

**Kearney, Nebraska**  
**September 3, 2025**  
**5:30 p.m.**

A meeting of the City Council of Kearney, Nebraska, was convened in open and public session at 5:30 p.m. on September 3, 2025, in the Council Chambers at City Hall. Present were: Jonathan Nikkila, President of the Council; Peggy Eynetich, City Clerk; Council Members Randy Buschkoetter, Tami James Moore, Kurt Schmidt and Alex Straatmann. Absent: None. Brenda Jensen, City Manager; Michael Tye, City Attorney; Kayla James, Director of Finance; Brian Schultz, Director of Finance; Gabriel Kowalek, Police Chief; Andy Harter, Director of Public Works; Sarah Sawin, Director of Utilities; Eric Hellriegel, Director of Parks; Nate Mollring, Director of Information Technology; Matt Williams, Library Director; Shawna Erbsen, Administrative Services Director; Jim Lynaugh, Airport Director; Kiane Davidson, Recreation Superintendent; and Dave James, Golf Course Manager 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 Nikkila 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 2025-2026 FISCAL YEAR**

Mayor Nikkila opened the public hearing for discussion of the City of Kearney Budget for the 2025-2026 Fiscal Year.

Kayla James, Finance Director, presented the 2025-2026 budget that addressed Expenditures, Personnel, Capital Outlay, Debt Service, Revenues, Property Taxes, Sales Tax Revenues, Fund balance, and Miscellaneous items.

Ms. James detailed proposed expenditures for Fiscal Year 2025-2026, including: Personnel Services increasing approximately 9%, Supplies & Materials increasing approximately 6.5%, and Capital Outlay decreasing approximately 2.5%. In total, the General Fund is proposed to increase approximately 7% and Other funds, which are comprised of: Special Revenue, Capital Projects, Debt Service, Enterprise, Internal Service, and Fiduciary, also have a proposed increase. Overall, the total proposed budget will increase approximately 6.9%.

**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>\$101,299,298</u></b>
<b>Total</b>	<b>\$132,236,709</b>	<b>\$141,418,074</b>

**Personnel Services**

Ms. James reviewed Personnel Services and noted an increase in health/dental premiums. Brenda Jensen, City Manager, explained staffing adjustments made at the Sportsplex, which included employing seasonal staff instead of part-time staff; this change will save money from what was originally budgeted prior to the SportsPlex opening.

**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>
<b>Full-Time</b>	317	(1)	0	316
<b>Part-Time</b>	<u>46</u>	<u>2</u>	<u>(6)</u>	<u>42</u>
<b>Total</b>	363	1	(6)	358

**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)  
 Reclass Position 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 are proposed to increase in total approximately 8.8%.

Council Member Alex Straatmann asked if any additional grant funds are anticipated for projects in the 2025-2026 Fiscal Year Budget. Ms. James explained that all grant funds for the budget have been received.

	<u>FY25</u>	<u>FY26</u>
General Fund	\$1,386,208	\$1,352,477
Special Revenue Funds	\$807,000	\$4,106,508
Capital Project Funds	\$19,682,354	\$21,300,894
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>\$45,003,161</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 57.1% of the total capital expenditures for all funds.

Ms. Jensen, reviewed the Avenue N and 45th Street project, noting the cooperation with Kearney Public Schools.

Mayor Nikkila asked about the timeline on the Avenue A project. Andy Harter, Director of Public Works explained that the project will be completed in phases, primarily after school is out for the summer.

Mayor Nikkila asked for information on the Highway 30 lighting project. Mr. Harter reviewed the project, noting that the City will only pay for the portion of the project that is located within City limits. Ms. Jensen noted the State of Nebraska will fully manage this project.

	<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 Open New Cell Solid Waste Disposal Fund	(\$1,500,000)	\$1,500,000
6.	Avenue N and 45th 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 a new firetruck. Ms. Jensen explained that the continued rise in construction costs increases the need to bond larger projects.

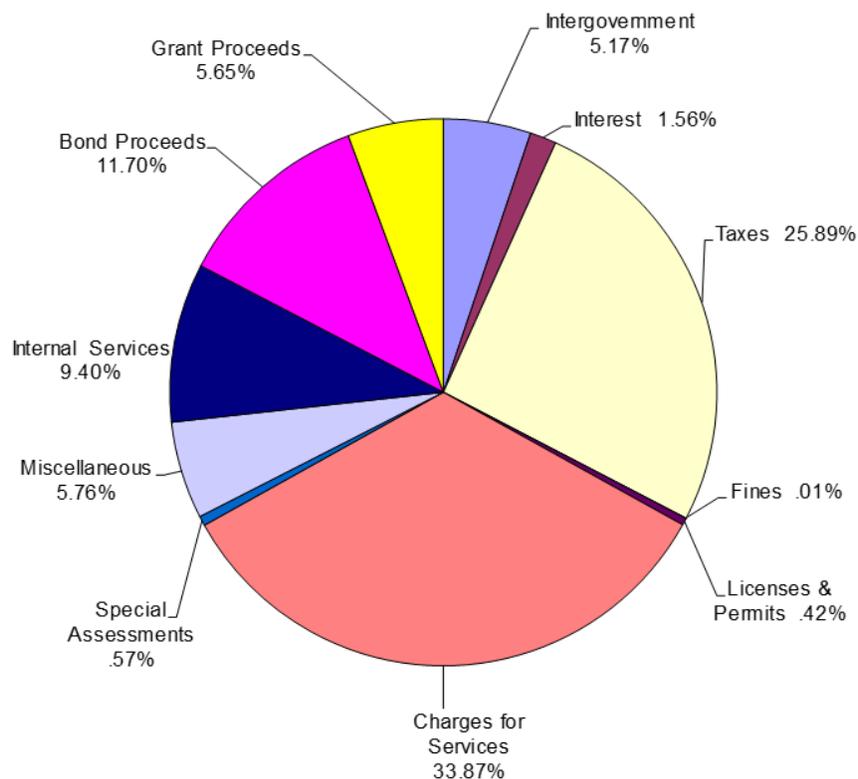
	<u>Public Safety Bonds</u>	<u>Various Purpose Bonds</u>	<u>Revenue Bonds</u>	<u>Total</u>
Beginning	\$2,580,000	\$50,121,320	\$59,645,159	\$112,346,479
Payments	(\$255,000)	(\$2,586,083)	(\$3,132,174)	(\$5,973,257)
New Debt	<u>\$14,800,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$14,800,000</u>
Ending	<u>\$17,125,000</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**

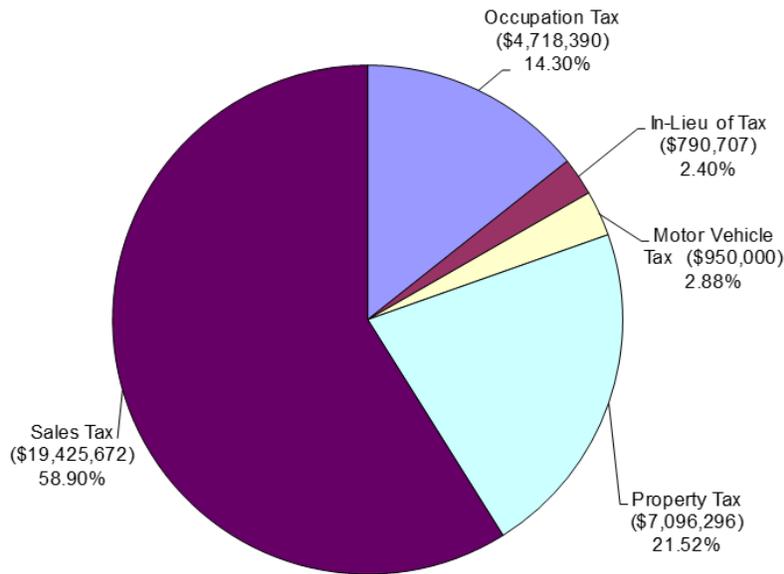
Ms. James reviewed the Projected Revenues for the upcoming fiscal year and stated they are estimated to increase by 21%.

	<u>FY25</u>	<u>FY26</u>
Taxes	\$29,759,179	\$32,981,065
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	\$8,619,699	\$6,579,356
Subtotal	\$95,140,162	\$105,268,245
Bond Proceeds	\$1,174,400	\$14,898,000
Grants	\$8,646,373	\$7,200,209
Total	\$104,960,935	\$127,366,454

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



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



**2026 Proposed Property Tax Request**

Ms. James noted that final property tax valuations are received in August from the County.

Council Members held a discussion on property assessments.

Mayor Nikkila asked if the City is in compliance with the Property Tax lid established by the Nebraska Legislature. Ms. Jensen confirmed that the City is complying.

**City of Kearney Valuation**

New and Existing Construction \$3,888,534,870

We Estimated 7% growth, actual growth was 8.30%

Existing Properties 6.62%

New Construction 1.68%

Prior Year growth was 7.60%

**Property Tax Request**

General Fund property tax \$6,469,853 .16638

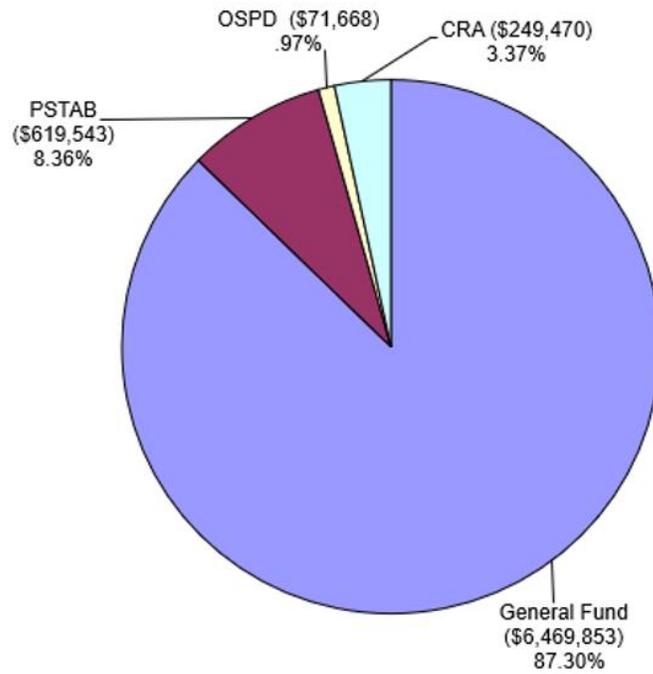
Public Safety TAB property tax 619,543 .01594

Total Property Tax Request \$7,089,396

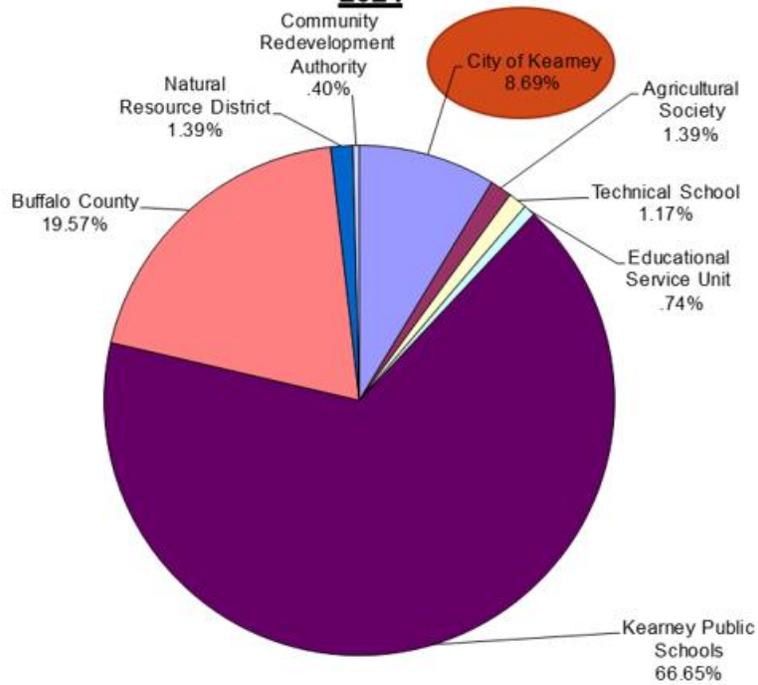
**Property Tax Levy**

Total property tax levy (per \$100) .18232

### Tax Request by Fund 2025-2026



### Buffalo County Property Tax Distribution 2024



**Sales Tax Revenue**

Ms. James stated the total estimated sales tax for the next fiscal year is projected to increase by 4.2%. Ms. James reviewed State Tax incentives, including the Nebraska Advantage incentive and Imagine Nebraska which will have an effect on the City’s budget in the upcoming year.

Council Member Kurt Schmidt asked if the entirety of the ½ cent sales tax would be put toward the Sportsplex. Ms. James stated the funds will primarily be used for Capital Improvement projects. Ms. Jensen noted that a portion of the Sportsplex was previously funded by the ½ cent sales tax.

	Actual	Est. Actual	Proposed
	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>
<b><u>One Cent Sales Tax:</u></b>	\$11,978,955	\$12,423,445	\$13,094,730
(Property Tax Relief)			
<b><u>½ Cent Sales Tax:</u></b>	<u>\$5,989,478</u>	<u>\$6,211,722</u>	<u>\$6,330,942</u>
(Capital Impr/Equip)			
Total	\$17,968,433	\$18,635,167	\$19,425,672

**Fund Balance**

Ms. James explained the City’s policy on the required percentage of the fund balance maintained yearly and its importance, and noted that all applicable funds met this policy and further noted that the General Fund’s budgeted expenditures do not exceed budgeted revenues.

**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. James stated that the increase in compacted waste fees will help raise revenue to open a future new cell at the landfill. Ms. Jensen stated that landfill fees have not been raised in approximately 30 years and noted that the City sent advance notice of the increase in tipping fees to local sanitation companies, allowing them time to adjust their rates accordingly. Additionally, Ms. Jensen reviewed water services and noted that the City aligns with peer communities.

Council Members held further discussion on sanitation collection, tipping fees, and future expansion at the Landfill.

Mayor Nikkila asked if removing library fines has been effective. Matthew Williams, Library Director, stated the removal of fees seems to have brought people back to the Library.

Landfill

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

Sanitation – Collection

Rates increased for all types except Yard Waste	3.5% Increase
Yard Waste from \$20.00/month to \$20.50/month	2.5% Increase

Sanitary Sewer

Year 4 of 5 to pay for Wastewater Treatment Plant Upgrade	7.5% Increase
---	---------------

Water

Various rate increases, but most notable are changes to monthly base rates.	Various
---	---------

<u>Stormwater Utility</u>	No Increase
---------------------------	-------------

**Challenges**

Ms. James discussed continued challenges facing the City, including sales tax revenue trends, continued cost escalation in goods and services, increased costs for health, dental, and property insurance and workforce challenges.

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

There was no one present in opposition to this hearing.

Moved by Straatmann seconded by Moore to close the public hearing on the City of Kearney Budget for the 2025-2026 Fiscal Year. Roll call resulted as follows: Aye: Nikkila, Moore, Schmidt, Straatmann, Buschkoetter. Nay: None. Absent: None. Motion carried.

**CONDUCT A PUBLIC HEARING ON THE SETTING THE 2025 CITY OF KEARNEY PROPERTY TAX LEVY AT A DIFFERENT AMOUNT THAN THE PRELIMINARY PROPERTY TAX LEVY**

Mayor Nikkila opened the public hearing on setting the 2025 City of Kearney property tax levy at a different amount than the preliminary property tax levy 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 to hold a public hearing for discussion and to receive public comment regarding setting the actual property tax requirement if it will be different than the current year.

There was no one present in opposition to this hearing.

Moved by Moore seconded by Schmidt to close the public hearing on the discussion of setting the 2025 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: Nikkila, Schmidt, Straatmann, Buschkoetter, Moore. Nay: None. Absent: None. Motion carried.

**VIII. ADJOURN**

Moved by Nikkila seconded by Buschkoetter that Council adjourn at 6:32 p.m. Roll call resulted as follows: Aye: Nikkila, Straatmann, Buschkoetter, Moore. Nay: None. Absent: None. Motion carried.

**ATTEST:**

\_\_\_\_\_  
**JONATHAN NIKKILA**  
**PRESIDENT OF THE COUNCIL**

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