

City of Scottsbluff, Nebraska

Monday, August 3, 2020

Regular Meeting

Item Consent1

Approve the minutes of the July 16, 2020 Special Meeting.

Staff Contact: City Council

Special Meeting
July 16, 2020

The Scottsbluff City Council met in a Special Meeting on Thursday, July 16, 2020 at 8:00 a.m. in the Council Chambers of City Hall, 2525 Circle Drive, Scottsbluff, NE. A notice of the meeting had been published on July 10, 2020 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 and that anyone attending was encouraged to wear a mask and to respect social distance guidelines. It also stated 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 July 10, 2020. Mayor Raymond Gonzales presided and City Clerk Wright recorded the proceedings. Mayor Gonzales welcomed everyone and 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, Scott Shaver, Jeanne McKerrigan, Nathan Green, and Terry Schaub. Absent: None. Also present were Interim City Manager Rick Kuckkahn, City Attorney Kent Hadenfeldt, Finance Director Liz Hilyard, and Deputy Finance Director Chris Burbach. Mayor Gonzales stated no other business shall be transacted at the special meeting unless all Council Members are present to consent and the City Council declares the existence of an emergency. He then asked if there was such an emergency. There was none.

Regarding the FY 2020-21 budget, Interim City Manager Kuckkahn started discussion by thanking Finance Director Hilyard for her hard work; he also complimented department heads for keeping spending needs down this year. He explained to Council the City of Scottsbluff has a \$43 million budget with approximately \$9 million in Capital Improvement Projects funding.

He then brought forth dialogue concerning increasing revenues. Mr. Kuckkhan stated the LB840 sales tax initiative limits the number of dollars we can take from property tax to devote to the general fund, capping the amount at \$175,000. He would like to recommend to Council to consider amending the LB840 legislation and allowing the City to use more property tax dollars in the general fund. He stated currently the property tax dollars now are going to debt service and the capital sinking fund and we do not need them there, explaining this would not add taxes; just shift the direction of the money. He expressed this proposal would have to be put on the ballot, clarifying it would just amend a piece of the sales tax plan; it would not jeopardize the sales tax on the proposition.

Mayor Gonzales asked, with respect to the general fund, what other funding sources can be identified. Mr. Kuckkahn stated he has asked for help coming up with other sources of revenue streams. He is looking at putting together a package for Council to consider; he has a hesitancy of adding any new tax. Council Member Shaver asked if we could change the property tax limit of \$175,000 to a percentage, stating, so that way as property taxes change, as your economy changes you don't have to keep going back to the people and changing that; to him that makes sense. Mr. Kuckkahn agreed, reiterating to what he commented on earlier with amending the LB840 plan, stating the property tax dollars do not go to the general fund; if the money could be rechanneled, we could realistically fund some staffing issues for certain departments.

Mr. Kuckkahn then presented the proposed monthly increases for utilities. They include a 0% increase for stormwater surcharge, wastewater, and water. There is, however, a slight increase of .67 in environmental services for tipping fees with the proposed private hauler. The estimated bi-monthly bill for 2021 will change to \$120.69 from \$119.35 in 2020.

The presented budget reflects a 2% Cost of Living Adjustment (COLA) based on the Consumer Price Index (CPI), for general employees who are not union employees. The 2% is also suggested with Fire and Police Department union employees, pending meetings. The 2% is in alignment with the CIR percentage of 98-102% of the going wage. Concerning Public Works, IBEW eligible employees, an amount of 5% has been budgeted because they are two years in arrears. The International Brotherhood of Electrical Workers (IBEW) Contract will be brought forth at the Council meeting on July 20, 2020 for approval. Mr. Kuckkahn stated the CPI for 2019 was 2.2%; SSA COLA 2.8%. The COLA is based off the prior year's number and applied forward. This is done so there is no guessing for the future.

City contribution to health insurance increased by 10% due to projected increases in premiums, but there will be a 0% increase in employee contributions. Based on the estimates from the city's insurance carrier, League Association of Risk Management (LARM), staff is recommending a 5% increase in property insurance, 10% increase for liability and 5% increase for workers compensation. Rates have increased due to significant claims.

Mr. Kuckkahn then went over and answered questions regarding the budgeted CIP items for each department totaling in excess of \$8 million. He commented this is a lot of money to spend in a year; his expectation with this is that business is taken care of and projects get done.

Council took a five minute break, reconvening at 9:26 a.m.

Upon reconvening, Council Member Green commented on the Platte Alliance Water Supply (PAWS) project and how they can add that as a line item to the water department CIP. Finance Director Hilyard commented the reason it has not been added is because currently it is so far out on the horizon, it does not make sense to put it on the five year CIP; there are many variables to consider before plugging in a number. Council Member Green then explained he would like to see it added to be able to use that figure as matching funds for a grant. Council Member Shaver also commented they have applied for funding to get the water rights set; if they do not get all the funds, the money has to come from some place, so having something available wouldn't be a bad thing, even \$50,000. Mr. Kuckkahn stated he will talk with Dave Schaff of M.C. Schaff and Associates to see if they could put a figure in the CIP budget, if not, he will add a paragraph to the Manager's letter which is included with the budget.

Mr. Kuckkahn then presented to Council a situation involving the gardens in City parking lots. He explained the parks department does not have enough staff to take care of the gardens and he would like to hire a private entity to take this over. He stated they have received a bid from a private company amounting to \$28,940 yearly; the same company can take over for the next twelve weeks amounting to approximately \$16,200. He is recommending using the private company to take some burden off of the parks department.

City Manager Kuckkahn then restated to Council the reason for the excess in cash reserves, amounting to approximately \$3.4 million. He explained every year we submit forms to the state. The State auditor looks at the forms and notifies us with concerns, there are no penalties involved and nothing was done wrong. We have excess cash sitting in funds and we need to reduce that cash, so we are not exceeding the state's expectation of budget versus cash in hand. Consequently, the City needs to reduce those funds with recommendations below.

- \$2 million to be used for repairs on Avenue B for whatever level of improvement the City can afford. This would go from Beltline to 27th Street. It was the consensus of Council to put in the budget and then bid this out. If the bid comes back over budget than look at different scenarios.
- \$450,000 for water tower treatment. This is for painting the inside of the hydro pillar tower.
- \$250,000 for the Community Redevelopment Corporation. This funding would be earmarked to be used similar to the East Overland Façade Improvement Project, but would encompass the entire business community of Scottsbluff. Mayor Gonzales asked that the CRA produce a Redevelopment Plan. Council Member Shaver asked that local contractors be used for the improvements.
- \$250,000 for Workforce Development Training. This would be flexible money for the program and would not use LB840 funding. This would give underemployed people training for jobs. Mayor Gonzales asked if this training would be used just for the citizens of Scottsbluff. Mr. Kuckkahn stated he will get more information for Council.
- \$500,000 for Council projects. Mr. Kuckkahn presented Council with a list of suggested projects. Council expressed interest in the projects below:
 - ❖ Splash Pad – Council would like to consider and see a cost associated with this project.
 - ❖ Changeable Copy Sign – Council asked about using private signs, such as digital billboards or the sign at Western Travel Terminal. Mr. Kuckkahn will look at different options and bring back prices.
 - ❖ Police/Fire Storage Building – Make more efficient use of what we have.
 - ❖ Park Security Lighting – Lighting at the soccer complex.
 - ❖ Bicycle Safety-Park Feature – Will work in conjunction with Tri-City Active Living Council to get this project going.
 - ❖ Dog Park – Council feels more are needed since the current dog park at Riverside is not very feasible or accessible. Will contact Common Ground Dog Park Group to work with on the project.
 - ❖ Pool – get estimates to repair Westmoor Pool or possibly replace with a tank pool.
 - ❖ Repainting “Scottsbluff” on water tower by soccer fields – Council expressed interest; will look at pricing.

Council Member Shaver asked about stoplights on Broadway and if this was something that could be looked at and added to the budget. Mr. Kuckkahn stated he was the one who took the lights out and he recommends leaving it alone. Mayor Gonzales agreed with Council Member Shaver and asked that maybe we could add at least one stop light on Broadway. Mr. Kuckkahn stated he will price out one four way stop light for Council consideration. Also, once the report from Lamp Rynearson, regarding the

speed limit in front of the high school, is completed he will get that to Council for discussion and decision making.

Mayor Gonzales asked if the property tax levy was still at 21.5%, if the LB840 money was budgeted, and if outside agencies are being funded at the same level. Finance Director Hilyard stated the levy is correct at 21.5% and all the LB840 money has been budgeted. As far as outside agencies, Mr. Kuckkahn stated they are all being funded at the same level and as far as changing amounts that will be done in October; the City Manager will bring any requests to Council and if the organization has not lived up to the expectations Council has set, Council can determine the future of funding.

Council Member Schaub made the motion, seconded by Council Member McKerrigan to adjourn for lunch at 11:18 a.m.; reconvening at 1:00 p.m., "YEAS," McKerrigan, Shaver, Gonzales, Schaub, and Green. "NAYS," None. Absent: None.

Council Member Schaub made the motion, seconded by Council Member Green, to reconvene the meeting at 1:00 p.m., "YEAS," Shaver, McKerrigan, Gonzales, Green, and Schaub. "NAYS," None. Absent: None.

City Manager Kuckkahn approached Council regarding hiring an additional employee to help out in various departments, most importantly parks. Mr. Kuckkahn stated, after talking with Finance Director Hilyard, there are funds available by using different department budgets for this employee's salary. He would like to suggest hiring this employee sooner than later.

Regarding reviewing and taking action on job materials submitted by applicants, other than finalists, who have applied with the City of Scottsbluff, Patricia Heminover of Baker Tilly Virchow Krause, LLP was present to answer questions for Council.

Council Member Schaub moved to go into closed session for the reason that is clearly necessary for the protection of the public interest and for the prevention of needless injury to the reputation of individuals for the purpose of discussing job application materials, other than finalists, for employment with the City of Scottsbluff. Council Member Green Seconded the motion.

Mayor Gonzales then stated the motion has been made to go into closed session as it is necessary to protect the public interest and for the prevention of needless injury to the reputation of individuals who have submitted job application materials, other than finalists, for the employment with the City of Scottsbluff. There was no discussion.

Mayor Gonzales then stated the pending motion is to go into closed session as it is clearly necessary to protect the public interest and for the prevention of needless injury to the reputation of individuals who have submitted job application materials, other than finalists, for employment with the City of Scottsbluff. He asked to call the roll. "YEAS," Green, McKerrigan, Shaver, Gonzales, and Schaub. "NAYS," None. Absent: None.

Mayor Gonzales stated a motion to go into closed session as it is necessary for the protection of the public interest and for the prevention of needless injury to the reputation of individuals who have submitted job application materials, other than finalists, for employment with the City of Scottsbluff has been adopted. Council went into closed session with Patricia Heminover with Baker Tilly Virchow Krause, LLP at 1:06 p.m.

Council reconvened out of closed session at 3:02 p.m. as stated on the record. The following Council Members were present: Raymond Gonzales, Jeanne McKerrigan, Scott Shaver, Nathan Green, and Terry Schaub.

Council Member Shaver made the motion, seconded by Council Member Schaub to come out of executive session, "YEAS," Schaub, McKerrigan, Green, Shaver, and Gonzales. "NAYS," None. Absent:

None. Mayor Gonzales and Council thanked Ms. Heminover for updating them on the City Manager search.

Council Member Schaub made the motion, seconded by Council Member Green to adjourn the meeting at 3:03 p.m., “YEAS,” Gonzales, McKerrigan, Shaver, Green, and Schaub. “NAYS,” None. Absent: None.

Mayor

Attest:

City Clerk

“SEAL”