

City of Scottsbluff, Nebraska

Monday, June 18, 2018

Regular Meeting

Item Consent2

Approve the minutes of the June 6, 2018 Budget Workshop Special Meeting.

Staff Contact: Kim Wright, City Clerk

Special Budget Workshop Meeting
June 6, 2018

The Scottsbluff City Council met in a Special Budget Workshop Meeting on Wednesday, June 6, 2018 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 June 1, 2018, 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 June 1, 2018.

Mayor Randy Meininger presided and City Clerk Wright recorded the proceedings. Mayor Meininger welcomed everyone in attendance and encouraged all citizens to participate in the council meeting. Mayor Meininger 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, Jordan Colwell, Randy Meininger, Mark McCarthy and Scott Shaver. 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.

City Manager Johnson, starting the meeting expressed his appreciation to Finance Director Hilyard and staff for all of the hard work preparing the 2018/2019 Budget. This budget year, especially concerning the general fund, held some unpopular decisions, listed below, because of an \$880,000.00 shortfall.

General Fund Cuts and suggestions include:

- Reducing Positions (three positions reduced with no jobs being lost).
 - Planning Administrator/Planner due to a decline in revenue from building permits. The potential to revamp Building Code Inspectors and have inter-local agreements could bring additional revenue.
 - Police Patrol Officer. Overtime was anticipated to be reduced with an over hire position, but will not happen this year, hopefully in a future fiscal year.
 - Assistant Park Supervisor/Recreation Supervisor – Deputy Public Works Director to assist with Westmoor Pool & Recreation Contracts and utilize the Water Department to also aid by helping with and fixing leaks at the pool.
- Reduction in programming line-items in Recreation & Emergency Management. This was reduced to \$5,000.00. Emergency Management brings in instructors in an effort to reduce costs because employees are not going out of town for training and a portion of the expense is billed to participating entities as identified in the inter-local agreement.
- Reduction in IT workstation replacements and software upgrades. We are rebuilding used workstations, replacing drives and putting them out for public use in the Library.
- Increase to Terrytown Police Department Services to rise to \$130,000.00 per year. This is well justified to the amount of time and effort involved.
- Increase to Fire Department – Added Lieutenant Position - Right now no proper chain of command is in place in the department. With the addition of a Lieutenant, they can represent as an acting

Captain when the Captain is gone; which could reduce overtime and limit liability moving forward. This will be a promotional position with no additional hires.

- Fire Department Addition of Step 8 – Wages have been negotiated and agreed with a 0% COLA adding a step 8 at the end of the pay scale. This will put the wages between 98-102 % for the first time in many years, which is required by CIR.
- Police Department – 1% increase in wages across the board including Patrol Officers, Corporals and Sergeants.
- CPI 2.6% Rural Midwest; 2.1 % National
 - COLA General employees 0%

City Manager Johnson stated we need to address the merit based pay scale for FY 2019. We need to look at a performance based pay scale rather than merit based. Employees should be paid what they deserve and not according to their tenure with the City. The self-funded health insurance plan is not sustainable and also needs to be more advantageous to the City in the future. Currently employees do not pay a premium for their health insurance. Staff was instructed to have the Benefit Administrator check for comparisons in health care costs.

Regarding balancing the budget, City Manager Johnson explained we were fortunate to have the Croell land sale of \$548,010.00. However, the goal is to use half of the money this year and half next year because we do not know what is going to happen with revenues in this upcoming budget year. The City was also fortunate to get the Hotel Occupancy Tax in place, which has generated \$130,000.00, but is still a shortfall. The City, however, has not used the budgeted contingency fund of \$250,000.00 for the general fund, but in the past, this money has been used for unforeseen circumstances.

Mr. Johnson commented, with the General Fund, there are some additional revenues that warrant addressing, such as:

- Occupation Taxes
 - Telecommunications/Cell Phones
 - Restaurant
 - Tobacco & Alcohol
 - Car Rentals
- LB 357 (additional .5%) – Infrastructure

The Council heard suggestions regarding assessing different types of occupation taxes from Finance Director Hilyard. According to Ms. Hilyard, the telecommunication tax would probably be the most effective because of the number of citizens in the community who utilize the service. The City would probably have to pay an administration fee to the companies who do the billing, but Ms. Hilyard commented that would be minimal considering the dollars that could be recouped from this type of tax.

Regarding LB 357 and the .5% increase in sales tax, this pertains to infrastructure for which the City has a great need. Better infrastructure, brings more people to the community, which would result in more sales tax dollars. The estimated revenue is to be around 1.8 million a year.

Council Member Gonzales suggested that the City put its energy behind just one tax, specifically LB 357, because he is concerned about overtaxing the citizens.

Council agreed to have staff come back with language for LB 357 to be placed on the ballot.

City Manager Johnson reviewed the CIP's for each department. The departments warranting discussion are below:

- Environmental Services and the compost facility, including the transfer station: Our compost facility, due to being certified, will have to have a cover installed on the pad. This needs to be budgeted for in 2020 and because of this we will need to start charging to use the facility to help defray the expense.
- Fire Department training facility and cost: Mr. Johnson reminded the Council that the AFG grant was not approved. He asked Council for input regarding the facility. The Council supports the Fire Department, but at this time feels the training facility needs to be removed from the budget and brought back in the future with more information, including an operations budget.
- Keno: The majority of funding is going to the 23 Club, due to an engineering bill for planning from Baker & Associates. Mr. Johnson asked that any money given, as with any other outside entity, be matched dollar for dollar.

Mr. Johnson then moved to the last item on the agenda, Enterprise Funds. Potential adjustments for the upcoming year include three percent raises to Environmental Services, Wastewater, and Water. Storm water will see a surcharge of .25. This brings the total monthly increase to \$1.89. These rate increases maintain the systems and allow the City to take care of and pay cash for operating expenses and capital expenditures.

Moved by Council Member Shaver, seconded by Council Member Colwell "to adjourn the meeting at 12:03 p.m.," YEAS," Meininger, Gonzales, Colwell, and McCarthy. "NAYS," Shaver. Absent: None.

Mayor

Attest:

City Clerk

"SEAL"