

FINANCE COMMITTEE MEETING

The Finance Committee of the City of Norfolk, Nebraska met in the City's Conference Room, 309 Madison Avenue, Norfolk, Nebraska, on Monday, August 15, 2005, beginning at 7:00 a.m.

Mayor Gordon D. Adams called the meeting to order.

Roll call found the following Committee members present: Mayor Gordon Adams and Councilpersons Kaspar-Beckman, Brenneman, Fauss, Lange, Leshovsky, Saunders, Van Dyke and Wilson. Absent: None.

Staff members present were City Administrator Mike Nolan, Public Works Director Dennis Smith, City Attorney Clint Schukei, City Clerk Beth Deck, Wastewater Plant Superintendent Todd Boling, Water & Sewer Director Dennis Watts, Finance Officer Randy Gates and Human Resources Officer Sheila Schukei.

The media was represented by Gregg Wees, Norfolk Daily News.

Notice of the meeting was given in advance by publication in the Norfolk Daily News, and notice of the meeting was given to the Mayor and all members of the Council prior to the meeting.

The Mayor presided and the City Clerk recorded the proceedings.

Councilman Van Dyke moved, seconded by Councilwoman Kaspar-Beckman to approve the agenda as printed. Roll call: Ayes: Council members Kaspar-Beckman, Brenneman, Fauss, Lange, Leshovsky, Saunders, Van Dyke, Wilson and Mayor Adams. Nays: None. Absent: None. Motion carried.

The first item discussed was proposed Resolution No. 2005-50 authorizing the Mayor to notify Nebraska Public Power District regarding the 12% lease payment. City Administrator Mike Nolan stated the resolution authorizes the Mayor to notify Nebraska Public Power District (NPPD) that the 12% lease payment shall continue to be paid to the City of Norfolk after September 30, 2009. The additional lease revenue collected after September 30, 2009, being retained by the City, will replace revenues being raised, or what would otherwise be raised through property tax, to support the City's aquatic and recreation needs. Nolan stated the intent is to defray the impact of the 20-year water park bond issue being considered by special election on September 13, 2005. The 2% lease payment from October 1, 2005 to September 30, 2009 is being divided equally between the Norfolk Arts Center, Norfolk Community Theatre, Norfolk Family YMCA and Elkhorn Valley Museum & Research Center. Resolution No. 2005-50 will be formally considered at the August 15, 2005 City Council meeting.

This item was for informational purposes only.

The next item considered was proposed Ordinance No. 4824 adjusting **sewer** rates. Public Works Director Dennis Smith explained the ordinance adjusts sewer rates for residential, commercial and industrial classifications by a uniform 5% effective October 1, 2005. The rates have not been adjusted since October 1999. This rate increase is due to a continued loss of revenue felt by the closing of the Beef America facility in July 1998, and ongoing expenditures associated with collection and wastewater plant improvements, Sewer Master Plan and Cost of Service Study in the next fiscal year's budget. These items alone are estimated at:

Collection improvements	\$335,000
Wastewater plant improvements	\$470,100
Sewer Master Plan	\$100,000
Cost of Service Study	\$50,000
Total	\$955,100

Some of the sewer capital improvements and maintenance items have been deferred up to three years. Even with these deferrals, the Sewer Use fees are not adequate to cover WPC and Sewer Maintenance Division expenditures.

The Sewer Master Plan has not been updated since the late 1970's. Its purpose is to evaluate the adequacy of the present sewer system and plan for the future. As part of the Master Plan,

Council asked City staff to evaluate the possibility of providing services south of the Elkhorn River. At the same time, a Cost of Service Study should be reviewed to ensure that cost allocations are divided properly.

Next year, the sewer rates would be reviewed for cost of service allocation and rates will be reviewed to determine if the current 5% increase is enough to balance the Sewer Fund budget.

Typical residential and commercial customer usage has dropped slightly since 1999.

Avg. Bimonthly Cu.Ft. Consumption		
	1999	2005
Residential	1,363	1,219
Commercial	7,165	5,959

The following is a comparison of current versus new rates:

Domestic/Commercial Rate Change (Bimonthly Billing)				
	Current	New	Change	
Typical Residential	\$23.21	\$24.38	\$1.17	5%
Typical Commercial	\$69.65	\$73.19	\$3.54	5%
Minimum	\$15.18	\$15.94	\$0.76	5%
\$/cuf >min	\$0.98	\$1.03	\$0.05	5%

The ordinance will appear on the August 15, 2005 City Council agenda for formal consideration.

The final items to be discussed by the Finance Committee were the final plat of **Eastridge Estates** (located on Grandview Drive east of Norfolk) and the accompanying subdivision agreement; a sidewalk waiver and modification of hard surfacing requirements requested by Kurt & Dawn **Krueger**, Regina Krueger, and Neal & Dorothy Hill for Eastridge Estates.

City Attorney Clint Schukei explained Eastridge Estates is an 80-acre subdivision along Grand View Drive east of Norfolk which lies entirely in Stanton County. This development was controversial at its inception due to paving and sidewalk concerns. Since the development is basically in a rural area, the developers want to waive all sidewalk and hard surfacing requirements of the City of Norfolk. After a subcommittee meeting of affected parties, an interlocal agreement was decided upon calling for paving when the development is annexed into the City of Norfolk. However, Madison County doesn't have signed agreements with any other entity for maintaining roads and won't sign the interlocal agreement.

Schukei stated the subdivision agreement included in the August 15, 2005 City Council agenda packet does not reflect what was agreed to between the developers and the City of Norfolk. Schukei stated the City Council should not approve the subdivision agreement in its current form. Schukei feels all items (final plat, sidewalk waiver and hard surfacing waiver) should be addressed by the City Council at one time. Schukei stated the City has responded to the developers' attorney and are waiting for a response back.

Councilman Fauss feels the City's main concern is responding to ambulance and/or fire calls if the road isn't paved.

Councilman Van Dyke stated the road problems need to be resolved first before moving forward with the development.

Mayor Adams stated the items will be pulled off the August 15, 2005 City Council agenda if the correct, completed documents aren't received and approved by the City prior to the meeting.

Councilman Leshovsky moved, seconded by Councilman Fauss to adjourn from regular session and convene into executive session at 7:20 a.m. to discuss land negotiations. Roll call: Ayes: Council members Kaspar-Beckman, Brenneman, Fauss, Lange, Leshovsky, Saunders, Van Dyke, Wilson and Mayor Adams. Nays: None. Absent: None. Motion carried.

Councilman Van Dyke moved, seconded by Councilwoman Kaspar-Beckman to adjourn from

executive session and reconvene into regular session at 7:23 a.m. Roll call: Ayes: Council members Kaspar-Beckman, Brenneman, Fauss, Lange, Leshovsky, Saunders, Van Dyke, Wilson and Mayor Adams. Nays: None. Absent: None. Motion carried.

Councilman Van Dyke moved, seconded by Councilwoman Kaspar-Beckman to approve a Purchase Agreement with Virgil N. and Esther Raasch for the purchase of 69.58 acres of land located west of Norfolk more particularly described as the SW 1/4 of the NW 1/4 of Section 30, Township 24 North, Range 1 West of the 6th P.M., Madison County, Nebraska, consisting of 36.59 acres and the most southern part of the NW 1/4 of the NW 1/4 of Section 30, Township 24 North, Range 1, West of the 6th P.M., Madison County, Nebraska, consisting of approximately 32.99 acres for the price of \$695,800.00. Roll call: Ayes: Council members Kaspar-Beckman, Brenneman, Fauss, Lange, Leshovsky, Saunders, Van Dyke, Wilson and Mayor Adams. Nays: None. Absent: None. Motion carried.

Councilman Van Dyke moved, seconded by Councilwoman Kaspar-Beckman to adjourn the meeting at 7:25 a.m. Roll call: Ayes: Council members Kaspar-Beckman, Brenneman, Fauss, Lange, Leshovsky, Saunders, Van Dyke, Wilson and Mayor Adams. Nays: None. Absent: None. Motion carried.

Elizabeth A. Deck
City Clerk