

**Kearney, Nebraska**  
**July 22, 2025**  
**7:00 a.m.**

A meeting of the City Council of Kearney, Nebraska, was convened in open and public session at 7:00 a.m. on July 22, 2025, in the Council Chambers at City Hall. Present were: Randy Buschkoetter, Vice-President of the Council; Peggy Eynetich, City Clerk; Council Members Tami James Moore, Kurt Schmidt and Alex Straatmann. Absent: Jonathan Nikkila. Brenda Jensen, City Manager; Michael Tye, City Attorney; Kayla James, Director of Finance; Brian Schultz, Director of Finance; Andy Harter, Director of Public Works; Jason Whalen, Fire Administrator; Scott Hayden, Director of Recreational Services; Eric Hellriegel, Director of Parks; Lauren Brandt, SportsPlex Manager; Nate Mollring, Director of Information Technology; Matt Williams, Library Director; Shawna Erbsen, Administrative Services Director; Kevin Thompson, Police Captain of Operations; Gabe Kowalek, Police Lieutenant; Derek Luke, Police Lieutenant; Taylor Jaeger, Assistant Director of Finance; Clint Smith, Assistant Utilities Director; and Brad DeMers, Assistant to the City Manager, were also present. Members of the media present included: Brian Neben, Central Nebraska Today.

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**

Vice-President Buschkoetter 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.

### **PRESENTATION OF THE 2025-2026 BUDGET**

Kayla James, Finance Director, presented an overview of the 2025-2026 budget that addressed Expenditures, Personnel, Capital Outlay, Debt Service, Revenues, Property Taxes, Sales Tax Revenues, Fund balance, and Miscellaneous items. The following information was included in the presentation.

Ms. James detailed the proposed expenditures for Fiscal Year 2025-2026. Personnel Services increased by approximately 9%, Supplies & Materials increased by approximately 6.5%, and Capital Outlay decreased by approximately 2.5%. In total, the General Fund increased approximately \$2,800,000 or 7.5. Other funds, which is comprised of: Special Revenue, Capital Projects, Debt Service, Enterprise, Internal Service, and Fiduciary, also show an increase. Overall, the total budget increased by approximately 7%.

**Proposed Expenditures By Fund**

	<u>FY 25</u>	<u>FY26</u>
<b>General Fund</b>		
Personal Services	\$22,741,787	\$24,814,935
Supplies & Materials	13,110,158	13,951,364
Capital Outlay	1,386,208	1,352,477
Debt Service	<u>0</u>	<u>0</u>
	<b>\$37,238,153</b>	<b>\$40,118,776</b>
<b>Other Funds</b>	<b><u>\$94,998,556</u></b>	<b><u>\$101,385,008</u></b>
<b>Total</b>	<b>\$132,236,709</b>	<b>\$141,503,784</b>

**Personnel Services**

Ms. James reviewed Personnel Services and noted another increase in employee and employer health/dental premiums.

**HIGHLIGHTS**

3.0% Pay Plan Adjustment – Governmental Funds	\$537,398
3.0% Pay Plan Adjustment – Proprietary Funds	<u>\$221,752</u>
<b>Total</b>	<b>\$759,150</b>

<u>Number of Employees</u>	<u>FY25</u>	<u>Mid-Year Add/Del</u>	<u>Proposed</u>	<u>FY26</u>
Full-Time	317	(1)	0	316
Part-Time	<u>46</u>	<u>2</u>	<u>(6)</u>	<u>42</u>
<b>Total</b>	<b>363</b>	<b>1</b>	<b>(6)</b>	<b>358</b>

**FY25 Position Additions/Reductions**

**Additions**

Secretary - Admin (1)  
 Admin Coordinator - SportsPlex (1)  
 SportsPlex Technician (1)  
 Office Manager - Rec Admin (1)  
 Landfill Superintendent (1)  
 Airport Coordinator (1)  
 Airport Secretary (PT) (2)  
 Facilities Maint Worker - Park (2)  
 Street Crew Leader - Transportation (1)  
 Equipment Operator - Sanitation (1)  
 Police Officer (1) - 1 over complement  
 Facilities Maintenance Technician - Public Works (1)

**Reductions**

Reclass Position Admin Assistant - Admin (1)  
 Reclass Position Admin Asst - SportsPlex (1)  
 Reclass Position Facilities maintenance Worker, Sr - SportsPlex (1)  
 Park & Recreation Services Assistant - Rec Admin (1)  
 Reclass Position Landfill Foreman (1)  
 Admin Assistant - Airport (1)  
 Aviation Service Technician, Sr (1)  
 Office Manager - Airport (1)  
 Facilities Maint Worker - Park (3)  
 Equipment Operator - Transportation (1)  
 Maintenance Worker - Sanitation (1)

**FY26 Position Additions/Reductions**

**Additions**

Fire Engineer (1)  
 Admin Asst - Recreation (1)  
 Director of Recreational Svcs - Recreation (1)  
 Office Manager - Recreation (1)  
 Secretary - Recreation (1)  
 Engineering Assistant - Sewer (.5)  
 Engineering Assistant - Water (.5)

**Reductions**

Secretary (PT) - Fire (1) - Eliminated Position  
 Reclass Position Admin Asst - Rec Admin (1)  
 Reclass Position Director of Recreational Svcs - Rec Admin (1)  
 Reclass Position Office Manager - Rec Admin (1)  
 Reclass Position Secretary - Rec Admin (1)  
 Police Officer (1)  
 Facilities Maintenance Technician - Public Works (1)  
 Monitor (PT) - SportsPlex (4)  
 Recreation Monitor (PT) - Tennis (1)

**20% Increase in Employee and Employer Health/Dental Premiums**

**Capital Outlay by Fund**

Ms. James explained that Capital Outlay Expenditures by Fund will increase in total by approximately .6%.

	<u>FY25</u>	<u>FY26</u>
General Fund	\$1,386,208	\$1,335,977
Special Revenue Funds	\$807,000	\$1,015,500
Capital Project Funds	\$19,682,354	\$20,989,347
Enterprise Funds	\$19,418,929	\$18,213,282
<u>Internal Service Funds</u>	<u>\$50,000</u>	<u>\$30,000</u>
<b>Total</b>	<b>\$41,344,491</b>	<b>\$41,584,106</b>

**Top 9 Capital Improvement Projects**

Ms. James reviewed the top nine Capital Improvement Projects, including their funding source, and noted the City’s share of funding for those projects that are shared with other entities. The projects will account for 62% of the total capital expenditures for all funds.

City Manager, Brenda Jensen reviewed the Highway 30 Lighting Project, noting that the City will only pay for the portion of the project that is located within City Limits.

	<u>Project / Funding Source</u>	<u>Total Cost</u>	<u>FY26 Expenditures</u>
1.	Fire Station #3 Public Safety Tax Anticipation Bonds	(\$12,350,000)	\$12,350,000
2.	Airport Reconstruct Apron Federal CDF Funds / BIL Funds	(\$8,750,000)	\$4,068,892
3.	Box Butte Business Development Economic Development Grant Local Match Sewer Fund	(\$3,745,033) (\$2,582,781) (\$508,226) (\$654,026)	\$ 3,745,033
4.	Avenue A 31 <sup>st</sup> Street – 35 <sup>th</sup> Street Special Sales Tax Fund	(\$1,634,100)	\$1,634,100
5.	Landfill cell closure Solid Waste Disposal Fund	(\$1,500,000)	\$1,500,000
6.	Avenue N and 45 <sup>th</sup> Street Transportation Fund Special Sales Tax Fund	(\$925,000) (\$594,720) (\$330,280)	\$925,000
7.	Lead Service Line Replacement 0% Drinking Water SRF Loan / NDEE Grant	(\$4,066,550)	\$800,000
8.	Centennial Park Playground Upgrade Donation	(\$400,000)	\$400,000
9.	Highway 30 Lighting Project Special Sales Tax	(\$300,000)	<u>\$300,000</u>
	<b>Total</b>		<b>\$25,723,025</b>

### **Debt Service (Principal Only)**

Ms. James described the various Bonds, including Public Safety Bonds, Various Purpose Bonds, and Revenue Bonds, and noted the new debt expected for Fire Station No. 3 and the firetrucks.

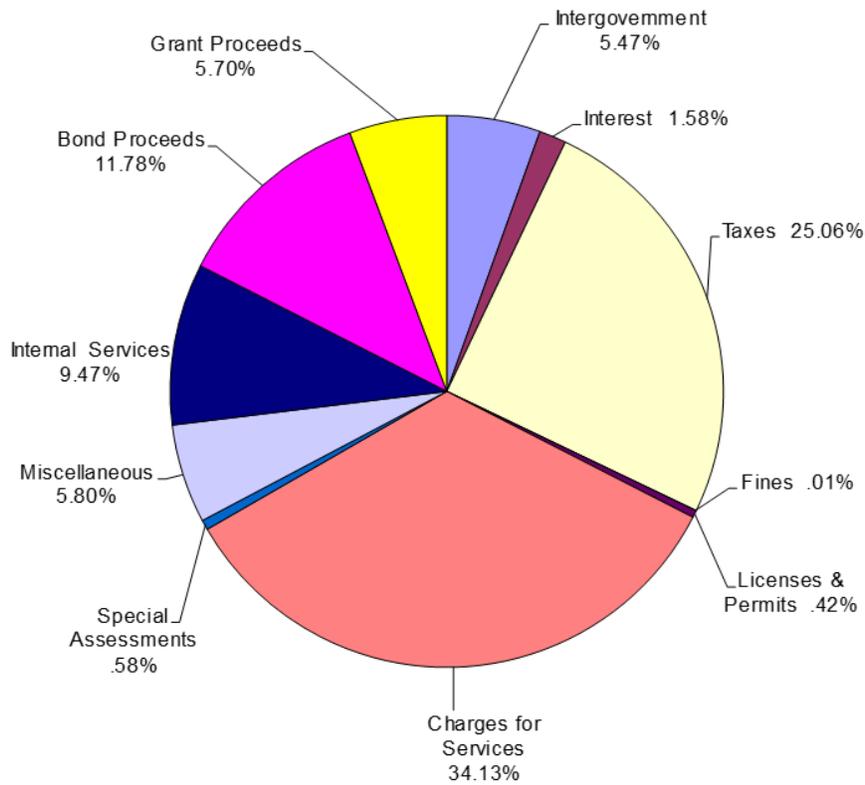
	<u>Public Safety Bonds</u>	<u>Various Purpose Bonds</u>	<u>Revenue Bonds</u>	<u>Total</u>
Beginning	\$2,580,000	\$50,121,320	\$59,645,159	\$112,346,479
Payments	(\$255,000)	(\$2,586,083)	(\$3,132,174)	(\$5,973,257)
New Debt	<u>\$14,800,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$14,800,000</u>
Ending	<u>\$17,125,000</u>	<u>\$47,535,238</u>	<u>\$56,512,985</u>	<u>\$121,173,223</u>
Net Change	\$14,545,000	(\$2,586,083)	(\$3,132,174)	\$8,826,743

### **Budgeted Revenues by Source**

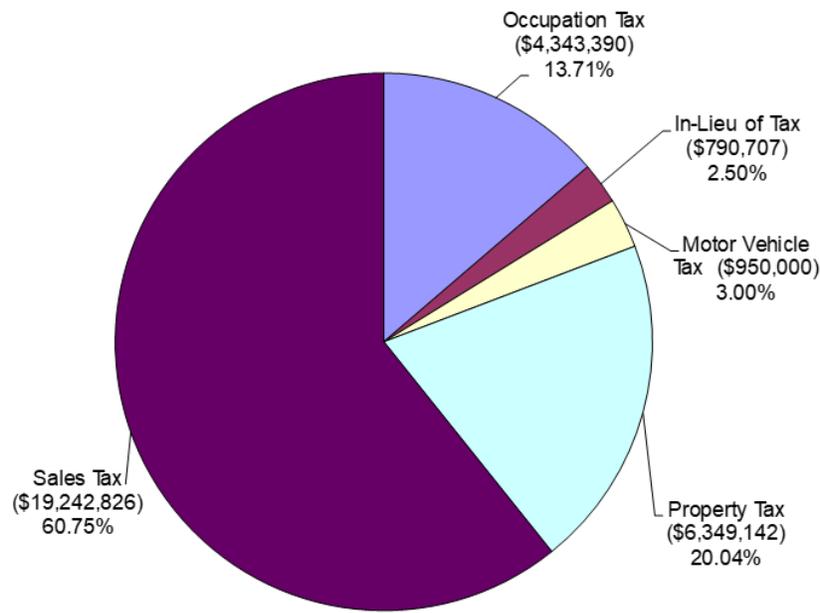
Ms. James reviewed the Projected Revenues for the upcoming fiscal year and stated they are estimated to increase by 20%.

	<u>FY25</u>	<u>FY26</u>
Taxes	\$29,759,179	\$31,676,064
Licenses & Permits	\$540,550	\$530,350
Charges for Services	\$37,523,471	\$43,135,932
Fines	\$12,200	\$10,800
Special Assessments	\$510,160	\$730,240
Interest	\$2,239,154	\$1,994,306
Internal Services	\$10,249,759	\$11,971,029
Miscellaneous	\$5,685,990	\$7,335,167
Intergovernmental – State	<u>\$8,619,699</u>	<u>\$6,914,696</u>
Subtotal	<u>\$95,140,162</u>	<u>\$104,298,584</u>
Bond Proceeds	\$1,174,400	\$14,898,000
Grants	<u>\$8,646,373</u>	<u>\$7,200,209</u>
Total	\$104,960,935	\$126,396,793

**Budgeted Revenues by Source**  
**2025-26**



**Budgeted Tax Revenues by Source**  
**2025-2026**



**2026 Proposed Property Tax Request**

Ms. James noted final property tax valuations are received in August from the County. The City is estimating a 7% growth in property taxes.

**City of Kearney Valuation**

New / Existing Construction \$3,841,801,922  
 Estimating 7% growth (Prior Year growth was 7.60%)

**Property Tax Request**

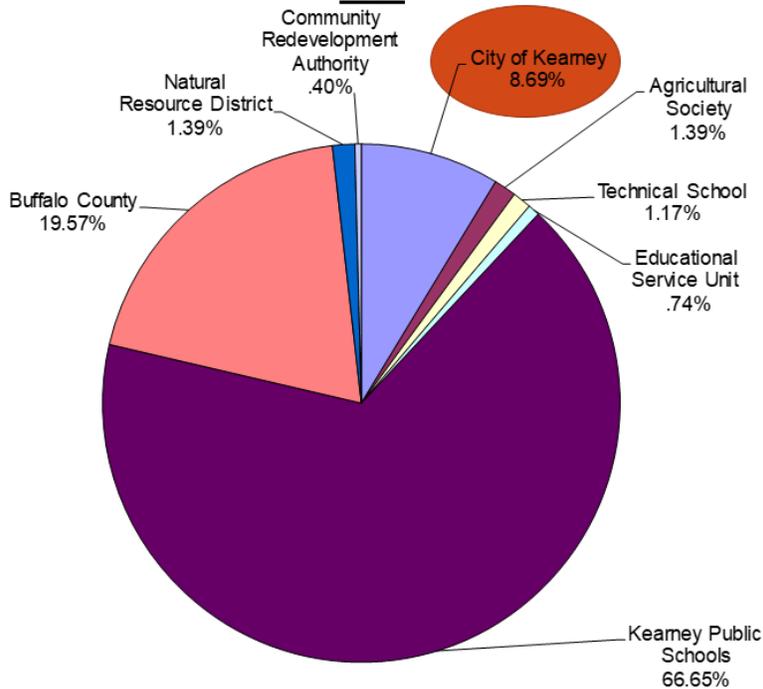
General Fund property tax \$5,714,510  
 Public Safety TAB property tax 619,543  
 Total Property Tax Request \$6,334,053

**Property Tax Levy**

Total property tax levy (per \$100) .16487

**Buffalo County Property Tax Distribution**

**2024**



**Sales Tax Revenue**

Ms. James stated the one-cent sales tax revenue is estimated to be approximately \$13,000,000 next fiscal year. The ½-cent sales tax, which is used for Capital Improvement Projects, is estimated at approximately \$6,000,000. Total estimated sales tax for the next fiscal year is projected to increase by \$607,000. Ms. James reviewed State Tax incentives including the Nebraska Advantage incentive and Imagine Nebraska.

	Actual FY24	Est. Actual FY25	Proposed FY26
<u>One Cent Sales Tax:</u> (Property Tax Relief)	\$11,978,955	\$12,423,445	\$12,911,884
 <u>½ Cent Sales Tax:</u> (Capital Impr/Equip)	 \$5,989,478	 \$6,211,722	 \$6,330,942
Total	\$17,968,433	\$18,635,167	\$19,242,826

**Fund Balance**

Ms. James explained the City’s policy on the percentage of the fund balance maintained yearly and its importance, and noted all funds met this policy with the exception of the Health Insurance fund.

**Comprehensive Fee Schedule Changes**

Ms. James reviewed changes to the Comprehensive Fee Schedule, including landfill tipping fees, sanitation collection, sanitary sewer, and water services. Ms. Jensen explained that the City sent advanced notice of the Tipping Fee increases to the local sanitation companies. Additionally, Ms. Jensen reviewed water services, noting that the planned increases will align the City with peer communities.

<u>Landfill</u>		
Tipping Fee (uncompacted waste)		
\$42.00 per ton to \$42.25 per ton		.6% Increase
Tipping Fee (compacted waste)		
\$35.00 to \$39.20 per ton		12.0% Increase
 <u>Sanitation – Collection</u>		
Rates increased for all types except Yard Waste		3.5% Increase
Yard Waste from \$20.00/month to \$20.50/month		2.5% Increase
 <u>Sanitary Sewer</u>		
Year 4 of 5 to pay for Wastewater Treatment Plant Upgrade		7.5% Increase
 <u>Water</u>		
Various rate increases, but most notable are changes to monthly base rates.		Various
 <u>Stormwater Utility</u>		
		No Increase

**Challenges**

Ms. James discussed other notable items, including sales tax revenue trends, continued cost escalation in goods and services, increased costs for health, dental, and property insurance, legislative changes to property taxes, and workforce challenges.

**VIII. ADJOURN**

Moved by Buschkoetter seconded by Straatmann that Council adjourn at 7:35 a.m. Roll call resulted as follows: Aye: Moore, Schmidt, Straatmann, Buschkoetter. Nay: None. Nikkila absent. Motion carried.

**ATTEST:**

\_\_\_\_\_  
**RANDY BUSCHKOETTER**  
**VICE-PRESIDENT OF THE COUNCIL**

\_\_\_\_\_  
**PEGGY EYNETICH**  
**CITY CLERK**