

WORK SESSION BUDGET REVIEW

The Mayor and City Council of the City of Norfolk, Nebraska, held a budget review work session in the Council Chambers, 309 North 5th Street, Norfolk, Nebraska, on Thursday, July 29, 2021, beginning at 5:30 p.m. to review the proposed FY 2021-2022 budgets.

Mayor Josh Moenning called the meeting to order.

Roll call found the following present: Mayor Josh Moenning, Frank Arens, Shane Clausen (6:12 p.m.), Corey Granquist, Kory Hildebrand, Gary L. Jackson, Thad Murren and Fred Wiebelhaus. Absent: Rob Merrill.

Staff members present were City Administrator Andy Colvin, Assistant City Administrator Scott Cordes, City Clerk Brianna Duerst, Finance Officer Randy Gates, Senior Accountant Sheila Rio, Risk Manager Lyle Lutt, Public Works Director Steve Rames, Information Systems Jim McKenzie, Library Director Jessica Chamberlain, Housing Director Gary Bretschneider, Park and Recreation Director Pat Mrsny and Human Resources Director Sheila.

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.

General Fund Revenues

Senior Accountant Sheila Rios provided information to elected officials. Rios noted that, last year, in midst of pandemic, revenues came in a lot better than anticipated. Beginning fund balance is \$8.3 million, which is a slight decrease from last year's actual beginning fund balance. Property taxes increase 4.88% due to an increase in property valuations. Sales tax increases 8.64%. Under the other state funding line, there is \$10,000 in Level IV for a grant for electric vehicle charging station, which is budgeted in the library fund. The grant would fund half of that expense. Total revenues are \$23.7 million, which is a 5.46% increase from the prior year. Staff is requesting a Level III budget with the addition of \$10,000 in Level IV for the grant for the charging station if the charging station is approved in the Library budget.

Councilmember Granquist moved, seconded by Councilmember Murren to approve the General Fund Level III budget with the addition of \$10,000 in Level IV for the grant for the charging station if the charging station is approved in the Library budget. Roll call: All Ayes. Nays: None. Absent: Merrill and Clausen. Motion carried.

Administration

City Clerk Brianna Duerst provided information to elected officials. Staff requests approval of a Level III budget with an additional IT staff member in Level IV. Senior Accountant clarified that, while the additional IT staff member can be considered, that expense would cut further into the target fund balance. The cost of the additional IT staff member is budgeted at \$109,326.

Information Systems Manager Jim McKenzie explained the request for an additional IT staff member. McKenzie discussed comparisons of IT Departments in other similarly sized cities in Nebraska and said, while the workload has increased, the IT Department has not had an increase in the number of employees in twenty-five years.

Councilmember Merrill moved, seconded by Councilmember Jackson to approve the Level III Administration budget with the addition of another IT staff member in Level IV, \$109,326. Roll call: All Ayes. Nays: None. Absent: Clausen and Merrill. Motion carried.

Library

Library Director Jessica Chamberlain provided information to elected officials. Staff is requesting a Level III budget with the addition of \$8,000 for Office 365 software and \$20,000 for an electrical vehicle charging station in Level IV.

Councilmember Arens moved, seconded by Councilmember Murren to approve the Library Level III budget with the addition of the following Level IV items: Office 365 software, \$8,000 and electrical vehicle charging station, \$20,000. Roll call: All Ayes. Nays: None. Absent: Clausen and Merrill. Motion carried.

Housing

Housing Director Gary Bretschneider provided information to elected officials. Bretschneider explained that the Level III budget reduced one employee's hours and overtime hours. Staff is requesting a Level III budget with Level IV items: increase hours to remain fully staffed, Office 365 and a new computer.

Councilmember Murren moved, seconded by Councilmember Wiebelhaus to approve the Level III with addition of Level IV items: maintain current staffing levels, \$5,909; Office 365 software, \$3,000; desktop computer, \$2,700. Roll call: All Ayes. Nays: None. Absent: Clausen and Merrill. Motion carried.

CDBG

Senior Accountant Sheila Rios provided information to elected officials.

Councilmember Clausen arrived to the meeting at 6:12 p.m.

Councilmember Wiebelhaus moved, seconded by Councilmember Granquist to approve the CDBG budget as presented. Roll call: All Ayes. Nays: None. Absent: Merrill. Motion carried.

Parks and Recreation

Parks and Recreation Director Pat Mrsny provided information to elected officials. Staff is requesting a Level III budget and Level IV items: full time arborist and half-ton pickup. Mrsny explained that current Park Division staff is attempting to keep up on tree trimming but cannot dedicate enough time. A full time arborist can keep the truck moving and allows other Park Staff more time to complete other tasks.

Councilmember Granquist moved, seconded by Councilmember Jackson to approve the Park and Recreation Level III budget with the following Level IV items: Arborist, \$77,635 and 1/2 ton pickup, \$29,000. Roll call: All Ayes. Nays: None. Absent: Merrill. Motion carried.

Group Insurance

Human Resources Director Sheila Schukei provided information to elected officials. Schukei explained that revenue sources come from three places – what city puts in, what employees pay in and interest. The City pays the first \$100,000 on any claims that occur. The health plan in on a calendar year and costs increased 15% last year and 15% this year. Schukei noted, of the seven first class cities that are comparable to the City of Norfolk, Norfolk's employer contribution is the lowest for the family premium.

Councilmember Wiebelhaus moved, seconded by Councilmember Jackson to approve the Group Insurance budget as presented. Roll call: All Ayes. Nays: None. Absent: Merrill. Motion carried.

ARP Fund

Senior Accountant Sheila Rios presented information to elected officials. Rios said the State auditor recommended to set up as a separate revenue fund. The first half of the funds were in July 2021. The full \$2,163,587 received is in estimated expenditures so that amount is available. The other half is expected to be received in July 2022 for a total of \$4,327,124 to spend. At this time, staff does not know what projects the funds will be used for.

Finance Officer Randy Gates discussed what the funds can be used for. Funds can be used for water, sewer and broad band infrastructure. Possible to use funds for revenue loss. Gates noted funds need to be obligated by December 2024 and spent by December 2026, but has to meet some fairly strict criteria.

Councilmember Granquist moved, seconded by Councilmember Clausen to approve the budget as presented. Roll call: All Ayes. Nays: None. Absent: Merrill. Motion carried.

LB 840 -Economic Development

City Administrator Andy Colvin presented information to elected officials. The LB840 program has expired but there are still funds that have not already been obligated. Some funding left that can be used for voter approved purposes but there will no longer be revenues going into this fund. For funds left, no current plan, but those funds need to be spent by September 30, 2023.

Moenning suggested using the existing funds to assist in funding small business assistance. Moenning feels the funds can be better used assisting small businesses.

Councilmember Jackson moved, seconded by Councilmember Clausen to approve the LB840 budget as presented. Roll call: All Ayes. Nays: None. Absent: Merrill. Motion carried.

Economic Development Fund

City Administrator Andy Colvin presented information to elected officials. Colvin noted staffing in the Economic Development Department has been down and finding qualified candidates for

what the division needs has proven difficult. The Economic Development Fund is funded by tax dollars and will continue to grow until a position can be filled.

Councilmember Wiebelhaus moved, seconded by Councilmember Hildebrand to approve the Economic Development Operating fund as presented. Roll call: All Ayes. Nays: None. Absent: Merrill. Motion carried.

There being no further business, the Mayor adjourned the meeting at 6:18 p.m.

Josh Moenning
Mayor

ATTEST:

Brianna Duerst
City Clerk

(S E A L)