

BUTLER COUNTY BOARD OF SUPERVISORS
September 14, 2026

A special meeting of the Board of Supervisors of Butler County, Nebraska, to conduct a budget hearing was held on the 14th day of September 2026 at the Butler County Courthouse Supervisors Meeting Room in David City, Nebraska, at 6:00 p.m. Present were the following: Scott Steager, Scot Bauer, Scott Griess, Brad Vandenberg, and Jan Sypal. Absent were Tony Krafka and Bob Coufal.

Notice of the meeting was given in advance thereof by publication, a designated method for giving notice, as shown by the Proof of Publication attached to the minutes. Notice of this meeting was given to all members of the Board and a copy of their acknowledgement of receipt of notice and the agenda is attached to the minutes. Availability of the agenda was communicated in the advance notice and in the notice to all members of the Board of this meeting. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public.

The Pledge of Allegiance was recited by all present. Chairman Steager called the meeting to order and announced that a complete copy of the Open Meetings Act was available for review in the meeting room. The minutes from the previous meeting were approved as presented.

Budget Hearing for 2026-2027

Chairman Steager opened the public hearing regarding the proposed 2026-2027 County Budget at 6:00 p.m. County Clerk Lori Aschoff presented the proposed budget and answered questions from the Board and members of the public.

Supervisor Griess began the Board discussion by asking about the proposed \$175,000 budgeted in Miscellaneous, line item 2-9900. Aschoff explained that the account is used for expenditures that do not fit appropriately within another budget category, including certain transfers between General Fund categories and unforeseen or incorrectly coded expenditures. Griess expressed concern that the amount represented a significant sum of taxpayer money and stated that expenditures should be accounted for in the appropriate line items whenever possible. Aschoff explained that department heads and elected officials had been reminded of proper coding procedures and that the amount may decrease as expenditures are more accurately allocated. She also said she would provide Griess a report of the 2025-2026 expenditures after the meeting.

Griess also asked about the Rural Transit and Senior Center salary budgets. Discussion was held regarding the restructuring of the Senior Center and Rural Transit departments, including the salaries of the director and assistant director and the allocation of those salaries between Rural Transit and Senior Center.

Discussion was held regarding the County's insurance reimbursement for employees who do not participate in the County health insurance plan. Approximately \$200,000 is budgeted countywide for this benefit. Griess questioned whether other counties provide a similar cash-in-lieu benefit and whether employees in other counties are required to contribute toward their employee-only health insurance premiums. It was discussed that the cash-in-lieu benefit can result in savings to the County when an employee elects not to participate in the County plan because the County avoids paying the full insurance premium. County Clerk Aschoff agreed to contact other counties to obtain information regarding employee contributions for health insurance and the use of cash-in-lieu benefits.

Discussion was held regarding fuel and other Road Department expenditures. Members reviewed the amount budgeted for diesel fuel and noted that the prior year's expenditures were lower than the amount budgeted. Members also discussed the unpredictability of winter weather and the resulting difficulty in accurately projecting expenditures for snow removal, fuel, and related materials.

Chairman Steager directed County Clerk Aschoff to reduce the Road Department pavement-marking budget, line item 3-0306, to \$17,000 based on the amount expected to be spent for the current year. Discussion was also held regarding the budget for chains and other road equipment. Members reviewed prior-year expenditures and agreed to leave the chains budget unchanged.

Discussion continued regarding bridge contracts and available funds for anticipated bridge work. Members reviewed the Highway Bridge Buyback and Special Road Fund accounts and discussed whether sufficient funds were available for planned and potential bridge projects.

Board members also discussed the distinction between actual expenditures and budgeted amounts shown in the budget document. County Clerk Aschoff noted that some apparent increases between columns resulted from comparing actual expenditures in one column with budgeted amounts in another. It was further explained that the County budget includes the Butler County Hospital budget, which the County does not control. The Board and public also discussed the balances of various funds, including the Inheritance Tax Fund, Senior Services Savings Fund, Special Road Fund, and Equipment Sinking Fund. County Clerk Aschoff explained that the Equipment Sinking Fund allows departments to accumulate funds over multiple years for anticipated equipment purchases rather than requiring the entire expense to be budgeted in a single year. Examples discussed included vehicles and communications equipment.

Discussion was held regarding the Inheritance Tax Fund and the use of those funds to reduce the County's tax levy. The current balance was discussed, along with the proposed use of a portion of the fund in the 2026-2027 budget. Members discussed the relationship between the Inheritance Tax Fund and cash reserves and the effect of State budget limitations on the County's ability to increase taxes in future years.

Discussion was also held regarding salaries. The Board explained that most elected official salaries were increased as part of an effort to bring Butler County's salaries more in line with comparable counties based on population and property valuation. Department heads had been asked to limit employee salary increases to approximately four percent.

Public Comment

David McPhillips, David City, thanked the Board for holding the budget hearing in the evening, stating that the evening meeting made it easier for members of the public who work during the day to attend. McPhillips asked about the apparent difference between actual expenditures and budgeted amounts shown in the budget document. Aschoff explained the distinction between actual expenditures and budgeted amounts and discussed the effect of the Hospital budget and Inheritance Tax Fund on the figures.

McPhillips asked why the County maintains a substantial balance in the Inheritance Tax Fund rather than using more of the funds for property tax relief. The Board explained that approximately \$1.3 million of the fund is being used in the proposed budget for property tax relief and that maintaining reserves provides the County with financial flexibility with State limitations on tax increases.

McPhillips also questioned the proposed increases in elected officials' salaries. Chairman Steager explained that the increases were based on comparisons with other Nebraska counties of similar size and property valuation and were intended to bring Butler County's elected official salaries closer to comparable counties. Discussion also clarified that future increases would be set according to the applicable formula.

McPhillips questioned the County's involvement in operating the gravel pit and stated that, generally, he believed gravel production should be left to the private sector. Chairman Steager reviewed the Road Fund and the County's gravel expenditures with McPhillips. He explained that the County spent more than \$1.1 million on gravel during the prior year when the County did not have an operational gravel pit. He stated that the County anticipates producing approximately 60,000 cubic yards of gravel from the new pit and that purchasing a comparable amount at current prices could cost approximately \$1.2 million annually. He further stated that by producing its own gravel, the County expects to save roughly \$600,000-\$700,000 per year if the pit can be operated as planned.

Discussion was held regarding the County's arrangement for the gravel pit. It was clarified that the County leases the property from Avery Johnson rather than owning the land, and that the County has a five-year commitment to purchase at least 25,000 yards of gravel at \$1 per yard. Supervisor Bauer discussed the gravel pit's approximately 100 acres, test holes that have been completed, the quality of the gravel, the expected useful life of the pit, equipment costs, and the need to hire an operator. McPhillips asked about the vote for the gravel pit, which was 5-2 with Supervisors Griess and Vandenberg voting against it. Vandenberg stated that he had previously opposed the gravel pit, but now that it has been voted on and decided, he is committed to making the operation successful.

Joe Peterson, Bellwood, stated that the budget document was complex and that the preliminary figures had changed during the budget process. He stated that the explanation regarding the salary increases made more sense when considered in the context of bringing County salaries in line with comparable counties.

Peterson questioned the increase in the Senior Services budget and the increase shown for 911 Emergency Management, suggesting that those areas may warrant additional review.

Peterson asked whether funds should be included in the budget for paving River Road. Chairman Steager explained that no amount was currently budgeted for the project because the County does not yet know whether grant funding will be received or whether they will ultimately accept the grant, if awarded. Members discussed the possibility that the County could use funds from the Special Road Fund if the project proceeds and the County's share of the cost must be funded.

Peterson also asked about the history and cost of the County's gravel supply. Discussion was held regarding last year when the previous gravel pit ceased producing gravel, the cost of purchased gravel, and the difference between the cost of gravel delivered to various locations vs. picked up at a pit. Board members explained that transportation distance is a significant factor in the price of gravel and that different suppliers serve different portions of the County.

Peterson suggested that the County compare diesel fuel prices with T-Bone Truck Plaza in Butler County. He stated that T-Bone may be able to offer competitive pricing because it hauls its own fuel, thereby reducing transportation costs. Chairman Steager thanked Peterson for the information.

Dan Sypal, David City, stated that he supported comparing prices among local businesses because competition encourages businesses to remain competitive and can result in savings to the County.

There being no further public comment, Chairman Steager closed the public hearing.

No action was taken to adopt the 2026-2027 County Budget at this hearing. Chairman Steager noted that additional discussion and revisions would occur before the budget is finalized and submitted to the State. The proposed budget is expected to be updated following the hearing and discussed again at the September 21, 2026, meeting. A special hearing to set the final tax request is scheduled for September 23, 2026, at 9:00 a.m.

There being no further business to come before the Board, Chairman Steager adjourned the meeting at 7:03 p.m.

Lori L. Aschoff, County Clerk
Scott Steager, Chairman