

FINANCE COMMITTEE MEETING

The Finance Committee of the City of Norfolk, Nebraska met in the City's Conference Room, 309 West Madison Avenue, Norfolk, Nebraska, on Tuesday, January 22, 2008, 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 Brenneman, Coy, Fauss, Lange, Reeder, 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, Operations Manager Gary Miller, Solid Waste Manager Gary Lund, Human Resources Director Sheila Schukei and Fire Chief Shane Weidner.

The media was represented by Brian Masters, KUSO; Greg Wees, Norfolk Daily News; and Jim Curry, WJAG/KEXL.

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.

The first item discussed was approval of acceptance of the low bid in the amount of \$17,595 from Eakes Office Systems for a replacement **copier** for the Administration Division.

Operations Manager Gary Miller stated that twelve bids were received on January 4, 2008; however, only four bids met the specifications. Estimated life for the copier is eight (8) years. Eakes Office Systems was the low bidder at \$17,595 and also had the lowest total extended cost of \$46,270 which includes the cost of an estimated 2.5 million black and white copies at a service rate of .0065 and an estimated 250,000 color copies at a service rate of .0497.

Councilperson Reeder did some research and stated the market trend is making more color copies, about 25% of the time, which would increase the 250,000 to 625,000 over 8 years. Reeder stated Western Office Products is then lowest total cost at .03 per color copy. Councilperson Reeder feels the lowest total cost is based on an estimate and that the number of color copies used by the City will probably increase.

City Administrator Mike Nolan doesn't feel the number of color copies made by the City will change that much.

Operations Manager Gary Miller stated the specifications included a number for black and white copies. Miller estimates the number of black and white copies at 1.5 million and color copies at 250,000 over an 8 year life cycle of the machine. Thus, the Eakes copier total extended cost is

\$46,270 and the Western copier is \$49,500. Miller said the number of color copies can be controlled, if necessary; however, a second color copier is becoming more important for City staff.

City Administrator Mike Nolan stated the Operation Manager's assumptions are correct and the City's bidding process needs to remain intact to maintain purchasing principals. Nolan said there isn't any reason to change the fair and competitive bidding process used by the City. Nolan stated City staff are managing a tight budget and need to continue sending a consistent message of frugality to citizens.

Reeder questioned whether the Administration Division needs a color copier or can get by with a black and white copier which would save about \$5,000 upfront on the cost. Reeder feels the Council needs to be responsive to citizens.

Councilperson Coy stated there are many variables that could be used in the analysis that would make the total extended cost change.

Nolan stated the more important issue is the bidding process and making a decision based on that process.

Councilperson Van Dyke feels the City is committed to award the bid based on the specifications and that Eakes may not bid in the future if bids are rejected.

Councilperson Wilson feels the City may only need one copier in the near future if the administration offices are relocated.

Councilperson Coy questioned the number of years of the service contract.

Miller explained the service contract is for three (3) years and renegotiated after that period. The contract doesn't usually change a lot, if at all.

Councilperson Van Dyke moved, seconded by Councilperson Reeder to approve the low bid for a replacement copier from Eakes Office Systems in the amount of \$17,595.

Steve McNally, Western Office Products Plus, stated that people need to realize that a color copy is any document "that has a spec of color on it".

Roll call: Ayes: Councilpersons Brenneman, Coy, Fauss, Lange, Saunders, Van Dyke, Wilson and Mayor. Nays: Reeder. Absent: None. Motion carried.

The next item discussed was a proposed **Wellness Plan** for the City of Norfolk. Human Resources Director Sheila Schukei explained the program. This past year the Employee Advisory Committee began discussing wellness for City employees. This year the Committee will focus on becoming a healthier workforce with the intent to make recommendations for the health plan to be implemented beginning January 1, 2009. The main goal of the program is to have a healthier and more productive workforce. Many businesses in Norfolk currently have wellness plans, including Vulcraft, Nucor, Faith Regional Health Services, Affiliated Foods, Goodyear and Norfolk Iron & Metal. Schukei is requesting to use money from the group health fund for the program. Schukei recommends the City offer, on a voluntary basis, assistance with

weight loss and smoking cessation beginning in 2008. Schukei recommends the City offer a cost-share with the City paying half and the employee paying half of a 17-week weight loss program and a 12-week smoking cessation program. The cost to the City for the weight loss program is approximately \$100 per volunteer and the cost of a smoking cessation program is approximately \$150.00. The employee would have to agree to pay the entire cost of the program if they decide to drop out. Schukei explained another successful way to get employees involved is through education and a health assessment process.

Councilperson Van Dyke questioned whether the City could work with the YMCA on the programs.

Schukei stated the Employee Advisory Committee will be looking at various options throughout the year and could structure the programs with the YMCA for weight loss/exercise and with Dr. Surber for the smoking cessation program.

Councilperson Saunders questioned whether employees will be allowed to exercise during work hours.

Schukei explained City employees currently don't use much work time for these types of activities but that may be an option. Schukei stated that employees who decide not to participate in the program(s) will pay higher health care premiums. The City's main goal is to work toward wellness for all employees to keep insurance costs down. Schukei hopes to get 25 employees volunteering for the weight management program and 7 employees for the smoking cessation program at a cost to the City's health care plan of less than \$4,000.

Public Works Director Dennis Smith stated healthy lifestyles over the long term should decrease health care costs.

Mayor Adams stated a benefit to an employee stopping smoking is less sick time used.

Councilperson Fauss moved, seconded by Councilperson Wilson to approve the request to use group health funds for the Wellness program as proposed by the Human Resources Director. Roll call: Ayes: Councilpersons Brenneman, Coy, Fauss, Lange, Reeder, Saunders, Van Dyke, Wilson and Mayor. Nays: None. Absent: None. Motion carried.

The next item discussed was a residential **recycling** program. Solid Waste Manager Gary Lund became aware of a new recycling program to be implemented by First Star Fiber of Omaha. First Star Fiber held a meeting with local haulers to encourage curbside recycling routes for Norfolk residents. Residential recycling services are currently being provided by Norfolk Recycling, Inc., a subsidiary of Siouxland Recycling, but it is a drop-off service and not curbside service. First Star Fiber will accept a co-mingled recycle product for processing. The Solid Waste Division supports discussions between garbage haulers and recyclers to improve recycling opportunities in the community through the continued cooperation of private haulers, the City's Transfer Station and the NNSWC landfill. Lund feels the impact on the landfill will be about 656 tons annually, but recycling will help preserve landfill space. Lund feels that, depending on the structure of the curbside program, there may be 10% to 80% customer participation in the recycling program. Lund requests approval to begin dialogue with garbage haulers and the community to determine how best to improve recycling. Lund stated the first issue, however, is to allow the Transfer Station to be the transfer point for curb-side products. This would avoid duplicate construction costs for the program currently under consideration by haulers.

Mayor Adams said the recycling program proposes to add another \$6 to \$8 per month on the garbage bill. Adams feels the cost is excessive and will limit participation.

Lund stated a city-wide system would help decrease the cost. However, the program will be on a voluntary basis at this time.

City Administrator Mike Nolan stated flow control is important. Nolan said if the community wants recycling, citizens will need to pay the cost so property taxes don't need to be increased to support a recycling program.

Councilperson Wilson feels \$6 per month to recycle products is reasonable. Wilson left the meeting at 7:44 a.m.

Councilperson Van Dyke feels staff should move forward with dialogue "to see what happens."

General consensus of elected officials was to move forward with staff beginning a dialogue with garbage haulers and the community to determine how best to improve recycling and to allow the Transfer Station to be used as a curb-side product transfer point.

The last items discussed were Ordinance No. 4991 (Firefighters), No. 4992 (Police) and No. 4993 (General Employees) amending the **Pension** Plans to incorporate the final Internal Revenue Code (IRC) Section 415 regulations. Finance Officer Randy Gates explained the changes only update the Plans with the latest Internal Revenue Service (IRS) regulations and do not affect operations of the Plans. If the Plans aren't updated the IRS may not qualify the Plans and tax advantages would be lost.

This item was for informational purposes only and the ordinances will appear on the January 22, 2008, City Council meeting for formal consideration.

Councilperson Fauss moved, seconded by Councilperson Van Dyke to adjourn the meeting at 7:49 a.m. Roll call: Ayes: Council members Brenneman, Coy, Fauss, Lange, Reeder, Saunders, Van Dyke, and Mayor Adams. Nays: None. Absent: Wilson. Motion carried.

Elizabeth A. Deck
City Clerk