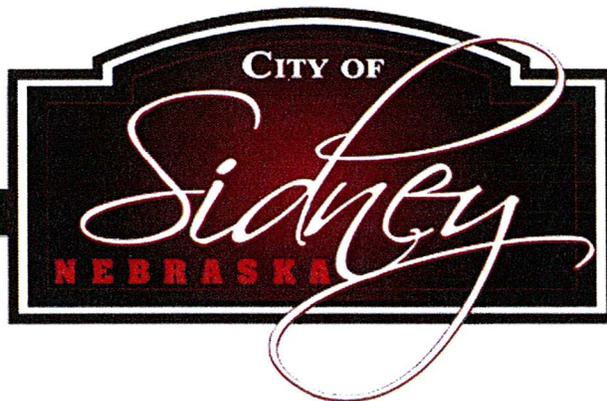


# CITY OF SIDNEY

## BUDGET HEARING

Fiscal Year 2014-2015

September 9, 2014



SMALL TOWN VALUES BIG TIME OPPORTUNITIES

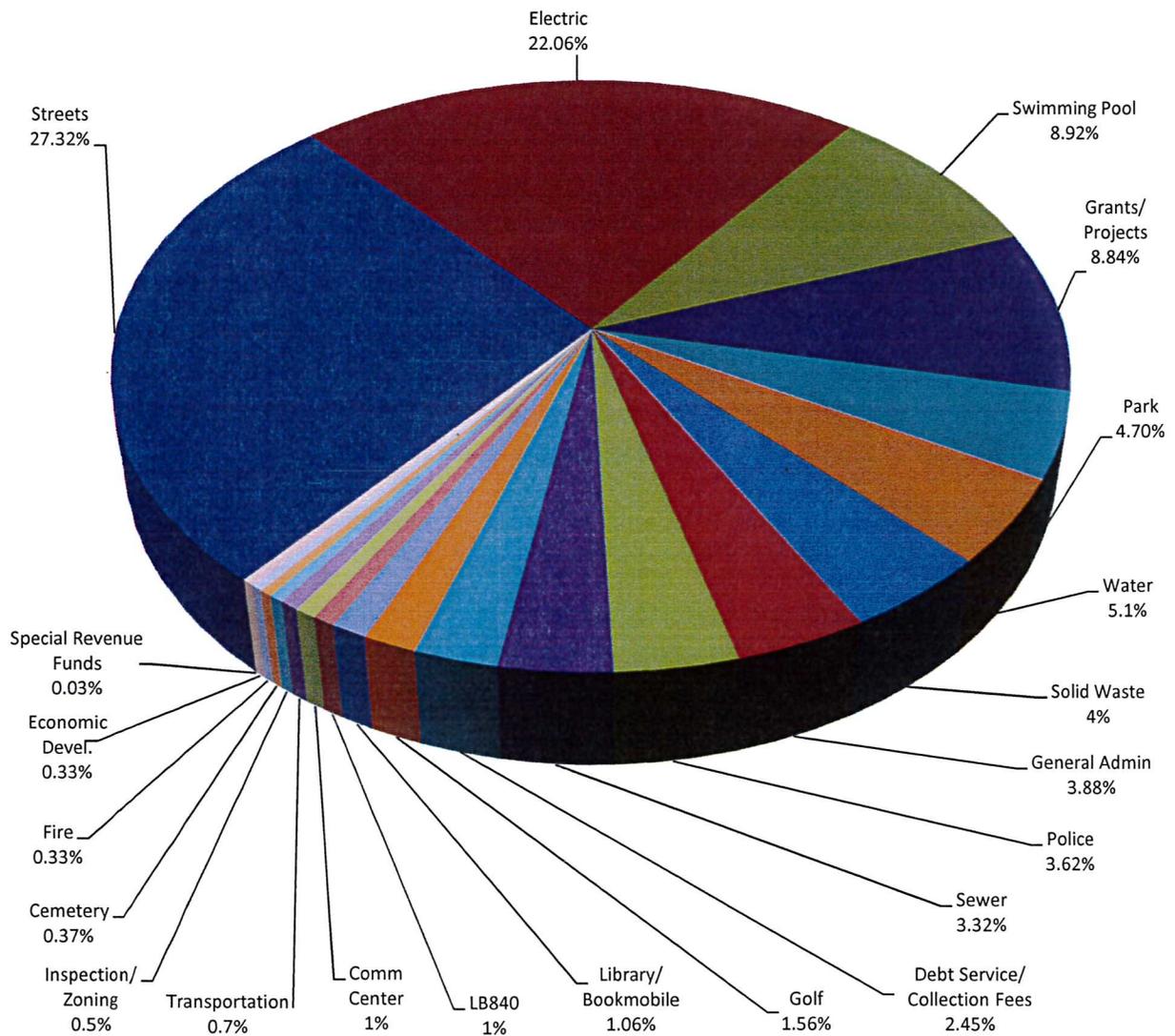
# **BUDGETED EXPENSES**

## **2014 - 2015 Budget**

Streets	12,535,457
Electric	10,119,650
Swimming Pool	4,094,371
Grants/Projects	4,054,903
Park	2,156,629
Water	2,119,360
Solid Waste	1,982,546
General Admin	1,780,072
Police	1,661,201
Sewer	1,521,629
Debt Service/Collection Fee	1,124,131
Golf	717,314
Library/Bookmobile	485,021
Econ Dev / LB 840 Plan	300,000
Public Transportation	278,432
Communications Center	256,438
Inspection/Zoning	207,490
Cemetery	168,204
Fire	150,131
Economic Development	150,000
Special Revenue Funds	15,729
<b>TOTAL</b>	<b>45,878,708</b>

# BUDGETED EXPENSES

## 2014 - 2015 Budget

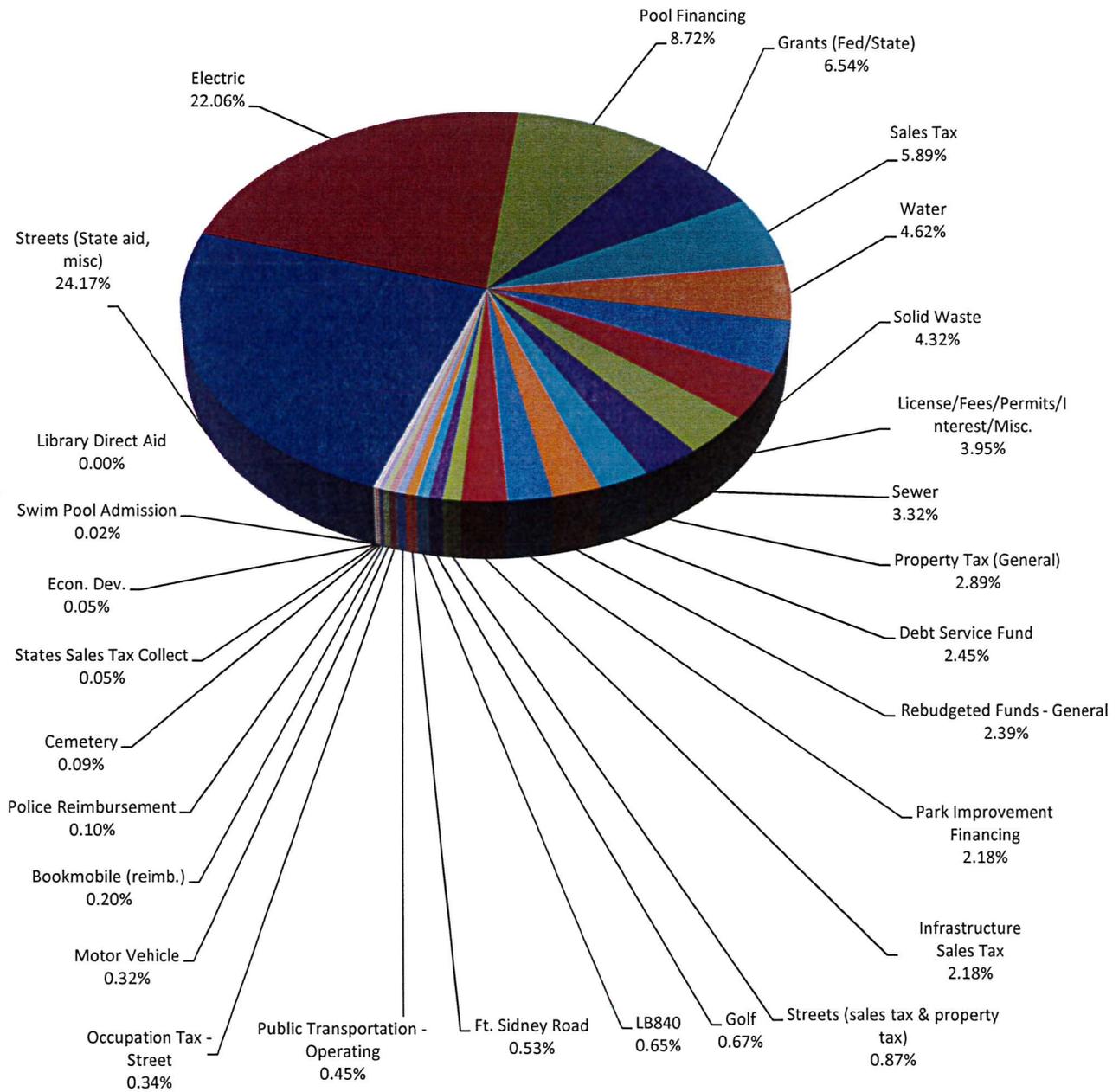


# REVENUE 2014 - 2015

Streets (State aid, misc)	11,087,033
Electric	10,119,650
Pool Financing	4,000,000
Grants (Fed/State)	3,000,000
Sales Tax	2,700,000
Water	2,119,360
Solid Waste	1,982,546
License/Fees/Permits/Interest/Misc.	1,810,717
Sewer	1,521,629
Property Tax (General)	1,326,990
Debt Service Fund	1,124,131
Rebudgeted Funds - General	1,094,574
Park Improvement Financing	1,000,000
Infrastructure Sales Tax	1,000,000
Streets (sales tax & property tax)	401,000
Golf	306,897
LB840	300,000
Ft. Sidney Road	243,629
Public Transportation - Operating	205,290
Occupation Tax - Street	156,183
Motor Vehicle	147,612
Bookmobile (reimb.)	90,000
Police Reimbursement	45,000
Cemetery	42,500
Econ. Dev.	21,667
States Sales Tax Collect	21,000
Swim Pool Admission	9,300
Library Direct Aid	2,000
State Aid to Municipalities	0
Muni Equalization	0
<b>TOTAL</b>	<b>45,878,708</b>

# City of Sidney – REVENUE

## Fiscal Year 2014-2015



**GENERAL FUND  
MILL LEVY  
City of Sidney**

**GENERAL FUND  
Property Tax Rate**

State Levy Limit 45 cents per \$100 of value  
(excludes intergovernmental agreements)  
50 cents per \$100 of value  
(includes intergovernmental agreements)

Total allowed 59.876  
(includes bonded indebtedness)

.336120 general  
.098765 bonded indebtedness

**0.434885 (2014-15)**

0.412120 (2013-14)

0.417759 (2012-13)

0.417854 (2011-12)

0.418573 (2010-11)

0.420347 (2009-10)

**0.16388 below lid**

**33% below State lid**

# **PROPERTY TAX REQUEST**

**2014 - 2015 Budget Year**

**General Fund Budget**

## **TOTAL CITY REQUEST 2014-2015**

**\$ 1,326,990 – General**

**\$ 151,000 – Street**

**\$ 419,509 – Bonded**

**\$ 19,123 – Collection Fee**

**\$ 1,931,403 – Total**

State Lid (50 cents per \$100 of valuation)

\$2,086,549

Bonded Indebtedness

\$438,632

**TOTAL ALLOWED BY LAW**

**\$2,525,181**

## **UNUSED RESTRICTED FUND TOTAL**

**\$593,778 – Below State Tax Lid formula**

**\$4,008,704 – Total unused restricted fund authority**

# PROJECTED SALES TAX REVENUE

## 1 Cent Sales Tax (Adopted 1980)

	Budget	Received (After Refunds)
1999-2000	\$ 901,035	\$1,158,708
2000-2001	\$1,102,241	\$1,627,456
2001-2002	\$1,296,250	\$1,289,170
2002-2003	\$1,309,196	\$1,234,516
2003-2004	\$1,451,879	\$1,386,830
2004-2005	\$1,517,369	\$1,524,305
2005-2006	\$1,546,385	\$1,281,636
2006-2007	\$1,610,411	\$1,401,387
2007-2008	\$1,541,027	\$1,487,805
2008-2009	\$1,450,000	\$1,253,393
2009-2010	\$1,300,000	\$1,162,734
2010-2011	\$1,229,633	\$1,321,327
2011-2012	\$1,462,992	\$1,695,262
2012-2013	\$1,718,133	\$1,939,463
2013-2014	\$1,939,463	\$1,999,890
2014-2015	\$2,000,000	

## **PROJECTED SALES TAX REVENUE, cont.**

**½ Cent Sales Tax (minus LB840 - \$300,000)  
(Adopted 1988 for Community & Economic Development)**

	<b>Budget</b>	<b>Received (After Refunds)</b>
1999-2000	\$222,810	\$311,612
2000-2001	\$302,794	\$561,509
2001-2002	\$387,677	\$393,747
2002-2003	\$407,098	\$368,168
2003-2004	\$478,439	\$444,081
2004-2005	\$511,185	\$531,135
2005-2006	\$525,696	\$392,357
2006-2007	\$555,183	\$482,878
2007-2008	\$470,514	\$442,787
2008-2009	\$410,000	\$316,622
2009-2010	\$350,000	\$281,367
2010-2011	\$314,666	\$339,666
2011-2012	\$431,449	\$547,631
2012-2013	\$559,078	\$667,205
2013-2014	\$669,732	\$699,945
2014-2015	\$700,000	

## PROJECTED SALES TAX REVENUE, cont.

### LB840 Adopted by voters 1997 for Job Creation)

1998-99	\$247,500
1999-00	\$247,500
2000-01	\$247,500
2001-02	\$247,500
2002-03	\$247,500
2003-04	\$247,500
2004-05	\$247,500
2005-06	\$247,500
2006-07	\$247,500
2007-08	\$300,000
2008-09	\$300,000
2009-10	\$300,000
2010-11	\$300,000
2011-12	\$300,000
2012-13	\$300,000
2013-14	\$300,000
2014-15	\$300,000

### Infrastructure ½ Cent

2013-14	\$ 969,732
2014-15	\$1,000,000

# SALES TAX REVENUES

## 2014 – 2015

### 1980 VOTE

1 CENT  
\$2,000,000

### 2007 VOTE

¼ CENT  
LB 840 / Job Creation Fund  
\$300,000

### 1988 VOTE

½ CENT (minus LB 840 funds)  
Community & Economic  
Development  
\$700,000

Sales Tax  
Street Fund  
\$250,000

### 2012 VOTE

½ CENT  
Infrastructure  
\$1,000,000

\$ 120,000 – Community Center / Recreational Services  
125,000 – Economic Development Department  
71,652 – Ambulance Services  
20,000 – Cheyenne County Chamber of Commerce  
12,000 – Fireworks Display  
4,000 – Memorial Gardens  
85,071 – Swim Pool Operation subsidy  
5,000 – Gold Rush  
150,131 – Fire Department  
97,146 – SE Entrance Landscaping

**\$ 700,000 – TOTAL**

## Comparison of Nebraska MUNICIPAL STATE AID

Communities of the 1 <sup>st</sup> Class	State Aid MEF 2014-2015 Eligibility	State Aid 1998-2015
Lexington	952,431	5,614,521
South Sioux City	657,023	7,221,643
Hastings	651,188	15,398,174
Fremont	642,558	8,302,658
Bellevue	580,019	11,869,803
Crete	500,179	7,048,116
Wayne	446,176	6,082,420
Chadron	432,313	6,460,521
Grand Island	425,821	8,882,203
Beatrice	362,195	4,875,330
McCook	341,394	5,704,490
Fairbury	336,596	5,121,285
Plattsmouth	324,438	4,900,670
Alliance	311,698	6,353,325
Falls City	298,358	5,992,667
Holdrege	231,026	4,489,999
North Platte	229,384	10,202,882
Schuyler	131,111	5,044,655
Norfolk	120,671	4,316,809
Gering	102,388	4,372,655
Ogallala	92,327	2,485,105
Scottsbluff	53,373	2,628,412
Ralston	53,254	1,508,857
Nebraska City	51,841	3,177,201
Columbus	22,106	5,465,859
York	14,938	1,566,447
Seward	2,460	1,523,135
Kearney	0	4,612,227
Papillion	0	2,883,362
LaVista	0	2,596,435
Blair	0	1,273,238
<b>Sidney</b>	<b>0</b>	<b>1,267,550</b>

\*In addition, Sidney has lost over \$2 million in local sales tax revenue in past 25 years due to a 3 percent surcharge from State to pay other first class cities receiving equalization funding. This year, Sidney will lose \$120,000 from this surcharge

City of Sidney  
 Local Sales Tax **LOST** to State Incentives  
**\$ 5,414,117.98**  
 to State Employment & Investment Growth Act

Oct. 1 – Sept. 30 Fiscal Year	LOCAL SIDNEY Sales Tax Refunded to NE Dept. of Revenue	
2013-14 **	164,814.00	** (only 5 months eligible)
2012-13	204,240.52	
2011-12	429,478.60	
2010-11	520,887.26	
2009-10	773,970.05	
2008-09	650,822.67	
2007-08	405,286.57	
2006-07	409,200.81	
2005-06	411,427.79	
2004-05	304,234.25	
2003-04	215,467.91	
2002-03	142,792.69	
2001-02	83,679.17	
2000-01	52,454.47	
1999-00	116,369.25	
1998-99	150,194.49	
1997-98	113,142.64	
1996-97	42,764.87	
1995-96	56,091.06	
1994-95	3,647.10	
1993-94	3,051.62	
1992-93	19,026.79	
1991-92	3,529.72	
1990-91	2,353.06	
1989-90	1,037.78	
1988-89	2,701.41	

**Property Taxes  
Projected by Major  
Political Subdivisions  
2014 - 2015**

Sidney Public Schools	\$ 7,387,588
Bond – New High School	744,444
Cheyenne County	\$ 6,275,585
City of Sidney	
General Fund	\$ 1,477,990
Bonded Indebtedness	\$ 438,632
South Platte NRD	\$ 1,312,448
Educ. Service Unit	\$ 1,635,273
(Cheyenne County \$ 217,639)	
WNCC	\$10,727,437
(Cheyenne County \$ 1,315,533)	
Airport	\$ 167,142
Historical Society	\$ 20,000

# 2014 - 2015 Property Tax Breakdown For Sidney Taxpayers

	% of Tax Dollar	Levy
Sidney Schools	46.6%	1.077833
School Bond	4.7%	0.108265
WNCC	4.3%	0.100533
ESU	0.7%	0.016632
Cheyenne County	20.7%	0.47958
City General	14.5%	0.33612
City Bond	4.2%	0.09765
SPNRD	2.6%	0.05679
Airport	1.6%	0.0377
Historical	0.1%	0.0001529
	<b>100%</b>	<b>2.3112559</b>

Levy equals dollars and cents per \$100 of value

2010-2011 levy 2.330235

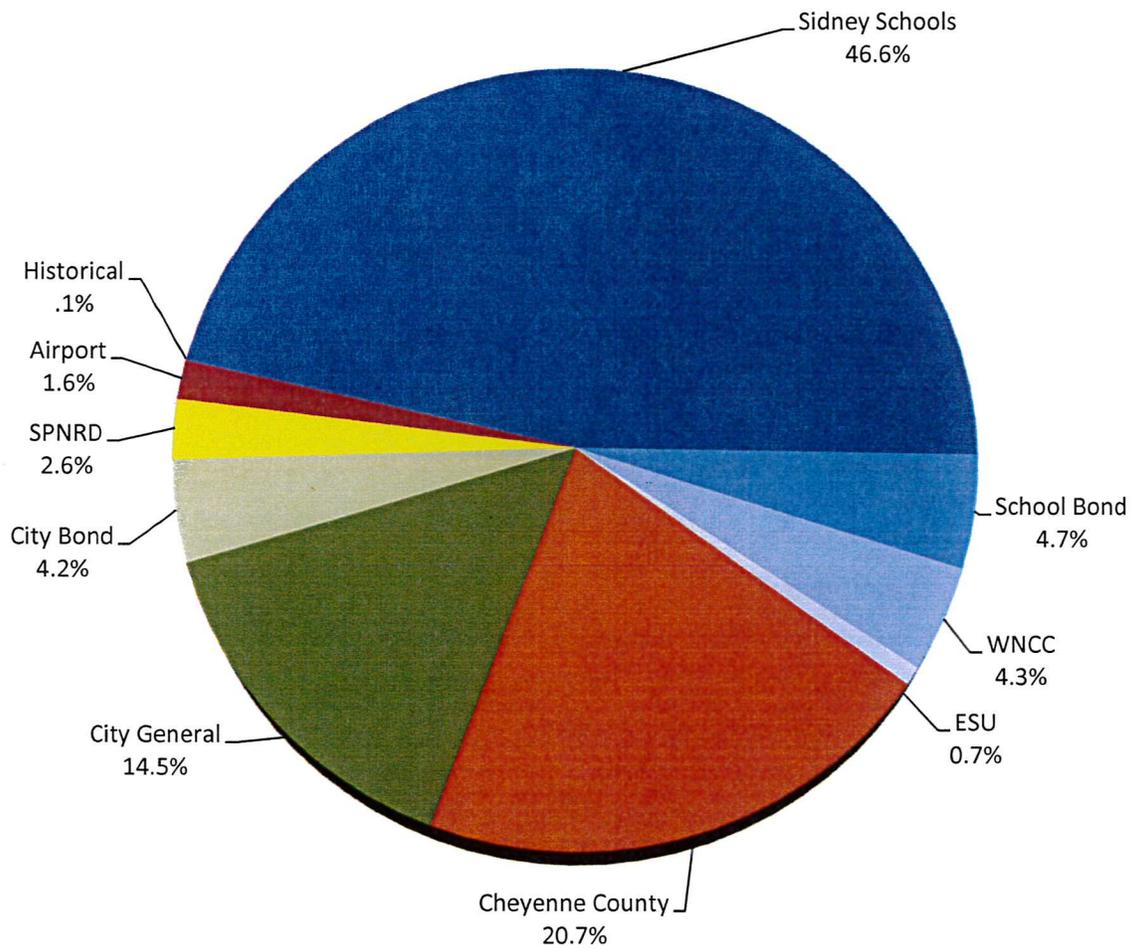
2011-2012 levy 2.321706

2012-2013 levy 2.342050

2013-2014 levy 2.323405

**2014-2015 levy 2.3112559**

# 2014 – 2015 Property Tax Breakdown For Sidney Taxpayers



If your home is valued at \$100,000 in Sidney,  
in 2014 you would pay:  
**\$2315 TOTAL in Property Taxes**

TOTAL EDUCATION \$1303	}	\$ 1077	-- Sidney Public Schools	
		108	-- High School Bond	
		101	-- Western Nebraska Community College	
		17	-- Educational Service Unit	
			480	-- Cheyenne County
			336	-- City of Sidney
			97	-- City Bonded Indebtedness
			57	-- South Platte NRD
			40	-- Airport
			2	-- Historical Society

**\$433** of the **\$2,315** property taxes (based on a \$100,000 home) goes to the City of Sidney.

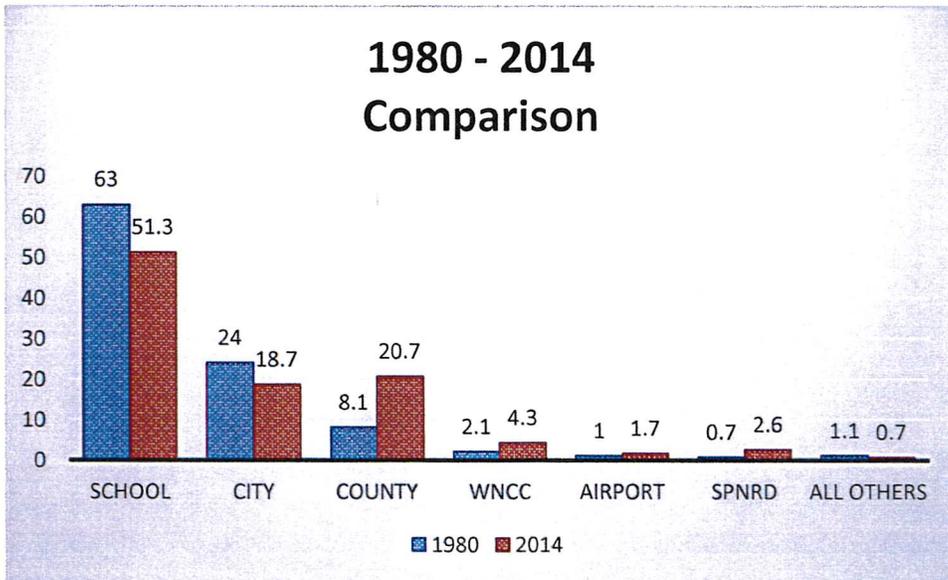
Portion of a \$100 bill that goes to the different entities for property tax requirements



# Tax Comparisons Over 34 Years

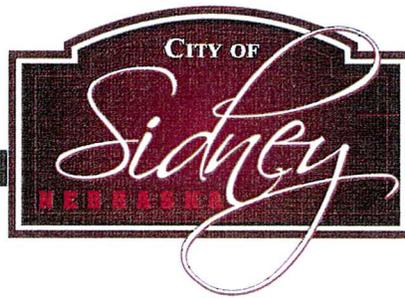
Where was your property tax dollar going then, compared to now if you lived in Sidney, Nebraska?

Government	1980	2014
School (includes bond)	63.0%	51.3%
City (includes bond)	24.0%	18.7%
County	8.1%	20.7%
WNCC	2.1%	4.3%
Airport	1.0%	1.7%
SPNRD	.7%	2.6%
All others	1.1%	.7%



## **MAJOR PROJECT HIGHLIGHTS - 2014-15 Budget**

- Greenwood Road completion and financing
- Pole Creek Crossing substantial completion and interim financing
- PCC Bridge
- Fort Sidney Bridge replacement
- Fort Sidney Road overlay project
- 10th Avenue completion
- Sidney-Deadwood Trails expansion to I-80
- Swim Pool / Aquatics project final planning and bidding process / construction
- Splash Pad planning and possible construction
- Tennis Courts replacement (2)
- Skate Park replacement
- Basketball courts incorporated into Tennis Court planning (2)
- Sand Volleyball courts (2)
- Storm Water Projects (up to \$2 million financing applications)
- SE Entrance Landscaping Old Post & 11th Avenue
- 11th Avenue Pathway Project
- New Electrical Substation location identified, possible construction start
- Completion of Electrical Study Master Plan
- Downtown Electrical Conversion / Start on 11th Ave main line Conversion
- Storm Water Cover at Wastewater Facility
- Engineering on water system improvements
- Economic Development Projects (\$300 million in planning & implementation stages)
- Police headquarters facility planning continues
- Kiwanis Field lighting project
- Hickory Street Square further development
- Downtown Upper Floor Housing Study underway
- Airport Authority Terminal / Pilots Lounge
- Sidewalk Study - 2nd Phase to be completed in residential and business areas
- Implement Property Maintenance Code enforcement
- New Neighborhoods Initiative - 2nd Phase - Grasslands Apartments



**SMALL TOWN VALUES**

1115 13TH AVENUE PO Box 79  
SIDNEY NEBRASKA 69162

**BIG TIME OPPORTUNITIES**

PHONE (308) 254-5300 FAX (308) 254-3164  
www.cityofsidney.org

**Memo to: City Council, Staff & Public**  
**From: City Manager**

**RE: Highlights of 2014-2015 Budget**

The 2014-15 budget includes many financial decisions that will help the City of Sidney continue to move the community forward in a very positive manner, and keep the general fund property tax levy at near the same rate for the sixth consecutive year at slightly above 33 cents. The 33 cents is per \$100 of Valuation with an additional 9.8 cents for bonded indebtedness for a total of 43.5. Property tax revenues represent 4 percent of the total city budget at \$1.9 million of the \$45.87 million budget.

The City of Sidney also remains **33 percent below the property tax lid** allowed by the State of Nebraska, despite the fact we get \$ 0 assistance from Municipal State Aid and \$0 from the Municipal Equalization Aid formulas for the 10th consecutive year. Some first class cities receive near \$1 million in state municipal equalization aid with the average close to \$500,000 over those 10 years.

Sidney also endures significant local sales tax reductions from other state mandated laws and programs (*\$5.5 million / see charts*). However, the one year notification of refunds did take effect during the past year, which significantly helped our current budget situation and projections for next year. The legislature also places a 3 percent fee on our local sales tax to pay to the other communities MEF aid, several of which have far more resources than we do. This has amounted to over \$2 million over the past 25 years. The penalty this year is \$120,000. If Sidney was treated like a normal first class city in Nebraska it could reduce property taxes another 30 percent.

The \$45.87 million budget includes a lot of revenue in - expenditures out, in regards to city utility services in our proprietary funds and also reflects the anticipated financing of major street projects, swimming pool and park improvements. This increase in the bottom line over last year's \$37.4 million is primarily reflected because of those projected financing scenarios.

Our electric suppliers through our association with the Municipal Energy Agency of Nebraska continue to raise rates to meet the increasing environmental compliance standards set forth by the federal government, necessitating a 10 percent increase in electric rates. We are still in dispute with another transmission charge the entity wants to implement. Most of our master plan electrical study being conducted by Olsson and

Associates and plans to construct a new substation and eventually replace the Fort Sidney Road Substation will come out of reserves. Underground conversion projects will continue in this year's budget similar to the pace of the past couple of years. The primary emphasis this year will be continuing with the downtown area and begin on the 11th Avenue main line.

Sanitary Sewer rates will also have adjustments in several categories including tap fees, customer charges up \$5 per month, motels up to \$2 from its previous \$1 rate per month per room and factoring in concentration of wastes in three different categories exceeding certain levels. This was to provide revenue to cover the additional \$450,000 costs for the cover over the drying beds now required by EPA standards and ongoing rising costs.

Water, Landfill and Golf rates remain where the rates were a year ago. In our closing budget workshops where \$500,000 cost cutting measures were taken, we initially eliminated the engineering study for the water system improvements as called for in a recent water study master plan, but we did administratively place this back into the budget that is being presented. If water sale revenue has a more normal year, we should have sufficient funds to do the engineering, though no additional revenue would then be placed in reserves. The engineer will make the presentation again before the public, and the council can decide at that point, if we move forward this fiscal year or wait until next year.

Our total existing bonded indebtedness currently stands at \$21.8 million including principal, interest and TIF bonds. Total valuation for the City of Sidney now stands at \$444 million, up \$27 million over last year. Cheyenne County continues to also grow in valuation due to the strong economic development efforts in the Sidney area with a new value of \$1,308,558,584 - a \$160 million increase over last year's \$1,147,566,479.

The budget does include interim financing and partial bonding for Greenwood Road, Pole Creek Crossing, two major bridges along with the swimming pool and park improvements. Final bonding on Pole Creek Crossing won't come until the 2015-16 budget year.

Our local 2 percent sales tax revenue is projected at \$4 million for the next year, designated into a number of different areas of allocation, which is also shown in the accompanying charts and is the continued reason the City can still be 33 percent below the state property tax lid. The new half cent infrastructure tax had its first full year of implementation and is projected at \$1 million next year with \$500,000 allocated for street projects (new and existing street improvements); \$300,000 for the swimming pool project; \$125,000 for the golf course irrigation improvement project; \$50,000 for storm water projects and \$30,000 for additional park improvements. All categories have projects currently underway and will result in projects over the next couple of fiscal years as promised to the voters.

For planning purposes a \$5 million recreation bond is being planned on a 20 year payback scenario for a \$4 million outdoor swimming pool / aquatics center and \$1 million of

proposed park improvements and replacement park amenities.

Sales tax refunds to cover Nebraska incentive programs only impacted the City to the tune of \$164,518 in 2013-14 fiscal year, our lowest refund total in 12 years, but this was due to only 5 months being subjected to refunds and 7 months having the one year notification requirement that went into effect on Jan. 1, 2014. We've had refund years recapturing our local sales tax to return to the State of Nebraska as high as \$773,970 in 2009-10 and averaged over \$500,000 the previous 7 years.

Employee health insurance rates was the toughest issue as a high claim year complicated by changing to self-insurance and the many changes mandated by the federal government created a lot of last minute budget cutting and modifying each department's requirements. The overall rate increase was 62 percent absorbed through increased employer and employee premium payments. The City had headed off a projected 30 percent increase last year by changing to self-insurance. Several changes are being implemented including an interactive health wellness and prevention program and financial penalties being implemented to non-wellness participants and tobacco users. Both categories will pay \$100 per month additional premiums per adult on each individual plan. We will continue modifying options in the future and will likely come up with a plan allocating so much money per employee for health insurance next year with a smorgasbord of plans offered with high deductibles and increased out of pocket expenses. The employee can then choose which plan is the best fit for them.

All departments reflect the standard employee merit increases of 2.5 percent for higher wage employees and 5 percent for lower wage employees, though all employees take home pay will be somewhat less beginning Oct. 1 because of the increases in employee health insurance premiums. Part of the cost cutting eliminated proposed new employees in the police department, golf department and maybe the library. The library has a governing board, so the only thing the City Council or management can dictate is the amount of money allocated to their budget.

*A department by department breakdown follows:*

**FIRE DEPARTMENT** - Total request is **\$150,131 slightly down from \$153,355**. The budget request is fairly standard with some minor equipment upgrades and finishing out the lights in the fire hall. Chief Stone did start discussions on eventually replacing the 1992 city 1,500 gpm pumper projected at \$390,000. The City has four years left on its last major purchase of a fire truck, so it is hoped about two years out from now the new truck can get ordered.

**LIBRARY** - The request is up 9 percent from **\$444,305 to this year's \$485,021**. The library wants to replace several part-time employees with one additional full-time employee. The cost-share contribution for the bookmobile services from Cheyenne County

is projected at \$90,000 this year compared to \$98,400 last year. The county also wants the City to assume ownership of the bookmobile and will be modifying its inter-local agreement to reflect this request at the Sept. 15 county commissioner meeting. That inter-local will then be presented to the City Council for consideration. The Library has a governing board, rather than an advisory board, so they do have some autonomy from other city departments, as the personnel issues are handled by the board, as well as deciding where the money is allocated in the budget.

**INSPECTION - ZONING** - This department's budget request is **\$207,490 up from \$174,570**, reflecting some additional dollars for property demolition issues and part-time help with the pending growth pattern expected throughout this next year. An agreement for services with the Village of Potter remains in effect to provide Chief Building Official services. The department previously handled the zoning requirements for Cheyenne County, but the county has chosen to give those responsibilities to a person employed by the county highway superintendent's office in the next fiscal year. Administratively we also shifted zoning and platting responsibilities to Ben Dayton to relieve some of the time pressures on Brad Rowan with all of the building activity currently underway.

**POLICE** - The Police Department is now fully staffed at 14 sworn officers and 2 civilians' officers. However with retirements, officers leaving for other job opportunities and sickness, rarely during the past year did we have a full complement of officers. Two new officers were added and trained this past year. It also includes continuing our intergovernmental agreement with the Western Intelligence and Narcotics Group (WING) and the Sidney Public Schools for a school resource officer where we get reimbursed for costs by those two entities, but also limits those police officers time demands internally in the department. The Chief had requested one additional officer due to the growing demands of the community, but was willing to postpone this for a year along with a vehicle replacement to help absorb the additional health insurance premium costs. The total budget request is **\$1,661,201 as compared to \$1,559,798 this past year**. Additional planning will move forward with an eventual new law enforcement facility and exploring if there is any synergy with county law enforcement needs

**PUBLIC TRANSPORTATION** -Public Transportation has many funding partners involved including: State (25% total cost reimbursement) and federal (50% total cost reimbursement) and the Cheyenne County Visitors Committee is continuing its financial support for the second bus line (Sidney Stage Coach) for \$25,000 operational support in addition to assistance with the purchase of and bus wrap on a new vehicle this past year. We recently hired Dave Doty as our Public Transportation Director. Dave worked for several years for the Alco-Duckwall organization. **Total budget costs are \$278,432 compared to \$243,000 this past budget year**. Roughly only 20 percent of the total costs are covered by the City of Sidney local revenue sources.

**POOL** - The swimming pool overall budget rose significantly in anticipation of building

up the swimming pool fund from the new half -cent sales tax for the eventual replacement of the pool. We are anticipated finalizing a plan going forward in the next couple of months for constructing a new outdoor pool and aquatics center. The budget consequently reflects **\$4,094,371 total, compared to \$376,953 last year.** The normal operating budget is approximately \$100,000. Further efforts to add a splash pad through private sector donations is also in the planning stage.

**CEMETERY** - The proposed budget is **\$168,204 compared to last year's 158,994.** A gator and z-trac mower equipment upgrades are planned. Adjustments in some of the rates last year did help with some revenue projections for next year. Rates had not been changed for numerous years.

**PARKS** - budget does reflect a significant increase to **\$2,156.629 from \$1,138,638,** which would include adding a \$1 million recreational bond to the swim pool project financing on a 20 year payback scenario to get a lot of the replacement issues such as the tennis courts, skate park, ADA bathroom modifications, basketball court, sand volleyball courts, ball field improvements, etc., implemented right away as part of the financing for the swim pool project. The budget includes \$130,000 for the Kiwanis Field lighting improvements, \$138,000 for equipment and \$120,000 for continued support of recreational services through the Cheyenne County Community Center. Other costs are associated primarily with the general operations, maintenance and upkeep.

**STREETS** - The City's renewed commitment in recent years to address street improvements on existing and new street corridors that will open a whole new wave of development of Sidney is reflected again in this year's budget. The Street Department **budget is proposed at \$12,535,457. That compares to \$8,779,289 proposed last year** (*only approximately \$6 million was spent*); but also compares to \$1.4 million in 2012-13. The projects include Greenwood Road, Pole Creek Crossing, 10th Avenue, Fort Sidney Road, two major bridges and \$260,000 of storm drain projects. In addition, a \$190,000 dump truck with sander insert and plow blade was added and \$200,000 for replacement loader, which is also used as a snow blower and snow blade. Numerous grants and loan applications have gone forward for storm water projects and \$2 million has been budgeted should those dollars be awarded. Concrete surfacing project funds for panel replacement and general maintenance includes \$156,854 and \$75,000 of crack sealing will again be authorized.

**ELECTRIC** - Three years ago the City consolidated the administrative duties and employees of the Electrical Distribution Department and the Power Plant department because of its minimal use and standby capacity. As we are now categorized as being in non-compliance with the new EPA emission standards on the power plant, only one remaining employee is in charge of the day to day maintenance of the plant and back-up support is provided by the electric linemen. It can only be used for emergency standby procedures. Every electric utility provider in the country is going through purchase price

cost increases due to a number of factors nationwide and tougher environmental compliance standards. The proposed rate increase is 10 percent this year. The total **proposed budget is \$10,119,650 compared to \$10,876,895 last year**, though only \$8.5 million was spent, thus fewer reserve funds were needed. Because the City has maintained a healthy reserve base in its electric department, this year's budget is able to absorb a projected \$1.8 million in reserves to help pay for the upgrades going forward on the system and the eventual construction of a new substation and replacement of the south substation. Engineering costs are also provided for in the budget. All of the upgrades will help accommodate the continued growth in the City and help strengthen some troubled areas. Underground conversion projects are estimated again at \$400,000 primarily in the downtown area and beginning on the 11th Avenue main line corridor. Two replacement truck units are projected at \$100,000.

**ELECTRIC ADMINISTRATION** - this includes the Public Services Director (John Hehnke), the GIS / Zoning Administrator (Ben Dayton) position and an administrative assistant position. Overall **budget is \$277,612 compared to \$250,108 a year ago**. John also serves as our Emergency Management Director.

**WATER-** With one of the wettest years on record, water sales were naturally off. The City was able to get its master plan water study completed and presented. An additional presentation will be made at an upcoming council meeting, at which time the council will decide if to go forward with the engineering on some of the proposed system improvements. Our overall proposed budget is **\$1,119,360 compared to \$1,029,680 a year ago** primarily reflected in the proposed engineering. Water sales are projected at \$1.4 million and the Water Debt Assessment Fee paid by residents and businesses projected to generate \$649,000 to help pay the 17 year loan, now on Year 9. We finally retired the water debt from the northwest well field (near UPS building along U.S. 385) developed in the early 1990's in this fiscal year. A small portion of the bond also affected the sewer department. No rate increases are proposed, as retiring the old debt helped shore up the shortfall in the northwest well field payments, as we projected back in 2005.

**SEWER / WASTEWATER** - Sanitary Sewer rates adjustments were necessary to meet new EPA standards and we are proposing adjustments in several categories including tap fees, customer charges up \$5 per month, motels up to \$2 from its previous \$1 rate per month per rented room and factoring in concentration of wastes in three different categories exceeding certain levels. This was to provide revenue to cover the additional costs of the \$475,000 upgrade for the cover over the drying beds at the wastewater treatment plant. The sewer department personnel that is part of the water department amounts to **\$229,313 of the budget compared to \$233,291 last year**. **The Wastewater portion of the budget includes \$1,292,316 compared to \$1,091,754 a year ago** when some of the drying bed expenditures were budgeted.

**SOLID WASTE / LANDFILL** - the **proposed budget is \$1,982,546 compared to**

**\$1,899,711 a year ago.** This was the first operational year also for the tub grinder partnership with Raffleston Rock. Debt service on the landfill bond payment is \$156,170 annually. Sanitation pickup is provided in parts of the community seven days a week as are some other services. There are no rate adjustments this year and a healthy operational year allowed for a proposed \$223,230 transfer to reserves. A side loader truck needs to be replaced at a cost of \$140,000. No rate adjustments are proposed.

**GOLF** - The proposed golf budget is **\$717,314, down obviously from last year's \$2,055,826 budget** that included the course irrigation project. That project has been wrapped up and the final reseeding has been completed. The annual budget will now also reflect the annual recreation bond payment for the next 10 years paid primarily through the half cent infrastructure sales tax and the development fees paid by golfers on memberships and green fees. That payment will be \$170,642 next year. The remainder of the budget will be for operational expenses. A proposed third full-time employee was eliminated in the budget workshops. No rate adjustments are proposed. Construction issues this year saw overall play reduced, but projections for future years is very optimistic.

**ECONOMIC DEVELOPMENT** - Effective Oct. 1, this department will go back to the way we had it structured prior to 1999, and Megan McGown will be the Economic Development Director and continue to handle all of the Community Development responsibilities we have created including the Main Street Program and administrator of the Historic Preservation board. The City Manager will continue to provide support for the various responsibilities. The Department also contracts with Cheyenne County, which pays the City to oversee the business and industry development of the county, primarily centered on the growing development area of the former Sioux Depot property. We worked for years to get the Nebraska Legislature to allow for redevelopment projects outside of city limits, and this was recently accomplished legislatively on former military base sites and the substandard and blighted survey has been adopted making the area eligible for projects. Significant development continues in this area. The department budget will be **\$150,000 annually, the same as it was in 1999.** Since the Economic Development partnership was created in 1991, the City of Sidney has grown from \$131 million to \$444 million in valuation and Cheyenne County from \$350,000 to \$1.3 billion. Employment growth has gone up 35 percent with all other economic indicators better than tripling. Agriculture ranked number one as an economic driver in the local economy at the time we created the economic development partnership 25 years ago, but today ranks 7th, as the community has continued to diversify its economy.

**GENERAL ADMINISTRATION AND GENERAL FUND** - the **\$2 million budget** not only includes the general administration functions of city government, legal and professional services and staffing at city hall, along with general operations, but also the various special interest project groups. This includes the ambulance subsidy at \$71,652 and Cheyenne County Communications Center at \$256,438. Because of some additional issues and project needs in the planning stage, an uncommitted contingency of \$122,481

was placed in a line item that can be directed by the city council in the next budget cycle to project needs. It also includes a transfer of sales tax to debt service in the amount of \$450,000 which inflates the bottom line. All of the utility billing and administrative services are handled in the general administration as well as city management, clerk and treasurer responsibilities, accounting and payroll.

**Also incorporated into the budget this year:**

**Sidney Deadwood-Trails** walking, hiking, biking trail expansion to the Interstate will finally begin after 10 years of issues and delays, expanding from the Soccer Field area out to the I-80, Exit 59 location. The project was bid out by the State. This project will finally begin in late September / early October. The project is expected to cost over \$850,000. The remaining city costs are projected at \$49,903. The bulk of the project was covered through a trails enhancement state grant through the Nebraska Department of Roads.

**Southeast Entrance Landscaping** - Included also is \$190,000 for landscaping of the 11<sup>th</sup> Avenue and Old Post Road intersection on the property being gifted to the City by Wamsley Development in exchange for the landscaping. Had the city been forced to move the water line located outside of our original easement when utilities were first run to the I-80 corridor in 1986, the cost would have been substantial, so this will not only bring about an inviting appearance for the entrance way into the community's downtown area, but saved on our potential infrastructure relocation costs. In addition the council has committed \$450,000 to the 11th Avenue path / sidewalk project so pedestrian traffic can be accommodated from the Summit Drive area to the Old Post Road intersection. Landscaping will occur at a later time. This path will eventually continue through the Reganis and Cabela's new development areas and connect with the Cabela's campus trails through the I-80 corridor. That leg will eventually also connect to the Sidney-Deadwood Trail near the Comfort Inn area where the current expansion will conclude.

**Hickory Street Square** - A budget of \$100,000 carryover fund has been allocated to do some additional improvements to the downtown community gathering area and it is hoped a \$250,000 public gathering place statewide grant can be redirected to this project area. We continue to work with designer Scott Day on development of this area. The former Elwell storage building and adjoining lot were purchased this past budget year and demolition is now occurring. This will add to additional parking and events in the downtown area, as well as removing blighted property.

**Community interests** such as \$20,000 for the Chamber of Commerce (\$15k) and High Plains Compass (\$5k), Camp Lookout at \$10,000 and Gold Rush Days at \$5,000 are also included in the budget.

**The Grants** line item remains at \$3 million for the year in hopes the City and South Platte Natural Resources District are successful in securing state and federal funding for several

storm water projects. Funding applications have been submitted. This line item will also cover potential grants for economic and community development projects.

**The Airport Authority and Housing Authority** have their own independent budgets. The Airport Authority has requested \$167k in property taxes this year, which is 3.77 cents on the levy, which is incorporated into the overall city allocation by state statute.

I would like to thank all of the department heads, administrative staff and City Council members for the good work and time each spent in once again putting together this year's budget. The ongoing work over the past four months placed a lot of solid planning into place. It's going to be another exciting year around Sidney, Nebraska in the next fiscal year with all of the positive development projects and investment in our future setting the stage for multiple years of growth in our community.