

# **City of Scottsbluff, Nebraska**

**Monday, August 4, 2014**

**Regular Meeting**

## **Item Consent1**

**Approve the minutes of the July 17, 2014 Special Budget Workshop Meeting.**

**Staff Contact: Cindy Dickinson, City Clerk**

Special Budget Workshop Meeting  
July 17, 2014

The Scottsbluff City Council met in a Special Budget Workshop Meeting on Thursday, July 17, 2014 at 8:00 a.m. in the Council Chambers of City Hall, 2525 Circle Drive, Scottsbluff. A notice of the meeting had been published on July 11, 2014, 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 July 11, 2014. 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. The Pledge of Allegiance was recited. Mayor Meininger welcomed everyone in attendance and encouraged all citizens to participate in the council meeting asking those wishing to speak to come to the microphone and state their name and address for the record. Mayor Meininger informed those in attendance that a copy of the Nebraska Open Meetings Act is posted in the back of the room on the west wall for the public's review. The following Council Members were present: Raymond Gonzales, Mark McCarthy, Randy Meininger, Scott Shaver and Liz Hilyard. 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.

Mayor Meininger reported that seven years ago, the reserve balance was \$750,000.00 and today it is just under \$3 million dollars. He expressed his appreciation to the Council and staff who have helped to build the reserve to this level. He commented that as we look to the future, the areas of key concern will be water as a high commodity; economic development; and solid waste.

City Manager Kuckkahn explained that the budget process this year began with the department heads submitting their budgets and staff making sure that they met the financial limitations based on a decline of sales tax revenue. To maintain a solid reserve, staff had to cut back on some capital improvement program (CIP) items. There were no CIP items funded by the general fund.

The general parameters of this year's budget include the following assumptions: 1.7% COLA based on the Consumer Price Index including merit increases; health insurance increase of 5%; increase of 4.5% in electricity for FY14 and 3% for FY15; and increase in insurance costs of 10% for property, 3% for liability and 11% workers compensation.

KENO fund requests from departments were reviewed and the following allocations of 40% of the total fund are recommended: \$5,000- fire department car seat program; \$15,000 – park department basketball court at Bea Lovell Park; \$4,500 – RFID tags at the Library; \$4,900 carpet and upholstery cleaning – Library; and \$2,500 electronic media at the library.

The recommended rate increase for utilities per property is \$0.89 per month. This includes increases for environmental services, stormwater surcharge, and water. Council asked about the stormwater increase, which will be used to manage the mandated stormwater discharge program. The increase for water will provide for the new unified remote reading system, which will make the meter reading process more efficient.

Mr. Kuckkahn discussed the 10 year budget projection, which shows a negative balance for 2024. He is proposing that we keep a close eye on the sales tax revenue and make adjustments as needed. He also is suggesting we look at a long term solution for other sources of revenue. One source is a lodging tax, which staff is proposing as a possible revenue. A projection of a 4% lodging tax would generate approximately \$200,000 which would be used as a part of the \$350,000 annual support of the Riverside Discovery Center, and increase our reserve with the lodging tax revenue. Council Member Gonzales asked if the 4% was enough to sustain our reserve or if we should begin with a 5.5% tax. Mayor Meininger asked staff to review the statute regarding increases to this tax.

Council discussed other possible revenue sources. Mayor Meininger informed the council that LB385 does allow for an additional ½% property tax for infrastructure, which requires a vote. He added he is not in favor of increasing property tax, however, it is a resource to improve infrastructure.

At 8:55 a.m., Council took a break, reconvening at 9:05 a.m.

Mayor Meininger discussed the economic impact of the Heartland Express and the importance of maintaining support. It may be possible to add this support to the payment made to an outside agency, such as Panhandle Area Development District. Mr. Kuckkahn talked about the need to look at the funding of outside agencies and contracts with consultants. Council Member Shaver discussed his reasons for considering an in-house attorney rather than contracting with a firm. Mr. Kuckkahn explained that with a firm we have a range of expertise greater than what one employee could provide. The cost is comparable to what an employee with benefits would be.

Mr. Kuckkahn discussed some of the information provided by the Economic Development Consultants and their emphasis encouraging all cities in our area to work together for stronger communities and better economic development. Mayor Meininger stated that our Council has bent over backwards and worked extremely hard to coordinate with Gering, Terrytown and Scotts Bluff County to grow our communities and provide efficiencies.

The Economic Development Consultant explained that they are currently identifying certain “Certified Economic Development Locations”. Some of these locations may require additional infrastructure such as streets and utilities. This is an adequate use of our LB840 Economic Development fund, which has been included in our CIP budget, Mr. Kuckkahn is proposing waiting until the Economic Development Consultant provides the final report to the City to expand or begin contracting with other consultants to search for adequate businesses in our area. The Economic Development budget will include the allocation of \$250,000 which will be generalized for outside agencies, such as Twin Cities Development or Panhandle Area Development District, who will then contract with consultants who are experts in recruiting businesses.

At 10:10 a.m., Council took a break, reconvening at 10:20 a.m.

Other CIP budget considerations included a discussion of a \$2.2 million transfer station for refuse, to include true single stream recycling and baling. There are many issues to address including future landfill sites, our agreement with Gering to provide a landfill, and total cost and efficiencies of such a facility to move forward. Council would like information on the complete picture as we proceed. Mayor Meininger provided directions to staff to look at numbers to provide a true single stream facility located at the current compost facility site, with building and machinery cost and bonding capacity. Finance director Griffiths noted that we would also need to look at steeper rate increases or use the debt service fund. Council Member Shaver also suggested looking at grant fund availability.

Additional recommendations include:

- Fire Department- \$495,000 Mutual Finance Organization funds to replace a Class A Fire Engine
- Police Department - \$90,000 for two patrol cars; \$22,000 for an impound yard; \$7,000 police body armour

- Transportation Department - \$165,000 for new pick-ups, shop truck and flatbed; \$645,000 Street Sweepers, backhoe and snow blower, \$1,000,000 in bonding capacity for Broadway phase II
- Wastewater Department - \$453,000 for Sewer Main Improvements; \$195,000 repair projects; 2,185,000 in ED funds for sewer main project to accommodate future growth; \$881,000 for compost facility equipment building and equipment paid by Wastewater and Economic Development; \$13,000 – replacement of HVAC unit; \$90,000 truck replacement; \$300,000 equipment; \$135,000 security fencing
- Stormwater - \$50,000 lift station
- Water Department \$1,811,000 Infrastructure Replacement ; \$34,000 Radio Read Meter Reading Equipment ; \$180,000 in Water Funds Maintenance of Existing Water Wells; \$90,000 Truck Replacement; \$1,350,000 Water Tower Maintenance
- Environmental Services Department- \$1,350,000 Refuse Collection Truck Replacement

Mr. Kuckkahn reported that the Parks Department is working to keep the outdoor Splash Pool open, within reason. We will be communicating with the School District regarding the shared facility and how we are going to proceed with our current contract with the School. Mayor Meininger commented that we should have something in the budget to provide for repairs to the splash pool.

Staff will refine the budget and any questions or comments should be addressed to Rick Kuckkahn or Nathan Johnson. Moved by Council Member Shaver, seconded by Council Member McCarthy, “to adjourn the meeting at 11:30 a.m.” “YEAS”, Gonzales, McCarthy, Hilyard, Shaver and Meininger “NAYS” None. Absent: None.

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Mayor

ATTEST:

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City Clerk