

City of Fremont Update

Date: March 26, 2021

To: City Employees/ City Boards/ Mayor & City Council

2021 State Aid Drops by Nearly \$800,000

Fremont lost the second-most amount of state aid of any municipality as compared to all other municipals in the state. As shown in the table below, Fremont lost \$796,962 from the prior year.

2018-2019 - \$930,960

2019-2020 – \$815,643

2020-2021 - \$877,958

2021-2022 - \$80,996

According to a spokesperson from the Nebraska Department of Revenue, the reason for the significant drop in state aid is directly related to the decrease in levy and increase in city value. Specifically, Fremont's 2019-2020 nonbond levy was over the state average, but our 2020-2021 nonbond levy was below the state average due to transferring \$1 million from City reserves to lower the levy. By transferring this money, the City's need for tax revenue went down when compared to other municipalities in the state. Also, the property values in the city went up by 20% (Dodge County reassessed property values), which meant the amount of resources available to the City to tax also went up. Both of these actions caused state aid to decline by nearly \$800,000.

As a reminder, the legislature passed LB 1177 in 1996 to create the Municipal Equalization Fund. The fund provides aid to municipalities that are unable to raise the average amount of property tax revenue per capita with the average property tax levy. If the city population average per capita property tax levy is greater than the statewide average, the city qualifies for aid. Or, as in the case of Fremont this year, the per capita property tax levy is less than the statewide average, so the city gets less aid.

Work on Substation H

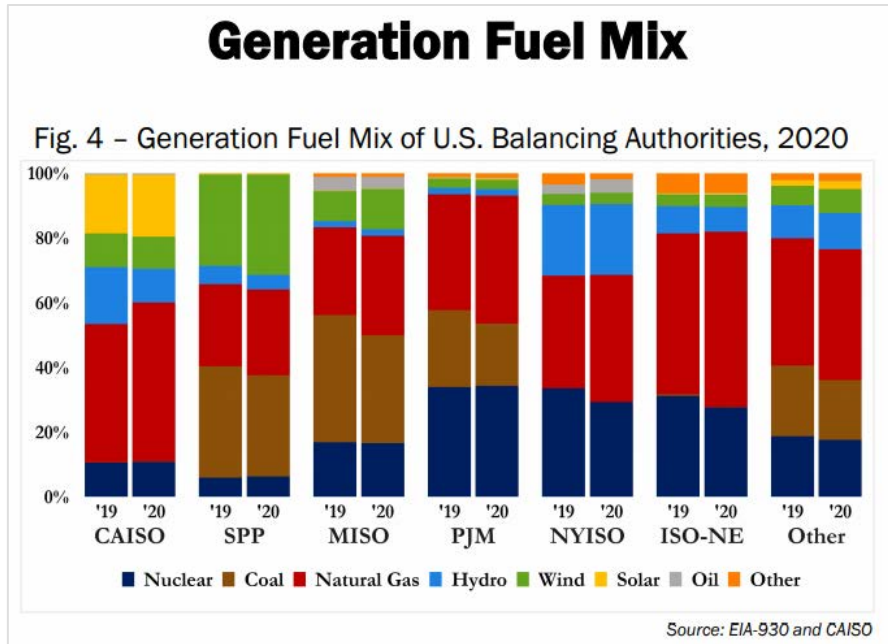
As shown in the picture on the right, grading work has started on Fremont's newest electrical substation on the northeast corner of East Cloverly Road and South Yager Road. The new substation will serve two purposes. First, to supply Wholestone Farms with enough power to meet their demands when they go to a second shift in 2023, and second, to provide customers in the area with a second source of power.



There is no job so important and no service so urgent that we cannot take the time to do the work safely!

Southwest Power Pool Generation Mix

One of the things that came to light during the extreme polar vortex in February, was the generation mix in the Southwest Power Pool (SPP) as compared to other balancing authorities (power pools) across the United States. As the chart on the right shows, SPP's generation mix is quite different than other authority areas. For example, SPP has fewer natural gas generation



sources (red shaded area) and considerably more generation sources from wind (green shaded area) than other authority areas. Unfortunately, both of these generation sources hurt SPP during the polar vortex when SPP ordered utilities to implement rolling blackout because many of the natural gas sources were unable to secure natural gas from frozen wells in Texas and most of the wind turbines were not generating power because the wind was not blowing.

Here are the balancing authorities across the U.S.: CAISO – California Independent System Operator; MISO – Midwest Independent System Operator; PJM – Pennsylvania, New Jersey and Maryland Regional Transmission Operator; NYISO – New York Independent System Operator; ISO-NE – New England Independent System Operator; and Other are several of the remaining independent system operators.

Annual Occupation Tax Report

Here are the occupation taxes the City collected and the difference from last year:

Please notice that overall occupation tax receipts were down by \$89,262.48 or 4.2% in 2020, mostly due to the COVID-19 pandemic; however, it could have been much, much worse.

Fremont Occupation Taxes for Fiscal Year Ending September 2020				
Type of tax	Amount Collected Increase/(decrease) over 2019	Deposit Fund	Purpose	Termination Date
Telecommunications	\$213,908.28 (\$21,673.68)	General	City operations	None
Garbage/Refuse	\$625,986.96 \$2,397.76	General	Solid waste operations	None
Hotel	\$269,119.87 (\$85,278.02)	General	City operations/tourism	None
Food/beverage	\$648,859.05 \$25,945.12	General	City operations	None
Liquor	\$44,200.00 \$5,375	General	City operations	None
Cable franchise	\$290,312.35 (\$16,028.66)	General	City operations	10/16/2027
2020 Total	\$2,041,797.71 (89,262.48)			

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