

FINANCE COMMITTEE MEETINGBUDGET REVIEW SESSION

The Finance Committee of the City of Norfolk, Nebraska met in the Council Chambers, 309 West Madison Avenue, Norfolk, Nebraska, on Tuesday, July 15, 2008, beginning at 6:30 p.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, Van Dyke and Wilson. Absent: Saunders.

Staff members present were Interim City Administrator Gary Miller, City Clerk Beth Deck, Finance Officer Randy Gates, Library Director Ted Smith, Information Systems Manager Jim McKenzie, Human Resources Director Sheila Schukei, Housing Director Sheila Miller and CCDC Project Director Sibyl Spahn.

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.

Gary Miller explained the current Level III General Fund budgets balance without a property tax increase. Miller stated any additional tax received would be from valuation increases only. Miller suggested discussing Level IV requests at the July 29 budget review session. Miller stated elected officials will need to raise property taxes to include Level IV items.

General Fund Revenues

Finance Officer Randy Gates provided information to elected officials on the proposed FY 2008-2009 General Fund Revenues budget. Estimated beginning fund balance is \$2,679,140 with revenue from taxes, \$8,129,884; licenses & permits, \$248,865; intergovernmental revenues, \$540,946; charges of service, \$1,281,828; rent & other revenue, \$3,477,421; other interest income, \$37,300 and non-revenue receipts, \$721,000 total estimated revenues of \$14,437,244 and total funds available of \$17,116,384.

Gates stated the projected Keno revenue is in the Level IV budget which will be discussed on July 29.

Library

Library Director Ted Smith provided information to elected officials on the proposed FY 2008-2009 Library budget. Level III estimated expenditures include personnel costs, \$803,136; operating supplies & materials, \$188,818; other operating costs, \$600; utilities & maintenance, \$73,678; legislative affairs, \$17,974; administration & overhead, \$51,239 and capital outlay, \$31,550 for total expenditures of \$1,166,995. Smith stated the Nebraska Library Commission requires 15% of the total Library budget to be used for collection

materials. Capital Outlay includes staff PCs, \$17,050; microfilm reader/printer, \$10,000; Network laser printer, \$2,500; meeting room tables (10), \$2,000.

Recreation

Human Resources Director Sheila Schukei provided information to elected officials on the proposed FY 2008-2009 Recreation budget. The Level III Recreation budget is personnel intense with personnel costs at \$309,420; operating & materials, \$2,900; other operating costs, \$21,692; utilities & maintenance, \$150; legislative affairs, \$2,777; and other administration & overhead \$39,438 for total expenditures of \$376,377.

At the request of Councilperson Lange, Schukei explained the VEBA Trust Fund. VEBA stands for Voluntary Employee Benefit Association. The VEBA Trust Fund is money set aside each month for employees to use for future health care costs. The money goes in tax free, earns money tax free and comes out tax free. Employees must work a minimum of 30 hours per week to qualify for a VEBA account.

Group Insurance

Human Resources Director Sheila Schukei provided information to elected officials on the proposed FY 2008-2009 Group Insurance Fund budget. Schukei typically budgets an 8-9% increase annually to keep up with claims. However, the FY 2008-2009 budget was only increased by 5% at staffs' recommendation. The estimated beginning fund balance is \$2,361,619 with revenue from internal service fund billing, \$2,120,728, and other interest income, \$61,338 for total revenue of \$2,182,066 and total funds available of \$4,543,685. Estimated expenditures include personnel costs, \$2,414,430, and other administration & overhead, \$133,600 for total expenditures of \$2,548,030 and an ending fund balance of \$1,995,655.

Schukei stated a Wellness program was started this year for employees with an on-site weight reduction program through Weight Watchers. Schukei is working on implementing a Tobacco Cessation Program through the American Heart Association.

Community Character Development Coalition (CCDC)

CCDC Project Director Sibyl Spahn provided information to elected officials on the proposed FY 2008-2009 CCDC budget. The CCDC three-year grant expires September 30, 2008. The City is the fiscal agent for the grant. The proposed FY 2008-2009 budget was put together in case the CCDC receives another grant but award of grant won't be known until August or September. The estimated beginning fund balance is \$53,022 with intergovernmental revenues of \$519,860 for total funds available of \$572,882. Expenditures included personnel costs, \$278,901; other operating costs, \$18,000; utilities & maintenance, \$2,100; legislative affairs, \$25,340; and administration & overhead, \$198,610 for total expenditures of \$522,951. Spahn stated the FY 2008-2009 budget includes a staff position for a Community Coordinator to work with the 75 different school districts in the CCDC area. Spahn also stated the Federal government now requires 15% of the budget go to research and evaluation of the program. Dr. Stan Weed will be doing the research.

Housing Division

Housing Director Sheila Miller provided information to elected officials on the proposed FY 2008-2009 Housing budget. The Level III estimated expenditures include personnel costs,

\$373,499; operating supplies & materials, \$2,516; utilities & maintenance, \$5,758; legislative affairs, \$9,706; and administration & overhead, \$12,840. The Level III Housing budget does not contain any Capital Outlay items.

Community Development Block Grant (CDBG)

Finance Officer Randy Gates provided information to elected officials on the proposed FY 2008-2009 CDBG budget. Estimated beginning fund balance is \$351,388 with revenue from intergovernmental revenues, \$941,395; interest income, \$3,500; and non-revenue receipts, \$80,714 for total revenue of \$1,025,609 and total funds available of \$1,376,997. Expenditures include other operating costs, \$1,279,883; other administration & overhead, \$61,400 and debt service, \$35,714 for a total of \$1,376,997. The CDBG budget includes \$125,000 of Meadow Ridge Program Income to do a drainage study and water line looping in the Meadow Ridge development.

Administration

City Clerk Beth Deck provided information to elected officials on the proposed FY 2008-2009 Administration budget. Level III estimated expenditures include personnel costs, \$1,192,190; operating supplies & materials, \$4,905; utilities & maintenance, \$41,041; legislative affairs, \$134,001; administration & overhead, \$1,048,591; governmental subsidies & transfers, \$32,218; and capital outlay, \$64,200 for a total of \$2,517,146. Capital expenditures include city administrator computer, \$2,000; miscellaneous hardware, \$4,000; miscellaneous software, \$4,000; systems room air conditioner, \$11,000; PCs, \$7,200; IS laptop, \$2,000; council laptops & printers, \$4,000; application server, \$8,000; i5 tap drive, \$7,000; credit card acceptance, \$10,000; and tabber or folder, \$5,000. None of the civic groups/organizations requests are included in the Level III budget.

Gary Miller stated the Administration personnel costs will increase approximately \$4,000 because two support staff positions are being changed from Grade 10 to Grade 12.

Mayor Adams questioned whether elected officials are comfortable without the work of the lobbyists. Adams stated the lobbyists were trying to help Norfolk on the behavioral health issues but Adams feels “they weren’t very effective.”

Councilperson Brenneman feels “plans have already been made” and the lobbyists are no longer necessary for the Regional Center.

Councilperson Coy questioned whether the lobbyists would be a valuable resource for City Administrator Al Roder to “get him up-to-speed”. Coy is not opposed to having Don Wesely work with the City since the contract runs through October 2008.

Miller stated the City has a contract with Don Wesely through October 2008 but the FY 2008-2009 budget does not contain funding for lobbyists. Miller stated the other lobbyists are paid \$2,500 per month. Miller feels \$25,000 to retain Wesely to train the new city administrator is very expensive. Miller stated Roder is not “new to the business” and should have some semblance of how the legislature operates.

Mayor Adams stated State Senator Mike Flood, who is Speaker of the House, will look after the interests of Norfolk.

Councilperson Coy stated “Flood doesn’t just represent Norfolk” in the Legislature.

Mayor Adams stated that Senator Mike Flood only represents District 23, which includes Norfolk, in the Legislature even though he is the Speaker of the House.

Councilperson Van Dyke moved, seconded by Councilperson Fauss to approve the Level III budgets as presented. Roll call: Ayes: Councilpersons Brenneman, Coy, Fauss, Lange, Reeder, Van Dyke, Wilson and Mayor. Nays: None. Absent: Saunders. Motion carried.

Councilperson Fauss moved, seconded by Councilperson Reeder to adjourn the meeting at 8:02 p.m. Roll call: Ayes: Council members Brenneman, Coy, Fauss, Lange, Reeder, Van Dyke, Wilson and Mayor Adams. Nays: None. Absent: Saunders. Motion carried.

Gordon D. Adams
Mayor

ATTEST:

Elizabeth A. Deck
City Clerk

(S E A L)