

Kearney, Nebraska
July 12, 2012
7:00 a.m.

A Special Meeting of the City Council of Kearney, Nebraska, was convened in open and public session at 7:00 a.m. on July 12, 2012 in the 2nd Floor Conference Room at City Hall. Present were: Stanley A. Clouse, President of the Council; Michaelle Trembly, City Clerk; Council Members Randy Buschkoetter, Don Kearney and Bob Lammers. Absent: Bruce Lear. Michael Morgan, City Manager; Wendell Wessels, Director of Finance; Shawna Erbsen, Director of Administrative Services; Kirk Stocker, Director of Utilities; Rod Wiederspan, Director of Public Works; Matthew Williams, Library Director; Ken Tracy, Fire Administrator; Dan Lynch, Chief of Police; Jim Lynaugh, Airport Manager; and Julie Steffensmeier, Executive Assistant were also present. Mary Jane Skala from Kearney Hub was 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.

Mayor Clouse 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 Conference Room.

BUDGET INTRODUCTION

Wendell Wessels, Director of Finance presented the proposed budget to the Council that addressed expenditures, personnel, capital outlay, debt service, revenues, property taxes, and sales taxes.

Expenditures

Expenditures	Fiscal Year 2012	Fiscal Year 2013
General Fund	\$18,719,858	\$19,433,645
Special Revenue Funds	\$6,326,769	\$5,065,392
Capital Project Funds	\$8,813,763	\$8,330,304
Debt Service Funds	\$1,353,771	\$2,722,791
Enterprise Funds	\$16,931,255	\$23,228,629
Internal Service Funds	\$6,661,300	\$7,068,850
Fiduciary Funds	\$516,236	\$536,237
Total	\$59,322,952	\$66,385,848

Personnel

3.5% COLA – Governmental Funds	\$314,000
3.5% COLA – Proprietary Funds	<u>\$138,000</u>
Total 3.5% COLA	\$452,000

Position additions/removals:

- Add one full-time Senior Account Clerk - Finance
- Add one full-time Library Clerk - Library
- Remove two part-time Library Clerk's – Library

Capital Outlay

General Fund	\$1,445,242
Special Revenue Funds	\$358,000
Capital Project Funds	\$7,485,313
Enterprise Funds	\$9,869,000
Internal Service Funds	<u>\$63,600</u>
Total	\$19,221,155

The following are the top ten capital outlay projects:

1. ARFF Station (90% FAA)	\$1,793,146
2. Aircraft storage hangar (bond)	\$1,500,000
3. Replace 1987 E-One 80' apparatus (bond)	\$950,000
4. 24th Avenue from 11th Street to North Railroad Street sewer main (bond)	\$900,000
5. Avenue N from 25th Street to 28th Street paving	\$871,904
6. 56th Street from Antelope Avenue to Airport water main	\$868,000
7. 56th Street from 3rd Avenue to 6th Avenue paving (bond)	\$714,654
8. Apron rehab around new hangar (90% FAA)	\$669,259
9. 24th Avenue from 11th Street to North Railroad Street water main (bond)	\$650,000
10. East Kearney Bypass – Phase II	\$514,084

Debt Service (Principal Only)

	Public Safety	Various Purpose	Revenue	Total
Beginning	\$1,355,000	\$21,125,000	\$16,995,796	\$39,475,796
Paid Off	(\$180,000)	(\$2,335,000)	(\$1,997,662)	(\$4,512,662)
New Debt	\$1,229,500	\$1,490,654	\$3,050,000	\$5,770,154
Ending	\$2,404,500	\$20,280,654	\$18,048,134	\$40,733,288
Net Change	\$1,049,500	(\$844,346)	\$1,052,338	\$1,257,492

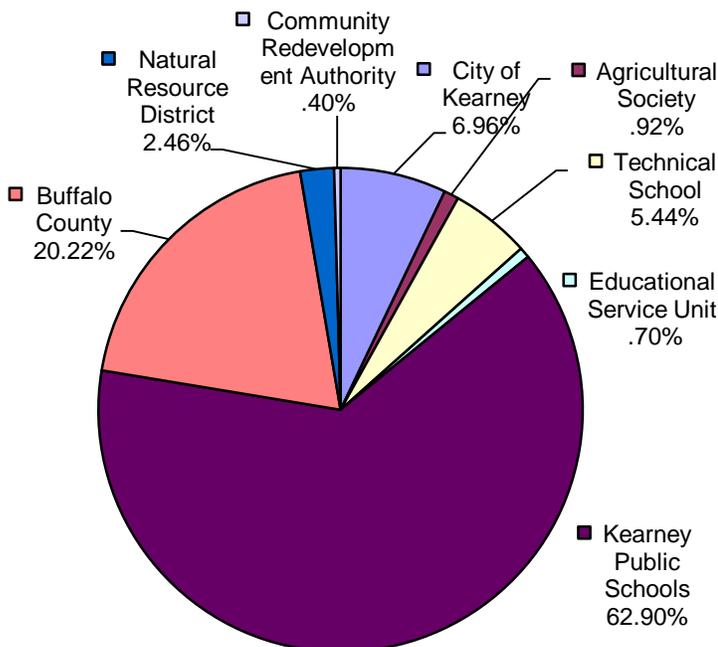
Proposed Revenues

Revenues:	Fiscal Year 2012	Fiscal Year 2013
Taxes	\$15,630,763	\$16,263,094
Licenses & permits	\$375,900	\$313,800
Charges for services	\$18,516,212	\$19,797,178
Fines	\$69,500	\$90,500
Special Assessments	\$292,000	\$209,000
Interest	\$139,900	\$110,750
Miscellaneous	\$11,422,297	\$17,580,482
Intergovernmental – State	\$4,632,148	\$4,029,091
Total	\$51,078,720	\$58,393,895

Proposed Property Tax Request

City of Kearney valuation (est. 3.5% growth)	\$1,770,302,165
General Fund property tax requirements	\$2,409,902
General Fund property tax levy (per \$100)	\$0.13613
Public Safety TAB Fund property tax requirement	\$225,547
Public Safety TAB Fund property tax levy (per \$100)	\$0.01274
Total property tax requirement	\$2,635,449
Total property tax levy (per \$100)	\$0.14887
Taxes on a \$150,000 home	\$223.31

Property Tax Distribution for 2011



Sales Tax Revenues

	Actual Fiscal Year 2011	Estimated Actual Fiscal Year 2012	Proposed Fiscal Year 2013
One Cent Sales Tax			
General Fund	\$5,486,476	\$5,546,667	\$5,653,333
Street Improvement Fund	\$943,674	\$965,120	\$822,817
Various Purpose Bond Fund	\$427,945	\$421,547	\$590,516
Subtotal	\$6,858,095	\$6,933,334	\$7,066,666
One-half Cent Sales Tax	\$3,429,047	\$3,466,666	\$3,533,334
Total Sales Tax	\$10,287,142	\$10,400,00	\$10,600,000

Comprehensive Fee Schedule Changes

Administration – telecommunications occupation tax to 6.25 percent

Cemetery – fees increased by various amounts

Solid Waste-Collection – rates increased 7 percent

Wastewater – rates increased 5 percent

Water – rates increased 0 percent

Fund Balance

The following funds do not meet the current Fund Balance Policy:

- General Fund deficit - \$185,786
- Golf Fund deficit - \$211,857
- Health Insurance Fund deficit - \$1,521,135

Other Notable Items

Comp Plan – first/second half of cost included in budget.

Information Technology

New World Systems Logos.NET upgrade

Financial Management

Payroll and Human Resources

Utility Management

eSuite Self-Service

The Council members thanked the Department Heads and Administration on putting the budget together and that it is a continuous working document in progress. Everything they wanted addressed has been addressed.

ADJOURN

Moved by Kearney seconded by Lammers that Council adjourn at 8:15 a.m. Roll call resulted as follows: Aye: Clouse, Lammers, Kearney, Buschkoetter. Nay: None. Lear absent. Motion carried.

ATTEST:

**STANLEY A. CLOUSE
PRESIDENT OF THE COUNCIL
AND EX-OFFICIO MAYOR**

**MICHAELLE E. TREMBLY
CITY CLERK**