City of Blair 5th Tuesday Special Meeting
June 30, 2026

The Mayor and City Council met in special session in the City Council Chambers on June 30, 2026, at 5:30 PM. The following were present: Also present were City Administrator Green, Deputy City Administrator Barrow, Deputy City Administrator Heaton, Deputy City Administrator Scott, Finance Director/Treasurer Bach, Library Director Lukert, Community Development Director Beiermann, IT Director White, Public Safety & Communications Coordinator Dunn, and Police Chief Kinsey.

The Mayor publicly stated to all in attendance that a current copy of the Nebraska Open Meetings Act was available for review and indicated the location of such copy posted in the room where the meeting was being held. Notice of the meeting was given in advance thereof by publication in the Washington County Enterprise as shown by the affidavit of publication filed in the City Clerk's office. Notice of the meeting was simultaneously given to the Mayor and all members of the City Council, and a copy of their acknowledgement of receipt of notice and the agenda is filed in the City Clerk's office. 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.

Agenda Item #1, #2 and #3 – Meeting was called to order at 5:30 p.m. by Mayor Rump followed by Roll Call and the Pledge of Allegiance.

Agenda Item #4 – Motion by Brent Clark, second by Kevin Willis to approve the minutes of the June 23, 2026, meeting. Council members voted as follows: Gary Banner: Yea, Brent Clark: Yea, Kirk Highfill: Yea, James Letcher: Yea, Kent Long: Yea, Rick Paulsen: Yea, Kevin Willis: Yea, Frank Wolff: Yea. All Council members voted: Yea: 8, Nay: 0. Mayor Rump declared the motion carried.

Agenda Item #5 – City Administrator Green presented the Fiscal Year Budget 2026-2027 question and answer session which will include department discussions on funding priorities for Fiscal Year 2026-202. Budget Overview – Green introduced the session as a workshop intended as a conversation. He noted this is his fourth budget presentation to council and the roughest draft he has presented, coming one month earlier than prior years. The general fund currently shows a deficit of over $1 million, which may be resolved through additional revenue transfers, spending down cash reserves, or expenditure cuts. Department heads were invited to present their desired requests, with the understanding that not everything can be funded this year. Green explained the city's fund system using a 'bucket' analogy. The General Fund covers administration, police, fire, animal control, parks, library, and community development. Enterprise funds (water and wastewater) are self-sustaining through user fees. The Debt Fund holds long-term bond debt funded partly by a dedicated property tax levy. The Sales Tax Fund receives approximately $4.5 million annually, of which $3 million is transferred to the General Fund for property tax relief. The Keno Fund supports community betterment projects. The Hotel Occupation Tax Fund supports tourism and marketing activities, recently used for Art Alley projects and Chamber agreements. The current levy is 0.284501 cents per $100 valuation, down 4.18% from the prior year's 0.296903. The state levy cap is 0.45 cents per $100. Nebraska's new statutory framework restricts property tax dollar growth not just the levy to the State and Local Consumption Expenditure and Gross Investment Index (5.26% for FY27, up from 5.17% last year) plus real community growth. Real growth is defined only as new construction and improvements assessed as of January 1 each year, not valuation inflation. The city estimates 3% real growth for FY27, yielding an 8.26% combined allowable property tax growth. The actual real growth number from the county is not available until August 20, leaving very little time for final budget adjustments before the September approval deadline. New legislation moves the 'postcard meeting' (public hearing on property tax increases) to July starting next year, creating additional scheduling complications. The city has successfully avoided the postcard meeting to date. The projected overall levy increase for FY27 is currently showing 8.84%, which Green indicated will likely need to be reduced. Five positions are recommended for grade increases based on performance, comparability with other communities, and supervisor recommendations. These include the Doug Howe promotion to Assistant Director at the Library, Building Inspector Ethan Roe’s reclassification to Inspector 2 after 6 years of service, Public Safety & Communications Coordinator Dunn, City Clerk Wheeler and IT Director White. No major structural position changes are included in the base budget, though departments will advocate for additional positions. Green flagged excessive work hours for Finance Director Sara Bach and City Clerk Brenda Wheeler, both regularly logging 100-120 hours per pay period. Efforts to provide relief through stable staffing are ongoing. A part-time parks position is recommended to be converted to a full-time landscaping/flower bed specialist position. Revenue sources include carryover cash (estimated as of June 1, 2026, bank balances pending audit completion), property taxes, user fees, grants, and internal transfers. Key highlights include: $300K federal land grant ($250K for RV park bathroom, $50K from NRD); $140K park grant ($90K for Rhodes Park creek improvement, $50K for trail expansion); $135K hotel tax transfer ($60K for Chamber agreement, $75K for property tax relief); $1.345M transfer from debt service for the fire truck; and $3M sales tax transfer for property tax relief. The city hall remodel reserve previously held in the General Fund will be moved to a dedicated line in the Sales Tax Fund for cleaner reporting. IT Director Tom White presented a comprehensive first-time accounting of all citywide software subscriptions and hardware needs. Total estimated annual software expenditure is approximately $376,749. Software maintenance line items span all departments and include payroll systems (HR Asset, ISOLVED, Spark), GIS (ESRI), public safety (Motorola, LexisNexis, body camera cloud storage at $26K/year), financial software (BSN&A migration completed this year), library systems (Biblionics, OCLC, Envisionware), and general Microsoft licensing. Hardware needs include end-of-life firewalls (2+ years past end of sale/support, no warranty coverage), switches, servers, and routine desktop replacements across departments (computers 5+ years old). White noted that all IT work is done internally, saving approximately 50% compared to third-party vendors, and that used/pre-owned hardware with warranties is being considered. The library server recently lost a hard drive and likely needs full replacement. Councilman Highfill raised concerns about the trend of growing software subscription costs across departments, noting police software maintenance alone is $110K (up $69K year-over-year) and the library is up $11K to $52K total. White confirmed these are now accurate actual figures rather than prior-year guesstimates. Next year's numbers should appear more stable now that a detailed baseline has been established. Police Department – Chief Kinsey presented the Blair Police Department FY27 budget with his full leadership team. The department is currently at authorized strength of 22 officers but not fully staffed due to one sergeant deployed, two officers on light duty, and one new officer (Eddie, hired yesterday) still completing re-cross testing in Grand Island (3-4 months to full deployment). Over the last year, five officers have been hired. Recruitment and retention are strong; people are turned away weekly. The department requests include: (1) A new Captain position (not included in city administration's recommendation) to lead the Support Division, manage records, CIP, and investigations, freeing Chief McKenzie from dual roles. Chief stated this is the department's top priority at approximately $100K+/year. (2) Two additional patrol officers to improve officer safety, reduce single-officer shifts, and address 20% increase in service demand over three years without major population growth, consistent with IACP staffing study recommendations. (3) Two new marked patrol vehicles at ~$210K total (vehicles ~$100K each plus ~$110K outfitting; ~$20K grant offsets cost), with a recommended ongoing cycle of 2 vehicles/year to maintain 10-vehicle fleet in warranty and reduce maintenance costs. Fleet average mileage is 53,211; three vehicles are at 100,000 miles; oldest unit is 7 years old. During one period this year, 4 of 9 marked vehicles were simultaneously out of service. (4) Technology investments including LPR (License Plate Reader) cameras; surrounding jurisdictions (Douglas County, State Patrol, Fremont, Dodge County, Saunders County) already use LPRs. A 2023 homicide case was cited as an example where LPRs would have confirmed a suspect left the city, saving significant manhour expenditure. (5) A $25K facility study (reduced from $50K budgeted last year but unspent) to evaluate whether the 6,820 sq ft building dedicated June 30, 2003 (exactly 23 years prior to the meeting) can serve needs for the next 15-30 years given evidence storage overflow, single bathroom for male staff, and single interview room limitations. (6) Ongoing training budget as risk management to reduce use-of-force incidents, constitutional violations, and liability claims. Councilman Highfield noted the city administration budget already projects a $620K increase for police; the department is requesting ~$1.2M total increase (roughly 20-30% year-over-year). Discussion ensued about potential cuts; the captain position was identified as the top priority even if other items must be deferred. Fire Department – Jake Dunn spoke on behalf of Fire Chief Aten. The department has approximately 671 calls for the first half of 2026 (on pace for ~1,342/year, potentially reaching 1,500). Three new apparatus are arriving within 18 months: a new pumper truck (ordered years ago, delivery in FY27, cost ~$1.3M funded through debt service/sales tax transfer of $300K + $920K from debt fund), a new equipment truck (already delivered), and a new ambulance (late FY27). Building maintenance at North Station was cut from $40K to $10K last year; the department has already exceeded that with AC/furnace replacements and will need another AC/furnace unit plus garage door repairs next year. Request is to restore building maintenance to $30-40K. The line item for a paid fire chief position generated discussion; Councilman Highfill argued it should be removed or relabeled since the department does not want a paid chief. Jake suggested the funds could instead be used to compensate volunteers for EMS responses and incentivize EMT certification. No formal decision was made but the police/fire committee agreed to discuss it further. Library – Library Director Wendy presented with input from IT Director Tom White. The library has served over 10,000 patrons in programs so far this fiscal year, up from 6,558 earlier in the year. The Animal House event on June 30 drew over 330 attendees. Key budget items: software maintenance reflects accurate first-time accounting of Biblionics (catalog/circulation), OCLC (interlibrary loans), Envisionware (self-checkout, public computers), and server/firewall support. The library server recently lost a hard drive and likely requires full replacement (~$55K one-time request, returning to ~$5K in subsequent years). HVAC units are approximately 10 years old; one was recently repaired twice (two failed compressors); other units may follow. The custodial contract with Citywide Solutions (Omaha) is a recurring concern of the Library Board due to both cost and quality. Management is considering putting it out to bid and potentially consolidating citywide custodial services. Copiers are original to the building and increasingly expensive to repair; leasing with a maintenance contract is being explored. Doug, Director of Programming and Makerspace, is recommended for promotion to Assistant Director with a pay increase. Community Development – Deputy City Administrator Barrow and Community Development Director Beiermann presented relatively modest changes, primarily reflecting new line items for the annex building (janitorial, cleaning) now that a full year of occupancy data is available. One furnace/air handler at the annex dates to the 1950s and may need replacement. A Planner 1 position was requested but not included in the city administration's recommendation; Barrow noted this position would allow the director's role to focus more on grants, housing studies, and management rather than day-to-day zoning processing. Building Inspector Ethan Roe is recommended for reclassification to Inspector 2. The comprehensive plan has a $150K line item, though the selected consultant's initial scope of work came in substantially above that amount and will require negotiation. The city transitioned from owning AEDs to a Cintas lease program at $116/month per unit. The program covers battery replacement, pad replacement, and monthly electronic testing logs (important for liability defense). All units are Zoll brand, matching fire department equipment for seamless field interoperability. The city expanded from 12 to 23 AED units across city facilities. Police Department's 9 recently purchased AEDs will be retained until end of life, then transitioned to the lease program. Animal Control – City Administrator Green stated that the part-time animal control position was converted to a full-time Community Service Officer in the Police Department. This officer now handles animal control, code enforcement, snow and mowing red/yellow tags, and contracted mowing/snow abatement. Related budget costs have moved from the Community Development budget to the Police Department budget. A protective line item covers contracted mowers and snow pushers when property owners fail to comply. This budget consists mostly of the increase in operating expenses for the Friends of the Animal Shelter to $175,000 and building maintenance expenses. Contingency Fund – Necessary cash reserve is $60,000, same as last year. Debt Service Fund – Deputy City Administrator Scott stated the debt fund covers long-term bond payments. Key items: property tax levy for debt service is increasing due to the public safety bond now entering repayment phase. Special assessment revenues are declining as some developers are not selling lots rapidly and are allowing assessments to go delinquent at 14% interest. One developer recently paid off in full assessments for a subdivision. Scott noted that if special assessments do not come in as expected, the burden falls on property and sales taxpayers. The public safety bond payments appear in the debt fund levy. The fire truck ($1.3M originally; $920K now in debt fund after $300K previously transferred from sales tax, plus another $300K sales tax transfer planned before fiscal year end) will be paid from debt service transferred to general fund. Parks & Cemetery Departments – Deputy City Administrator Heaton CJ presented parks with the following highlights: Recreation assistance to BYSA (Blair Youth Sports Association) doubled from $60K to $120K to continue the existing agreement and explore a future structural shift toward city-managed recreation programming. A survey of Nebraska communities is underway to understand how other cities handle youth recreation. Volunteer sustainability is a growing concern, with long-time program leaders wanting to age out but unable to find replacements. Park cameras are budgeted with the Depot, Generations Park and the splash pad completed this year. Motorized equipment requests include a new pickup and replacement of the 11-year-old orange Kubota UTV used for bike trail plowing. $25K for park furnishings includes signs, tables, and trash cans. $80K for Lions Park playground resurfacing and $500K RV park restroom/shower house. A prefab, 4 unisex stalls each with shower, toilet, sink is being proposed. Currently a $250K Land and Water Conservation Fund grant application is pending, plus $50K NRD grant for the construction of this facility. The project will not proceed without grants. Councilman Highfill suggested exploring a smaller 2-stall configuration. The facility would also serve as a trailhead bathroom for the Nebraska Street trail extension. $90K NRD grant for Rhodes Park Grant Creek bank stabilization between 19th Street and the pedestrian bridge. $50K dollar-for-dollar NRD match grant for trail expansion (approximately $13K/block with city crews doing the work. The goal is to connect Nebraska Street trail to Highway 30/75 junction near Hardy RV to Taco Bell. Pool – Deputy City Administrator Heaton stated the Blair pool is approximately 96 years old. A triennial sandblast-and-repaint cycle is underway: $75K budgeted ($25K/year for 3 years, this being year 3). Frost damage causes basketball-sized chunks to break from walls annually, repaired and repainted each year. No pool study was budgeted this year, though a future planning grant (possibly through the Community Foundation) may be explored to evaluate zero-entry baby pool replacement and potential expansion. Street Fund – Deputy City Administrator Heaton stated the street fund receives revenue from property taxes and state highway allocation funds. Key highlights: $300K for engineering/stormwater master plan and transportation planning (contingent on comp plan proceeding); $210K for Safe Streets for All professional services ($160K federal grant, $40K city share); $175K for stormwater culverts (approximately 50 inlet tops at $3-5K each identified for replacement); Honeybee Lane Phase 2 concrete pour scheduled the following day with Highway 30 turn lane work the following week; $800K for mill and overlay/street rehabilitation (up from $450K, justified by backlog); $250K for concrete street repair contracts; $9M for potential assessment district street construction (Elk Ridge, etc. - contingent on development proceeding); $2M for 25th Street and tax street improvements plus Honeybee Lane; $1M for River Road connector trail (Union Pacific Railroad signed off on design; JEO has notice to proceed); $2M for Hollow Road box culvert replacement and conversion of Skunk Hollow Road to gravel rural section. A tandem axle dump truck/snowplow was requested at ~$500K (3-year delivery lead time); a rent-to-own option was discussed as a way to spread payments. 76% of incoming highway allocation funds are already committed to existing debt payments. Holiday lighting budget discussed; $47K was spent in FY25 replacing damaged lights; a permanent programmable LED system changeable via an app for holidays/events is being explored. Rescue Squad Fund – City Administrator Green stated the rescue squad is a separate fund from the fire department, funded by billing for EMS calls. Revenue is used to fund new squad vehicles over time and annual retirement fund contributions. Historically, unpaid bills have not been pursued, creating revenue shortage but improved tracking and billing practices are being implemented. Sales Tax Fund – City Administrator Green noted the city generates approximately $4.5M annually in sales tax. $3M is transferred to the general fund for property tax relief. A motor vehicle sales tax line item generates approximately $450K/year. Additional transfers support the employee health insurance/wellness program and the library lease. The library building is technically owned by the Library Foundation, but the city makes lease payments from sales tax. Growth in sales tax has been relatively flat recently. Potential new sales tax generators include Calcium Products and a company considering the former Mutual of Omaha building. Discussion of a future half-cent sales tax ballot measure was raised, with consultants recommending waiting until after the current election cycle or approximately 2 years from now in which the city will work to identify specific capital projects (e.g., fire station addition/city hall remodel). Wastewater Fund – Deputy City Administrator Heaton stated the wastewater fund is projecting a $1M+ deficit. User fee revenue is budgeted at just over $1.3M. The wastewater plant was built in 1978 and has received minimal capital improvements since then. The plant is designed for 2M gallons/day; the state caps operational capacity at 1M gallons/day; this threshold has been exceeded multiple times in the last five years. A capacity study is already contracted at $241K to assess whether the plant can support future development such as apartments and Highway 30 corridor growth). A 10% rate increase was approved last year for each of the next three years, but due to delays in BS&A system conversion, the new rates only took effect in April 2026, meaning only two months of data are available. Green expressed concern about waiting until next April for the second-year increase and suggested aligning rate increases with the fiscal year. Heaton and Scott planned a plant walkthrough the following day with Superintendent Madsen to prioritize maintenance needs. Rate structure review will examine: (1) whether Fort Calhoun and other community partners (Kennard, Fort Calhoun, Country Estates) are paying equitable rates; (2) whether basing sewer rates on winter water usage (December-February) is appropriate for commercial users who contribute high waste volumes but low water usage. Waterworks software (purchased last fiscal year) will model different rate scenarios. Water Fund – Deputy City Administrator Heaton stated the water plant was also built in 1978. Key updates: new Water Plant Superintendent Corbin Helmandollar started mid-May 2026 (previously at Fort Calhoun); Jeff Combs transitioning toward retirement. The Cargill Capital Fund was established in the new contract: half of Cargill's excess payment above debt service coverage (~$150K/year) must be designated for water plant capital improvements per Cargill's request to ensure maintenance benefits their operations. Cargill's monthly water bill is approximately $900K. Total user fee revenue budgeted at nearly $14M. A $10M Bond Anticipation Note (BAN) is being paid down: $6M in FY26, $4M in FY27, funded through SRF loan reimbursements. Key capital projects: pipe gallery cleaning and valve replacement to remove lime/calcium buildup constricting flow in the original 1978 section of the plant; replacement of corroded CO_2 tanks (original site) at approximately $900K (hard quote obtained); filter media replacement on two additional filters; dark fiber network installation to replace radio-controlled SCADA system (more secure, not vulnerable to lightning interference); Highway 75 pump station (landowner discussions ongoing after recent planning setback); Black Elk pump station pre-construction meeting held June 30 (construction starting in next few months); potential new water tower near Kelly Drive/Bear Creek subdivision; major maintenance budget of $1.5M (same as two years ago); chemical budget (lime, alum, chlorine, polymers) just over $2M; vac truck request ~$550K (with possible grant funding) needed for lead line inventory (federal requirement: all lead service lines must be identified by November 2027) and utility field maintenance. A consultant will be brought in to optimize plant throughput to ensure the full 27M gallon/day design capacity is being achieved. The 30-inch Cargill service line is operational; redundancy upgrades allowing independent operation of both the original 27-inch and new 30-inch lines are complete. Donated Funds – City

Administrator Green stated the city maintains a donated funds account with separate categories for parks, police, library, and other departments. Funds are held until the responsible department identifies a specific project and requests expenditure. No public funds are commingled with donated funds. LB840 Economic Development Fund – The LB840 fund receives transfers from sales tax for economic development. Current active projects include Lutheran Family Services Dana Village improvement project ($2M state grant, construction expected to complete fall 2026; receipts processed through Aaron); Hubers Social House downtown (funds reserved, not yet expended; payment pending project completion); Blair Crossings; Prairie Star (repaying previously advanced funds). The Gateway Development Corporation contract of $140K will be finalized and brought to council before September. Mike (Gateway) was present at the meeting. Keno Fund – Keno Revenue is anticipated to grow slightly. $100K is tentatively set aside for community betterment projects (council's discretion for non-private projects). $150K is being transferred to the general fund: $115K for property tax relief and $35K potentially for senior center support. Transfers only occur when funds are actually expended. Hotel Occupation Tax – Tax collected from those staying at local hotels and funds used for community betterment projects. TIF Districts – Multiple TIF districts exist, each as its own fund. The Downtown TIF is closed out. TIF4 (Transportation Hill) had public infrastructure components (water/sewer mains) with city bonds being repaid from TIF proceeds. Standard TIF agreements collect incremental property taxes and distribute them to developers twice yearly upon receipt submission, continuing until authorized. City Administrator Green noted the rough budget will be updated at each council meeting through the end of August. Departmental committees (police/fire, water/sewer, transportation, parks) will hold additional meetings over the next six weeks to work through priorities and cuts. The final budget must be approved in September with staffing changes effective October 1, 2026. The county assessor's real growth number will be received by August 20, allowing final levy calculations before approval. Green emphasized the challenge of balancing the $1M+ general fund deficit, the police captain position, fire department needs, and infrastructure demands within statutory constraints.

Agenda Item #6 – Motion by Gary Banner, second by Rick Paulsen to adjourn the meeting 9:59 p.m. Council members voted as follows: Gary Banner: Yea, Brent Clark: Yea, Kirk Highfill: Yea, James Letcher: Nay, Kent Long: Yea, Rick Paulsen: Yea, Kevin Willis: Yea, Frank Wolff: Yea. All Council members voted: Yea: 7, Nay: 1. Mayor Rump declared the motion carried.

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Melinda K. Rump, Mayor

ATTEST:

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Brenda Wheeler, City Clerk

Seal