

**MINUTES OF THE SPECIAL BUDGET HEARING MEETING OF THE MAYOR AND CITY COUNCIL OF THE CITY OF PAWNEE CITY, HELD ON MONDAY, SEPTEMBER 9, 2024 AT 6:30 P.M. AT THE CORNERSTONE COMMUNITY BUILDING, 601 G STREET, ALL IN PAWNEE CITY, PAWNEE COUNTY, NEBRASKA.**

Notice of this meeting was given in advance thereof by advertising in the Pawnee Republican, a designated method for giving notice as shown by the Affidavit of Publishing on file in the office of the City Clerk. Notice of this meeting was given to the Mayor and City Council and a copy of their acknowledgment of receipt of the notice and the Agenda are on file in the office of the City Clerk. Availability of the agenda was communicated in the advance notice and in the notice to the Mayor and Council of this meeting. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public.

**Present:** Mayor: Charlie Hatfield; Council Members: Donnie Fisher, Vickie Zelenka, Susan Eisenhauer and Pat Hatfield; Tamela S. Curtis, City Clerk/Treasurer; Kellie Wiers, Deputy Clerk and Julie Bauman, City Auditor. **Absent:** None.

Mayor Hatfield called the special budget hearing meeting to order at 6:30 p.m. informing all those present of the poster stating the Open Meeting Law Changes on the West meeting room wall accessible to the public. At this time all those present stood to recite the Pledge of Allegiance.

**Motion to Open Budget Hearing** – Council Member Eisenhauer moved to open the Budget Hearing at 6:31 p.m. Council Member Fisher seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried. Julie Bauman was present to present the 2024-25 Fiscal Year Budget document to the City Council and answer any questions. Ms. Bauman went over the final numbers of the upcoming FY 2024-25 Budget, which had not changed since last meeting. Ms. Bauman inquired if anyone had been approached by citizens inquiring why the City’s budget had increased so much? Mayor Hatfield stated that a couple people had asked him and he had told them that the City was applying for multiple grants, which one of them was for doing some much needed repairs to our streets instead of continuing to do “band-aide” street repairs like the chip and seal that was put on years ago. Ms. Bauman would like to see the Council get the information out there to the public, for full transparency, that with the operating budget from 2023 to 2024 there was a 13% increase but a large portion of that is made up of the sizable grants that the City is hoping to receive. With those grants, there will be grant revenue coming in and expenses going out so they will cancel each other out. Bauman continued that the Mayor and Council Members need to make sure their Citizens understand that it is not mismanagement by the City as those two grants equal over \$1 million dollars in funding. Council Member Eisenhauer stated that the Mayor and Council had not given themselves any raises since she had been a Council Member. Mayor Hatfield stated that it had been well over a decade since the last increase was made to the Mayor and Council Members. It is also important for the Citizens to understand that the City did not ask for more tax revenue than there 2% allowable amount. The Valuation from 2023 to 2024 actually increased by 5%, so the “asking” tax rate from 2023 to 2024 actually decreased by 3%. Since the City did not request any additional property tax monies, that meant the City did not need to be included in the joint public hearing process with the County. Ms. Bauman stated that the City has a very good budget, which is very true to core. Bauman continued that she always stresses to her cities and schools that their Budget is actually a working document all year long and not just a document that is thrown up on a shelf and never looked at again. Clerk Curtis stated that she looks at the Budget documents

several times throughout the fiscal year. Deputy Clerk Wiers added that Clerk Curtis, Foreman Cumley and herself are all very fiscally responsible when it comes to purchasing items for the City throughout the year, always trying to find the best prices available. Council Member Eisenhauer inquired what happens to the budgeted money left in her park budget if she doesn't spend it? Ms. Bauman stated that if it was budgeted this last year and it was capital outlay or just a savings from operations, so basically means that you increase the cash of the general fund. To say that it is a dollar for dollar, I didn't spend \$40,000 in the park budget, so I should have \$40,000 in the bank, it doesn't always work that specific way because a lot of times when you look at what revenue the pool and parks brings in, if that was all that you could spend, then the City wouldn't have a pool and parks. They cannot operate just on the revenues that they bring in. Ms. Bauman continued that the big thing when we look at transferring those unspent amounts over to the reserve accounts, one thing to be watching is that you don't transfer too much out of your General Checking account over to those reserve accounts because you need those funds in the general checking to cover your claims and payroll amounts. You also don't want to transfer too much over to those reserve accounts if you're just going to have to transfer it right back to the general checking to pay your monthly bills. Council Member Eisenhauer stated that there will need to be money saved up in the future to take care of the pool re-coating renovation project as she did not feel that the City included a budget large enough in the RCRP grant application to cover the total costs, according to the only estimate she had received on re-coating the pool tub. Clerk Curtis then explained that we needed to be careful transferring any large amounts of money out of the general checking account because Constructors are starting to work on 10<sup>th</sup> street going by Palmer's Café and E Street, East of the Village, so larger sums will be coming out of that general checking account to pay for those capital expenditures. Clerk Curtis continued that she always likes Ms. Bauman to finish up the City's Annual Audit first before transferring any funds over to the reserve accounts. Mayor Hatfield inquired to Ms. Bauman if she had any other Cities that she worked for that had the Council Members move each year to being in charge of a different fund, for example Council Member Fisher is in charge of Streets this year, but would move to be in charge of the Water Fund next year. Ms. Bauman stated that she has had cities that have their Council Members try to sit in on each other's Budget Workshops, but it still comes back to that one Council Member being totally in charge of that particular fund. Bauman felt that Pawnee City's Council Members do a good job in being responsible for their individual funds with everything discussed on what is happening with each other's funds during the Budget Retreat Workshop. Julie felt it might be difficult to stay on top of everything if a Council Member were to jump around to being in charge of a different fund each year. Mayor Hatfield stated he understood the difficulties associated with changing funds each year but would also like to see all of the Council Members gain diverse experiences from the different funds. Council Member Hatfield inquired where that grant money that we budgeted for goes to if the City doesn't get awarded either of these grants? Ms. Bauman stated that if the grant funds go away, the City will just pull that budget back down to the regular operating budget and not spend any of those grant funds, as the grant revenues will not be coming in to cover the spending. There was no public input. Council Member Eisenhauer moved to close the Budget Hearing at 7:00 p.m. Council Member Zelenka seconded the motion. Roll Call vote indicated all present voting in favor of the motion, whereupon motion carried.

ATTEST: Tamela S. Curtis, City Clerk

Charlie Hatfield, Mayor