

## CITY COUNCIL PROCEEDINGS

August 20, 2002

The Mayor and City Council of the City of David City, Nebraska met in open public session at 6:00 p.m. on **August 20, 2002** in the meeting room of the City Office, 557 4th Street, David City, Nebraska. The Public had been advised of the meeting by publication of notice in The Banner-Press on August 15<sup>th</sup>, 2002 and an affidavit of the publisher is on file in the office of the City Clerk. The Mayor and members of the City Council acknowledged advance notice of the meeting by signing the Agenda which is a part of these minutes. The advance notices to the Public, Mayor and Council members conveyed the availability of the Agenda, which was kept continuously current in the office of the City Clerk and was available for public inspection during regular office hours. No new items were added to the agenda during the twenty-four hours immediately prior to the opening of the Council meeting.

Present for the meeting were: Mayor Stephen Smith, Council members Mark Kirby, Ted Lukassen, Gary Kroesing, Gary Smith, and Bill Schatz, City Administrator Andrew Brannen, Electric Supervisor Tim Kovar and employee Tim Kozisek, Water/Sewer Supervisor Gene Divis and employees Scott Stuart and Gary Janicek, Park/Auditorium Supervisor Bill Buntgen, Power Plant Supervisor John Kabourek, and City Clerk Joan E. Kovar. Library Director Kay Schmid arrived at 8:05 p.m.. Council member Nick Hein was absent.

City Administrator Brannen presented the following hand-outs:

### Certification of taxable value and value attributable to growth Tax Year 2002

Name of Political Subdivision	Subdivision Type	2002 Value attrb to Growth	2002 Total Taxable Value
David City	City/Village	897,365	\$82,801,038

### 2001-02 and 2002-03 Property Tax Valuation and Tax Levy Comparison

Year	<u>Valuation</u>	<u>Increase Over Previous Year</u>
	<u>Amount</u>	
1999	\$68,895,717	3.3%
2000	\$76,420,565	10.9%
2001	\$78,318,974	2.5%
2002	\$82,801,038	5.7%

Fund	<b>2001 - 2002 Property Tax Request</b>	<b>Tax Levy</b>	<b>2002 - 2003 Property Tax Request</b>	<b>Tax Levy</b>
General	\$352,435	\$0.45	\$372,604.67	\$0.45
Debt Service	\$0	\$0	\$0	\$0
<b>Total</b>	\$352,435	\$0.45	\$372,605	\$0.45

**2001 - 2002**

**2002 - 2003**

	<b>Budgeted Property Tax Revenue</b>		<b>Budgeted Property Tax Revenue</b>
General Fund (88%)	\$279,129	(90%)	\$301,810
Social Security (12%)	\$ 38,063	(10%)	\$ 33,534
Total *	\$317,192		\$335,344

\* to account for delinquent property tax payments, only 90% of the total property tax request is included as revenue in the budget (ex. \$352,435 x 90% = \$317,192)

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**City of David City  
Fiscal Year 2003 Requests**

	Revenues		Expenditures
<b>1. General Government</b>	\$673,850		\$135,800
City Office		\$669,350	\$130,900
Building Permits		\$4,500	\$4,900
<b>2. Public Safety (police)</b>	\$0		\$327,592
<b>3. Highway/Streets</b>	\$236,755		\$260,000 (\$54,820 for streets)
<b>4. Culture/Recreation</b>	\$111,150		\$300,805
Auditorium		\$ 23,200	\$61,075
Park		\$8,100	\$51,600
Schweser House		\$900	\$500
Ball Program		\$0	\$7,000
Swimming Pool		\$ 71,200	\$84,500
Library		\$7,750	\$96,130
<b>5. Miscellaneous</b>			
Contingency	\$0		\$ 15,000
<b>Sub Total</b>	<b>\$1,021,755</b>		<b>\$1,039,197</b>
<b>Adjustments</b>	<b>\$0</b>		<b>\$0</b>
Total	<b>\$1,021,755</b>		<b>\$1,039,197</b>
<b>Surplus/Deficit</b>	<b>-\$17,442</b>		

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Electric Revenues		<u>2,403,814</u>
Electric System Expenses	2,033,356	
Electric Plant Expenses	209,900	
Electric Plant Improvements	<u>90,292</u>	
Total	2,333,548	

Surplus/Deficit	70,266
Plant Contingency	<u>0</u>
<i>Adjusted Surplus/Deficit</i>	<u>70,266</u>

Water Revenues		392,450
Hydrant Tax		<u>0</u>
Total		<u>392,450</u>

Water System Expenses	198,267
Water Plant Expenses	127,563
<u>Water Bond Payment</u>	<u>89,040</u>
Total	414,870

<i>Surplus/Deficit</i>	-22,420
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Sewer Revenues		535,701
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Sewer System Expenses	184,490
Sewer Plant Expenses	127,125 *
Sewer Bond (Loan Payment)	<u>210,550 **</u>
Total	<u>522,165</u>

Surplus/Deficit	13,536
Henningsen Cost Share	<u>221,753</u>
<i>Adjusted Surplus/Deficit</i>	<u>235,289</u>

<i>Total Surplus/Deficit</i>	283,135
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\* Henningsen Foods pays 85% of the operating expenses for the sewer plant

\*\* Henningsen Foods pays 54% of the loan payment to NDEQ

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Budget requests were presented for 2002-2003 for the Electric System, Electric Plant, Water and Sewer Systems and Plants, Park and Auditorium, Utility Capital Budget, and Keno.

Electric Supervisor Tim Kovar presented his proposed budget for the Electric System. Each Department Head presented a print-out of their proposed budget requests for 2002-03: 1) 3% below last year 2) same as last year, and 3) 3% above last year. Kovar reviewed the proposed budget with the Council. City Administrator Brannen added a line item entitled "Community

Projects” with a budget of \$7,500, which he explained could be used for fireworks next year. This year approximately \$10,000 was used for the fireworks display, entertainment, etc.. Council member Schatz stated when we are running a deficit he hates to spend money on fireworks. “We are asking other departments to cut capital improvements, and then we use \$7,500 of the rate payers generated money that we blow up in smoke.” “Last year the expenditure was for a celebration - the grand opening of the pool and park lakes improvements. If other businesses in the community contributed towards a fireworks display, then the utilities should also give something back to the community. Schatz stated he would rather see the money come from Keno Funds than utility money generated from ratepayers. Council member Lukassen agreed and felt that other civic groups should be involved in a fund raiser. Council member Kirby also agreed stating that he heard wonderful comments concerning the fireworks, is in favor of a fireworks display, but has a hard time budgeting \$7500 when we are showing a deficit. After further discussion, the Council agreed not to budget for fireworks at this time.

Power Plant Supervisor John Kabourek presented his budget. As with all of the budgets the usual increases are for personnel, work comp, and insurance.

Water/Sewer Supervisor Gene Divis presented his budgets. Personal services have been increased on all four of his budgets to include an extra worker. There is currently a vacancy as Ron Truksa quit, plus Divis would like to hire an additional worker. Divis is also budgeting for a new computer for the Sewer Plant, new software, and televising sewer mains and lines. Council member Schatz asked, if the additional sales tax passes, if there are areas of water/sewer mains that should be replaced/repared before laying down new asphalt roads; open cuts are cheaper than boring. Divis will ask Olsson Associates to overlay the proposed street project over the water/sewer lines so that he can research this.

City Administrator Brannen presented the following re-cap of the utility budget. Discussion followed.

**2002-2003 Proposed David City Utility Budget**

Electric Revenues		<u>2,533,915.</u>	
Electric System Expenses	<del>2,166,250</del>		(Less fireworks expense)
	2,158,750		
Electric Plant Expenses	430,300		
Electric Plant Improvements	<u>136,028</u>		
Total	<del>2,732,578</del>		
	2,725,078		
	Surplus/Deficit	<del>-198,663</del>	-191,163
	Plant Contingency	<u>200,000</u>	
	<i>Adjusted Surplus/Deficit</i>	<del>-1,337</del>	8,837
Water Revenues		409,400 #	
Hydrant Tax		<u>0</u>	
Total		409,400	
Water System Expenses	225,500		
Water Plant Expenses	187,200		
Water Bond Payment	<u>89,040</u>		
Total	501,740		

Surplus/Deficit	-92,340
Sewer Revenues	475,700
Sewer System Expenses	166,200
Sewer Plant Expenses	154,450 *
Sewer Bond (Loan Payment)	<u>210,550 **</u>
Total	531,200
Surplus/Deficit	-55,500
Henningsen Cost Share	<u>244,980</u>
Adjusted Surplus/Deficit	189,480
Total Water/Sewer Surplus/Deficit	97,140

\* Henningsen Foods pays 85% of the operating expenses for the sewer plant

\*\* Henningsen Foods pays 54% of the loan payment to NDEQ

# Includes revenue from a potential 11% increase in water rates effective 5/1/03 (from \$1.75 to \$1.95 per 1,000 gallons)

**2002-03 Proposed Capital Improvement Projects  
 David City Utilities**

<u>Department</u>	<u>Project/ Equipment</u>	<u>Total Cost</u>
Water	New well	\$150,000
	New water tower	\$750,000
	4" main replacement	\$100,000
	Water plant filter	\$15,000
	SCADA control upgrade for water plant	\$100,000
	Lime silo roto flow	\$10,000
	Water meter changeout	\$175,000
Sewer	Fireproof Vault	\$5,000
	Copier	\$3,000
Electric	Basket truck	\$125,000
	Tilt Trailer	\$10,000
	Fireproof Vault	\$5,000
	Copier	<u>\$3,000</u>
Total:		\$1,451,000

The Council agreed to budget for the new well and 4" main replacement. The lime silo roto flow is already in the operating budget. The Council agreed to allow 100,000 for the preliminary work for a new water tower. The water departments capital request would then total \$350,000. The copier for sewer and electric would be a new copier for the City Office, with their copier given to the police department. The Council approved the basket truck and tilt trailer. The fireproof vault for the City Office was discussed in contrast to fireproofing the entire room. This

will be given additional thought.

Park/Auditorium Supervisor Bill Buntgen presented his proposed budgets. Buntgen reported that he is having problems mowing the lake edges and has had to have an employee pull him out on several occasions when he couldn't get back up the slope. Using a weed eater takes a long time. Buntgen would like to budget for a brush mower. Council member Kroesing stated he has demonstrated a brush mower and would not recommend that. A Troy-bilt weed eater with a blade was discussed. Buntgen stated he would also like a 4-wheel drive mower. A John Deere mower is approximately \$18,000. After discussion it was decided that Buntgen can borrow the 4-wheel drive mower that belongs to the water/sewer department.

City Administrator Brannen presented the Keno requests and the Council prioritized the requests in case there are not enough Keno funds available. The requests were prioritized as follows:

**2002 - 03 Keno Requests**

<u>Priority</u>	<u>Departments</u>	<u>Projects</u>	<u>Request</u>
#1	D.C. Seniors	Busy Wheels (gas money)	\$ 400
#2	Aquatic Center	Capital Campaign	\$ 3,000
#3	Chamber	Postcards/Web page/Ad	\$ 3,000
#4	Library	Technical Support/Anti-Virus/LCD Projector	\$ 2,350
#5	Jaycees	Tennis Courts	\$ 3,000
#6	Fire Department	Rescue Training Equipment	\$ 1,800
#7	Ballfield	Infield Conditioner	\$ 2,000
			<u>\$15,550</u>

Water/Sewer Supervisor Divis reported that there was vandalism on the water tower last Saturday night. A youth climbed the water tower and spray painted another youths name on the west side of the tower. The youth has confessed and will be charged \$800.00 for the damage.

There being no further business to come before the Council, Council member Kroesing made a motion to adjourn. Council member Lukassen seconded the motion. Voting YEA: Council members Smith, Kirby, Lukassen, and Kroesing. Voting NAY: Council member Schatz. Council member Hein was absent. The motion carried. Mayor Smith declared the meeting adjourned at 8:40 p.m..

Mayor Stephen Smith

City Clerk Joan E. Kovar



CERTIFICATION OF MINUTES  
August 20, 2002

I, Joan E. Kovar, duly qualified and acting City Clerk for the City of David City, Nebraska, do hereby certify with regard to all proceedings of August 20, 2002; that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the City Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that the minutes of the meeting of the City Council of the City of David City, Nebraska, were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided with advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

Joan E. Kovar