

City of Scottsbluff, Nebraska

Monday, July 6, 2015

Regular Meeting

Item Consent2

Approve the minutes of the June 23, 2015 Special Budget Workshop Meeting.

Staff Contact: Cindy Dickinson, City Clerk

Special Budget Workshop Meeting
June 23, 2015

The Scottsbluff City Council met in a Special Budget Workshop Meeting on Tuesday, June 23, 2015 at 8:00 a.m. at the Platte Valley Professional Center, 1110 Circle Drive, Suite 200, Scottsbluff, NE. A notice of the meeting had been published on June 19, 2015, in the Star Herald, a newspaper published and of general circulation in the city. The notice stated the date, hour and place of the meeting, that the meeting would be open to the public. That anyone with a disability desiring reasonable accommodation to attend the council meeting should contact the city clerk's office, and that an agenda of the meeting kept continuously current was available for public inspection at the office of the city clerk in City Hall; provided, the city council could modify the agenda at the meeting if it determined that an emergency so required. A similar notice, together with a copy of the agenda, also had been delivered to each council member, made available to radio stations KNEB, KMOR, KOAQ, and television stations KSTF and KDUH, and the Star Herald. The notice was also available on the City's website on June 19, 2015. An agenda kept continuously current was available for public inspection at the office of the city clerk at all times from publication of the notice to the time of the meeting.

Mayor Randy Meininger presided and City Clerk Dickinson recorded the proceedings. Mayor Meininger welcomed everyone in attendance and encouraged all citizens to participate in the council meeting. Mayor Meininger informed those in attendance that a copy of the Nebraska Open Meetings Act was available for the public's review. The following Council Members were present: Raymond Gonzales, Jordan Colwell, Randy Meininger, Liz Hilyard and Scott Shaver (arrived at 8:07 a.m.). Absent: None.

Mayor Meininger asked if there were any changes to the agenda. There were none. Mayor Meininger asked if any citizens with business not scheduled on the agenda wished to include an item providing the City Council determines the item requires emergency action. There were none.

City Manager Kuckkahn expressed his appreciation to Finance Director Griffiths and Assistant City Manager Johnson for all of their work preparing the 2015/2016 Budget. The City's revenue projections seem to be better than anticipated. We will provide the 10 year revenue projection at a later date as staff is working on some adjustments.

The proposed budget for all funds includes a 1.2% Cost of Living Adjustment (COLA) based on the Consumer Price Index (CPI), and merit increases. Staff did not make adjustments to include a minimum wage increase, as it is not required by state law for municipalities. Health insurance estimates increased by 5%. Property and liability insurance was based on the FY 15 budget and will be increased by approximately 8-10%.

Some changes will include the recycling service as the city will charge everyone the same rate, so customers won't have to pay more to recycle, which will hopefully encourage more residents to recycle. The city will own the yard waste containers and will distribute them to residents as they need them to increase the amount of yard waste collected. This will also increase the amount of compost available for use throughout the city.

The total proposed monthly increase for utilities will be \$2.65; this is broken down by department - Environmental Services \$2.29; Stormwater \$.25; and Water \$.11. Many of these increases are tied to recycling. We have an environmental commitment and want our community to become greener. Mr. Kuckkahn expressed a desire to possibly increase the Stormwater rate by another \$.25 to accelerate the stormwater project. Mayor Meininger explained that many years ago, the Scottsbluff Drain was covered and houses were built over it. Eventually, we would like to acquire these properties and open the drain. Mr. Johnson explained that we have a tunnel and when the water builds up and goes through the tunnel, it causes flooding issues. If it were opened up, it would eliminate the back-up problems. This fund will build over the years so we can complete this project.

Council discussed funding outside agencies. Many of the agencies have been funded at the same level for many years. Council would like a complete list of all outside agencies and details explaining what the agencies do with the funding.

Mr. Kuckkahn reviewed the individual department budgets, which showed the COLA increase for all employees. Finance Director Griffiths commented that we will look at another wage survey after there is more information regarding the requirements of minimum wage.

There are no increases to department budgets for this year. Changes include the \$45,000 that was removed for salaries at the Splash pool and the \$50,000 annual payment to the Scottsbluff School District for the Splash. An addition of \$202,000 has been added for the Scottsbluff School District contractual agreement to assist with the repairs of the Splash locker room up to \$202,000.

Council asked what we can do in the future to make sure the general fund reserve doesn't deplete. Mr. Kuckkahn suggested considering the lodging tax again, which was not adopted during the last budget cycle. This should go directly to the general fund for quality of life assistance. Council Member Hilyard also asked about the possibility of adding a restaurant tax along with the lodging tax.

Mayor Meininger informed staff and the Council that we may need to address the issue of returning sales tax revenues to the state if the packing plant does locate in our area. The packing plant company will most likely apply for Advantage and Super Advantage funds, which allows the state to pull sales tax from the city where supplies for the plant are purchased. The city then has one year to provide these funds to the state. It's important that we are aware of this possibility and prepare for it.

Another resource available to the city for additional revenue, is to increase the amount we transfer from the Enterprise Fund to the General Fund. This is a policy decision and Council would need to decide if they want to take funds from a rate structure to support the General Fund. Council Member Hilyard commented that we can justify this type of policy because we are providing services to the citizens. Our goal is not to make money, but to provide services.

It was the consensus of the Council to re-visit the occupation tax and restaurant tax and asked staff to provide information about other Nebraska communities collecting these taxes, what rate, and what are they doing with the additional revenue. Additional essential information will be a legal opinion regarding the maximum amount from each source that can be collected before a vote is required. An educational presentation will need to be provided to the public regarding this tax.

Mayor Meininger summarized that no amounts from the occupation/restaurant tax would be added into the 2015-16 budget; staff will prepare numbers based on a 1, 2, and 3% tax to see what they look like; and staff will research the enterprise fund regarding the maximum amount that can be transferred to the general fund.

Council also discussed the possibility of outsourcing some of our city services to smaller communities in our area.

Mr. Johnson reviewed the KENO fund requests. The KENO fund has 40% of the total amount available to department projects that qualify, approximately \$78,000.00. Staff is recommending funding the Fire Prevention Education Trailer improvements; Spanish Collection at the Library; Sand Volley Ball courts at Northwood Park; new movie screen for Movies in the Park; and a basketball court at Bea Lovell Park. Items not recommended for funding were special events; fireworks and electronic directory for the cemetery (staff will request a resubmittal of the directory with no electronics).

Capital projects recommended by staff included two wide area mowers and a new pickup for the Parks Department for a total expense of \$115,000.

Mr. Kuckkahn explained that the Debt Service Fund is very healthy and will be even better in 2023 when the 2015 Lease Rental Revenue and Refunding and Highway Allocation Fund Pledge Bonds are paid off. The 2015 Bond fund was used for the purchase of the properties for the downtown plaza

project. Staff will continue to get input and apply for grants for this project, which will be phased over the years.

Regarding the Environmental Services budget, Assistant City Manager Johnson reported that 10% was added to this budget for the compost facility; \$21,600 for single stream recycle containers and \$100,000 for yard waste containers. Council Member Gonzales asked staff to report on the amount of recycle tonnage we have saved from going to the landfill as a result of our recycling program.

City Manager Kuckkahn reported on the Stormwater Fund, which includes a \$163,459 surcharge revenue for the purchase and demolition of homes located on the Scottsbluff Drain. Mr. Kuckkahn asked Council for consideration of an increase of the Stormwater rate to \$1.00 total to build the funds for the drain project. Council wants to stay at \$.75 for now. Council Member Gonzales asked if it would be possible to re-route the drain. Staff will discuss this option with the engineers and report back to Council.

Assistant City Manager Johnson reported that no General Fund CIP requests would be approved because of limited funding. There was some discussion regarding the Fire Department request for a Mobile Data Program, which can be purchased with funds from the Mutual Fire Organization (MFO), however, staff is recommending not moving forward with this purchase because of the \$3,000 annual maintenance fee, which most likely is not covered by MFO funding.

Staff is recommending approval of the Enterprise Fund CIP requests, including the \$4,405,000 of LB 840 funds plus \$220,000 from the Wastewater budget for the utility infrastructure study.

Regarding the entire city budget, Mr. Kuckkahn commented that we have a very conservative budget and are way under our lid amount of tax asking, thanks to our fiscally responsible City Council.

Moved by Council Member Shaver, seconded by Council Member Hilyard, "to adjourn the meeting at 11:55 a.m.," "YEAS", Colwell, Meininger, Shaver, Gonzales, and Hilyard, "NAYS": None. Absent: None.

Mayor

Attest:

City Clerk

"Seal"