

Kimball City Council
Budget Workshop
July 5, 2016

A budget workshop meeting of the Mayor and City Council was convened in open and public session at 5:00 p.m. on July 5, 2016 at the City Council Chambers. Mayor Prunty and Council members Warner, Shields, Schnell and Morrison were present.

Notice of the meeting was given in advance by publication in the Western Nebraska Observer. Notice of the meeting was given to the members and a copy of their acknowledgement of receipt of notice and the agenda is on record at the office of the City Clerk. Availability of the agenda was communicated in advance notice and in the notice to the members. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public except as otherwise indicated.

Also present were Park and Recreation and Cemetery Superintendent Williams, Police Chief Huff, Library Director Sears, Electric Superintendent Hinton, Power Plant Supervisor Terrill, Street Superintendent Shoup, Landfill Superintendent Schulte, Water Superintendent Sisk, City Administrator Ortiz, and City Treasurer Sisk. The public was not represented.

Mayor Prunty called the meeting to order at 5:07 p.m. and acknowledged the posted Open Meetings Act poster.

Ortiz commented on 2016-2017 budget information. Ortiz primarily wanted to give a summary of where the City stands overall and General Fund as a whole in addition to the Utility Fund. He will need some guidance on priorities. Ortiz distributed summary estimates on the sales tax, property tax and General Fund and debt service mill levy. He commented on sales tax revenue compared to three years ago. Ortiz explained the breakdown on the different taxes in addition to additional revenues from some small lines items. He explained the notes on the 2015/2016 budgeted expenses.

Ortiz commented on the Park and Recreation budget shortfall and indicated that the information will be reviewed at the Park and Recreation Executive Board meeting to be held within the next month.

Ortiz commented that he has not met with Williams yet regarding the Cemetery budget. The Cemetery is 100% reliant on sales tax revenue. It is planned to factor in 15% of the sales tax revenue for the Cemetery.

Ortiz commented on the Police budget and the property and occupation taxes and the SRO position. Discussion was held on the SRO grant and Huff indicated the extension request was just sent in and he doesn't anticipate it being rejected.

Discussion was held on the Landfill. Schnell said a way to save time and money would be to eliminate the green dumpsters and designate a spot in the Landfill to dump the grass. Discussion was held on the amount of trash in the green dumpsters. Schulte indicated that there could be some savings if a separate area was designated and discussion was held on security cameras. He also commented on burning. Ortiz commented on separate areas for dumping, i.e. Wastewater Treatment Plant, Janicek Dam. Schnell suggested having a joint meeting with the Board of Public Works.

Ortiz commented on the income statements provided for Park and Recreation and Cemetery. Discussion was held on the old fairway mower and Williams said that the new mower is being repaired. Discussion was held on insurance costs. Ortiz indicated that the insurance company has provided information that the City would be able to save on insurance costs; however, the deductible costs would be raised. Warner inquired about cuts to the Cemetery and Williams indicated that currently they are operating with one full-time person. Williams thanked departments for their assistance. Discussion was held on the Cemetery capital expenditures. Discussion was held on the Cemetery rates. Morrison inquired how Kimball Cemetery compares to other cemeteries. Ortiz indicated that rates were raised to compare with the other cemeteries. Discussion was held on Park and Recreation revenue and expense with regard to the golf course management company. Williams commented on golf memberships being over what was budgeted.

After some discussion, Ortiz commented that the City can no longer afford the services they provide. Schnell commented on the Event Center and getting out of that business. He also commented on turning the title of the Recycle Center building over to Keep Kimball Beautiful. Ortiz commented on Keno funds and taking the trust fund and use it to pay for the underpass project. Ortiz indicated if the Council members are comfortable with utilizing Keno funds for the underpass, the Street Department budget might be fine because that would leave the amount budgeted for their operating expenses.

Discussion was held on the Library budget. Warner inquired about working with the school to share some of the expenses on the Library. Ortiz indicated the trend across the country is to have joint libraries and joint stuff. This is most likely several years down the road. The County contributes funds towards the Library. Ortiz commented on using Keno funds and indicated they can be used for community betterment projects or for purposes of public infrastructure. Sears spoke about the Library needs. She indicated that the janitor can be cut from the budget. Staff will take care of the cleaning. Discussion was held on the reducing the donations revenue amount. Discussion was held on the utilities at the Library.

Ortiz indicated that most of the roads are deteriorating faster than they can be repaired or patched. He added that in ten to fifteen years there will have to be discussion about rebuilding the roads. Ortiz commented on street maintenance and mowing in the summer months. Morrison said the mowing should be contracted out and it was indicated that the City would still need to pay for someone to mow. Discussion was held

on mowing and property owners keeping up their property and placing liens against the property and adding another charge for damaging machinery when mowing property. Ortiz commented on the weed height and indicated that a few years ago the law was changed to allow cities to set the height. At that time, Council had decided not to change the 12" height. Council members indicated that the height should be changed. Discussion was held on the hiking trail. Shields indicated that some roads are beyond patching. Ortiz said there are some wide streets and some narrow streets and commented on future maintenance standards and considering narrowing some of the wider streets. He commented on \$75,000 to chip seal roughly six blocks. Further discussion was held on the condition of the roads.

Discussion was held on Parks and dead trees and the tree removal and replacement program. Shoup indicated that over 45 trees were planted in the Parks this year. Comments were made on the repairs and maintenance being 22.7% of the budgeted amount.

Ortiz commented on the water leak issue at the Pool last year and it was budgeted for repair. There have been no issues this year. Discussion was held on the insurance and salaries and benefits. Warner inquired if the pool rates have been increased each year and Ortiz indicated that in the past the City Council had not wished to increase the rates. Warner said the rates should be increased every year by 50 cents or \$1.00. She added that the council could make the change now to be effective January of next year.

Discussion was held on the Police budget and the City not incurring costs. Prunty commented on looking at vehicle repairs/maintenance. Warner inquired of Huff if he would be able to meet the \$459,000 department total revenues as currently budgeted. Huff said his department is still waiting on insurance checks and he commented that perhaps that went into the General Fund. Huff indicated the Police Department has never been over budget. Last budget year the Police Department gave back \$166,000. They were cut over \$140,000. This year so far, they have \$258,395 that they have not used, so they typically wait until towards the end of the budget year and do their repairs and maintenance. Huff commented on the upkeep of old vehicles. Huff commented on the budgeted figures for next year and proposed budget of \$546,429.92 which does not count the grants. Huff also commented on a check for the Goodhand Theater and other funds. He commented there is a buffer of \$160,000 in the Police Department projected budget in case there is a major incident that occurs. Discussion was held on the number of Police Officers and Huff indicated that currently they have five officers and have a grant for a SRO. Discussion was held on the buffer and Warner commented that when the City is talking about cutting departments altogether she suggested a slimmer buffer. Huff commented on salaries and benefits and equipment and training. Further discussion was held on the fifth position in addition to the SRO and paying back the grant. Huff indicated the proposed budget does not include a new vehicle. He commented on the difficulty getting around during the winter months in the regular patrol cars and they would like to look into getting an all-wheel drive pursuit interceptor.

Discussion was held on Fire Maintenance. Ortiz commented that it was decided to budget \$15,000 for fire hydrant replacements.

Ortiz commented on Economic Development and the 33.33% factor for the LB-840.

After the budget discussion, it was indicated that \$85,000 still needs to be made up in the General Fund. More discussion was held on the Event Center. Ortiz commented on the mill levy and increasing the sales tax and occupation tax figures. He indicated that he is waiting for information on the valuations from the County.

Discussion was held on the Event Center and the Fitness Center. Ortiz indicated that the Fitness Center brings in approximately \$15,000 a year in memberships.

Ortiz provided a breakdown of the Utility Fund. Discussion was held on the Recycle Center and Schnell commented on insurance and utilities being paid for that building. Schnell suggested giving the building to KKB. Ortiz indicated that if the Council wants to pursue this, agreements need to be put into place with regard to requirements of notifying them, etc. Discussion was held on the electric capacity revenue, the Power Plant being compliant for gas, and relays being tested. Schnell commented on talking to High West to contract with them. Hinton indicated that if it is turned over to another company, the power costs will double. Morrison indicated the City needs to be competitive on their rates.

It was indicated that another budget workshop will be held the first week of August to finalize the budget figures.

There being no further discussion, Schnell moved and Warner seconded to adjourn the meeting at 7:23 p.m. On roll call vote, the following votes were recorded. Aye: Warner, Shields, Schnell and Morrison. Nay: None. Absent: None. Motion carried.

Keith Prunty, Mayor

Laurie Sisk, Deputy City Clerk