

**BUDGET TRANSMITTAL LETTER**

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September 8, 2020

**Honorable Members of the City Council**  
**18 East 22<sup>nd</sup> Street**  
**Kearney, NE 68847**

***RE: 2020-2021 City of Kearney Budget***

Dear Honorable Members of the Kearney City Council:

Pursuant to the Nebraska Budget Act, Administration is pleased to transmit to you the 2020-2021 Annual Operating Budget and Program of Services for the City of Kearney.

The purpose of the Annual Operating Budget and Program of Services document is to present to the public and the City Council a comprehensive picture of proposed operations for the budget year expressed in both verbal and statistical terms for services to meet the human and physical needs of the citizens of Kearney. The budget is intended to accomplish two things: (1) to provide Administration with the opportunity to present its recommendations for the levels of services and methods of financing of services in the coming year; (2) to provide the most effective control possible by the City Council over the expenditure of public funds. It also provides Administration with the opportunity to point out various needs within the City's services. The City Council has the opportunity to judge the adequacy of the recommended programs and to set the level of City services. The City Council must also weigh the desirability of the services proposed against the burden of taxes required to finance the programs.

The budget document is the single most important report presented to the City Council during the year. Although it is primarily intended for City Council policy determination, it also serves as an aid to the citizens in providing a better understanding of the City's operating fiscal programs. The budget has been built 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 taxpayer load to a minimum.

The 2020-2021 fiscal year promises to be a year of challenge as the City of Kearney continually strives to improve service delivery. Therefore, this Annual Operating Budget and Program of Services document is once again the result of a careful and objective evaluation of every facet of the City of Kearney organization. The supreme effort to enhance service delivery in the most efficient manner has been the passion of each person involved in the budget process. This budget seeks to continue an emphasis on fulfilling the goals of the Council and the citizens of Kearney, while striving to keep property taxes as reasonable as possible.

### **Property Taxes**

**General Fund Property Tax** - The General Fund property tax requirement for the 2020-2021 proposed budget is \$3,985,395 and the proposed property tax levy for 2020 is \$.13653 per \$100.00 of valuation. The General Fund property tax requirement for the 2019-2020 adopted budget was \$3,926,800 and the actual tax levy was \$.13773. Therefore, the General Fund property tax requirement for 2020-2021 is \$58,595 more than the 2019-2020 General Fund property tax requirement and the General Fund tax levy for 2020-2021 is \$.00121 less than the 2019-2020 General Fund tax levy. The General Purpose Property Tax is deposited in the General Fund for the purpose of paying operational expenses of the City.

**Special Property Tax** - The special property tax requirement for the 2020-2021 proposed budget is \$360,273 and the proposed special property tax levy for 2020 is \$.01234 per \$100.00 of valuation. The special property tax requirement for the 2019-2020 adopted budget was \$317,497 and the actual tax levy was \$.01114. Therefore, the special property tax requirement for 2020-2021 is \$42,777 more than the 2019-2020 special property tax requirement and the special property tax levy for 2020-2021 is \$.00121 more than the 2019-2020 special property tax levy. The special property tax is deposited in the Public Safety Tax Anticipation Bond Fund for the purpose of paying principal and interest on bonds issued for public safety resources.

Therefore, the proposed combined property tax levy for fiscal year 2021 is .14887 per \$100.00 of valuation. It appears that Kearney will continue to enjoy having one of the lowest property tax levy's among all first class cities in the State of Nebraska again next year.

### **Capital Improvements/Equipment**

The 2020-2021 proposed budget includes \$38,427,382 of capital improvements/equipment in the following funds:

General Fund	\$1,988,706
Special Revenue Funds	\$547,015
Capital Projects Funds	\$17,804,462
Enterprise Funds	\$17,977,199
Internal Service Funds	\$110,000

A detail of the specific projects included in the above funds can be found on pages 67 through 72 of the budget document.

### **Compensation, Benefits and Staffing**

The 2020-2021 budget includes an increase of four positions as follows:

#### Airport

- Added one full-time FBO Administrative Clerk
- Added three part-time Aviation Services Technicians

**Fiscal Summary**

The 2020-2021 proposed budget is \$99,700,109 and the 2019-2020 adopted budget was \$85,413,348. Therefore, the 2020-2021 proposed budget is \$14,286,761 more than the 2019-2020 adopted budget. The following is a summary listing of the budget for each of the fund groups contained in the 2019-2020 and 2020-2021 budgets:

	<b><u>2019-2020</u></b>	<b><u>2020-2021</u></b>
General Fund	\$25,269,124	\$26,437,510
Special Revenue Funds	\$6,634,183	\$5,702,221
Capital Project Funds	\$20,321,899	\$20,597,628
Debt Service Funds	\$3,022,243	\$1,957,266
Enterprise Funds	\$21,308,616	\$35,935,634
Internal Service Funds	\$8,141,046	\$8,196,152
Fiduciary Funds	\$716,237	\$716,237
<b>Totals</b>	<b><u>\$85,413,348</u></b>	<b><u>\$99,542,648</u></b>

**Acknowledgments**

Special thanks and appreciation are extended to the Department Heads and Division Heads for their conservative and pragmatic approach to their budgets.

Additionally, I would like to thank and commend the Council for their policy direction and support throughout the budget process. We look forward to working together for another successful year for the citizens of Kearney.

Sincerely yours,

**CITY OF KEARNEY**

  
Michael W. Morgan  
City Manager