

THE OFFICIAL PROCEEDINGS OF THE CITY OF GERING BUDGET WORK SESSION, AUGUST 6, 2025.

The Fiscal Year 2025/2026 Budget Work Session was held in open session on August 6, 2025 at 8:15 a.m. at Gering City Hall, 1025 P Street, Gering, NE. Present were: Mayor Ewing and Councilmembers Shields, Gillen (by Zoom), Frye, Kinsey, Wiedeman, Morrison, Jackson. Absent was Councilmember O'Neal. Also in attendance were City Administrator Pat Heath, Finance Director Lyndsey Mathews, Deputy Finance Director Cheri Hutchison, HR Director Shannon Goss, Electric Superintendent Domingo Palomo, Environmental Services Director Steve Mount, Police Chief George Holthus, City Engineer Annie Folck, Director of Parks and Recreation Amy Seiler, Library Director Christie Clarke, Transportation Superintendent Casey Dahlgrin, City Clerk Kathy Welfl, Director of Tourism Tina Worthman, Public Works Director Mike Davies, Fire Chief Nathan Flowers, Police Captain Jason Rogers, Police Sargent Travis Enlow, Police Sargent Brian Eads, Police Sargent Jordan McBride, Civic Center Manager Terri Tosh. Various outside agency representatives, Megan Kelley (Star-Herald), Scott Miller (KNEB). Members of the public were present as well. Notice of the meeting was given in advance by publication in the Star-Herald, the designated method of giving notice. All proceedings hereafter were taken while the meeting was open to the attendance of the public except as otherwise indicated.

CALL TO ORDER

Mayor Ewing called the Budget Work Session to order at 8:15 a.m.

OPEN MEETINGS ACT - NEB.REV.STAT. CHAPTER 84, ARTICLE 14

Mayor Ewing noted the Open Meetings Act posted in the meeting room.

A. OPENING COMMENTS – ADMINISTRATOR HEATH

Mayor and Council,

The attached information is a presentation of the proposed budget for fiscal year 2026 beginning October 1, 2025 and ending September 30, 2026. A summary of budget information and highlights are listed below.

In preparing this budget, we have attempted to remain conservative in our estimates taking into consideration many factors including national, regional and local economic factors and indicators, agricultural industry trends and input from local business representatives. In addition, we closely monitor trends in consumer spending and related sales tax revenues, gas tax receipts and rising costs in the fuel industry. We have budgeted conservatively for our revenues and expenditures.

We are also very cognizant of rising costs of goods and services for our labor force and have done our best to allow for reasonable wage increases to keep our workforce pay competitive with our municipal peers.

Fiscal Year 2026 Budget Information:

- 2024 Consumer Price Index for December 2024 was 2.9%
- Social Security Administration COLA for 2025 was 2.5%
- Proposed Cost of Living increase is as follows:
 - Proposed general non-union employees 3.0% COLA
 - Proposed police union employees 0% COLA
 - Police Officers and Detective, remove Step 1 and add Step 9 to the end of the scale
 - Sargent's, remove step 1 and add Step 9 to the end of the scale and a 3.5% array adjustment based on wage comparison
 - Proposed IBEW union employees 3.0% COLA
(projected cost with COLA, merit increases and benefits City wide, \$532,588)
- Anticipated increase in premiums/claims exposure for employee health insurance will be determined in a meeting with our insurance broker on August 4, 2025. The current year increase was \$151,373. Employee premiums will be based on a percentage of the COBRA rate.

Budget Summary:

Total cost of employee wages & benefits city-wide:

- FY2026:
 - Total payroll: \$7,732,676
 - Total payroll & benefits: \$10,711,316
- FY2025:
 - Total payroll: \$7,361,112
 - Total payroll & benefits: \$10,527,688
- LARM Insurance renewal quote (city-wide):
 - 32.2% increase to property and vehicle insurance (total cost \$518,791)
 - 12.1% increase to general and police liability insurance (total cost \$246,619)
 - 19.7% increase to workers compensation insurance (total cost \$283,783)
- Capital Improvement Budget information:
 - FY2026
 - Infrastructure, buildings & structures: \$7,617,936
 - Equipment & vehicles: \$1,842,279
 - FY2025
 - Infrastructure, buildings & structures: \$6,237,799
 - Equipment & vehicles: \$3,307,650
- Debt Service Budget information:
 - FY2026
 - 2021 CURB Bonds (Water, Wastewater): \$3,910,000 (closes in 2036)
 - 2018 Leasing Corp (Ballfield/Quad Field): \$2,645,000 (closes in 2037)
 - FY2025
 - 2021 CURB Bonds (Water, Wastewater): \$4,215,000
 - 2018 Leasing Corp (Ballfield/Quad Field): \$2,810,000
 - 2016 Leasing Corp (Golf Course): \$130,000 (closed in December of 2024)

Enterprise Fund Proposed Rate Increases:

Proposed Monthly Residential Customer Charge:			Per Month
	Current	Proposed	Increase
Environmental services	\$ 26.62	\$ 27.95	\$ 1.33
Stormwater surcharge	\$ 2.25	\$ 2.50	\$ 0.25
<u>Proposed Monthly Gallonage Charges (5,000 gal use):</u>			Per Month
	Current	Proposed	Increase
Wastewater Base	\$ 25.51	\$ 23.78	\$ (1.73)
Wastewater Consumption	\$ -	\$ 6.95	\$ 6.95
Water Base	\$ 22.66	\$ 23.34	\$ 0.68
Water Consumption	\$ 7.90	\$ 8.15	\$ 0.25

Proposed Monthly Electric Charges:			Per Month
	Current	Proposed	Increase
Electric (650 kWh use) - Summer	\$ 106.06	\$ 108.70	\$ 2.64
Electric (650 kWh use) - Winter	\$ 106.06	\$ 108.70	\$ 2.64
Electric (1000 kWh use) -Summer	\$ 149.70	\$ 153.43	\$ 3.73
Electric (1000 kWh use) -Winter	\$ 124.70	\$ 127.83	\$ 3.13
<u>Typical Residential Bill (winter months):</u>			Per Month
	Current	Proposed	Increase
Electric (1,000 kWh use)	\$ 124.70	\$ 127.83	\$ 3.13
Water (5,000 gallons)	\$ 30.56	\$ 31.49	\$ 0.93
Sewer (5,000 gallons)	\$ 25.51	\$ 30.73	\$ 5.22
Sanitation	\$ 26.62	\$ 27.95	\$ 1.33
Stormwater	\$ 2.25	\$ 2.50	\$ 0.25
Total Monthly Bill	\$ 209.64	\$ 220.50	\$ 10.86

Budgeted Tax Revenue Information:

- City Tax Revenues:
 - FY2026:
 - Property Tax: \$2,181,743
 - General 1% Sales Tax: \$1,425,000
 - Motor Vehicle Sales Tax: \$400,000
 - LB840 Sales Tax: \$300,000
 - LB357 Sales Tax: \$500,000
 - Gas Tax Receipts: \$1,251,048 (budget amount provided by State)
 - Other Tax Receipts (franchise, occ, & lodging): \$214,000
 - Municipal Equalization Payment: \$539,941 (budget amt provided by State)
 - FY2025:
 - Property Tax: \$2,181,743 (*final amt determined with Assessor valuation on or around 8/20*)
Note: 15% of property tax dollars go to the City of Gering.
 - General 1% Sales Tax: \$1,375,000
 - Motor Vehicle Sales Tax: \$375,000
 - LB840 Sales Tax: \$300,000
 - LB357 Sales Tax: \$475,000
 - Gas Tax Receipts: \$1,302,308 (budget amount provided by State)
 - Other Tax Receipts (franchise, occ, & lodging): \$213,500
 - Municipal Equalization Payment: \$606,744 (budget amt provided by State)
- Enterprise Fund Transfers:
 - FY2026: \$2,260,000
 - FY2025: \$2,060,000

Developing our budget for the next fiscal year was challenging given a lot of unknowns and uncertainties with the passage of LB34. We asked our department heads to submit their needs and wants and we tried to accommodate those requests. Ultimately, we could not accommodate all their needs and wants and staff did cut some of those requests to balance the general fund budget.

We feel we have created an efficient budget that will not require any reduction of workforce or services the City currently provides. We are optimistic about the City's tax revenues holding up and will monitor those closely making mid-year adjustments if warranted.

Pat Heath, City Administrator

Administrator Heath thanked staff for their work on the budget and added that it's a team effort.

B. BUDGET & UTILITY RATES OVERVIEW:

Administrator Heath noted that the Utility Rates Overview was provided in his letter. With the new landfill project coming up, the City doesn't want to hit its customers with one large increase all at once; this year's increase for Sanitation will be 5%. There will be a 3% increase in Water and a 9% increase in Sewer, as well as a 2.6% increase in Electric. Water, Sewer and Electric percentages are based on the MEAN study. The average increase will be \$10.86 per customer for a typical residential monthly bill. The City has not increased electric rates in the last three years, which was recommended by the study. MEAN, where the City gets two thirds of its power from, increased their rates 9.33% on April 21, 2025. They're proposing a 2% rate increase in April of 2026. WAPA, where the City gets one third of its power, increased their rates 8.75% on January 1, 2025. They're proposing a 6% to 7% increase in January of 2026.

Administrator Heath stated that he hopes Council will take time to review their packet and look at individual line items in all the department budgets; typically, those are the fixed costs. A lot of those items (insurance, benefits, safety equipment, fuel, etc.) do not change, they vary a little from year to year, but staff made notes on the budget worksheets that show where those substantial changes were as far as increases. He asked if Council had any questions on any portion of the line items on any individual budget. Hearing none, he asked if they'd like to look at any individual budget and noted that capital expenditures would be covered by Department Heads during the work session.

Councilmember Shields asked about the wastewater consumption, what is that \$6.95 gallonage charge for and why is the City starting to charge for it? Administrator Heath explained that Gering is one of the few cities that does not charge a gallonage charge. Prior to getting the Tyler software, the old software did not allow the City to charge that fee. Staff were going to try to implement it a couple years ago but ran into some issues with the usage in some homes and have been working on that. Staff are sending letters out to each customer, at least with high usage, but will probably notify the others that that charge will be coming. He noted that every drop of water that goes down the drain (down the sanitary sewer) has to be treated. There's an expense to the City for that treatment. It's a charge the City should have always charged, but the previous software would not allow that. He doesn't know of any other cities that don't charge for that.

Administrator Heath asked again if there were any other questions on individual budgets or line items.

C. CAPITAL PROJECTS/EXPENDITURES OVERVIEW

1. General Fund

ENGINEERING: City Engineer, Annie Folck, explained that most of her budget, including wages, is allocated to other departments because they help serve the Water/Wastewater, Sanitation and other departments. Council will notice under capital projects, the Engineering Department doesn't have anything. However, there is an expenditure for the Engineering Department shown in other department budgets for a robotic total station. The Engineering Department has two different types of survey equipment that's used for locating easements and property lines and infrastructure project design. One is a VRS system, which works off of GPS. While this is the most efficient system, and what staff use the majority of the time, it does not work under tree canopies and next

to large buildings. Because of that, staff have another system they use, which is a robotic total station. The existing total station was purchased (used) in 2018 and completely quit working this year. Staff would like to replace it to ensure that they can survey in all locations. This expenditure would be allocated to the Streets, Water, Wastewater, Sanitation, and Electric Departments - these are all the departments for which Engineering staff do surveying and design. She added that next year, they're looking at getting a new plotter; the current one is 15 years old. They may not purchase it next year, but want to have money budgeted in case it's needed to print out plan sets and mapping.

ADMINISTRATION: Administrator Heath addressed the Administration budget and stated nothing is budgeted for capital for FY26. Staff have budgeted for new chairs for the Council Chambers for FY27. Staff would like to eventually upgrade the lighting in the Admin. building; it's getting tougher to find certain fluorescent bulbs and they are expensive. Staff will also be looking at a new City vehicle at some point; the current one is a 2012 and has over 150,000 miles on it now. Another thing staff is looking at, for security, is 3M film on some of the glass in the Admin. building to protect staff. There are more items scheduled out in FY28 and FY29. Staff try to plan out five to seven years when considering capital purchases.

CIVIC CENTER: Administrator Heath explained the following CIPs for the Civic Center:

- HVAC unit replacement. This is something staff budget for annually; it has not been expended this year. It's budgeted in case one of the units goes down; there are 18. They run about \$19,500 each.
- \$10,000 for replacement the west and east side of the digital sign (the white part); it's old and starting to peel.
- \$25,000 for kitchen equipment replacement - everything there is original except one Alto Sham oven that was replaced last year. Staff will continue to do the kitchen replacement for another six to seven years.
- \$5,100 for a new camera system. With all the events going on, staff feel there needs to be more security in the building in various locations. Councilmember Wiedeman asked if there are cameras outside. Administrator Heath replied there are no cameras outside, currently. She stated that would be something to consider at some point in case of accidents or altercations.
- \$8,000 for a water heater replacement, one this year and one next year.
- Landscaping upgrades are being budgeted for next year and FY27-28 as well.
- \$10,000 is in the budget for next year to sandblast and paint the fountain.

FIRE DEPARTMENT: Chief Flowers stated there are a few changes in capital improvements from the packet Council received as staff went through the Public Safety Fund (earlier in the week) and made some changes to make sure that fund was balanced right. He added that he appreciates Council passing the Public Safety Fund (put in place several years ago) as they would be limited on the things they could do without it. They are proposing:

- A feasibility study on the fire station this next fiscal year to look at the needs of the infrastructure of the building to see if it's sustainable or not. They are proposing the infrastructure study to come out of the Public Safety Fund.

- There are two items they're pulling from the General Fund (O & M), the sinking program for the apparatus. With the MFO along with the General Fund, they want to save that money for an apparatus replacement in a few years; that equipment increases about 5-8% each year. The new apparatus will be about \$850,000 by that time. He's not sure why costs for fire trucks are increasing so dramatically.

- They budgeted for a generator this year. The generator they ordered is backordered and he's still waiting for it, it's supposed to arrive in October. He will have to carry that portion of the budget over. They had a little work done to prepare for the generator this year, as much as they could. He noted that those two (apparatus sinking fund and generator) are coming out of the General Fund, everything else will come out of the Public Safety Fund.

- They reduced the concrete that is supposed to go in on the east side of the building because the asphalt is deteriorating pretty badly. They are proposing \$5,000 to replace that.

- They are looking at updating the thermal cameras that assist them with interior firefighting for \$12,000.
- There are some infrastructure improvements that need to be performed at the fire station; the lights within the bays are getting pretty old as well as some areas they need to remodel to help with some of their operations. They need to replace a few overhead door openers for \$5,900 as they are about 30 years old, some older than that. They are looking at the safety aspect so the doors don't come down on vehicles and cause damage.
- Looking at the future, they would like to sink some money to help replace apparatus because of costs going up, as well as replacing SCBAs in 2030.

LIBRARY: Library Director, Christie Clarke, stated that they have not requested any funds for the next fiscal year for capital projects. They have some money in their sinking fund for a possible project that will be presented to the Recreation/Leisure Services Standing Committee by the Library Foundation.

POLICE: Chief Holthus discussed:

- His two newly added items are: Changing their Axon body/car camera leases and combining those into a 10-year program and changing to a Taser 10 (which is a newer version of the Taser), and the virtual reality training system which allows them to train on the taser, firearms, etc. using the virtual system. With those two added things, and by doing a 10-year lease, they are actually able to reduce their lease payments to Axon by about \$10,000. It will go from \$109,160 down to \$98,743. Axon combines five or six leases into one; that's how they're able to save some money there.
- They are proposing a lease of a Flock ALPR System (automatic license plate readers). They do not capture any driver data; they capture vehicle license plate images. He explained it's basically like having an observer posted in those locations 24 hours a day, 365 days a year, that has a photographic memory. They are able to search with specific data lines to see if a suspect vehicle came through. It would also alert them if there was a stolen vehicle. That would be a \$25,400 increase this year and in subsequent years it will drop to \$21,500.
- The Police Department also has a request for a pepper ball launcher and gas masks for \$19,418.
- They have their normal radio agreement with the Consolidated Communications Center for \$23,216.
- They have reduced their normal yearly MDT replacement (Mobile Data Terminals or car computers) to \$13,000 from \$20,000.
- They plan to replace patrol rifles and the optics on those; they have reduced that from \$20,000 to \$10,000. They will carry that out in future years.
- They also have a proposal to purchase six hand-held thermal imagers to allow officers to see in a park at night or dark places.
- Two vehicles from the capital fund (discussed below).

Councilmember Wiedeman commented that none of what Chief Holthus presented was in the packet. Finance Director Mathews replied that staff weren't able to meet regarding the Public Safety Fund until Monday. The total for the Police Department will be \$57,418 from the Public Safety Fund Operating Supplies, and \$152,800 in Capital Expenditures for two vehicle replacements and the Intoxilyzer carry over.

Councilmember Gillen noted that PD was playing catch up on vehicles in years past, are they back to current on that now? Chief Holthus replied, yes, they are back on track.

PARKS & RECREATION:

Cemetery: Director of Parks and Recreation, Amy Seiler, stated she has two CIP requests for the Cemetery:

- \$100,000 for road repairs at the cemetery as the roads have been deteriorating over time. Staff have tried to repair as much as possible, but they are almost getting to the point where they are crumbling and not functional. It will be a long process of repairing roads at West Lawn Cemetery. Staff are asking \$100,000 for the main road east and west in the middle of the cemetery. They would start in the older section; there are multiple

places that need replacements. They will try to redirect water and add drain pans to spill more water out into the cemetery instead of on the roadways which can degrade the road. They anticipate that some of it will be done with concrete and some with asphalt. It will be a process over time getting those roads repaired. The road won't be widened, just replaced. They don't want to lose trees as they are a signature of the cemetery.

- Her second request is \$45,000 to replace the buffalo grass in the farthest east section and change it to blue grass. The thought (when it was planted) was that buffalo grass would use less water in the event of water restrictions; the roots would be so deep, they'd be able to sustain it. Staff have learned over the last 10-15 years that buffalo grass is as maintenance-heavy, if not more, than blue grass. The benefit of buffalo grass is that it can be watered later because it doesn't start growing until mid-June and starts to go dormant in September (requiring less water). However, it's a harder turf to maintain and residents aren't happy with that ground cover. Multiple people have come to the Park Board and requested it be changed. It has been a tough decision, but they feel it's in the best interests of the cemetery. It will be a rough transition and it won't be attractive. People will be disappointed with how it looks for the first couple of years. But staff believe in order to continue to sell spaces in that part of the cemetery, the transition needs to be made.

Swimming Pool: The pool study was completed; the binders are ready for Council to receive. There will be no major requests based on that study except for the recommendation to:

- Purchase new grates for the gutter system for \$17,500. The grates sit on top of the gutters and it's what the pool users step on. If they don't have those grates, their foot goes into the gutter system which is stainless steel and very slippery. The existing grates are very old. She can't find a vendor for the grates they currently use; they will not be able to replace them with the style of grate they currently have. It's the recommendation of the pool engineer to focus on getting those grates installed. She's requesting \$17,500 for new grating at the pool.
- Purchase new lifeguard chairs; she's requesting \$13,600 for two. They'd like to get a third one in the next budget year. The platforms are deteriorating. The chairs are falling apart and don't swivel. She explained how the portable stands and new shade pieces will work; they can be moved around the pool.

Parks:

- Request for \$35,000 for an additional Ventrac tractor. It's a small tractor that can have multiple components put on it such as a sod cutter, plow for snow removal, snow blower, stump grinder, broom, etc. They use the current Ventrac on a daily basis all day long for multiple uses. They particularly need it for the ballfields but would like to have another one available to do other things in the City; they can also mount a mower on the front of it. If they had the tractor portion, staff would be able to utilize all the other devices that have been purchased for the Ventrac more readily and have the current Ventrac available just for the ballfields for maintenance. It's a very valuable piece of equipment.
- Request for \$7,000 for a zero-turn mower. They need a smaller mower to go around trees in the parks so the wide-area mowers can move more quickly throughout the parks. They also need it to get into smaller spaces such as in front of City Hall. It's too hard to get wide-area mowers into those locations.
- Request for \$150,000 for additional playground equipment. They will most likely be spending \$50,000 on playground equipment for replacement parts in Gardner and Legion Park. It will probably be smaller pieces of equipment, maybe one small play system. Amy has placed \$100,000 is her request for pursuing grants again for a playground upgrade at Oregon Trail Park. The \$100,000 would be used as a match for grants. They were not successful for grants they applied for last year, but will try again because that play system is 30 to 35 years old or older; they cannot get replacement parts for it.
- They are carrying over from the previous year the storage building they'll be placing by Diamond 1 to house infield dirt, ballfield supplies and equipment, along with chemical storage. They are partnering with the Electric Department on that building. It will get built this year; they've had some design issues - staff are trying to figure out what they want.

- Their final request is they will put \$8,000 in a sinking fund to replace the surfaces at the pickle ball courts (in five years).

RV Park: Parks and Recreation Director Seiler stated it has been another great year at the RV Park. The camp host has been fantastic. She gets a lot of feedback from campers on how much they appreciate him and how much they enjoy staying at the park. People want to come back to the park which she thinks is because of the investment that has been made there and good planning.

- A CIP this next fiscal year is to get two handicap pads installed. They want the park to be accessible to all users. They'd like to invest \$50,000 in handicap pads and other pad improvements. In this day and age, there is a need to increase the width of a lot of the pads due to longer and wider RVs. Depending on costs, they'll probably be widening three pads. They don't want to move utilities because it's labor intensive. They'll just widen pads with concrete, generally to the east.

- There are issues with the parking lot close to the cabin; it has started to crumble. They had to close part of the parking lot this year. Staff propose removing the asphalt that is there and putting in a crushed concrete parking lot. They got quotes for paving the entire lot with concrete which was \$115,000. Asphalt was \$85,000 and to patch it was \$20,000. She believes the best use of money is to go with a crushed concrete; if it's packed properly, there will not be any issues with erosion. She will budget \$25,000 for this expenditure.

- They'd like to request \$8,000 for a new electronic key card system. Campers don't feel particularly safe with the key pad that's there because the key code can be shared with multiple people. They are focused on safety at the RV Park and believe a new key pad system would be in the best interest of all the campers.

- They'd like \$12,000 to upgrade the picnic tables. They've purchased numerous picnic tables but would like to request 12 more.

- They'd like to request \$35,000 for log cabin improvements such as bathroom upgrades including counters, sinks, and showers, and to add a non-skid surface. There needs to be improvements in the multi-purpose room kitchen area with new counter tops and appliances.

- There will potentially be a sign purchase carry-over as well.

Councilmember Wiedeman asked Amy if she will ask for any Occ Tax funds for improvements. Amy replied, that isn't the plan; those funds are limited right now. Their RV Fund has a bit of money in it and they want to reinvest in the RV Park.

Golf: Amy stated that since she started with the City in 2019, they have not been able to make a budget request for CIPs for the golf course. With the bond paid off, the City can invest in the golf course again. Most of their equipment has almost double the hours that are recommended. In order to get equipment and not have to invest so much in repairs, they believe leasing is the best route for them. They'd like to make the recommendation to "lease to own" to build up equipment again.

- \$50,246 for two wide-area mowers to take care of all of the rough. Those are critical. All of their wide-area mowers are out of commission right now.

- They need two greens mowers (\$30,996 lease-to-own), they will be hybrid mowers most likely; they are looking at different options. They've had to fix the one they have multiple times this year. They had to go into last fall with one greens mower, they can't host high-quality tournaments with the concern of it going out.

- They are looking at a fairway mower lease of \$22,536. The leases shown in the packet would be paid in five years. She noted the one they have has 6000 hours. 6000 hours on a piece of equipment is like driving a car with 300,000 miles on it.

- They'd like to purchase a side-by-side roller outright for \$17,000. It's a smaller piece of equipment.

Amy added that this investment in the golf course is to ensure the City can continue to provide top-quality play for the region. They are able to host large-scale tournaments and state golf at this course. Pro-shop staff and

the maintenance crew have done an amazing job, their revenues are up. She attributes it to the absolute top-quality product they have put out; the course is playing beautifully right now. She encouraged Council to go check it out.

Councilmember Gillen asked about the golf carts; they'll be coming down the pipeline in five or six years. There is a request in that timeline to do 40 at once. Would it be better to split that among two different years – maybe every five years buy 20? Amy replied she actually had a lot more equipment on her initial request. There was a place in there for a sinking fund for golf carts, they had to remove some of those because they needed their budget to be balanced. The intent as they get a handle on some of the equipment needs, is to put funds in a sinking fund because they don't want this to hit their budget all at once. Their goal is to start putting money in a sinking fund so they can make that purchase without having a huge hit in 2031. Finance Director Mathews added that they do have \$56,000 budgeted for 2027, 2028, 2029 and 2030 to build that sinking fund. Amy explained they are looking at multiple ways to get those carts purchased; she thanked him for his suggestions. Councilmember Gillen added that Council wants them to get the equipment they need, there's a lot of money invested in a lot of equipment and a lot of departments to talk about. He thanked Amy for her time and stewardship of City dollars and taking care of the City's community assets. Amy noted that all of their requests for capital have come out of their sinking fund (except for the \$8,000 sinking fund in the Parks Budget). None of the proposed capital expenditures are coming out of or impacting the General Fund this year. It's all coming out of the sinking fund that Ron Ernst and Council worked to build up in the past.

PUBLIC WORKS:

Electric: Electric Superintendent, Domingo Palomo, stated that a few years back, the City decided to go from 2400 volts and seven substations to four 7200 substations.

- Out of the \$1.6 million he's requesting, \$1.2 million will go towards finishing up the fourth and final substation.
- He's requesting \$120,000 for the 21st Street Substation design. With that also comes the building of the 21st Street Substation for which he's requesting \$1,000,000 this year and \$1.2 million next year to be completed by the 2027-2028 fiscal year.
- He's requesting \$48,000 for a SCADA upgrade. One of the three substations that are 7200 has outdated SCADA. The SCADA tells him correct voltages for the particular substation as well as amperage and when there are dips in voltage.
- \$350,000 to replace a 1999 Freightliner. They're going to a two-man bucket vs. a single bucket.
- \$50,000 for a mini excavator. Theirs is outdated and smaller. He's requesting to go up to the next size. The current one limits what his department and other departments can use it for.
- At/near the Ballpark Sub, the Parks Dept. had a storage building. That was knocked down when the substation was built. That building is going to be replaced for \$40,000 which will come out of the Electric Department Budget because they took over that property. This is a carry-over from the last three years. That will happen as soon as the Parks Department decides where they want it, but not likely before the end of the current fiscal year.

Domingo added they have seven substations on-line right now. With the final substation being built, they will be able to drop the other five 2400-substations and bring it down to four substations to handle the whole city. Mayor Ewing asked what the completion date is on the switch over. Domingo replied they're looking to have the 21st Street Substation built in 2027/2028. Right now, they are in the conversion of the transformers; they have all the transformers they need to make the conversion but they still need to do arresters, cut-outs, poles and underground. He further explained. He's hoping 2028 or 2029 for everything to be 7200. Councilmember Gillen asked again about the transformers and what needs to be in the projection budget. Domingo replied they have all the transformers they need to convert but will also need wire, coverup and the other items he mentioned. Finance Director Mathews added they have that in the 7200-Conversion line item (the \$1.6 million). That will be an asset in progress until it's completed.

Sanitation: Environmental Services Director, Steve Mount, stated this year they have six projects for the Sanitation Department.

- One is the completion of the transfer station/baler building and modifications as well as some equipment to go in with that which is a smaller loader at roughly \$200,000 (for the baler building). The modifications to the transfer station are around \$1,000,000. With the sunset of the current landfill getting close, they will be able to transfer trash from the baler building to the new landfill when that time comes. \$400,000 of this \$1.2 million will be carry-over from this year's budget.
- Two walking floor transfer trailers for \$260,000 for transferring trash when the current landfill sunsets.
- New 525 horsepower day cab semi-truck tractor for the walk-in trailers.
- Site purchase for new landfill, testing and engineering and additional wells. That will come out of the Joint Sinking Fund for \$2.85 million.
- There's a roll-off truck they have already purchased for this year, they're just not sure if they'll get it in by September 30, so they will carry over \$261,705 so they have that just in case.
- \$6,000 for the robotic station that Engineer Folck talked about for the Engineering Department.

Councilmember Gillen asked about the garbage truck that's listed as a carry-over for FY25, it shows 27/28 – he asked if that's when they're going to receive it. Steve explained they didn't order that garbage truck, that's just money they had in last year's budget that they're going to carry over *not* to next year's budget, but the following year.

Transportation: Street Superintendent, Casey Dahlgrin, stated:

- They have some future development intersections that they carry every year in their capital; they have \$50,000 for that.
- They're going to do some improvements at 10th & M Street on a couple radiuses for \$40,000.
- A couple improvements at 10th & Q (ADA stuff) for \$20,000.
- Kimball Ave. at Dogwood and Elm Street – both of those will be brand new intersections with new drainage (drainage pipes) under them. He's budgeting \$30,000 for each.
- On Pacific Blvd., there's a box culvert for drainage at Northfield Park that needs some updates and drainage issues fixed. He's budgeting \$170,000 for that.
- The City has an agreement with Central Irrigation for some stormwater drainage. They have an emergency gate that can be opened so they don't flood everybody out downstream. They need to do some rehab of that gate, which is the City's responsibility. He's budgeting \$25,000 for that.
- They are sinking \$110,000 for a 10-cubic yard dump truck to replace a 2013 Freightliner. The Electric Department will take the 2013 for a chipper truck. They are sinking that for next year's budget.
- \$6,000 for the total station for the Engineering Department.
- \$9,086 in carry-over for the Safe Streets For All Grant.

Councilmember Wiedeman asked if any of this will come from 357 funds. Administrator Heath replied, no. East M and North 10th were the targeted locations for LB357 funds.

Water: Public Works Director, Mike Davies presented the following CIP requests:

- \$66,000 for a pickup that needs replaced, it was a carryover from last year. He had to hold it out because he needed new chlorine generator plates for last year to get through this year.
- \$75,000 was budgeted for another set of chlorine generator plates. They're supposed to last seven and a half years; they run two of them. They got 15 years out of them which is decent.
- The concrete breaker is carried over (\$15,000). It depends on the usage, if they replace it or not.
- \$30,000 was budgeted for I-hydrants, they'd like to put four in around the city to keep track of low and high pressures. They can be put on SCADA; it would be beneficial to pick up some data on that.

- \$55,000 was budgeted for “upsizing water main”, they put that in every year.
- \$75,000 for the Midtown wells to put in VFDs (variable frequency drives). They will be getting rid of Cla-Vals on the Midtown wells.
- \$50,000 to acid wash and line wells. They try to do one or two every year.
- \$9,500 for a heater at the central plant; it went down last fall. They need to put heat and air in there, they'll try to do an air-to-air system.
- \$6,000 for the total station for the Engineering Department.
- \$180,000 for water storage tank retainage; that project is doing well. They hope to have it on-line this week, but with the recent well incident, it's a struggle to fill a million-gallon tank with water.

All amounts shown could potentially change prior to the budget being approved.

Wastewater: Mike Davies discussed:

- \$100,000 for the 3B recirc pump rebuild (3,500 gallon per minute pump). They are expensive to rebuild, so they try to keep that in there every year. There are two in the system on 3B.
- \$50,000 for “upsizing sewer main – for development”.
- \$50,000 to install Cure in Place Liner under the UP right of way on 5th Street. There were issues with this line recently. He had Johnson Services come and they jetted it and ran a chain cutter through it. They're going to put a Cure in Place Liner in that line. It's a main line for the whole city; they can't have it fail. With that, they're also going to put in a Cure in Place Liner off of 7th and N Street in an alley. It's a six-inch line they'd like to put a liner in.
- \$35,000 for the Monument Heights storm sewer. They've been working on this for a while; he further explained.
- \$35,000 for the OT Park Stadium storm sewer to D Street.
- \$6,000 for the Robotic Total Station for the Engineering Department.
- \$75,000 for the P Street storm sewer in front of City Hall. They've been struggling with that for the last few years. It has a corrugated steel pipe that is starting to fail. They can't put a liner in that one, so they'll tear it out and redo it.
- \$370,000 for the Middle School 12" line. They're rerouting the 12" sewer line around the school because it goes underneath the school and the football field. It will be rerouted down Q and 7th Street.

Councilmember Kinsey asked if rerouting the sewer line would mess up the school's sewer line; they just tore their whole gym floor out and did sewer work in there a couple years ago. Mike replied that there's a manhole in the center of the gym floor. Administrator Heath explained that was done many years ago, when the original part of the school was built; maybe in the 50's. This sewer line is 14-15 feet deep, it's expensive just because of the depth to get it changed, but it definitely needs to happen. Some of the old line will still have to be kept active because they have some restrooms and other things they tie into it. Getting the main flow around the school is critical for the City. He described an issue that occurred several years ago where a plumber got their sewer snake stuck in the City's line and couldn't get it out. By luck, staff hooked it with the sewer jet and got it out. It's important to get that line out from underneath the school. Councilmember Wiedeman asked if it would be done next summer. Pat replied it will be done after school's out next year. Engineer Folck added that once the funds are approved, they will start working on the design, and probably bid it in December or January; construction would start in May. Pat explained that due to the depth, the contractor has to have a wider trench and will take twenty feet of the street out, which adds to the cost. Discussion followed regarding why it was originally installed so deep and areas of Gering where mains were installed even deeper.

Tourism: Director of Tourism, Tina Worthman, discussed her CIP requests:

- \$180,000 for ADA improvements at Five Rocks Amphitheater that they're going to continue doing for accessibility from the parking lot and additional parking south of the amphitheater in order to follow and meet all the expectations and requirements and be able to accommodate so many more events. This includes some electrical work as well. The following year they'll work on other areas between the pavilion and the amphitheater to improve the area for food trucks and other events. These improvements will enable the City to bring more activities to the amphitheater. Councilmember Morrison asked if there would be walkways added with these improvements. Councilmember Wiedeman commented that it's a challenge to get people to certain areas at the amphitheater. Tina and Annie explained there are three phases to the improvements. Annie provided the following information at a Council meeting when the first phase was approved in June of 2025: *This is a project the City will be phasing in over the next few years – ADA improvements to Five Rocks Amphitheater. The first phase is to connect the ADA parking to the area above where the pavilion is. There is some existing ADA seating on that top level. In order to be compliant, the City needs to add another ADA seating area so there is more than one option for where people in a wheelchair could potentially sit. This phase would add those walkways and the additional seating area. The next phase, next year, staff are hoping to make improvements to where the food trucks set up to make that fully compliant because right now, it's a very difficult facility for anyone in a wheelchair to navigate. Staff are hoping to get the first phase of improvements done this fall.* Tina reiterated that it's very important to get all of these improvements done.
- Capital improvement request of \$10,000 for a shed for tables and chairs that are rented at the plaza. The plaza has become a very popular space this summer and will continue into the fall, so tables and chairs are being used more. The shed will make it easier to get them set up and put away. It would be placed in the back of the Civic Center parking lot. The shed for the community band is being used to help store some of that now; this will work much better for getting tables and chairs to the plaza and put away.
- \$15,000 for electrical upgrades at the plaza for food trucks as well for the Santa's Village event and other events such as weddings. The upgrades will eliminate cords being strung throughout the plaza.
- \$10,000 for an upgrade for landscaping in the walkway between the plaza and 10th Street.

Special Projects: Administrator Heath discussed the following:

- \$200,000 for Safe Streets Planning (grant funds). Administrator Heath noted that will hopefully tie into LB357 funds when the study is done to get some assistance for North 10th Street.
- \$100,000 of ARPA funds will be used towards the Land Bank. The Land Bank group will also work to get grant money and donations. They will hopefully start taking care of abandoned properties and get them back on the tax roll.
- \$220,058 for the grant portion of the generator for City Hall. Lyndsey noted that the City's portion that has to be paid on the match of the generator will get done this fiscal year. It's the grant portion that staff have to budget. Annie added that the generator is in, but it probably won't be ready to be energized until this fall.
- \$52,964 for the raw water storage tank carry over.

Administrator Heath stated this completes the capital expenditures. He asked if Council had any questions or comments on any of the capital or line items. Staff worked diligently to prepare a balanced budget for next year and has taken into account what needs to be done while being cautious of spending. Staff has done a great job, they are always thinking of ways to try to do things more affordably.

OUTSIDE AGENCIES:

Heartland Expressway Association (HEA): \$2971.44. Administrator Heath stated this group has been working hard to get funding for that corridor. They have done a pretty good job for this area of Nebraska. It's in the Transportation Department Budget.

Keep Scottsbluff Gering Beautiful: \$5000. They help with marking storm drains, and more.

Panhandle Area Development District (PADD): \$7,536.32. They have partnered with the City for many years. The City has access to grant writing as well as block grants (and more) through PADD. The City probably doesn't use them as much as it should. Administrator Heath serves on their board.

Riverside Discovery Center (RDC): \$60,000. The request and amount funded was \$50,000 last year. Those funds have moved from LB840 to Tourism. Councilmember Jackson asked, why the increase? RDC Director, Kei Hodgson, explained that in 2023 they lost their accreditation due to financial restraints. AZA strongly recommended they have a reserve of three months of expenses. The extra funds will go into that fund.

Scotts Bluff County Transit: \$5000. Serves a need in the community. That comes out of the Transportation Department Budget.

Twin Cities Development: \$50,000. This comes out of the LB840 Fund. They are Gering's recruiter for development. They are always out trying to promote this area and especially Gering.

Chamber of Commerce: \$4,129. This comes out of the General Fund; their request is the same as last year.

Gering Senior Center: \$18,000. Their request and amount funded was \$12,000 last year. They have been going through some major maintenance issues on the building. They've had to cash in some CDs the last few years for maintenance on the building.

Administrator Heath noted that the Midwest Theater and Monument Prevention were not funded last year and did not submit a request this year. Administrator Heath stated that Council will consider and recommend funding for outside agency requests at a Council meeting later in August.

Mayor Ewing asked if there were any other questions from Council for Department Heads, Administrator Heath or the Finance Director. Hearing none, he moved on to the Open Comment Section.

OPEN COMMENT SECTION: Discussion or action by Council regarding unscheduled business will not take place. This section is for citizen comment only. None.

ADJOURN

Councilmember Morrison made a motion to adjourn. Second by Councilmember Kinsey. There was no discussion. The Mayor called for the vote. "AYES": Frye, Kinsey, Wiedeman, Morrison, Jackson. "NAYS": None. Absent: Shields, O'Neal. Present by Zoom but not voting: Gillen. Abstaining: None. Motion carried.

The Budget Work Session adjourned at 10:17 a.m.

ATTEST:

City Clerk



Mayor

