

Budget Message  
City Manager Rick Kuckkahn

The FY 2007/2008 budget is the result of ongoing long term thinking on the part of staff and decisions made by the City Council. Planning for important future projects, particularly financial positioning, impact subsequent budgets for years. Past rate adjustments and conservative assumptions in sales tax growth place the city in excellent position to allow a continued focus on important public improvements.

In this budget we have absorbed the variety of increased costs related to charges we do not control such as fuel, HVAC, facility maintenance and worker's compensation. Added funding for police overtime, salary increases, important mandated projects and optional public improvements are also included.

This past year a new water well was added to assure residents continue to enjoy ample quantities of high quality water. Studies in stormwater management were completed with a floodplain study to follow. A plan for sewer conveyance and treatment was completed which clearly defines priority future projects. Street improvements including 5<sup>th</sup> Avenue served to maintain the quality of transportation facilities. We continue to maintain existing infrastructure minimizing the need for costly repair.

In addition to projects requiring city resources an enforcement program to assure residents properly maintain sidewalks has demonstrated the need to

**Mission Statement**

The CITY OF SCOTTSDLUFF is responsible for providing effective, efficient and equitable government and services to the citizens of our community.

The CITY OF SCOTTSDLUFF'S ultimate goals are to attain and maintain a safe, clean and attractive community, and to support optimum economic opportunities, in order to assist our citizens in maintaining a high quality of life. This will be accomplished through responsible political and administrative leadership guided by citizen participation and sound fiscal policies.

The CITY OF SCOTTSDLUFF recognizes the worth of highly qualified employees, keeping pace with technology and orienting services to citizen need.

involve residents in the process of assuring our city remains an attractive affordable place to live and work.

In short this budget builds on last year's progress and success.

This budget proposes a 10% increase in the Sewer Fund to pay for projects described in the master plan. A similar increase will be needed in the next budget, then increases are projected to return to historic (4-5%) levels. A State Revolving Loan Fund will be used to spread payments for several of the major improvements over a five-year term. The Water Fund continues on track with a modest increase of 5%. The Environmental Services Fund rate will increase 2.5%. The total increase to a minimum one-month bill is \$2.40, which in today's economy remains an excellent deal for our rate-paying customer. When compared to other Nebraska communities we remain in an enviable position, a position that will actually improve in the future.

Every effort is made to keep service increases within cost of living indexes in order to maintain our competitive position at a cost rivaling that of alternate providers. This budget provides general employees with an indexed pay increase of 2.7%. Health care increases are fixed at 5% with employees picking up increases beyond that city share.

Major projects in this year's budget include added (mandated) sewer treatment plant capacity, sewer distribution system improvements, Avenue B street rebuilding, 14<sup>th</sup> Street connection, tree planting program, and funding provisions for future pathways, directional signs and riverfront improvements.

This year's budget process has followed that in past years. It continues to provide greater ease in understanding the budget and better opportunity for citizen participation. 1.) The Mayor and Council strategic planning initiatives were reviewed. That plan has evolved into a list of priority projects detailed below. 2.) A team including representatives from the Council, the City Manager and Finance Director forecast revenues. The forecast is based on a desire to establish revenues at a conservative, realistic level, thus serving as a fiscally

sound foundation for spending. 4% sales tax revenue is projected. 3.) The Mayor and Council were advised of general directions for spending, prior to the manager establishing targets for individual departments. 4.) A no growth in spending target was established. 5.) In work sessions, the Mayor and Council offered further policy direction to refine and fine-tune the spending plan. 6.) Final approval of the budget followed, after public notice, hearings and Council action.

In accordance with the Mayor and Council's direction, contingencies reflect the department's best estimate of funding absolutely needed in the event of an emergency.

The Mayor and Council have expressed their priorities in terms of their Strategic Plan. This process resulted in numerous project initiatives. In addition to those already listed:

1. City Hall Campus: This project has received attention this past year and is positioned for construction in this budget. Money is available in this budget to begin reconstruction of the City Hall Campus. The fire station renovation may be part of that plan with Mutual Fire Organization money available. Planning is also underway for a fire substation located north of 42<sup>nd</sup> Street.
2. Quiet Zones are a continued priority for the rail corridor. This project underwent a setback this past year with a second rail in the BNSF design phase. This additional track will impact all plans for crossing improvements. The city will participate in this design process to assure we are in a position to take advantage of the new construction in terms of implementing our quiet zone plans. State, Federal and BNSF approvals of a final plan will once again be necessary prior to quiet zone work implementation.
3. Planning for a library addition is complete. A share of funding will come from the Debt Service Fund, \$1.5 million, with the rest raised by private contributions. Library representatives are poised this year to formally begin the fund raising.

The Capital Improvement Program (CIP) is a key component in the budget. Last year a great deal of effort went into evening out yearly spending patterns. The City uses this process to schedule major one time only, \$5,000 or more, purchases. The CIP impacts the operating budget through the debt service fund. Many larger projects demand forms of borrowing, typically bonds, paid over longer time periods; 15 to 20 years. Just as most homeowners pay for the mortgage monthly, so too, the city pays for its borrowing through operating budget funds. This plan impacts many of the projects listed above.

The community continues to grow. Our market area is expanding and people are moving to the city taking advantage of new job opportunities. Likewise City government will continue to move ahead and improve the quality of life our citizens have grown to expect.