

CITY COUNCIL PROCEEDINGS

August 21, 2003

The Mayor and City Council of the City of David City, Nebraska met in open public session at 6:00 p.m. on **August 21, 2003** 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 14th, 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 Gary Smith, Mark Kirby, Bill Schatz, Ted Lukassen, and Nick Hein, City Administrator Jeff Fiegenschuh, Street Superintendent Jim McDonald, Electric Supervisor Tim Kovar, Electric Plant Supervisor John Kabourek, Police Chief Stephen Sunday, Wastewater Treatment Plant Operator Jim Kruse, and City Clerk Joan E. Kovar. Council member Gary Kroesing was absent.

Police Chief Sunday presented the following bids for the police department roof:

Hilger Construction Co.	
Fix up around valley, nail down vent flashing	
Paint Valleys, stop rusting	\$ 500.00
Ingwersen Home Improvement	
Tear off existing layers, clean up, haul away.	
Replace with new felt paper, metal edge flashing	
and 30 yr or 35 yr shingle. Your choice of color.	
New vents and pipe boots.	\$7,054.00

Council members Lukassen and Hein had surveyed the roof. Council member Hein stated that the current roof is junk, the sheeting is soft and spongy, the shingles are in very poor condition, the staples are working up through the shingles, there are no roof vents, and there is probably some water damage. The Council stated that they wanted new valleys and the actual sheeting underneath replaced if necessary. The Council agreed to budget \$10,000 for total roof replacement on the police department and putting in roof vents that are currently not there.

In a letter dated July 22, 2003, the Chamber of Commerce requested \$4500.00 of Keno Funds for fireworks for the 2004 July Jam. Council member Hein stated that \$4500 is out of the question. Last year the City approved \$3500 and in addition the City had to pick up the parade insurance of \$150 and the firework insurance of \$850. After some discussion, the Council agreed to allocate a maximum of \$2500 of Keno Funds towards the July Jam fireworks, total contribution, providing this is a dollar to dollar match, and contingent upon the Chamber providing proof of insurance for the parade and firework insurance.

Several requests were received for Keno Funds. The requests of the Fire Department for \$1,500 and the B.C. Historical Society for \$1,500 were denied. The remaining requests were prioritized so that if Keno Funds are lower than anticipated those at the bottom of the list may not receive funding.

The requests for Keno Funds were prioritized as follows:

Keno Funds
Fiscal Year 2003-2004 Requests

	D.C. Chamber	\$ 2,500	(fireworks -must match with funds and provide proof of insurance)
1.	David City Aquatic Center	\$ 2,900	
2.	Library	\$ 1,500	(computer agreement, bulbs)
3.	D.C. Area Seniors	\$ 500	(gas for bus)
4.	Park (wood chips)	\$ 1,200	(wood chips under playground equipment)
5.	Police (painting)	\$ 1,200	(painting interior bldg.)
6.	Tennis Court	\$ 1,500	(need to match this)
7.	AYSO (American Youth Soccer Org.)	\$ 1,500	(ball field development)
8.	American Legion	\$ 500	(trailer to haul flags)
9.	D.C. Chamber of Commerce	<u>\$ 1,500</u>	(brochures or flags)
		\$14,800	

City Administrator Jeff Fiegenschuh suggested a 2% cost of living for the employees. Some of the Council members stated they would prefer a set amount across the board. Last year it was a 36¢ COL across the board.

Street Superintendent Jim McDonald stated that when Utility Superintendent Gene Grubaugh worked for the City, and the Council suggested a set amount across the board, Grubaugh threw down his keys and was going to walk out. Grubaugh felt that an employee who has been here longer should get more than an employee who was just starting. McDonald stated he agreed with that.

Mayor Smith took a straw vote. Council members Lukassen and Hein prefer a set amount across the board. Council members Schatz, Smith, and Kirby suggested a 2% COL. Council member Kroesing was absent. Mayor Smith stated that according to the vote it will be a 2% COL.

City Administrator Fiegenschuh stated that City Clerk Joan Kovar and Park/Auditorium Supervisor Bill Buntgen are the only two below average on the salary survey. Fiegenschuh suggested a 39¢ an hour increase for Park/Auditorium Supervisor Bill Buntgen and a 30¢ an hour increase for City Clerk Kovar.

Council member Schatz stated that Park/Auditorium Supervisor Bill Buntgen actually has two supervisory jobs and should be compensated accordingly. Street Superintendent McDonald stated that he has the street, airport, and the swimming pool manager job also. The Council disagreed saying that they hired two swimming pool managers: Rachelle Birkel and Mary Ann Mattingly. McDonald stated they still called him a lot at the beginning of the year.

The Council members requested a copy of the entire salary survey and discussed recessing until Monday, August 25, for further discussion of the survey after they had time to review it.

Mayor Smith declared a ten minute recess at 7:24 p.m. The meeting resumed at 7:34 p.m.. City Administrator Fiegenschuh presented several hand-outs showing each department, the budgeted amount for each account number, and the percentage change. Following is a brief summary:

City of David City
 2003-2004 Departmental Summary
David City Street Department

	<u>2000-01</u> Actual	<u>2001-02</u> Actual	<u>2002-03</u> Budgeted	<u>2003-04</u> Budgeted	<u>02/03-03/04</u> % Change
Personal Services:	\$100,081.47	\$113,268.69	\$112,430	\$118,265	5.20%
Operating Expense:	\$ 45,825.90	\$ 54,823.94	\$ 65,750	\$ 66,150	.006%
Supplies	\$ 16,805.20	\$ 13,633.18	\$ 13,800	\$ 13,800	0%
Equipment Rental Total:	\$ 1,750.00	\$ 5,984.89	\$ 3,500	\$ 3,500	0%
Capital Outlay	\$121,269.66	\$100,310.85	\$ 64,520	\$ 75,200	0%
Total Expense:	\$285,732.23	\$288,021.55	\$260,000	\$276,915	6.5%
Total Revenue:	\$224,342.88	\$287,976.23	\$236,755	\$255,262	.007%
					Surplus/Deficit

Council member Hein stated it is not necessary for trucks to be using 11th Street. The Council suggested a resolution for consideration at the September council meeting stating that 11th Street not be a truck route. Council members Hein and Lukassen also asked if Oak Street between D & E Streets by Joe Wilson's house was scheduled to be resurfaced. The Council stated that if it wasn't done this year it should be a top priority for next year.

City of David City
 2003-2004 Departmental Summary
David City Airport

	<u>2000-01</u> Actual	<u>2001-02</u> Actual	<u>2002-03</u> Budgeted	<u>2003-04</u> Budgeted	<u>02/03-03/04</u> % Change
Personal Services:		\$ 15,758.62	\$ 7,738.79	\$ 31,250	\$ 32,300 3.40%
Operating Expense:	\$ 12,414.54	\$ 13,020.42	\$ 12,800	\$ 12,900	.008%
Supplies	\$ 845.26	\$ 1,141.99	\$ 525	\$ 1,350	157%
Capital Outlay	\$241,923.73	\$ 5,998.11	0	0	0%
Total Expense:	\$270,942.15	\$ 27,899.31	\$ 44,575	\$ 46,250	3.7%
Total Revenue:	\$207,840.32	\$ 47,188.02	\$ 18,700	\$ 18,150	3%
				Surplus/Deficit	\$ -63,101

Street/Airport Superintendent Jim McDonald stated he applied for grant money and the City will be receiving the following grant money for the Airport:

2002-2003	\$ 97,000
2003-2004	\$150,000
2004-2005	\$150,000

City of David City
 2003-2004 Departmental Summary
Electric/Utility Department

Total Revenue	\$2,453,708.22	\$2,561,117.03	\$2,533,912.50	\$2,618,550	3.30%
	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>02/03-03/04</u>
	Actual	Actual	Budgeted	Budgeted	% Change
<u>SYSTEM</u>					
Personal Services:	\$ 224,095.15	\$ 263,835.94	\$ 275,300	\$ 280,800	2.00%
Operating Expense:	\$1,731,028.77	\$1,679,002.93	\$1,870,700	\$1,895,200	.013%
Supplies	\$ 16,367.00	\$ 11,288.34	\$ 15,000	\$ 17,000	13.30%
Equipment Rental	<u>\$ 210.00</u>	<u>\$.00</u>	<u>\$ 250</u>	<u>\$ 250</u>	<u>0%</u>
Total Expense:	\$1,971,700.92	\$1,954,127.21	\$2,161,250	\$2,193,250	1.50%
Capital Outlay:	-26	.00	140,000	\$ 167,500	20%
<u>ELECTRIC BOND ACCT.</u>					
Operating Expense:	\$ 0	\$ 15.00	\$ 0	\$ 0	0%
Debt Service Total	\$ 80,967.08	\$ 56,719.05	\$ 136,028	\$ 133,140	-2.20%
<u>PLANT</u>					
Personal Services:	\$ 142,329.12	\$ 159,564.58	\$ 172,200	\$ 161,925	-6.60%
Operating Expense:	\$ 42,598.51	\$ 42,049.30	\$ 54,300	\$ 54,300	0%
Supplies	\$ 169,101.81	\$ 174,674.49	\$ 3,800	\$ 3,800	0%
Capital Outlay	<u>\$.00</u>	<u>\$.00</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>0%</u>
Total Expense:	\$ 354,029.44	\$ 376,288.37	\$ 430,300	\$ 420,025	-87.00%

Council member Kirby stated that Electric Supervisor Tim Kovar and his employees deserve a tremendous pat on the back for having the PCB's all cleaned up. Kirby reported that even a small transformer leak containing PCB's can cost \$10,000 to clean up. "It's a huge deal that David City's transformers are cleaned up already" Kirby said.

The water and sewer budgets were discussed. The water plant is in desperate need of an update and the water system has major repairs that need to be done. There are 4" water mains that are so plugged up they only have 2½ " of flow. Infrastructure needs to be addressed.

Council member Hein made a motion to recess to Monday, August 25, 2003 at 5:30 p.m. at the City Office. Council member Kirby seconded the motion. Voting YEA: Council members Schatz, Smith, Lukassen, Kirby, and Hein. Voting NAY: None. Council member Kroesing was absent. The motion carried and Mayor Smith declared the meeting adjourned at 9:45 p.m..

August 25, 2003

Mayor Smith called the meeting of the City Council of David City, Nebraska to order at 5:30 p.m. on August 25, 2003 in the meeting room of the City Office, 557 4th Street, David City,

Nebraska, to continue the meeting of August 21, 2003 which had been in recess.

Present for the meeting were: Mayor Stephen Smith, Council members Gary Smith, Mark Kirby, Bill Schatz, Ted Lukassen, and Nick Hein, City Administrator Jeff Fiegenschuh, Electric Supervisor Tim Kovar, Wastewater Treatment Plant Operator Jim Kruse, and City Clerk Joan E. Kovar. Council member Gary Kroesing was absent.

Council member Hein made a motion to come back into session from the August 21, 2003, meeting that had been in recess. Council member Kirby seconded the motion. Voting YEA: Council members Schatz, Lukassen, Smith, Kirby, and Hein. Council member Kroesing was absent. The motion carried.

City Administrator Jeff Fiegenschuh stated that he visited with State Auditor Dennis Meyer who stated that you can transfer from one fund to another. The Sewer Department has approximately \$752,000 in reserves. The Water Department has approximately \$209,000 in reserves. The water department is going to run a deficit this year. It is not a good idea to subsidize the water department from the sewer department as this is a band-aid approach. Can we do it....yes; Is it a good idea.....no. Council member Hein asked Fiegenschuh how he foresees putting money back into the reserves if we borrow from the reserves. Fiegenschuh stated that we won't be able to put additional money into the reserves in the next few years, in fact we are using reserves now to make our water bond payments. If we continue to do that the water reserves will be used up in 2 ½ years.

City of David City
 2003-2004 Departmental Summary
Sewer Department Revenue

	<u>2000-01</u> Actual	<u>2001-02</u> Actual	<u>2002-03</u> Budgeted	<u>2003-04</u> Budgeted	<u>02/03-03/04</u> % Change	
<u>Revenue Total:</u>	\$501,475.45	\$541,776.80	\$475,700	\$500,400	5.20%	
<u>SEWER SYSTEM</u>						
Personal Services:	\$ 45,971.77	\$ 58,964.11	\$ 61,500	\$ 65,045	5.70%	
Operating Expense:	\$ 58,631.68	\$ 47,058.55	\$ 56,500	\$ 51,300	-10%	
Supplies:	\$ 1,224.23	\$ 806.91	\$ 3,200	\$ 3,400	6.30%	
Capital Improvement	\$ (0.02)	\$.00	\$ 45,000	\$ 20,000	-45,000	0%
Total Expense:	\$105,827.66	\$106,829.57	\$166,200	\$169,745	-20%	

The Council stated that perhaps operating expense should be increased for repair & maintenance of system from \$15,000 to \$20,000 and for capital improvement of system from \$15,000 to \$40,000. These changes were made. The Council also felt that capital improvement budgets should be the same as last year.

City of David City
 2003-2004 Departmental Summary
Sewer Plant

	<u>2000-01</u> Actual	<u>2001-02</u> Actual	<u>2002-03</u> Budgeted	<u>2003-04</u> Budgeted	<u>02/03-03/04</u> % Change
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Personal Services:	\$ 39,806.00	\$ 48,477.36	\$ 55,500	\$ 54,800	-1.30%
Operating Expense:	\$ 70,371.20	\$ 64,409.85	\$ 81,150	78,300 83,300	-3.60%
Supplies:	\$116,526.04	\$113,658.91	\$ 7,250	\$ 8,300	14.40%
Capital Improvement	<u>\$.00</u>	<u>\$.00</u>	<u>\$ 10,500</u>	<u>8,000 10,500</u>	<u>-16.60%</u>
Total Expense:	\$226,703.24	\$226,546.12	\$154,450	153,400 156,900	-0.003%

Water Revenue Total: \$444,359.75 \$426,257.30 \$409,400 \$1,516,900 1.8%

City of David City
 2003-2004 Departmental Summary
Water Plant

	<u>2000-01</u> Actual	<u>2001-02</u> Actual	<u>2002-03</u> Budgeted	<u>2003-04</u> Budgeted	<u>02/03-03/04</u> % Change
Personal Services:	\$ 58,264.08	\$ 60,813.47	\$ 71,100	\$ 76,112	7%
Operating Expense:	\$ 26,317.56	\$ 31,917.95	\$ 44,550	\$ 40,500	-10%
Supplies:	\$132,226.15	\$118,226.15	\$ 41,550	\$ 39,000	-6.50%
Capital Improvement	<u>\$.48</u>	<u>\$.22</u>	<u>\$ 30,000</u>	<u>\$ 48,000</u>	<u>-7.10%</u>
Total Expense:	\$216,808.27	\$211,183.64	\$187,200	\$ 203,612	8.70%

City of David City
 2003-2004 Departmental Summary
Water System

	<u>2000-01</u> Actual	<u>2001-02</u> Actual	<u>2002-03</u> Budgeted	<u>2003-04</u> Budgeted	<u>02/03-03/04</u> % Change
Personal Services:	\$ 78,710.39	\$ 88,220.71	\$ 85,900	\$ 89,010	3.60%
Operating Expense:	\$127,972.36	\$ 97,737.54	\$ 87,800	\$ 102,325	16.50%
Supplies:	\$ 3,797.59	\$ 3,027.08	\$ 4,300	\$ 4,100	-48.70%
Equipment Rental:	\$ 0	\$ 39.22	\$ 0	\$ 0	0%
Capital Improvement	<u>\$.73</u>	<u>\$.10</u>	<u>\$ 47,500</u>	<u>\$1,115,000</u>	<u>%</u>
Total Expense:	\$210,481.07	\$189,024.65	\$225,500	\$1,310,435	

These figures do not include the water tower, new well, and plant update project.

Water Bond Payment Account

	<u>2000-01</u> Actual	<u>2001-02</u> Actual	<u>2002-03</u> Budgeted	<u>2003-04</u> Budgeted	<u>02/03-03/04</u> % Change
Total Revenue:	\$ 25,962.89	\$ 1,544.77	\$ 0	\$ 0	0%
Debt Service Total:	\$ 52,633.00	\$ 51,657.04	\$ 89,037	\$ 86,138	-3.40%

City Administrator Fiegenschuh stated we need to know what we need to charge for water in order to break even. We need to raise money. No one wants to raise water rates but we continue to lose money. Council member Hein questioned if the city had a meter replacement program. Wastewater Operator Kruse stated that they continually replace meters but don't have a scheduled replacement program. Council member Schatz stated that we need some major

water and sewer upgrades and capital improvements and water rates won't be able to provide enough revenue.

There are very few class 2 cities that have a water treatment plant which is an added expense. We need to pay for that added expense. The Council stated that they budgeted for improvements in the water and sewer departments in the past and then the money either wasn't spent, or wasn't spent on improvements. Fiegenschuh will schedule monthly department head meetings to monitor where budgeted money is being spent. A committee was formed to set up a 10 year improvement plan for the water and sewer departments. The committee will consist of Water/Sewer Supervisor Gene Divis or Jim Kruse as acting temporary department head, City Administrator Jeff Kruse, and Council members Bill Schatz, Mark Kirby, and Nick Hein. The committee will try to have a proposal for what water rates need to be by the October council meeting.

Swimming Pool admission rates were discussed. The committee decided not to charge an additional non-resident fee as proposed at the August 20th council meeting.

During the recess of the August 21 meeting, the Council members were each given a copy of the salary survey. Discussion followed. Council member Schatz stated that Park/Auditorium Supervisor Bill Buntgen actually has two supervisory jobs and should be compensated accordingly. Schatz suggested an 88¢ an hour raise for Buntgen. The other council members present did not agree with such a large increase. After further discussion it was agreed to make the following adjustments based on the salary survey:

Park/Aud. Supervisor Bill Buntgen	39¢ an hour raise
City Clerk/Treas. Joan E. Kovar	30¢ an hour raise
Power Plant Operator II Eric Betzen	30¢ an hour raise
Police Sergeant Jim Sylvester	16¢ an hour raise

City Clerk Kovar stated that this will need to be adopted by ordinance. Each pay step in the twenty year pay plan will be adjusted accordingly. As in the past, the 2% Cost of Living is in addition to these adjustments.

There being no further business to come before the Council, Council member Kirby made a motion to adjourn. Council member Smith seconded the motion. Voting YEA: Council members Schatz, Kirby, Smith, Lukassen, and Hein. Voting NAY: None. Council member Kroesing was absent. The motion carried and Mayor Smith declared the meeting adjourned at 7:00 p.m..

Mayor Stephen Smith

City Clerk Joan E. Kovar



CERTIFICATION OF MINUTES
August 21, 2003

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 21, 2003; 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