

Budget Message
City Manager Rick Kuckkahn

The FY 2009/2010 budget represented a refinement in holding the line in spending. Based on a series of Strategic Sessions the Mayor and Council set priorities for spending. As a result the Riverside Zoo was initially identified for a series of reductions in spending over the next several years. Through Budget Work Sessions and hearings the Riverside Zoological Society submitted a proposal which would result in a transfer of zoo operations to an independent organization in 2011. The proposal included full funding in 2009-2010, then in FY 2010-2011 the City financial support would be reduced to \$350,000. This was a key element in the Council's acceptance of this budget. A second key element in this budget was that sales tax revenues were projected at a 1% increase with the understanding that the actual increase will likely be more. Any excess will be used to build the cash reserve.

City Mission Statement

“To promote a safe, healthy environment for its citizens, visitors and business community; by providing essential services and infrastructure as well as opportunities for growth in a fair, fiscally responsible manner.”

Our rate-based funds like sewer, water and environmental services have kept pace with increased costs by increasing rates. Planning for important future projects using the Capital Improvements Program aides in efforts to strategically position the city for more expensive mandated projects and important maintenance programs. This process provides a mechanism to financially position ourselves and avoid dramatic increases in rate payments in the future. Our rate-based funds remain healthy and competitive with other like communities. As can be seen below the days of double digit increases are behind us for now.

Rate based utilities including Environmental Services, Wastewater and Water increased \$2.01 per month for a minimum bill. This represents a 5% increase for Wastewater and Water Utilities and a 4.5% increase for Environmental Services. Through an inter-local agreement with the City of

Gering waste disposal rates have been stabilized and provisions for a future land fill are assured.

This budget provides general employees with an indexed pay increase of 3.5%. Health care increases are fixed at 5% with employees picking up increases beyond that city share. Police Union and Fire Union negotiations and Court of Industrial Relations guidelines resulted in slightly higher salary increases for those services. It remains important for the City to remain competitive in the labor market not only to attract quality employees but avoid disproportionate increases in the future.

Overall, past rate adjustments and conservative assumptions in sales tax growth place the city in excellent position to allow a continued focus on important public services and needed public improvements.

Major projects underway or completed include a nearly doubling of sewer treatment plant capacity, sewer distribution system improvements, plans for an additional water well, Avenue B street rebuilding, 14th Street connection, tree planting program, and funding provisions for future pathways, directional signs and riverfront improvements. Recreation and parks was again allocated 50% of Keno revenues to assure equipment and related needs are met in that service. Stimulus money helped pay for sewer plant work and Avenue B improvements. As a result plans are underway to rebuild Broadway, Main Street, in the business district. The Riverfront Committee continues to plan and implement improvements along the North Platte River with a focus on Riverside Park. This along with the Field of Dreams indoor practice facility and Scottsbluff Public Library fundraising represent the best in direct citizen participation in the community.

This year's budget process has followed that of 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 in this message. 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. As stated a 1% growth in Sales Tax Revenues was used for budget purposes however a larger increase is anticipated. The “excess” will be used to build the cash reserve. 3.) 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. This policy remains in effect for this year.

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. As a result of further discussion a public safety building replaced City Hall as a construction project. That building is currently under construction. It will house police, fire and emergency government operations. Adequate room is available for combined community services as well. The City Hall will move to the existing police building followed by demolition of the City Hall on Avenue A, the old fire hall, and the brick storage building.
2. Quiet Zones are a continued priority for the rail corridor. This project underwent a setback two years ago with a second rail in the BNSF design phase. This additional track was viewed as having a significant impact on completed plans. The city has recently decided to proceed with plans based on a single track and will accommodate a second track where possible in plans. Things like conduit for electrical plans as well as other physical improvements will include the possibility of a dual rail in the future.
3. Planning for a library addition is on track with fundraising complete and the addition out for bid. Construction should begin soon after the bid is let.

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. Unfortunately in this year's plan many General Fund needs were moved to future years due to lack of revenues to the General Fund. The City continues to access grant opportunities and other sources as they come available to close the gap providing for needed capital items.

The community continues to grow. Our market area is expanding and people are moving to the city taking advantage of new job opportunities. We continue to see strong trends in the private sector to invest in the community and that is likely to continue. Likewise City government must and will continue to move ahead and improve the quality of life our citizens have grown to expect.