

WORK SESSION BUDGET REVIEW

The Mayor and City Council of the City of Norfolk, Nebraska, held a work session in the Council Chambers Conference Room, 309 West Madison Avenue, Norfolk, Nebraska, on Wednesday, July 27, 2011, beginning at 5:30 p.m. to review the proposed FY 2011-2012 budget.

Mayor Sue Fuchtman called the meeting to order.

Roll call found the following Councilmembers present: Mayor Sue Fuchtman and Councilmembers Brenneman, Clausen, Coy, Fauss (5:56 p.m.), Lange, Merrill, Murren and Saunders. Absent: None.

Staff members present were Interim City Administrator Shane Weidner, Public Works Director Dennis Smith, City Clerk Beth Deck, Information Systems Manager Jim McKenzie, Operations Manager Gary Miller, Finance Officer Randy Gates, Library Director Mike Caldararo, Senior Accountant Sheila Rios, Recreation Coordinator Pat VonGlan, Assistant City Engineer Mark Dolechek and Human Resources Director Sheila Schukei.

The media was represented by Greg 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.

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

Vehicle Parking District

Connie Geary, Vehicle Parking District, provided information to elected officials on the proposed FY 2011-2012 Vehicle Parking District budget. Estimated balance brought forward is \$208,509 with revenue from taxes, \$80,866; rent & other revenue, \$11,400; interest income, \$1,829; other interest income, \$600; and non-revenue receipts, \$10,684 for a total of \$105,379. Estimated expenditures include: operating supplies & materials, \$200; other operating costs, \$35,500; utilities & maintenance, \$34,000; legislative affairs, \$40,000; administration & overhead, \$13,725; capital outlay, \$110,000 and debt service, \$22,820 for total expenditures of \$256,245 and an ending fund balance of \$57,643. Major capital outlay includes banner poles, \$20,000; chamber parking lot, \$30,000; and other parking lots and related improvements, \$60,000.

Councilmember Lange moved, seconded by Councilmember Murren to approve the FY 2011-2012 Vehicle Parking District budget as presented. Roll call: Ayes: Councilmembers Brenneman, Clausen, Coy, Lange, Merrill, Murren, Saunders and Mayor. Nays: None. Absent: Fauss. Motion carried.

General Fund

Finance Officer Randy Gates provided information to elected officials on the proposed FY 2011-2012 General Fund Revenue budget. Balance brought forward, \$3,498,667; Taxes, \$9,630,747; Licenses & Permits, \$191,060; Intergovernmental Revenues, \$402,111; Charges for Service, \$1,372,285; Rent & Other Revenue, \$4,827,017; Other Interest Income, \$12,100; Non-Revenue Receipts, \$735,000 for total funds available of \$20,668,987. Estimated expenditures by department are: Administration,

\$3,652,512; Engineering, \$608,487; Street Maintenance, \$2,464,961; Park Maintenance, \$1,156,613; Housing, \$456,440; Recreation, \$351,043; Library, \$1,311,963; Auditorium, \$173,807; Fire, \$3,650,482; and Police, \$4,890,981 for total expenditures of \$18,717,289 and an ending balance of \$1,951,698. A flat assessed valuation is anticipated and no increase in levy rate.

Staff request approval of Level III budget with additional Level IV items as follows: Pool Admissions, \$120,000 and concessions, \$66,000 and the deletion of \$700 for an interest adjustment.

Councilmember Fauss moved, seconded by Councilmember Merrill to approve the FY 2011-2012 General Fund revenues budget with the addition of Level IV items as presented. Roll call: Ayes: Councilmembers Brenneman, Clausen, Coy, Fauss, Lange, Merrill, Murren, Saunders and Mayor. Nays: None. Absent: None. Motion carried.

Capital Construction/CIP

Finance Officer Randy Gates provided information to elected officials on the proposed FY 2011-2012 Capital Construction/CIP budget. Gates briefly reviewed the Capital Improvement Program. Balance brought forward is \$9,991,328 with revenue from rent & other revenue, \$6,000; other interest income, \$25,000; and non-revenue receipts, \$1,079,326 for total revenue of \$1,110,326. Estimated expenditures are other admin & overhead, \$1,200; capital outlay, \$10,945,000 with an ending fund balance of \$155,454. Capital construction items include: Veterans Memorial/TaHaZouka Park Recreation Project, \$9,220,000; Council Priority Project(s), \$250,000; New roof on Street middle building, \$90,000; Entrance Signs, \$60,000; TaHaZouka Trail Extension, \$75,000; Skyview Road Paving – South, \$60,000; Skyview Road Paving – North, \$150,000; Integrated Municipal Software, \$400,000; Phones – all divisions, \$140,000; Front End Loader, \$120,000; Dump Truck, \$65,000 and E911 Equipment Upgrade, \$117,000.

Public Works Director Dennis Smith explained the City is going to have a change order with Nemaha Construction to extend a storm sewer on Blaine Avenue. The City received quotes from three construction companies for the project at a cost of approximately \$100,000 to \$110,000. Funding is part of the recreational improvements project.

Councilmember Lange moved, seconded by Councilmember Brenneman to approve the FY 2011-2012 Capital Construction budget as presented. Roll call: Ayes: Councilmembers Brenneman, Clausen, Coy, Fauss, Lange, Merrill, Murren, Saunders and Mayor. Nays: None. Absent: None. Motion Carried.

Administrative

Weidner explained the budget was put together with Level I as a 1% increase; Level II, 2% increase, Level III, 3.5% increase; and Level IV, 6% increase. The budget includes a 2.2% increase for cost-of-living for employees.

Sheila Schukei explained how the salary and benefits packages were determined. Staff recommends the following changes:

- Current amount of life insurance is \$20,000 and staff recommend raising the amount to \$40,000 at an approximate cost to the City of \$8,500.
- Currently provides nine (9) holidays and one (1) personal day for employees. Staff recommend adding one additional personal day for employees.
- Current earnings for vacation is 15 days after 7 years and 20 days after 16 years. Staff recommend 15 days after 5 years and 20 days after 15 years.

Sheila Schukei put the budget together making an assumption regarding the city administrator position but would like direction from elected officials.

Fuchtmann would recommend offering the city administrator position to Shane Weidner.

Brenneman feels Weidner knows the City of Norfolk well and would recommend Weidner be assigned the position of city administrator.

Merrill and Coy agree with Brenneman and Fauss. There was a brief discussion regarding residency issues of city employees.

Fauss feels Weidner is doing a good job and recommends Shane Weidner for the city administrator position. Fauss would like the item placed on the August 15, 2011 City Council agenda for formal consideration.

Merrill left the meeting at 7:00 p.m.

City Clerk Beth Deck provided information to elected officials on the proposed FY 2011-2012 Administrative budget. Estimated expenditures include: personnel costs, \$1,461,717; operating supplies & materials, \$4,450; utilities & maintenance, \$39,605; legislative affairs, \$152,451; administration & overhead, \$809,803; government subsidies & transfers, \$1,131,286; capital outlay, \$53,200 for total expenditures of \$3,652,512. Capital outlay includes: council laptops & printers (2), \$3,800; laptops (Admin-2), \$4,100; Laptop (IS), \$2,200; miscellaneous hardware, \$4,000; miscellaneous software, \$4,000; PCs (5), \$9,000; Printer (Finance), \$2,500; Printer (Water Billing), \$1,000; Smartboards (2), \$6,600; tabber or folder (water billing), \$5,000; Tape backup unit, \$8,000; WSUS server, \$3,000.

Weidner stated Level IV includes \$25,000 for an insurance consultant if elected officials want to go forward with the bidding process.

Fauss feels the \$25,000 should be added to Level III.

Lange feels funding for the NE Expressways for Economic Development (in Level IV) is important.

Staff request approval of Level III with the additions of the following Level IV items: garbage fees, \$900; electricity, \$24,780; water & sewer, \$1,300 (all related to the new Administration building); Handibus, \$750; NE Expressways for Economic Development, \$14,674.

Councilmember Lange moved, seconded by Councilmember Fauss to approve Level III of the FY 2011-2012 Administrative budget with the Level IV items as presented and also with the addition of the \$25,000 from Level IV for an insurance consultant. Roll call: Ayes: Councilmembers Brenneman, Clausen, Coy, Fauss, Lange, Murren, Saunders and Mayor. Nays: None. Absent: Merrill. Motion carried.

Library

Library Director Mike Caldararo provided information to elected officials on the proposed FY 2011-2012 Library budget. Estimated expenditures include: personnel costs, \$851,207; operating supplies & materials, \$233,217; other operating costs, \$600; utilities & maintenance, \$80,877; legislative affairs, \$25,458; administration & overhead, \$57,924; and capital outlay, \$62,680 for total expenditures of \$1,311,963. Major capital outlay includes: staff PCs (10), \$18,500; furniture, \$3,946 and new external signage, \$29,284.

Caldararo explained the proposed new external signage will be more visible and be moved farther north of the current sign with full color digital capabilities.

Staff request approval of the Level III budget with the Level IV additions of salary & wages, \$2,844; pension, \$171; FICA, \$218; and workers' compensation, \$6.

Councilmember Fauss moved, seconded by Councilmember Murren to approve Level III of the FY 2011-2012 Library budget as presented. Roll call: Ayes: Councilmembers Brenneman, Clausen, Coy, Fauss, Lange, Murren, Saunders and Mayor. Absent: Merrill.

Councilmember Fauss moved, seconded by Councilmember Murren to approve the Library Level IV requests as discussed. Roll call: Ayes: Councilmembers Brenneman, Clausen, Coy, Fauss, Lange, Murren, Saunders and Mayor. Nays: None. Absent: Merrill. Motion carried.

Recreation

Human Resources Director Sheila Schukei provided information to elected officials on the proposed FY 2011-2012 Recreation budget. Estimated expenditures include: personnel costs, \$277,899; operating supplies & materials, \$2,900; other operating costs, \$22,650; utilities & maintenance, \$150; legislative affairs, \$2,815; and administration & overhead, \$44,629 for total expenditures of \$351,043.

Staff request approval of the Level III budget with the additions of the following Level IV items: salaries & ages, \$155,587; FICA, \$11,902; worker's compensation, \$5,170; uniforms, \$1,500; other operating supplies & materials, \$900; recreation program expenses, \$3,000; office equipment maintenance, \$850; travel & conference, \$800; office supplies, \$750; legal notices & advertising, \$49,400; concessions, \$34,346; and machinery & equipment, \$4,000.

Councilmember Coy moved, seconded by Councilmember Fauss to approve Level III of the FY 2011-2012 Recreation budget with the Level IV additions as presented. Roll call: Ayes: Councilmembers Brenneman, Clausen, Coy, Fauss, Lange, Murren, Saunders and Mayor. Nays: None. Absent: Merrill. Motion carried.

Engineering

Assistant City Engineer Mark Dolechek provided information to elected officials on the proposed FY 2011-2012 Engineering budget. Estimated expenditures include: personnel costs, \$434,084; operating supplies & materials, \$7,522; utilities & maintenance, \$15,591; legislative affairs, \$10,620; administration & overhead, \$126,220; and capital outlay, \$14,450 for total expenditures of \$608,487. Major expenditures in the 68 account are GIS mapping, \$50,000; flood mitigation study, \$60,000; and in the 84 account, printer, \$2,500; GPS software update, \$3,000; CAD computer, \$2,350; computer, \$2,200; Autocad Civil 3D, \$3,500 and file cabinets, \$900.

Councilmember Fauss moved, seconded by Councilmember Murren to approve Level III of the FY 2011-2012 Engineering budget as presented. Roll call: Ayes: Councilmembers Brenneman, Clausen, Coy, Fauss, Lange, Murren, Saunders and Mayor. Nays: None. Absent: Merrill. Motion carried.

Group Insurance

Human Resources Director Sheila Schukei provided information to elected officials on the proposed FY 2011-2012 Group Insurance budget. The budget includes a 7% increase in the City's contribution. Estimated balance brought forward is \$2,699,119 with revenue from internal service fund billing, \$2,388,820; and other interest income, \$17,710 for total revenue of \$2,406,530. Estimated expenditures include: personnel costs, \$2,610,000; and other administration & overhead, \$145,000 for total expenditures of \$2,755,000.

Councilmember Fauss moved, seconded by Councilmember Saunders to approve the FY 2011-2012 Group Insurance budget as presented. Roll call: Ayes: Councilmembers Brenneman, Clausen, Coy, Fauss, Lange, Murren, Saunders and Mayor. Nays: None. Absent: Merrill. Motion carried.

City Highway Allocation Fund (CHAF)

Public Works Director Dennis Smith provided information to elected officials on the proposed FY 2011-2012 CHAF budget. The budget funds major street projects. Estimated balance brought forward is \$2,384,299 with revenue from Intergovernmental revenues, \$4,884,000 and other interest income, \$7,900. Estimated expenditures include: other operating costs, \$10,000; government subsidies, \$415,000; and capital outlay, \$6,058,500 for total expenditures of \$6,483,500 and an ending balance of \$792,699. Capital projects include: street maintenance contract work, \$650,000; NE Industrial Highway Phase I, \$1,160,000; 25th Street, Benjamin to U.S. 275, \$4,060,000; and Norfolk Southeast Highway 35, \$188,500.

Councilmember Fauss moved, seconded by Councilmember Lange to approve the FY 2011-2012 Engineering budget as presented. Roll call: Ayes: Councilmembers Brenneman, Clausen, Coy, Fauss, Lange, Murren, Saunders and Mayor. Nays: None. Absent: Merrill. Motion carried.

Councilmember Fauss moved, seconded by Councilmember Saunders to adjourn the meeting at 8:04 p.m. Roll call: Ayes: Councilmembers Brenneman, Clausen, Coy, Fauss, Lange, Murren, Saunders and Mayor. Nays: None. Absent: Merrill. Motion carried.

Sue Fuchtman
Mayor

ATTEST:

Elizabeth A. Deck
City Clerk

(S E A L)