

FINANCE COMMITTEE MEETING BUDGET 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 22, 2008, beginning at 1:30 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 (1:35 p.m.), Fauss, Lange, Reeder, Van Dyke and Wilson. Absent: Saunders.

Staff members present were Interim City Administrator Gary Miller, Public Works Director Dennis Smith, City Clerk Beth Deck, Solid Waste Manager Gary Lund, Wastewater Plant Superintendent Todd Boling, Water & Sewer Director Dennis Watts, and Finance Officer Randy Gates.

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.

Water Revenues

Public Works Director Dennis Smith provided information to elected officials on the proposed FY 2008-2009 Water Revenues budget. Estimated beginning fund balance is \$4,704,731 with revenue from water & sewer charges, \$2,317,000; rent & other income, \$34,000; interest income, \$69,700; and non-revenue receipts, \$12,828 for total revenue of \$2,433,528 and total funds available of \$7,138,259. Smith stated the FY 2008-2009 budget does not include a rate increase.

Councilperson Lange questioned when the Black & Veatch study will be complete.

Smith stated Black & Veatch has been working on the study for a little over one year. Smith expects to get a preliminary report on the systems (construction and operations) study in a couple of days. However, the rate study is not yet complete.

Water Division

Water & Sewer Director Dennis Watts provided information to elected officials on the proposed FY 2008-2009 Water Division budget. Estimated expenditures are for personnel, \$717,332; operating supplies & materials, \$33,528; other operating costs, \$3,620; utilities & maintenance, \$464,960; legislative affairs, \$16,775; administration & overhead, \$212,741; capital outlay, \$3,126,650; and debt service, \$299,731 for a total of \$4,875,337. Watts stated the \$22,000 for replacement scrubber acid solution in the 46 account is in the budget once every five years. Level III capital outlay, Line Item 84, include replace 2001 service truck, \$22,500; trunked radios, \$7,400; copier (1/2), \$700; replace meter reader computer and printer, \$2,050; and system

computer, \$2,500. Line Item 89 includes oversize pipe, \$40,000; replace 4" water main from 13th and Park to 14th and Park, \$90,000; dechlorination design for Easter Water Plant, \$50,000; Water Main Improvements, Omaha Avenue and Victory Road, \$235,200; Wastewater Treatment Plant Transmission Main Phase I, \$1,300,300; Replace 12" water main from 1st & Madison to 7th & Madison, \$512,800; and 16th Street booster line improvements, \$83,200. Staff request approval of the IND 1 project, North East Benjamin/Victory Booster Station for \$1,778,000. Public Works Director Dennis Smith stated the IND 1 project would be the start of the booster station system to help serve the Arnold site. The project will require a \$1,050,000 bond issue. Smith explained the items needed to begin serving water south of the river (Hwy 275 transmission main, \$1,437,800; and south service area loop, \$2,457,000) are not being requested at this time.

Councilpersons Van Dyke and Lange don't want to "let the south of the river project" be forgotten. Lange stated the idea has been discussed for two years ago.

Smith stated staff needs to look at the water/sewer master plan before proceeding with the project south of the river.

Councilperson Van Dyke moved, seconded by Councilperson Lange to approve the Level III Water Division budget for FY 2008-2009 as presented with the addition of \$1,778,000 from Level IV for the ND 1 project North East Benjamin/Victory Booster Station. Roll call: Ayes: Council members Brenneman, Coy, Fauss, Lange, Reeder, Van Dyke, Wilson and Mayor Adams. Nays: None. Absent: Saunders. Motion carried.

Sewer Revenues

Public Works Director Dennis Smith provided information to elected officials on the proposed FY 2008-2009 Sewer Revenues budget. Estimated beginning fund balance is \$2,708,089 with revenues from charges for service, \$2,290,000; rent & other income, \$5,400; interest income, \$53,300; and proceeds of debt service, \$1,050,000 for total funds available of \$6,106,789. Smith explained the Sewer Revenues fund both the Sewer and Water Pollution Control expenditures. Smith stated the City will need to have a sewer rate increase in the near future, according to the rate study. The rate study also indicates the amount of sewage use per household has decreased over the last few years.

Sewer Division

Water & Sewer Director Dennis Watts provided information to elected officials on the proposed FY 2008-2009 Sewer Division budget. All four budgeted levels are the same. Estimated expenditures include personnel, \$187,239; operating supplies & materials, \$29,655; utilities & maintenance, \$127,491; legislative affairs, \$2,612; administration & overhead, \$172,473; capital outlay, \$376,900; and debt service, \$71,814 for a total of \$968,184. Major capital outlay items include sewer main extension larger than 8", \$20,000; lift station & sewer main improvements for Omaha Avenue & Victory Road, \$250,000; sewer improvements from 10th and Michigan to Wood, \$50,000; and preliminary alignment study for southwest interceptor, \$50,000.

Councilperson Van Dyke moved, seconded by Councilperson Brenneman to approve the Level IV Sewer Division FY 2008-2009 budget as presented. Roll call: Ayes: Council members Brenneman, Coy, Fauss, Lange, Reeder, Van Dyke, Wilson and Mayor Adams. Nays: None. Absent: Saunders. Motion carried.

Water Pollution Control (WPC)

Wastewater Plant Superintendent Todd Boling provided information to elected officials on the proposed FY 2008-2009 WPC budget. All four levels of the budget are the same. Estimated expenditures include personnel costs \$763,052; operating supplies & materials, \$25,200; other operating costs, \$73,200; utilities & maintenance, \$609,484; legislative affairs, \$20,755; administration & overhead, \$65,706; capital outlay, \$281,250; and debt service, \$677,130 for total expenditures of \$2,515,777. Major capital outlay includes radio replacements (10), \$10,600; raw lift pump replacement, #5 & #6, \$157,590; and grit dewatering equipment, \$105,060.

Councilperson Van Dyke moved, seconded by Councilperson Wilson to approve Level IV of the FY 2008-2009 WPC budget as presented. Roll call: Ayes: Council members Brenneman, Coy, Fauss, Lange, Reeder, Van Dyke, Wilson and Mayor Adams. Nays: None. Absent: Saunders. Motion carried.

Solid Waste Management

Solid Waste Manager Gary Lund provided information to elected officials on the proposed FY 2008-2009 Solid Waste Management budget. Staff request approval of the Level IV budget. Estimated beginning fund balance is \$381,876 with revenue from use fees, \$1,778,818; rent & other revenue, \$10,000; and interest income, \$7,700 for total revenue of \$1,796,518 and total funds available \$2,178,394. Lund explained the tipping fee increased \$2.00 from \$50.55 to \$52.55 to cover increased transportation costs. However, the cost is offset by a reduction in rates at the landfill. Lund is not replacing a trailer in the FY 2008-2009 budget.

Estimated expenditures include personnel costs, \$381,912; operating supplies & materials, \$12,415; other operating costs, \$1,128,760; utilities & maintenance, \$91,170; legislative affairs, \$3,652; administration & overhead, \$46,626; capital outlay, \$10,100; and debt service, \$119,531 for total expenditures of \$1,794,166 and an ending fund balance of \$384,228. Level IV requests include expenditures for a Household Hazardous Waste Collection Day, \$10,000 in Line Item 32; Recycling Study for \$5,000 in Line Item 68; and fiber switchgear for \$5,000 in Line Item 84.

Councilperson Van Dyke moved, seconded by Councilperson Wilson to approve Level IV of the proposed Solid Waste Management FY 2008-2009 budget as presented. Roll call: Ayes: Council members Brenneman, Coy, Fauss, Lange, Reeder, Van Dyke, Wilson and Mayor Adams. Nays: None. Absent: Saunders. Motion carried.

Special Assessments

Public Works Director Dennis Smith provided information to elected officials on the proposed FY 2008-2009 Special Assessments budget. Estimated beginning fund balance is \$852,935 with revenue from special assessments levied, \$37,292; other interest income, \$21,482; and non-revenue receipts, \$1,134,445 for total revenue of \$1,193,219 and total funds available of \$2,046,154. Estimated expenditures are other administration and overhead, \$32,000; capital outlay, \$1,127,000; and debt service, \$387,183 for total expenditures of \$1,546,183 and an ending balance of \$499,971.

Councilperson Lange moved, seconded by Councilperson Brenneman to approve the proposed FY 2008-2009 Special Assessments budget as presented. Roll call: Ayes: Council members

Brenneman, Coy, Fauss, Lange, Reeder, Van Dyke, Wilson and Mayor Adams. Nays: None. Absent: Saunders. Motion carried.

Capital Construction

Public Works Director Dennis Smith provided information to elected officials on the proposed FY 2008-2009 Capital Outlay budget. Estimated beginning fund balance is \$55,070 with revenue from non-revenue receipts, \$1,400,000 for total funds available of \$1,455,070. Smith stated the bond issue will be for the Spring Branch drainage improvements project. The \$1,400,000 is the City's share of the project. Estimated expenditures include other administration & overhead, \$21,000 and capital outlay, \$1,425,000 for an ending balance of \$9,070.

Councilperson Van Dyke moved, seconded by Councilperson Fauss to approve the proposed FY 2008-2009 Capital Construction as presented. Roll call: Ayes: Council members Brenneman, Coy, Fauss, Lange, Reeder, Van Dyke, Wilson and Mayor Adams. Nays: None. Absent: Saunders. Motion carried.

Debt Service

Public Works Director Dennis Smith provided information to elected officials on the proposed FY 2008-2009 Debt Service budget. Estimated beginning fund balance is \$501,415 with revenue from taxes, \$690,676; intergovernmental revenues, \$40,000; other interest income, \$9,400; and non-revenue receipts, \$86,450 for total revenue of \$826,526 and total funds available of \$1,327,941. Smith stated the Debt Service property tax remains at \$690,676; however, assuming a 1% collection fee and a 5% delinquency rate, it will be necessary to levy Debt Service Fund property tax of \$732,117. Estimated expenditures include governmental subsidies & transfers, \$143,445 and debt service, \$755,822 for total expenditures of \$890,267 and an ending balance of \$437,674.

Councilperson Van Dyke moved, seconded by Councilperson Lange to approve the FY 2008-2009 Debt Service budget as presented. Roll call: Ayes: Council members Brenneman, Coy, Fauss, Lange, Reeder, Van Dyke, Wilson and Mayor Adams. Nays: None. Absent: Saunders. Motion carried.

Councilperson Fauss moved, seconded by Councilperson Lange to adjourn the meeting at 2:43 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)