

A special meeting for the purpose of a Budget Workshop with the Mayor & Council of the City of Sidney, Nebraska, was convened in open and public session at 12:00 p.m. on August 25, 2022 in the Council Room. Present were: Mayor Gallaway and Council Members: Ellwanger, Sherman, Radcliffe, Olsen. Others present: City Manager Scott, City Attorney Leef and City Clerk Borchert. Notice of the meeting was given in advance thereof by publication in *The Sidney Sun Telegraph*, 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 members of the City Council and a copy of their acknowledgment of receipt of notice is attached to these minutes. Availability of the agenda was communicated in the advance notice and in the notice to the City Council. All proceedings shown hereafter were taken while the convened meeting was open to the attendance of the public.

Mayor Gallaway informed the public of the location of the posted Open Meetings Act.

City Manager David Scott presented recommendations for the FY22-23 Budget for Council's input and recommendations. Scott stated that we are faced with big challenges in the FY22/23 due to lack of housing, shallow labor pool, skyrocketing energy and fuel costs, supply issues and inflation. Scott says the FY22/23 budget assumes a small property tax increase of 3%, with a small cushion in the general fund. Scott is also projecting a small increase in sale tax revenue. Scott noted that the .05 cent infrastructure sales tax is up for a vote in November 2022 election. Olsen asked what was being done to educate the public. Scott said a small group is working on educating the public, as the city cannot. The ballot measure is very significant to the progress of important street, park, aquatic center, trails and storm water projects. Scott encourages voters to be educated on the benefits of this funding source.

Scott stated that the city is still active in seeking an Economic Development Director. Scott has reached out to News Channel NE to put together an advertising campaign. Olsen asked if Scott had contacted headhunter agencies. Scott responded that he would like to saturate the surrounding and expanded areas to be cost effective and use the headhunter agencies if that doesn't work.

Scott reported that the current insurance reserve for health insurance is strong and rates have been lowered.

Scott said that the city has worked hard to ensure that the city carries a positive general fund balance. Scott budgeted \$1,400,000 in the special projects budget. The amount of property tax equalization has decreased from \$382,216 last fiscal year to \$226,086 for FY22/23.

Scott recommended to Council a merit increase to employees, not only the usual merit increase, but an across the board \$1.00 an hour increase of the pay scale. Scott is hopeful that a higher starting wage in entry level positions will help attract applicants. Gallaway suggested that this also be addressed in future years and to take a long-term view. Sherman asked what the dollar amount impact on the budget would be. Finance Director Kizzire said approximately \$130,000 to \$140,000 total.

Scott stated that the street allocation has increased from last fiscal year by \$89,852. The street also has a healthy reserve for a street project or a grant funding match.

Scott reported that the debt service mill levy is slightly down from the previous fiscal year. Scott also noted that if special assessments are paid off through a TIF agreement, we will need to decide if we want to pay off some debt with that revenue.

Scott stated that the current economy is hitting the utility departments the hardest. A rate adjustment for the wastewater and solid waste departments has increased revenue, but much of that revenue increase is getting eaten up with the cost of energy, fuel and supplies. Scott reported that the electric department is over budget. Most of this is because of the largescale power generation project we are working on. Electric Superintendent Mike Palmer stated the generators are on hold, but we have submitted payment for the deposit. Scott reported that the water revenues are up as a result of the recent base rate adjustment, but we are still struggling with rising costs. The sewer and WWTF have some large capital improvements budgeted for FY22/23. The solid waste department revenues are up as a result of the recent rate adjustment, but again, we are struggling to keep up with rising costs.

Finance Director Kizzire reported that the NE State Legislature passed LB644, changing a few things to the budget process. The budget is now due to the state on September 30. The other main highlight is that postcards have to be sent out if a city, county or school district raised their tax dollars by more than the allowable growth percentage, which is the real growth percentage +2%. Kizzire said the budget presents the mill levy where it has been the previous three fiscal years, .586371. The City of Sidney's real growth percentage was .52%. When adding the additional 2% the state gives us, that puts our total asking request without participating in the joint public meeting and sending out postcards to every Sidney resident at 2.52%. Kizzire also reported that the financial implications based off previous fiscal years total property tax request of \$2,559,346, the maximum amount of property tax dollars that can be requested without participating the joint public meeting is \$2,623,841. These totals include the 1% collection fee. That would mean a total of \$1,077,409 for debt service purposes and \$1,520,453 for the general fund, or \$51,669 less in property tax revenues. This would also lower the total mill

levy to .574937. Kizzire noted other important dates regarding LB644, is the city will need to let the County Clerk know by no later than September 2<sup>nd</sup> if we are going to participate in the joint meeting. We also will need time to put together a presentation for the public meeting as well. Since this bill directly relates to property tax, the presentation will have to be an explanation of the debt service and general fund budget. The consensus of council is not to participate.

Discussion was held on the qualities of what the city is looking for as an Economic Development Director. Mentioned were, public speaking skills, networking skills, technical skills, someone that is vested in the community. The current salary is set at \$58,700, but is negotiable depending on skills. Scott also asked Council for approval of an additional employee for the parks department.

Councilman Olsen asked for a stipend in Council salary as it has been approximately ten years since the last increase. Olsen stated that since he is retiring and his term will have ended, he will not benefit from it.

Radcliffe asked to review the capital accounts. Discussion was held and taken in to consideration for budget presentation.

Scott asked Council when they would like to have the budget hearing. The budget hearing is set for September 27, 7:00 pm, Council meeting to follow immediately after.

Meeting adjourned at 1:27 pm

\_\_\_\_\_  
/s/ROGER GALLAWAY, MAYOR

\_\_\_\_\_  
ATTEST: /s/LORI BORCHERT, CITY CLERK