

KEARNEY CITY COUNCIL

SPECIAL MEETING AGENDA **City Council Chambers, 18 East 22nd Street** **September 12, 2022** **5:30 p.m.**

I. ROUTINE BUSINESS

1. Announcement on Open Meetings Act.
2. Roll Call.
3. Conduct a public hearing on the City of Kearney Budget for the 2022-2023 Fiscal Year.
4. Conduct a public hearing on setting the 2022 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.
5. Conduct a public hearing on the City of Kearney Offstreet Parking District No. 1 Budget for the 2022-2023 Fiscal Year.
6. Adjourn.

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The Mayor and City Council reserve the right to adjourn into executive session as per Section 84-1410 of the Nebraska Revised Statutes. A current agenda is on file at the Office of the City Clerk at City Hall, 18 East 22nd Street, Kearney, Nebraska. For more information, call 233-3216 or visit our website at www.cityofkearney.org



COUNCIL AGENDA MEMO

ITEM NO. I - #3 and ITEM NO. V - #1

FROM: *Wendell Wessels, Director of Finance*

MEETING: *September 12 and 13, 2022*

SUBJECT: *2022-2023 City of Kearney Budget*

PRESENTER: *Wendell Wessels*

Discussion:

Pursuant to Section 13-506 of the Nebraska Revised Statutes, the City Council is required to conduct a public hearing on the City of Kearney proposed budget for the 2022-2023 fiscal year. The public hearing is a process where the City Council hears support, opposition, criticism, suggestions or observations of taxpayers relating to the proposed Budget Document. The 2022-2023 Budget Document can be reviewed in "Dropbox". After the Budget Document is reviewed and the public hearings are conducted on September 12, Ordinance No. 8599 should be passed and approved on September 13. Ordinance No. 8599 legally adopts the Budget Document and appropriates sums of money contained in the Budget Document for the necessary expenses and liabilities of the City of Kearney.

Fiscal Note:

The 2022-2023 budget has been created on conservative financial principals that reflect staff commitment to maintaining necessary services, improving the quality of the operation of the City, and keeping expenditures and taxes as low as possible.

Recommended Action:

The City Council is required to conduct a public hearing concerning the budget for the City of Kearney pursuant to State Statutes. Therefore, the only alternative for the City is to conduct the public hearings and adopt, or amend and adopt as amended, the City of Kearney Annual Operating Budget and Program of Services for the fiscal year beginning on October 1, 2022 and ending on September 30, 2023.

Administration recommends that the City Council conduct a public hearing on the 2022-2023 Budget Document for the City of Kearney on September 12 and adopt, or amend and adopt as amended, the City of Kearney Annual Operating Budget and Program of Services on September 13.



City of Kearney

2022-2023 Proposed Budget

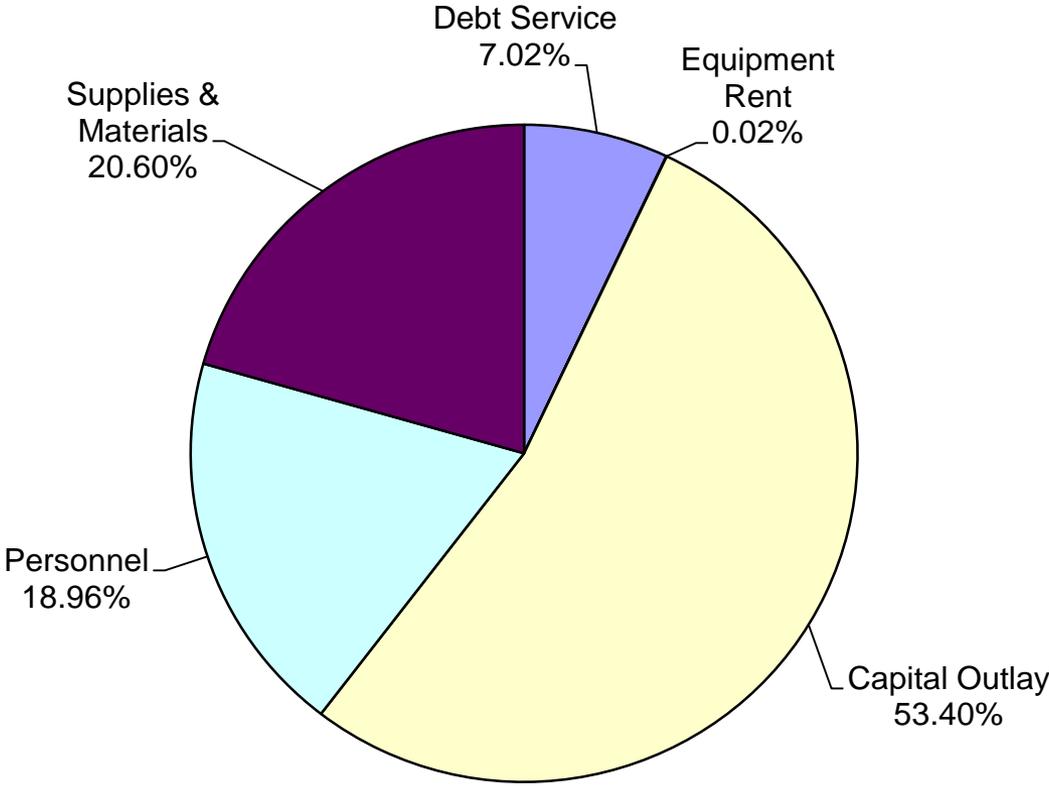
- Expenditures
 - Personnel
 - Capital outlay
 - Debt service
- Revenues
 - Property taxes
 - Sales taxes
- Fund balance
- Other

City of Kearney

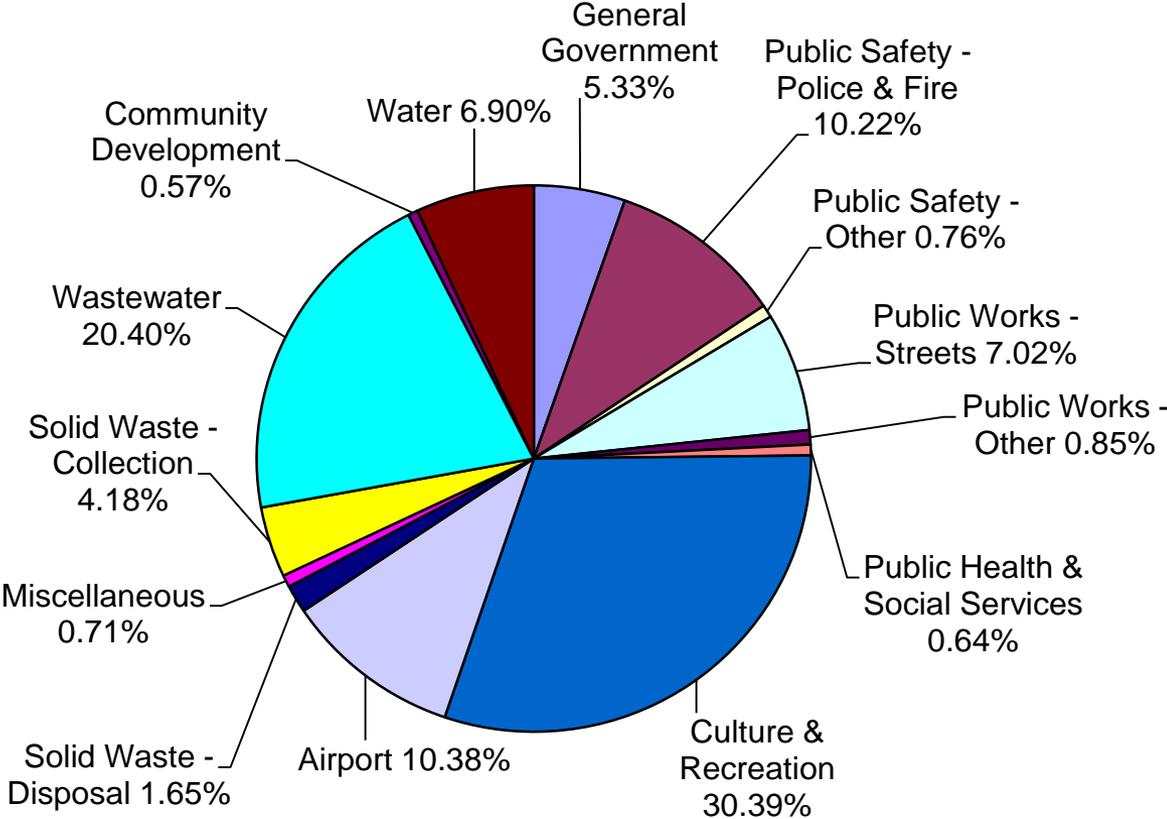
Proposed Expenditures

Expenditures:	<u>FY22</u>	<u>FY23</u>
▪ General Fund	\$29,881,385	\$33,449,456
▪ Special Revenue Funds	\$8,624,198	\$6,806,899
▪ Capital Project Funds	\$21,895,543	\$44,131,550
▪ Debt Service Funds	\$1,766,098	\$4,575,407
▪ Enterprise Funds	\$57,894,315	\$68,782,768
▪ Internal Service Funds	\$8,265,869	\$9,072,078
▪ <u>Fiduciary Funds</u>	<u>\$712,389</u>	<u>\$712,389</u>
Total	\$129,039,797	\$167,530,547

City of Kearney All Funds by Object



City of Kearney Budget by Function





City of Kearney Personnel

- 3.3% Pay Plan Adjustment – Governmental Funds \$505,636
- 3.3% Pay Plan Adjustment – Proprietary Funds \$211,106
- Total 3.3% Pay Plan Adjustment \$716,742

- Position additions/removals:
 - Added Facilities Maintenance Worker - Park
 - Removed SCADA Technician – Sanitary Sewer
 - Added Utilities Maintenance Worker, Lead – Water
 - Added Water System Operator, Lead



City of Kearney Capital Outlay

▪ General Fund	\$1,941,072
▪ Special Revenue Funds	\$593,500
▪ Capital Project Funds	\$37,947,741
▪ Enterprise Funds	\$44,723,313
▪ Internal Service Funds	\$44,500
Total	\$85,250,126

City of Kearney

Capital Impr. – Top Ten Projects (in value)

1.	Indoor Sports Complex (voter approved GO Bonds - \$34,000,000)	\$30,000,000
2.	WWTP Phase II (1% CWSRF/Revenue Bond – \$38,655,143)	\$26,174,362
3.	New Airport terminal (CARES Act - \$9,049,400)	\$8,000,000
4.	NE Kearney 2mg water tower (0% DWSRF - \$5,363,860)	\$4,073,000
5.	Yanney Pavilion (grants/donations - \$4,274,133)	\$3,100,000
6.	Booster pumps 1 & 2 upgrades (0% DWSRF – \$1,100,000)	\$1,100,000
7.	56 th St & Ave N left turn lanes (SST Fund/Street Impr. Fund)	\$1,100,000
8.	28 th Street, I Ave to L Avenue (SST Fund - \$797,000)	\$797,000
9.	Southeast drainage project (Storm Water Utility Fund - \$500,000)	\$500,000
10.	Asphalt replacement projects (SST Fund - \$360,000)	\$360,000

City of Kearney

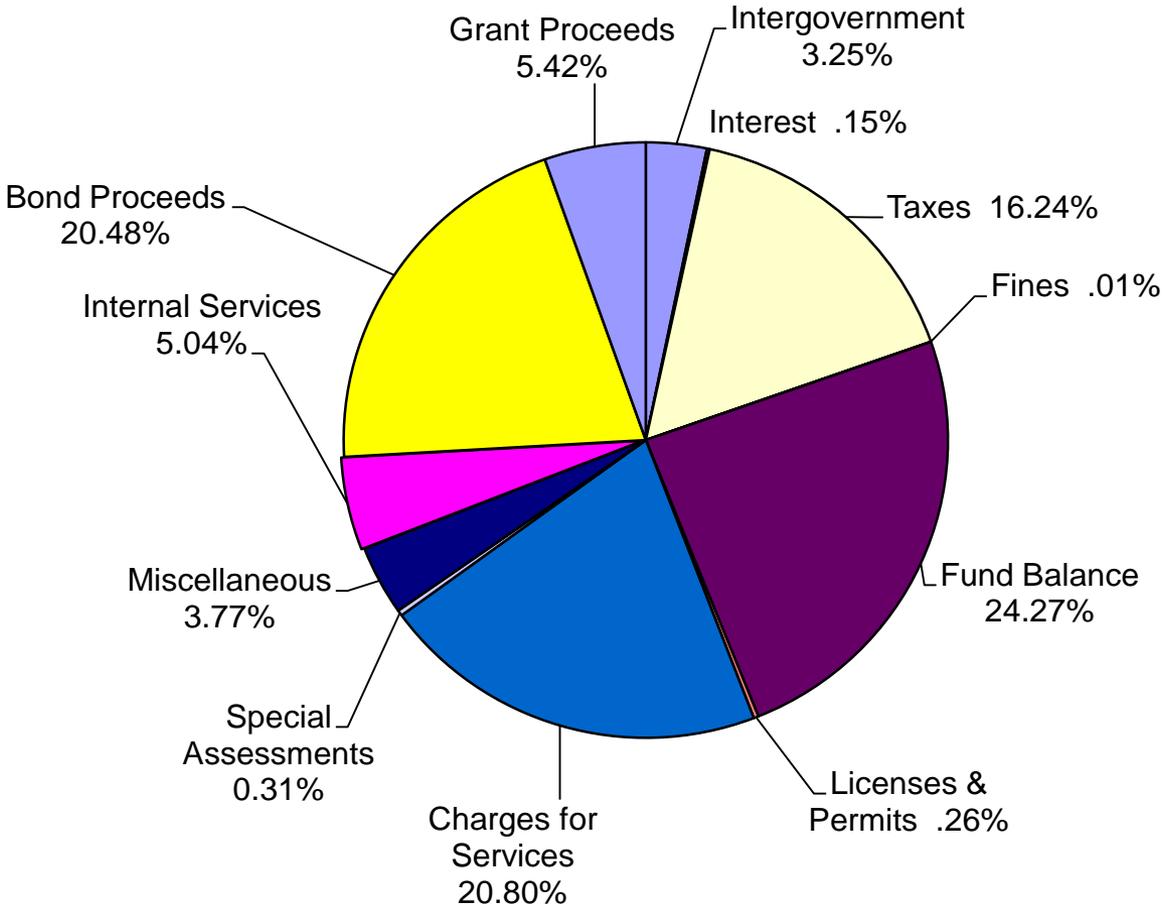
Debt Service (principal only)

	<u>Public Safety</u>	<u>Various Purpose</u>	<u>Revenue</u>	<u>Total</u>
Beginning	\$3,380,000	\$57,094,603	\$29,358,928	\$89,833,531
Paid off	(\$320,000)	(\$6,173,600)	(\$2,980,554)	(\$9,474,154)
New debt	\$0	\$2,960,000	\$31,347,362	\$34,307,362
Ending	\$3,060,000	\$53,881,003	\$57,725,736	\$114,666,739
Net change	(\$320,000)	(\$3,213,600)	\$28,366,808	\$24,833,208

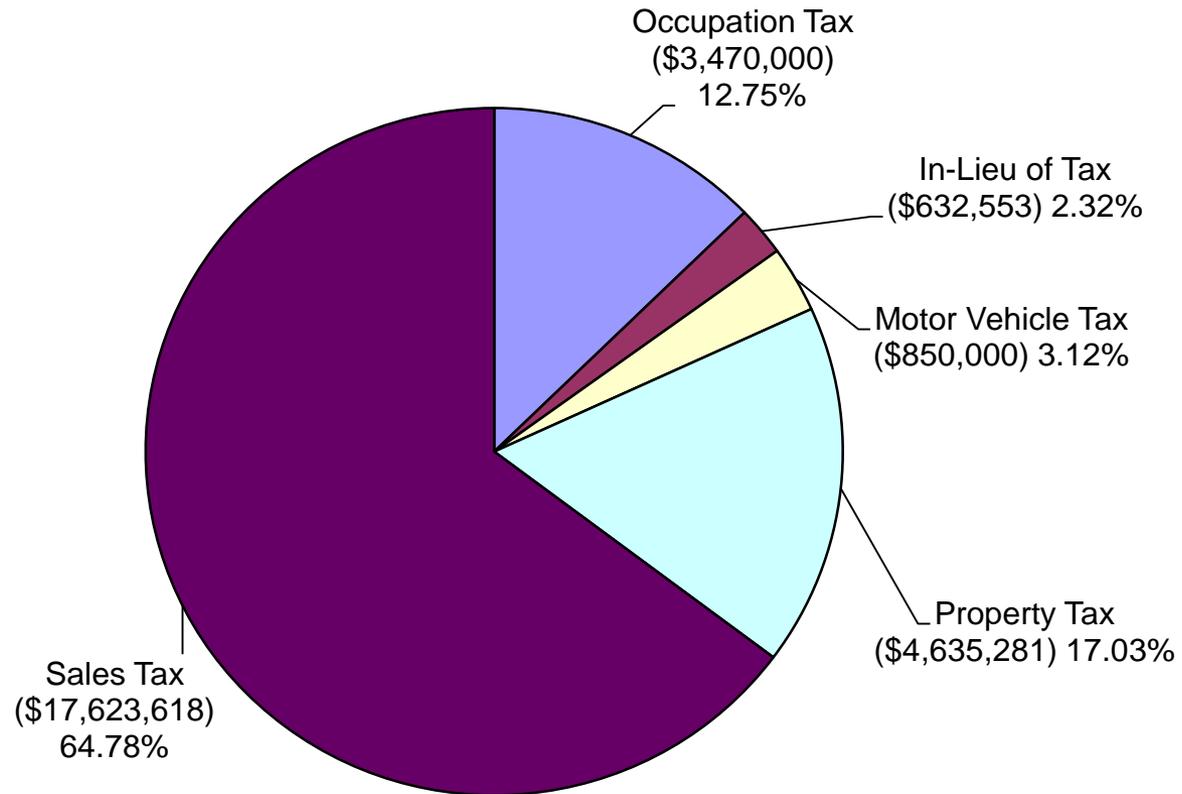
City of Kearney Proposed Revenues

Revenues:	<u>FY 22</u>	<u>FY 23</u>
▪ Taxes	\$24,097,286	\$27,211,452
▪ Licenses & permits	\$460,055	\$434,555
▪ Charges for services	\$29,951,912	\$34,849,974
▪ Fines	\$55,750	\$12,000
▪ Special assessments	\$522,800	\$516,900
▪ Interest	\$67,533	\$249,545
▪ Bond proceeds	\$24,642,093	\$34,307,362
▪ Grants	\$12,180,345	\$9,080,345
▪ Internal services	\$8,148,467	\$8,445,146
▪ Miscellaneous	\$7,020,932	\$6,322,953
▪ Intergovernmental – State	\$4,544,356	\$5,444,440
Total	\$111,691,529	\$126,874,672

City of Kearney All Funds by Source



City of Kearney Tax Revenues by Source





City of Kearney Proposed Property Tax Request

City of Kearney valuation (actual 5.51% growth) \$3,105,927,796

General Fund property tax requirement \$4,251,328

Public Safety TAB Fund property tax requirement \$372,467

Total property tax requirement \$4,623,795

Total property tax levy (per \$100) \$0.14887

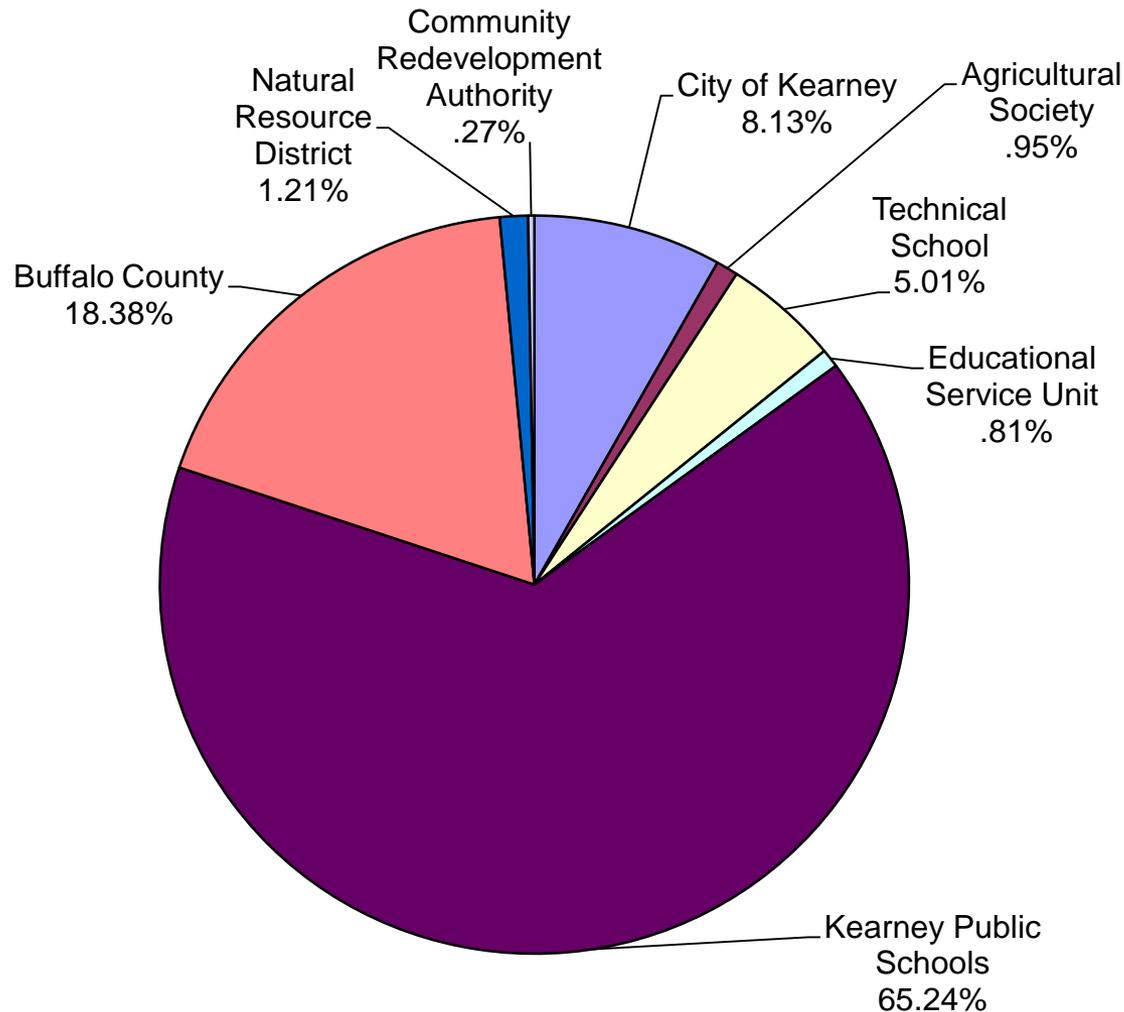
Change over FY22:

Total property tax requirement (5.51% increase) \$241,401

Total property tax levy (per \$100) (0.00% increase) \$0.0000

Taxes on a \$200,000 home \$297.74

City of Kearney Property Tax Distribution - 2021



City of Kearney

Sales Tax Revenues

	<u>Actual</u> <u>FY 21</u>	<u>Est. Actual</u> <u>FY 22</u>	<u>Proposed</u> <u>FY 23</u>
One cent sales tax			
General Fund	\$7,964,040	\$9,998,049	\$10,574,171
Street Improvement Fund	\$833,238	\$895,857	\$316,734
<u>Various Purpose Bond Fund</u>	<u>\$1,157,772</u>	<u>\$215,036</u>	<u>\$858,174</u>
Subtotal	\$9,955,050	\$11,108,942	\$11,749,079
<u>One-half cent sales tax</u>	<u>\$4,977,525</u>	<u>\$5,554,472</u>	<u>\$5,874,539</u>
Total (after NE Adv. Act)	\$14,932,575	\$16,663,414	\$17,623,618
Nebraska Advantage Act	\$36,087	\$9,829	\$0
Total (before NE Adv. Act)	\$14,968,662	\$16,673,243	\$17,623,618



City of Kearney

Comprehensive Fee Schedule Changes

- **Landfill**
 - Tipping fee (uncompacted waste) from \$32.50 to \$35.00 per ton
 - Various changes to other fees (see fee schedule)
- **Solid Waste – Collection**
 - Utility rates increased 3%
- **Wastewater**
 - Utility rates increased 7.5%
- **Water**
 - Utility rates increased 2%
- **Airport**
 - Agriculture land cash rents adjusted
 - Various changes to facility fees (see fee schedule)
- **Various other Departments**
 - Various changes to fees (see fee schedule)



City of Kearney Fund Balance

The following Funds do not meet the current Fund Balance Policy for FY23 which is 25% of operating expenses:

	<u>Required</u>	<u>Estimated</u>	<u>Shortfall</u>
□ General	\$6,952,812	\$6,875,973	\$76,839



City of Kearney

Other Notable Items

- Levy limit
- Lid on Restricted Funds
- Joint Public Hearing (LB644)



City of Kearney 2022-2023 Proposed Budget

Questions???



COUNCIL AGENDA MEMO

ITEM NO. I - #4 and ITEM NO. IV - #6

FROM: *Wendell Wessels, Director of Finance*

MEETING: *September 12 and 13, 2022*

SUBJECT: *2022 Property Tax Request*

PRESENTER: *Wendell Wessels*

Discussion:

Section 77-1632 of the Nebraska Revised Statutes requires political subdivisions of the State of Nebraska to conduct a Special Public Hearing to set the 2022 property tax request if the request is going to be different than the 2021 property tax request. The same statutes include a provision stating that the property tax request for 2021 will be the property tax request for 2022 unless the political subdivision passes by a majority vote a resolution setting the property tax request at a different amount.

Attached is Resolution No. 2022-181, which sets the property tax request for 2022. The 2022-2023 City of Kearney Budget includes a property tax requirement of \$4,251,328.36 for the General Fund, and a property tax requirement of \$372,466.79 for the Public Safety Tax Anticipation Bond Fund. The 2022 property tax requirements are different than the 2021 property tax requirements; therefore, a Special Public Hearing is required on September 12 to set the 2022 property tax requirement.

Fiscal Note:

The 2022 property tax requirement is different than the 2021 property tax requirement, therefore, a public hearing is required. After the public hearing, the City Council is required to adopt a resolution on September 13, by a majority vote, setting the property tax request for 2022.

Recommended Action:

Administration recommends that the City Council pass and approve Resolution No. 2022-181 on September 13. Adoption of Resolution No. 2022-181 will set the 2022 property tax requirement as included in the 2022-2023 City of Kearney Budget Document.



COUNCIL AGENDA MEMO

ITEM NO. I - #5 and ITEM NO. IV - #7

FROM: *Wendell Wessels, Director of Finance*

MEETING: *September 12 and 13, 2022*

SUBJECT: *2022-2023 City of Kearney Offstreet Parking District No. 1 Budget*

PRESENTER: *Wendell Wessels*

Discussion:

Pursuant to Section 13-506 of the Nebraska Revised Statutes, the City Council is required to conduct a public hearing on the City of Kearney Offstreet Parking District No. 1 proposed budget for the 2022-2023 fiscal year. The public hearing is a process where the City Council hears support, opposition, criticism, suggestions or observations of taxpayers relating to the proposed Budget Document. The 2022-2023 Offstreet Parking District. No. 1 Budget Document can be reviewed in "Dropbox" (pages 151 to 154 of the City of Kearney Budget Document). After the Budget Document is reviewed and the public hearing is conducted on September 12, Resolution No. 2022-182 should be passed and approved on September 13. Resolution No. 2022-182 legally adopts the Budget Document and appropriates sums of money contained in the Budget Document for the necessary expenses and liabilities of the City of Kearney Offstreet Parking District No. 1.

Fiscal Note:

The 2022-2023 City of Kearney Offstreet Parking District No. 1 budget has been created on conservative financial principals that reflect staff commitment to maintaining necessary services, improving the quality of the operation of the Offstreet Parking District No. 1, and keeping expenditures and taxes as low as possible.

Recommended Action:

The City Council is required to conduct a public hearing concerning the budget for the City of Kearney Offstreet Parking District No. 1 pursuant to State Statutes. Therefore, the only alternative for the City is to conduct the public hearings and adopt, or amend and adopt as amended, the City of Kearney Annual Operating Budget and Program of Services for the fiscal year beginning on October 1, 2022 and ending on September 30, 2023.

The City of Kearney Offstreet Parking District No. 1 Board approved the Offstreet Parking District No. 1 Budget on July 13, 2022. Administration recommends that the City Council conduct a public hearing on the 2022-2023 Budget Document for the City of Kearney Offstreet Parking District No. 1 on September 12 and adopt, or amend and adopt as amended, the City of Kearney Offstreet Parking District No. 1 Annual Operating Budget and Program of Services on September 13.

**CITY OF KEARNEY
OFFSTREET PARKING DISTRICT NO. 1 SUMMARY
2022 - 2023 BUDGET**

	Actual 2019 - 2020	Actual 2020 - 2021	Budget 2021 - 2022	Estimated Actual 2021 - 2022	Proposed Budget 2022 - 2023
EXPENDITURES					
Personal Services	0.00	0.00	0.00	0.00	0.00
Supplies, Materials and Contractual Services	41,343.70	56,967.08	108,901.47	20,500.00	161,082.40
Equipment Rental	0.00	0.00	0.00	0.00	0.00
Capital Outlay	0.00	0.00	0.00	0.00	0.00
Debt Servicing	0.00	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	41,343.70	56,967.08	108,901.47	20,500.00	161,082.40

REVENUES					
Taxes	52,772.40	52,862.07	55,870.00	54,753.00	57,266.00
Licenses and Permits	0.00	0.00	0.00	0.00	0.00
Charges for Services	0.00	0.00	0.00	0.00	0.00
Fines	0.00	0.00	0.00	0.00	0.00
Special Assessments	0.00	0.00	0.00	0.00	0.00
Interest	304.18	299.62	250.00	400.00	400.00
Miscellaneous	1,000.00	1,750.00	1,000.00	1,000.00	1,000.00
Intergovernmental - State	0.00	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	54,076.58	54,911.69	57,120.00	56,153.00	58,666.00
Beginning fund balance	64,313.29	76,835.58	57,781.47	74,823.23	108,416.40
County Treasurer's balance	1,772.62	1,983.21	4,000.00	1,940.17	4,000.00
Total cash available	120,162.49	133,730.48	118,901.47	132,916.40	171,082.40
Less total expenditures	41,343.70	56,967.08	108,901.47	20,500.00	161,082.40
Ending fund balance	78,818.79	76,763.40	10,000.00	112,416.40	10,000.00

FUND BALANCE ANALYSIS

Year Ending:	Balance	Annual Change	Required		Surplus (Deficit)
			Operating	Capital	
09/30/13	52,666.29				
09/30/14	52,443.77	(222.52)			
09/30/15	53,455.37	1,011.60			
09/30/16	56,720.37	3,265.00			
09/30/17	106,551.74	49,831.37			
09/30/18	84,768.37	(21,783.37)			
09/30/19	64,313.29	(20,455.08)			
09/30/20	76,835.58	12,522.29			
09/30/21	74,823.23	(2,012.35)			
09/30/22 (estimate)	108,416.40	33,593.17			
09/30/23 (budget)	10,000.00	(98,416.40)	10,000.00	0.00	0.00

**OFFSTREET PARKING DISTRICT NO. 1
REVENUES**

**FUND 51 - OFFSTREET PARKING DISTRICT NO. 1
ACCOUNT 00 - OFFSTREET PARKING DISTRICT NO. 1**

Account	Account Name	Actual 2019 - 2020	Actual 2020 - 2021	Budget 2021 - 2022	Estimated Actual 2021 - 2022	Proposed Budget 2022 - 2023
31000 Taxes						
250031130	Property tax	52,772.40	52,862.07	55,870.00	54,753.00	57,266.00
	Category Total	52,772.40	52,862.07	55,870.00	54,753.00	57,266.00
36000 Interest						
250036100	Interest	304.18	299.62	250.00	400.00	400.00
	Category Total	304.18	299.62	250.00	400.00	400.00
33000 Miscellaneous						
250037109	CRA contributions	0.00	0.00	0.00	0.00	0.00
250037115	Donations	0.00	0.00	0.00	0.00	0.00
250037180	Miscellaneous	1,000.00	1,750.00	1,000.00	1,000.00	1,000.00
	Category Total	1,000.00	1,750.00	1,000.00	1,000.00	1,000.00
	Total	54,076.58	54,911.69	57,120.00	56,153.00	58,666.00

**CITY OF KEARNEY
OFFSTREET PARKING DISTRICT NO. 1
2022-2023 BUDGET**

DESCRIPTION

The Downtown Improvement District was created in 1970 to maintain public improvements, provide adequate parking, and help the downtown businesses compete with other retail shopping areas.

In October 2005, the City's Downtown Improvement Board, comprised of merchants appointed by the Mayor, merged with the Kearney Centre Association, whose membership consisted of merchants. The name, Downtown Kearney Centre has been changed to Downtown Kearney: The Bricks and a new logo has been developed. Now, working together as the Kearney Downtown Improvement Board, the organization has streamlined efforts, improved finances, and created a unified organization with shared goals. The five members of the Downtown Improvement Board advise the City Council on matters of concern in Downtown Kearney: The Bricks.

NOTABLE EXPENDITURES

1. None.

**OFFSTREET PARKING DISTRICT NO. 1
EXPENDITURES**

**FUND 51 - OFFSTREET PARKING DISTRICT NO. 1
ACCOUNT 00 - OFFSTREET PARKING DISTRICT NO. 1**

Account	Account Name	Actual 2019 - 2020	Actual 2020 - 2021	Budget 2021 - 2022	Estimated Actual 2021 - 2022	Proposed Budget 2022 - 2023
42000 Supplies, Materials and Contractual Services						
250042105	Administrative	249.70	276.81	500.00	500.00	500.00
250042115	Marketing	41,094.00	56,690.27	108,401.47	20,000.00	160,582.40
	Category Total	41,343.70	56,967.08	108,901.47	20,500.00	161,082.40
44000 Capital Outlay						
250044100	Improvements	0.00	0.00	0.00	0.00	0.00
	Category Total	0.00	0.00	0.00	0.00	0.00
	Total	41,343.70	56,967.08	108,901.47	20,500.00	161,082.40