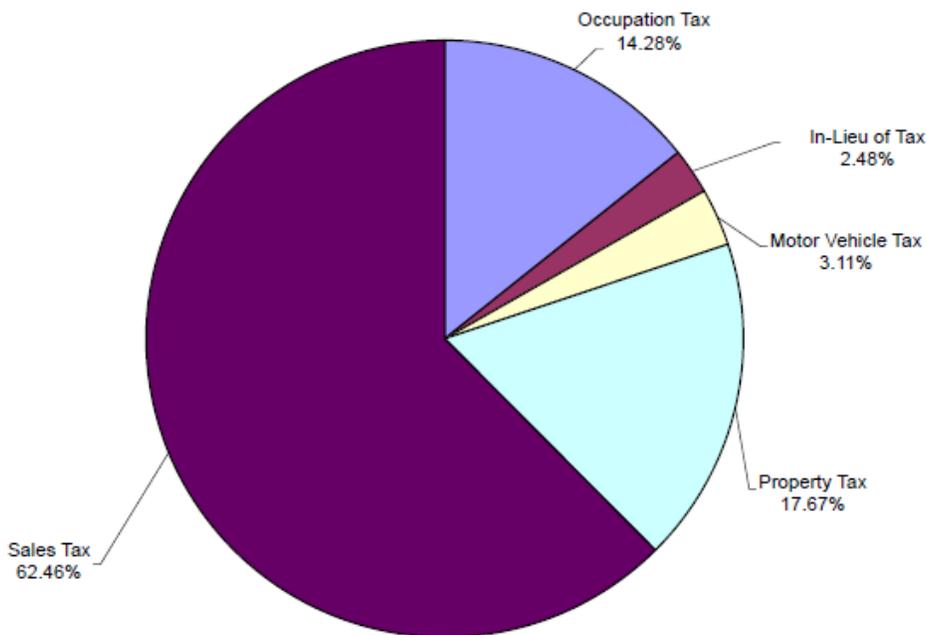
	<u>FY23</u>	<u>FY24</u>
Taxes	\$27,211,452	\$27,861,058
Licenses & Permits	\$434,555	\$508,955
Charges for Services	\$34,849,974	\$37,523,471
Fines	\$12,000	\$12,200
Special Assessments	\$516,900	\$522,100
Interest	\$249,545	\$2,525,775
Internal Services	\$8,445,146	\$9,355,304
Miscellaneous	\$6,322,953	\$5,496,943
<u>Intergovernmental – State</u>	<u>\$5,444,440</u>	<u>\$6,003,203</u>
Subtotal	<u>\$83,486,965</u>	<u>\$89,809,009</u>
Bond Proceeds	\$34,307,362	\$19,378,805
<u>Grants</u>	<u>\$9,080,345</u>	<u>\$3,609,821</u>
Total	\$126,874,672	\$112,797,635

Ms. James stated the top three categories for revenues including Charges for Services, Taxes, and Bond proceeds, and explained those tax revenues by source in further detail

### Revenues by Source



### Tax Revenues by Source



Ms. James reviewed the 2024 proposed property tax request and provided examples of the cost to taxpayers comparing last year to this year's property tax. Ms. James noted the City of Kearney's property tax levy remains the lowest in the state.

Council Member Jonathan Nikkila asked if the total property tax request includes the Community Redevelopment Authority (CRA) tax request. Ms. James stated the CRA property tax request is separate.

**2024 Proposed Property Tax Request**

**City of Kearney Valuation** **\$3,336,881,072**

Increase of \$230,953,678 or 7.44%

New Construction 1.93%/ Existing Properties 5.51%

**Property Tax Request**

General Fund property tax **\$4,679,087**

Public Safety TAB property tax 288,529

Total Property Tax Request **\$4,967,616**

**Property Tax Levy**

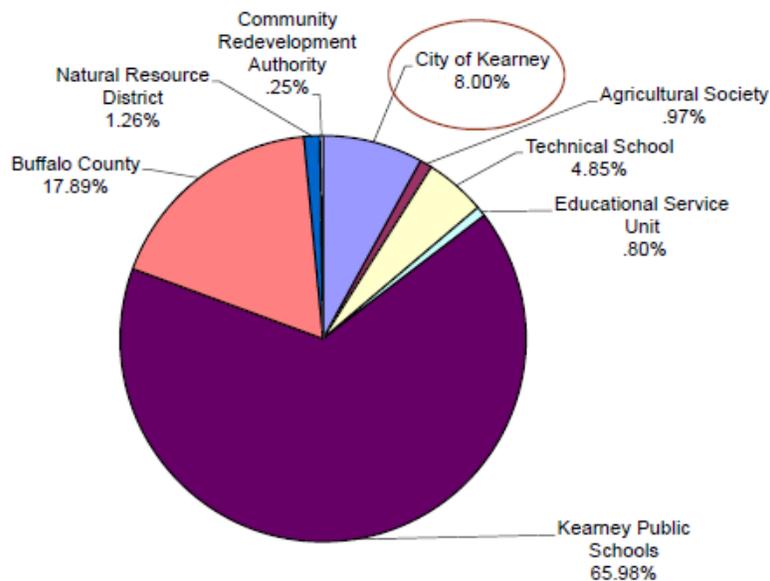
Total property tax levy (per \$100) .14887

City of Kearney is still the lowest levy in the State

Next Highest – Scottsbluff @ .22137 48.70% higher

Seward @ .29900 100.85% higher

**Buffalo County Property Tax Distribution 2022**



Ms. James reviewed projected Sales Tax Revenues which are projected to increase by 4.48%.

### Sales Tax Revenue

	<u>Actual</u>	<u>Est. Actual</u>	<u>Proposed</u>
	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
<u>One Cent Sales Tax:</u>	\$10,933,370	\$11,351,830	\$11,572,543
(Property Tax Relief)			
 <u>½ Cent Sales Tax:</u>	 \$5,466,685	 \$5,675,914	 \$5,786,272
(Capital Impr/Equip)			
 Total	 \$16,400,055	 \$17,027,744	 \$17,358,815

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Ms. James reviewed the notable changes to the Comprehensive Fee Schedule and stated there will be an increase in Landfill fees, noting the last increase was in 2006. Sanitary Sewer fees will increase in the upcoming budget year and will increase annually over the next five years to assist with funding the Waste Water Treatment Plant upgrades; there will not be an increase in water rates. Ms. James stated there will be a slight increase in Stormwater Utility fees.

### Comprehensive Fee Schedule Changes

#### Landfill

##### Tipping Fee (uncompacted waste)

Increased from \$35.00 to \$42.00 per ton 15.0% Increase

##### Tipping Fee (compacted waste – commercial effective 1/1/24)

Increased from \$27.50 to \$35.00 per ton 27.3% Increase

Last Increase was in 2006

#### Sanitation – Collection

Increased from \$15.00/month to \$16.00/month

#### Sanitary Sewer

7.5% Increase

For 5 years to pay for Wastewater Treatment Plant Upgrade

#### Water

No rate Increase

#### Stormwater Utility

Residential Increased from \$2.00 to \$3.00

Non-residential Increased from \$6.00 to \$8.00

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Ms. James explained why Kearney is different from other cities; the City's tax levy limit of \$.45 per \$100 of taxable valuation, has remained the same for the past six years; Kearney operates without State Aid or Municipal Equalization Funding; allowing for no additional tax levy for the Airport; and Kearney's local sales tax is 1.5% whereas many cities have a 2% sales tax. Ms. James noted Kearney is fortunate to benefit from outstanding community support in the form of private donations and grants, which most communities do not have.

### **Other Notable Items**

- **Levy Limit**  
     \$.45 per \$100 of taxable valuation  
     City of Kearney rate is \$.14887 (for past 6 years)
  
  - **We are operating without:**  
     State Aid  
     Municipal Equalization Funding
  
  - **No separate/additional tax levy for the Airport**
  - **Many cities have .02 Local Sales Tax, Kearney is .015**
  - **Outstanding community support**  
     Private Donations and Grants
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Ms. James detailed upcoming budget challenges for the City including Sales Tax revenue trends that show only a marginal increase, rising costs in both goods and services, increased employee Health and Dental costs, and NPPD rates remaining flat.

Ms. James stated the Joint Public Hearing with other Buffalo County subdivisions in accordance with LB644, is scheduled for Tuesday, September 19th at 6:30 p.m. at the Buffalo County Fairgrounds, Extension Building.

Mayor Clouse and Council Members thanked staff for their work on the budget.

Moved by Nikkila seconded by Moore to close the public hearing on the City of Kearney Budget for the 2023-2024 Fiscal Year. Roll call resulted as follows: Aye: Clouse, Nikkila, Moore, Buschkoetter. Nay: None. Lear absent. Motion carried.

### **CONDUCT A PUBLIC HEARING ON THE SETTING THE 2023 CITY OF KEARNEY PROPERTY TAX REQUEST AT A DIFFERENT AMOUNT THAN THE PRELIMINARY PROPERTY TAX REQUEST**

Mayor Clouse opened the public hearing on setting the 2023 City of Kearney property tax request at a different amount than the preliminary property tax request set for the City of

Kearney by the Buffalo County Clerk.

Kayla James, Finance Director, presented this matter to the Council. Ms. James stated that State Statute requires the City hold a public hearing to set the actual property tax requirement if it will be different than the current year. The 2023 property tax requirements are different than the 2022 property tax requirements; therefore, City Council is required to adopt a resolution on September 12th, setting the property tax request for 2023.

There was no one present in opposition to this hearing.

Moved by Moore seconded by Buschkoetter to close the public hearing on setting the 2023 City of Kearney property tax request at a different amount than the preliminary property tax request set for the City of Kearney by the Buffalo County Clerk. Roll call resulted as follows: Aye: Clouse, Nikkila, Moore, Buschkoetter. Nay: None. Lear absent. Motion carried.

**CONDUCT A PUBLIC HEARING ON THE CITY OF KEARNEY OFFSTREET PARKING DISTRICT NO. 1 BUDGET FOR THE 2022-2023 FISCAL YEAR**

Mayor Clouse opened the public hearing on the City of Kearney Offstreet Parking District No. 1 Budget for the 2023-2024 Fiscal Year.

Kayla James, Finance Director, presented this matter to the Council. The ending fund balance will be approximately \$131,000 with total revenues for next year estimated to be approximately \$63,000. Ms. James stated the Offstreet Parking District can request up to 2.5% from taxes each year, which is the yearly maximum allowable request for the District; the District is requesting the full 2.5% for the upcoming budget year. Ms. James noted the majority of expenditures for the Offstreet Parking District budget are used for marketing.

There was no one present in opposition to this hearing.

Moved by Buschkoetter seconded by Clouse to close the public hearing on the City of Kearney Offstreet Parking District No. 1 Budget for the 2023-2024 Fiscal Year. Roll call resulted as follows: Aye: Clouse, Moore, Buschkoetter, Nikkila. Nay: None. Lear absent. Motion carried.

**VIII. ADJOURN**

Moved by Clouse seconded by Nikkila that Council adjourn at 5:59 p.m. Roll call resulted as follows: Aye: Clouse, Buschkoetter, Nikkila, Moore. Nay: None. Lear absent. Motion carried.

**ATTEST:**

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**STANLEY A. CLOUSE  
PRESIDENT OF THE COUNCIL  
AND EX-OFFICIO MAYOR**

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**PEGGY EYNETICH  
CITY CLERK**