

CITY OF NORFOLK, NEBRASKA

The Mayor and City Council of the City of Norfolk, Nebraska met in special session in the Council Chambers, 309 North 5th Street, Norfolk, Nebraska on the 14th day of September, 2023, beginning at 12:00 p.m.

Following a moment of silence and the Pledge of Allegiance to the flag of the United States of America, Mayor Josh Moenning called the meeting to order. Roll call found the following Councilmembers present: Frank Arens, Justin Webb, Thad Murren, Justin Snorton, Shane Clausen, and Kory Hildebrand. Absent: Corey Granquist and Andrew McCarthy.

Staff members present were: City Administrator Andy Colvin, City Attorney Danielle Myers-Noelle, City Clerk Brianna Duerst, Finance Officer Randy Gates, Senior Accountant Sheila Rios, Administrative Secretary Bethene Hoff, Public Works Director Steve Rames, Director of Administrative Services Lyle Lutt, Fire Chief Tim Wragge, Assistant Fire Chief Trevor O'Brien, Housing Director Gary Bretschneider, Water and Sewer Director Chad Roberts, Economic Development Director Candice Alder, Parks and Recreation Director Nathan Powell, Wastewater Superintendent Rob Huntley, Library Director Jessica Chamberlain, Communications Manager Nick Stevenson, Streets Manager Will Elwell, City Planner Val Grimes, Administrative Secretary Kylee Soderberg and Police Chief Don Miller.

The Mayor presided and the City Clerk recorded the proceedings.

The Mayor informed the public about the location of the current copy of the Open Meetings Act posted in the City Council Chambers and accessible to members of the public.

Notice of the meeting was given in advance thereof by publication in the Norfolk Daily News, Norfolk, Nebraska, the designated method of giving notice, as shown by affidavit of publication.

Notice was given to the Mayor and all members of the Council and a copy of their acknowledgement of receipt of notice and agenda is attached to the minutes. 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 public.

Agenda Motions

Councilmember Arens moved, seconded by Councilmember Snorton to approve the consent agenda as printed. Roll call. Ayes: Arens, Webb, Murren, Snorton, Clausen and Hildebrand. Nays: None. Absent: Granquist and McCarthy.

Councilmember Hildebrand moved, seconded by Councilmember Snorton to adopt the full agenda as printed. Roll call. Ayes: Arens, Webb, Murren, Snorton, Clausen and Hildebrand. Nays: None. Absent: Granquist and McCarthy.

Consent Agenda Items Approved

Minutes of the September 5, 2023, City Council meeting

Public Hearings and Related Items

FY 2023-2024 Municipal Budget

Mayor Moenning opened a public hearing to review the City's FY 2023-2024 municipal budget.

Finance Officer Randy Gates said the budget notice had the personal and real property tax required for bonds listed as \$5,812,317 and personal and real property tax required for all other purposes listed as \$1,244,206. Those numbers are flipped. A corrected notice will be published within 20-days following approval of the budget. No action will be taken today.

City Administrator Andy Colvin provided information to the Mayor and City Council. The total FY2023-2024 budget increases 12.67% or \$14.9 million, primarily due to debt issuance for street improvements, water treatment plant upgrades and collector well, and Water Pollution Control grit removal and plant upgrade projects. The proposed budget includes a 1.12 cent property tax levy reduction from .304303 to .293114. The budget includes a \$5 million bond issue for street projects utilizing existing revenue with no tax increase. The budget also makes progress toward restoring the 16% general fund balance.

Colvin presented a total expenditures comparison from FY 2022-2023 and FY 2023-2024 and a history of the total budget over the last ten years.

Colvin discussed General Fund Revenue Sources including sales tax, NPPD lease, property tax, rent and other revenues, charges for services, other taxes, licenses and permits, intergovernmental revenues, other interest income, and non-revenue receipts.

Assessed valuation for the City of Norfolk is \$2,371,569,304, which is up 8.32% from the prior year. This was more than anticipated and allowed for a larger levy reduction. The city's tax levy is projected to be the third lowest of Nebraska Cities of the First Class in FY 2023-2024. City of Norfolk property tax accounts for approximately 15.52% of a citizen's property tax bill.

Colvin discussed the city's bonded indebtedness and how Norfolk compares to similar sized cities in Nebraska as well as the city's historical bonded indebtedness. Gates discussed net bonded general obligation debt, which excludes special assessment bonds or any bond that has cash set aside in debt service fund. Bonded indebtedness for FY2023-2024 will include \$2,411,000 in special assessment bonds; \$7,780,000 in general obligation bonds; and \$12,052,160 in revenue bonds.

Colvin also discussed infrastructure, quality of life and quality service components of the budget and highlighted projects related to Street Maintenance and Construction; Water/Sewer Infrastructure; Administration, Public Safety and Flood Control; Parks, Recreation and Trail Development. Colvin discussed other items and changes to Administration, Police and Public Works staffing, and discussed utilization of ARPA funds. Remaining ARPA funds will be used for street improvements.

Councilman Webb asked about increased assessed valuation and the effect on the property tax levy. Gates said the assessed valuation increase allowed for an increased levy rate reduction and noted the rest went to fund balance.

Jim McKenzie, 1412 Longhorn Drive, had comments related to the budget. McKenzie said the FY2023-2024 budget includes \$22 million of new debt totaling \$64 million, noting the city's debt has almost tripled in three years and has a record level of general obligation bonds without a dedicated funding source. McKenzie discussed items that he feels should have been planned for, considered maintenance, and paid for out of the regular budget, that are being paid for by issuing \$3.964 million of debt. If these items were not paid for with debt and were included in the regular budget, the city's property tax levy would need to increase by 57%. McKenzie discussed the use of CHAF funds and debt for unnecessary projects, which has resulted in the city borrowing money for regular expenses. McKenzie said spending decisions have had the consequence of ballooning the amount of city debt and anticipates Norfolk's debt to grow to the highest per capita among Nebraska first class cities.

McKenzie discussed changes to the budget that occurred after the budget review session without any public input, including changes to the cost-of-living adjustment from 4% to 3.5% and new projects not previously discussed in an open meeting. The total of these new projects is \$413,000, which equals 6% of the city's total property tax ask.

McKenzie discussed concerns with large salary increases amongst some management positions.

McKenzie noted the budget documents list Norfolk's tax levy as the third lowest among first class cities, which he feels is intentionally misleading. The levy listed excludes the airport levy, which other cities include. If the airport levy was included in city's levy, McKenzie said Norfolk is probably between eleventh and thirteenth on the chart. McKenzie said his main concern is the fiscal path the city is on and noted the city does not have unlimited funds, and Council needs to take a step back and evaluate every request. McKenzie lastly asked the press to report these concerns to public.

No one else appeared in favor of or in opposition to the proposed FY2023-2024 municipal budget and the Mayor declared the hearing closed.

FY2023 Proprietary Budget

Mayor Moenning opened a public hearing to review the City's FY 2023-2024 proprietary budget (water, sewer, solid waste, and stormwater).

No one appeared in favor of or in opposition to the proposed FY2023-2024 proprietary budget and the Mayor declared the hearing closed.

FY2023-2024 Tax Request

Mayor Moenning opened a public hearing to receive comments regarding changing the tax requests for the 2023-2024 fiscal year from the amounts for the 2022-2023 fiscal year.

Finance Officer Randy Gates discussed the three funds we levy property taxes - general fund, vehicle parking district fund, and debt service fund.

The Vehicle Parking District levies the maximum 35 cents allowed by law. The assessed valuation of the District increased 3.37% from the prior year resulting in a \$3,426 increase in property tax levied, going from \$101,695 last year to \$105,121 this year.

Debt Service property tax remains unchanged from last year at \$1,021,173.

General fund property tax increases \$285,920. The City's valuation increased \$182,096,984 or 8.32% going from \$2,189,472,320 last year to \$2,371,569,304 this year. The budget was prepared to allow for a decrease in the property tax levy rate. After adding the 1% County Treasurer's commission, the General Fund property tax levy increases \$288,779 going from \$5,641,450 last year to \$5,930,229 this year. The proposed property tax increase allows the levy rate to decrease .011189 going from .304303 last year to .293114 this year.

Mayor Moenning discussed investments and debt and said the presentation showed strategic investments that if we waited on, we would be waiting a long time, which is not realistic and would drastically increase costs. There is necessity sometimes to do big infrastructure investments to avoid cost inflation and create economic opportunities that hopefully come from those investments. Moenning said he feels the budget continues a tradition of being growth minded and focused on targeted infrastructure investments and quality of life.

Councilman Webb said the cost-of-living adjustment from 4% to 3.5% was made so the council would be unified on the budget.

No one else appeared either in favor of or in opposition to changing the tax requests and the Mayor declared the hearing closed.

There being no further business, the Mayor declared the meeting adjourned at 12:52 p.m.

Josh Moenning
Mayor

ATTEST:

Brianna Duerst
City Clerk

(S E A L)

I, the undersigned Clerk, hereby certify that the foregoing is the full, true and correct original document of proceedings of Thursday, September 14, 2023, had and done by the Mayor and City Council; that all of the subjects included in the proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to the meeting; that at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members of the public; that the said minutes were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

Brianna Duerst
City Clerk

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