

**Kearney, Nebraska**  
**July 11, 2013**  
**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 11, 2013, 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, Bruce Lear, Bob Lammers and Jonathan Nikkila. Absent: None. Michael Morgan, City Manager; Michael Tye, City Attorney; Wendell Wessels, Director of Finance; Shawna Erbsen, Administrative Services Director; Kirk Stocker, Director of Utilities; Rod Wiederspan, Director of Public Works; Dan Lynch, Chief of Police; Jim Lynaugh, Airport Manager; Scott Hayden, Park & Recreation Director; and Julie Steffensmeier, Executive Assistant were also present. There were no citizens 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.

**ORDINANCE NO. 7814 CREATING PAVING DISTRICT NO. 2013-963**

Mayor Clouse stated that Ordinance Nos. 7814, 7815 and 7816 can be voted on together. With the absence of two Council members at the regular meeting held July 9, 2013, these ordinances were placed on first reading.

Council Member Lear introduced Ordinance No. 7814 creating Paving Improvement District No. 2013-963 for Talmadge Street from the west line of 6th Avenue west a distance of 532.09 feet and for 6th Avenue from the north line of Talmadge Street north a distance of 366.09 feet and moved that the statutory rules requiring ordinances to be read by title on three different days be suspended and said ordinances be considered for passage on the same day upon reading by number only, and then placed on final passage and that the City Clerk be permitted to call out the number of the ordinance on its first reading and then upon its final passage. Council Member Buschkoetter seconded the motion to suspend the rules. President of the Council asked for discussion or if anyone in the audience was interested in the ordinance. No one responded. Clerk called the roll which resulted as follows: Aye: Clouse, Lear, Nikkila, Lammers, Buschkoetter. Nay: None. Motion to suspend the rules having been concurred in by three-fourths of the City Council, said motion was declared passed and adopted. City Clerk read Ordinance No. 7814 by number. Roll call of those in favor of the passage of said ordinance on the first reading resulted as follows: Aye: Clouse, Lear, Nikkila, Lammers, Buschkoetter. Nay: None. Motion carried. Ordinance was read by number.

Moved by Buschkoetter seconded by Lammers that Ordinance No. 7814 be passed, approved and published as required by law. Roll call resulted as follows: Aye: Clouse, Nikkila, Lammers, Buschkoetter, Lear. Nay: None. Motion carried.

By reason of the roll call voted on the first reading and final passage of the ordinance, Ordinance No. 7814 is declared to be lawfully passed and adopted upon publication in pamphlet form and made available to the public at the Office of the City Clerk, the Kearney Police Department and the Kearney Public Library.

**ORDINANCE NO. 7815 CREATING WATER DISTRICT NO. 2013-572**

Mayor Clouse stated that Ordinance Nos. 7814, 7815 and 7816 can be voted on together. With the absence of two Council members at the regular meeting held July 9, 2013, these ordinances were placed on first reading.

Council Member Lear introduced Ordinance No. 7815 creating Water District No. 2013-672 in Talmadge Street from the west line of 6th Avenue west a distance of 532.09 feet and moved that the statutory rules requiring ordinances to be read by title on three different days be suspended and said ordinances be considered for passage on the same day upon reading by number only, and then placed on final passage and that the City Clerk be permitted to call out the number of the ordinance on its first reading and then upon its final passage. Council Member Buschkoetter seconded the motion to suspend the rules. President of the Council asked for discussion or if anyone in the audience was interested in the ordinance. No one responded. Clerk called the roll which resulted as follows: Aye: Clouse, Lear, Nikkila, Lammers, Buschkoetter. Nay: None. Motion to suspend the rules having been concurred in by three-fourths of the City Council, said motion was declared passed and adopted. City Clerk read Ordinance No. 7815 by number. Roll call of those in favor of the passage of said ordinance on the first reading resulted as follows: Aye: Clouse, Lear, Nikkila, Lammers, Buschkoetter. Nay: None. Motion carried. Ordinance was read by number.

Moved by Buschkoetter seconded by Lammers that Ordinance No. 7815 be passed, approved and published as required by law. Roll call resulted as follows: Aye: Clouse, Nikkila, Lammers, Buschkoetter, Lear. Nay: None. Motion carried.

By reason of the roll call voted on the first reading and final passage of the ordinance, Ordinance No. 7815 is declared to be lawfully passed and adopted upon publication in pamphlet form and made available to the public at the Office of the City Clerk, the Kearney Police Department and the Kearney Public Library.

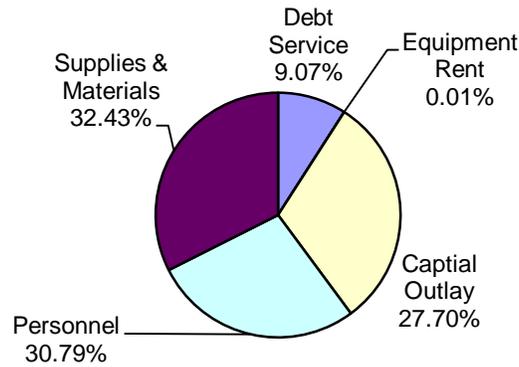
**ORDINANCE NO. 7816 CREATING SANITARY SEWER DISTRICT NO. 2013-509**

Mayor Clouse stated that Ordinance Nos. 7814, 7815 and 7816 can be voted on together. With the absence of two Council members at the regular meeting held July 9, 2013, these ordinances were placed on first reading.

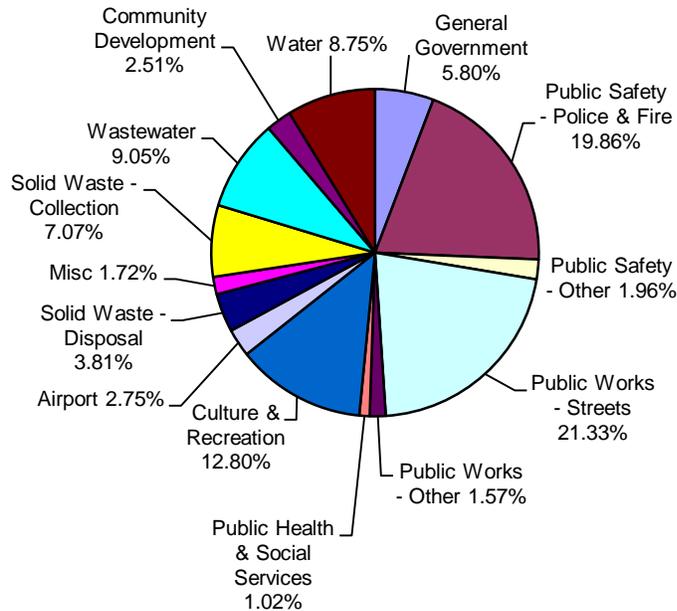
Council Member Lear introduced Ordinance No. 7816 creating Sanitary Sewer District No. 2013-509 for Talmadge Street from the west line of 6th Avenue west a distance of



### All Funds by Object Graph



### Budget by Function Graph



### Personnel

3% COLA – Governmental Funds	\$293,000
3% COLA – Proprietary Funds	<u>\$122,000</u>
Total 3% COLA	\$415,000

### Position additions/removals:

- Add one full-time Fire Engineer Supervisor – Fire
- Add one full-time Fire Marshall – Fire
- Add one full-time Household Hazardous Waste Coordinator – SWDF
- Add one part-time Senior Services Attendant – Senior Center

### Capital Outlay

General Fund	\$1,555,103
Special Revenue Funds	\$337,000
Capital Project Funds	\$9,828,648
Enterprise Funds	\$6,890,513
Internal Service Funds	<u>\$1,200</u>
Total	\$18,612,464

The following are the top ten capital outlay projects:

1. Fountain Hills 5th infrastructure (bond)	\$2,146,453
2. Central Avenue from 26th Street to 31st Street (bond)	\$1,203,759
3. Avenue N from 25th Street to 28th Street	\$1,155,000
4. Northeast trunk sewer main (bond)	\$1,000,000
5. Lake Villa Estates infrastructure	\$819,245
6. ARFF truck (90% FAA)	\$752,500
7. Replace 1983 pumper (bond)	\$700,000
8. 4th Street from 3rd Avenue to 6th Avenue (bond)	\$700,000
9. Ultra violet disinfection upgrade (bond)	\$650,000
10. East Kearney Bypass – Phase II	\$514,084

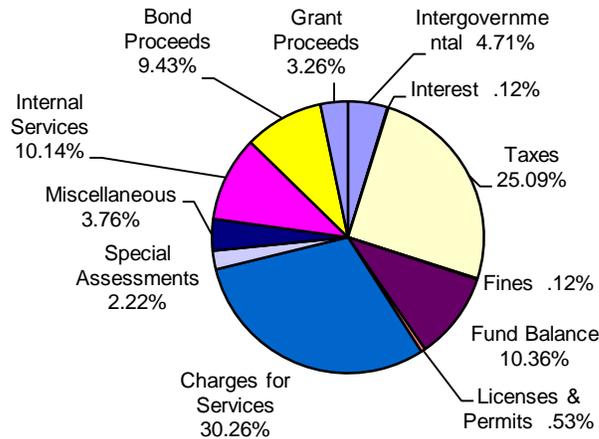
### Debt Service (Principal Only)

	Public Safety	Various Purpose	Revenue	Total
Beginning	\$2,870,000	\$19,850,000	\$15,875,666	\$38,595,666
Paid Off	(\$285,000)	(\$2,405,000)	(\$2,118,432)	(\$4,808,432)
New Debt	\$700,000	\$3,095,600	\$2,541,878	\$6,337,478
Ending	\$3,285,000	\$20,540,600	\$16,299,112	\$40,124,712
Net Change	\$415,000	\$690,600	\$423,446	\$1,529,046

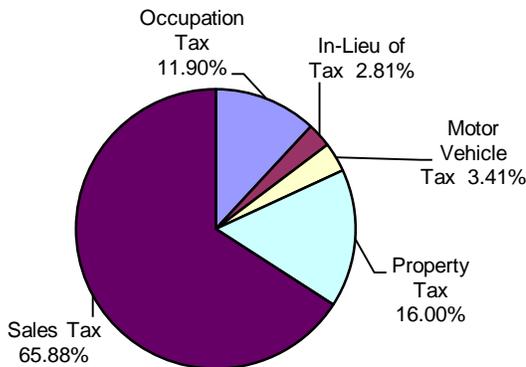
### Proposed Revenues

Revenues:	Fiscal Year 2013	Fiscal Year 2014
Taxes	\$16,202,046	\$16,849,347
Licenses & permits	\$313,800	\$357,450
Charges for services	\$19,797,178	\$20,334,114
Fines	\$90,500	\$78,600
Special Assessments	\$209,000	\$1,491,712
Interest	\$110,750	\$80,424
Bond proceeds	\$5,770,154	\$6,337,478
Grants	\$4,361,943	\$2,191,650
Internal services	\$6,517,740	\$6,812,250
Miscellaneous	\$1,871,586	\$2,526,894
Intergovernmental – State	\$3,088,150	\$3,164,757
Total	\$58,332,847	\$60,224,676

### All Funds by Source Graph



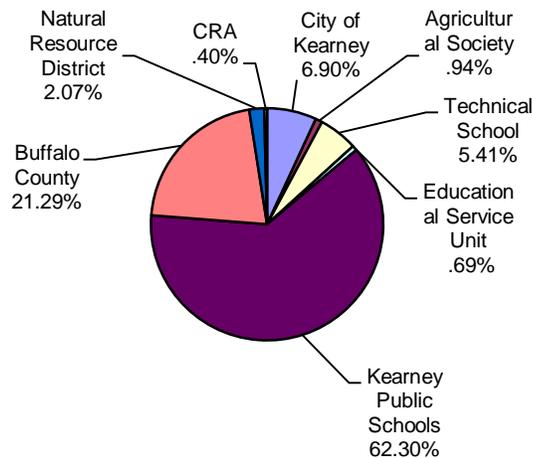
### Tax Revenues by Source Graph



### Proposed Property Tax Request

City of Kearney valuation (est. 4.0% growth)	\$1,798,040,051
General Fund property tax requirements	\$2,355,061
General Fund property tax levy (per \$100)	\$0.13098
Public Safety TAB Fund property tax requirement	\$321,681
Public Safety TAB Fund property tax levy (per \$100)	\$0.01789
Total property tax requirement	\$2,676,742
Total property tax levy (per \$100)	\$0.14887
Taxes on a \$150,000 home	\$223.27

**Property Tax Distribution – 2012**



**Sales Tax Revenues**

	Actual Fiscal Year 2012	Estimated Actual Fiscal Year 2013	Proposed Fiscal Year 2014
<b>One Cent Sales Tax</b>			
General Fund	\$5,591,006	\$5,920,000	\$5,920,000
Street Improvement Fund	\$972,835	\$861,360	\$1,097,451
Various Purpose Bond Fund	\$424,916	\$618,640	\$382,549
<b>Subtotal</b>	<b>\$6,988,757</b>	<b>\$7,400,000</b>	<b>\$7,400,000</b>
<b>One-half Cent Sales Tax</b>	<b>\$3,494,445</b>	<b>\$3,700,000</b>	<b>\$3,700,000</b>
<b>Total Sales Tax</b>	<b>\$10,483,202</b>	<b>\$11,100,000</b>	<b>\$11,100,000</b>

**Comprehensive Fee Schedule Changes**

Development Services increased all fees five percent  
 Recreation – various field/court rentals added/increased  
 Solid Waste-Collection – rates increased four percent  
 Wastewater – rates increased four percent  
 Airport – T-hangar, fuel flowage fees, ramp fees, landing fees increased

**Fund Balance**

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

- Golf Fund deficit - \$189,513
- Health Insurance Fund deficit - \$597,516

**Other Notable Items**

Comprehensive Plan update included in budget  
 No additional funding for Buffalo County Economic Development Council  
 COPS grant ended August 31, 2013

City Manager stated staff is studying the issue with the golf maintenance building. They are attempting to determine the most economical way to deal with the building sinking from the landfill. Staff is determining if they can shore up the existing building and make it cold storage and construct a new building which would include restrooms for the public. This could possibly cost \$400,000-\$500,000.

City Manager updated the Council on the VA home. A decision as to the location will be made very soon because the State has to submit the funding application to the federal government by August 1. If Kearney is selected as the site, this will significantly affect the reserve balances which will need to be addressed.

City Manager talked about the property tax levy. The base is not going up but the cost to taxpayers is because property values are going up. Public safety bonds are fairly high because of some projects/equipment; i.e. new fire truck. Funds were moved from the General Fund to the Public Safety Bonds Fund in order to keep the property tax down. City Manager stated there are no funds set aside for the Archway at this time.

There are huge increases in recreation programming. They do not really pay for themselves but are important to the citizens. The adult programs pay for themselves 100 percent. The City recovers approximately 75 percent on the youth programs. There are also some free programs, such as the Easter Egg Hunt and some races.

The City will continue to address streets.

Discussion was held on the golf course. There are some capital needs that will need to be addressed because the golf course is going on 20 years. The operating revenues are covering the operating costs. Over those 20 years, funds were used to pay off the debt which did not allow for capital improvements. The golf course is currently debt free. City Manager stated with the new fire station being built at the Airport, some new employees will have to be hired to man that station. Also, in the next few years, the City is mandated by State law to hire a Fire Chief. The law states that when the population hits 35,000, a Fire Chief will be necessary.

The hearing on the budget is scheduled for September 10, 2013.

### **ADJOURN**

Moved by Buschkoetter seconded by Lear that Council adjourn at 7:53 a.m. Roll call resulted as follows: Aye: Lammers, Buschkoetter, Lear, Nikkila. Nay: None. Clouse absent. Motion carried.

**ATTEST:**

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**MICHAELLE E. TREMBLY  
CITY CLERK**

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