

WORK SESSION  
BUDGET REVIEW

The Mayor and City Council of the City of Norfolk, Nebraska, held a budget review work session in the Training Room, 309 North 5th Street, Norfolk, Nebraska, on Monday, July 30, 2012, beginning at approximately 5:33 p.m. to review the proposed FY 2012-2013 budget.

Mayor Sue Fuchtman called the meeting to order.

Roll call found the following Councilmembers present: Mayor Sue Fuchtman and Councilmembers Brenneman, Clausen, Coy, Lange, Merrill, Murren, Saunders and Mayor Fuchtman. Absent: Fauss.

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

Media representatives present were: Greg Wees, Norfolk Daily News; and Brian Masters, KUSO/US92.

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.

City Administrator Shane Weidner stated the City's FY 2012-2013 is a strong budget with no property tax increase. Cost-of-living increase is budgeted at 2.6%. The City budgets at four levels with the following decremental increases: Level I, 1%; Level II, 2%; Level III, 3 ½%; and Level IV, 3 ½% to 6%.

#### Vehicle Parking District

Senior Accountant Sheila Rios provided information to elected officials on the proposed FY 2012-2013 Vehicle Parking District budget. Estimated beginning fund balance is \$156,541 with revenue of \$105,242 for total funds available of \$261,783. Total expenditures are \$222,285 for an ending balance of \$39,498. Capital outlay includes Banner Poles, \$20,000; Chamber Parking Lot, \$30,000; and other parking lots and related improvements, \$50,000.

#### General Fund

Finance Officer Randy Gates provided information to elected officials on the proposed FY 2012-2013 General Fund Revenues budget. Estimated beginning fund balance is \$3,720,835 with revenues as follows: taxes, \$9,982,409; licenses & permits, \$186,025; intergovernmental revenues, \$496,099; charges for service, \$1,572,249; rent & other revenue, \$5,136,486; other interest income, \$4,100; and non-revenue receipts, \$730,000 for total revenue of \$18,107,368.

Gates noted that the City of Norfolk will receive \$90,012 from the Municipal Equalization Fund beginning FY 2012-2013. Gates also stated that sales tax revenue has seen good increases this year with an average increase of 4.85%.

Gates explained an ordinance adopted in 1988 requires a General Fund ending fund balance of \$1,000,000; however, the ordinance has not been updated and, if adjusted for inflation, that ending balance should be approximately \$1.9 million. The Government Finance Officers Association (GFOA) has indicated that a good rule of thumb is to have a minimum of two months of operating expenses in reserve which would mean approximately \$3.29 million for the City of Norfolk. The City currently has approximately \$1.7 million of ending fund balance.

### Capital Projects/Capital Improvement Program

Senior Accountant Sheila Rios provided information to elected officials on the proposed FY 2012-2013 Capital Projects budget. Estimated beginning fund balance is \$1,530,188 with revenues from intergovernmental revenues of \$282,600; rent & other revenue, \$4,800; other interest income, \$1,000; and non-revenue receipts, \$1,220,281 for total revenue of \$1,508,681 and total funds available of \$3,038,869. Expenditures include other admin & overhead, \$2,600; and capital outlay, \$2,896,530 for an ending balance of \$139,739. Capital projects include Veterans Memorial/Ta-Ha-Zouka Park Recreation Project, \$310,230; Council propriety project (s), \$535,600; entrance signs, \$40,000; Ta-Ha-Zouka Trail Extension, \$207,000; Veterans Memorial Enhancement, \$50,000; Ta-Ha-Zouka Enhancement, \$80,000; Skyview Armor Coat, \$25,000; Integrated Municipal Software, \$400,000; Phones – all divisions, \$150,000; E911 equipment upgrade, \$230,000; Patrol, \$100,000; Loader, \$100,000; dump truck (sander/snow plow), \$80,000; Downtown Traffic Light Controllers, \$80,000; CAD/Records/MDC Software Upgrade, \$310,000; and Spring Branch Drainage Improvements, \$198,700.

### Administration

City Clerk Beth Deck provided information to elected officials on Level III of the proposed FY 2012-2013 Administration budget. Estimated expenditures include personnel costs, \$1,527,815; operating supplies & materials, \$3,693; other operating costs, \$900; utilities & maintenance, \$58,305; legislative affairs, \$153,646; administration & overhead, \$736,260; gov't subsidies & transfers, \$1,177,586, and capital outlay, \$180,700 for total expenditures of \$3,838,905. Capital outlay includes copier, \$7,500; council laptops & printers (2), \$3,800; tablet computer (IS), \$2,200; mail/web server & backup, \$15,000; miscellaneous hardware, \$5,000; miscellaneous software, \$5,000; PC's (4), \$7,200; and PC (Council Chambers), \$2,000.

Staff recommends Level III of the FY 2012-2013 Administration budget.

### Library

Library Director Mike Caldararo provided information to elected officials on Level III of the proposed FY 2012-2013 Library budget. Estimated expenditures include personnel costs, \$890,551; operating supplies & materials, \$243,572; other operating costs, \$600; utilities & maintenance, \$77,571; legislative affairs, \$29,111; administration & overhead, \$57,424; and capital outlay, \$62,146 for total expenditures of \$1,360,975. Capital outlay includes space needs study, \$25,000; 3M self-check machine, \$12,130; additional security cameras, \$2,500; laptop, \$1,900; and 3M security gates, \$20,616.

Staff recommends Level III of the proposed FY 2012-2013 Library budget.

### Recreation

Human Resources Director Sheila Schukei and Recreation Coordinator Pat vonGlan provided information to elected officials on the proposed FY 2012-2013 Recreation budget. Staff is requesting Level III with the additions of personnel costs and concessions from Level IV. Estimated Level III expenditures include personnel costs, \$463,323; operating supplies & materials, \$6,200; other operating costs, \$26,650; utilities & maintenance, \$1,000; legislative affairs, \$3,683; administration & overhead, \$136,066; and capital outlay, \$4,000 for total expenditures of \$640,922.

The requested Level IV additions are: personnel, \$109,285 (for total personnel costs of \$572,608); and Line Item 69 (Miscellaneous Expenses), Concession Stand, \$4,059 (for total concession stand of \$85,000).

Staff recommends the Level III Recreation budget for FY 2012-2013 with the above additions from Level IV for personnel and concessions.

Councilmember Saunders left the meeting at 6:45 p.m.

### Engineering

Assistant City Engineer Mark Dolechek provided information to elected officials on the proposed FY 2012-2013 Engineering budget. Estimated Level III expenditures include personnel costs, \$452,636; operating supplies & materials, \$6,354; utilities & maintenance, \$18,058; legislative affairs, \$10,663; administration & overhead, \$126,220; and capital outlay, \$11,050 for total expenditures of \$624,981. Capital outlay includes GPS software update, \$3,000; CAD computer, \$2,350; computer, \$2,200; Autocad Civil 3D, \$3,500.

Staff recommends the Level III Engineering budget for FY 2012-2013.

### Group Insurance

Human Resources Director Sheila Schukei provided information to elected officials on the proposed FY 2012-2013 Group Insurance budget. The Group Insurance budget increases 8% in FY 2012-2013. Major expenditures for this fund are reinsurance costs and claims. The City is self-funded up to \$80,000. Estimated balance brought forward is \$3,099,774 with revenue from internal service fund billing, \$2,645,961 and other interest income, \$6,145 for total revenue of \$2,652,106 and total funds available of \$5,751,880. Expenditures include personnel costs, \$2,763,000; and other admin. & overhead, \$145,000 for total expenditures of \$2,908,000 and an ending fund balance of \$2,843,880.

### City Highway Allocation Fund (CHAF)

Public Works Director Dennis Smith provided information to elected officials on the proposed FY 2012-2013 City Highway Allocation Fund. Estimated beginning fund balance is \$2,904,277 with revenue from intergovernmental revenues, \$2,050,000 and other interest income, \$3,100 for total revenue of \$2,053,100 and total funds available of \$4,957,377. Estimated expenditures are contract snow removal, \$10,000; government subsidies, \$415,000 and capital outlay, \$3,965,549 for total expenditures of \$4,390,549 and an ending balance of \$566,828. Capital outlay includes

street maintenance contract work, \$1,255,000; Norfolk southeast Highway 35, \$469,049; Highway 35 & Victory Road, \$915,000; NE Industrial Highway Phase I, \$406,500; and NE Industrial Highway Phase III, \$920,000.

There being no further discussion, the Mayor adjourned the meeting at 7:10 p.m.

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Jim Brenneman  
Council President

ATTEST:

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Elizabeth A. Deck  
City Clerk

( S E A L )