

MINUTE RECORD

No. 729—REDFIELD & COMPANY, INC., OMAHA

LA VISTA CITY COUNCIL MEETING BUDGET WORKSHOP JULY 11, 2006

A meeting of the City Council of the City of La Vista, Nebraska was convened in open and public session at 6:00 p.m. on July 11, 2006. Present were Mayor Kindig and Councilmembers Sell, Ronan, Sheehan, Carlisle, McLaughlin, Ellerbeck, and Gowan. Absent: Quick. Also in attendance were City Attorney McKeon, City Administrator Gunn, Police Chief Lausten, Fire Chief Schuster, Public Works Director Soucie, Finance Director Lindberg, Library Director Schinker, Community Development Director Birch, Recreation Director Stopak, and City Clerk Ramirez.

A notice of the meeting was given in advance thereof by publication in the Times on June 29, 2006. Notice was simultaneously given to the Mayor and all members of the City Council and a copy of the acknowledgment of the receipt of notice attached to the minutes. Availability of the agenda was communicated to the Mayor and City Council in the advance notice of the meeting. All proceedings shown were taken while the convened meeting was open to the attendance of the public. Further, all subjects included in said proceedings were contained in the agenda for said meeting which is kept continuously current and available for public inspection within 10 days after said meeting and prior to the next convened meeting of said body.

Mayor Kindig called the meeting to order and stated that the budget workshop meetings were going to follow a new format this year. He stated that City Administrator Gunn and Department Heads would present their budgets to Council and answer questions.

III. BUDGET WORKSHOP General Fund Overview

City Administrator Gunn began with an overview of the proposed General Fund budget. She stated that opening of the new Fire Station next year, the on-going improvements in the Southport area, and the construction of the parking facility will have the greatest impact on the budget.

Due to the costs involved with these large projects, no annexations of new areas are proposed for next year. The reduction in sales tax revenue associated with the loss of WalMart will also impact the 2007 budget. Gunn stated that once the exact nature of this loss is known, along with the impact of any new development in the Southport area, staff will be in a better position to re-evaluate the City's financial situation and make a recommendation regarding when future annexations might be feasible.

Gunn stated the cash reserve is lower than where she would like it to be for next year; however the City is seeing huge growth and with that growth come expenses. She indicated that staff foresees a lean budget picture for the next couple of years, but the long term financial future of the City looks great.

Councilmember Gowan asked about health insurance costs and asked if staff is reviewing options regarding providers and costs. Gunn stated the City's insurance broker goes out into the market each year at renewal time to see what is available and compare rates. The broker actually negotiated with the City's current provider last year and got them to reduce their proposed rate increase to 6%, a very reasonable increase in today's health insurance market.

Gunn informed Council that she was implementing a new process for presentation of the budget, asking each department head to present their proposed budgets to Council and answer any questions.

Finance Director Sheila Lindberg addressed Council regarding the revenue section of the budget. She indicated that no increase in the tax levy is being proposed. The projected revenues are based on preliminary valuation figures provided by Sarpy County. Lindberg also reported that sales tax projections for fiscal year 2008 do include Cabela's, the hotels, and the second PayPal facility. She has also included some lodging tax revenue in the projections.

Councilmember Sheehan asked about the sales tax projections for Cabela's. Lindberg indicated the sales tax numbers are based on Cabela's sales projections. Sheehan asked if staff had looked at any of Cabela's newer locations to compare sales projections with actual sales. He indicated he would feel more comfortable with the sales tax projections if the sales volume could actually be verified.

Councilmember Sheehan asked about revenue line item 8001 (Miscellaneous), noting that the current year is projected to end at \$153,000 with only \$40,000 budget for next year. Lindberg

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stated she would check on this, but the difference is likely a large, one-time receipt during the current fiscal year.

The Master Fee Schedule was reviewed. Lindberg reported that most of the proposed fee increases are in the Community Development area. An increase in sewer use fees is also being proposed, even though a current sewer rate study has not been completed. This study is on hold while the City attempts to negotiate an interlocal agreement with Sarpy County. A rate increase is being proposed in an attempt to keep up with costs and avoid a large increase once a study has been completed.

Grading permit fees are an addition to the Master Fee Schedule. Gunn stated an ordinance is being prepared for Council consideration regarding storm sewer regulations that will include the establishment of this fee. Mayor Kindig asked if this fee is associated with the presentation from the NRD a few months ago where potential fees were discussed. Public Works Director Soucie indicated they are still working on legislative changes to address those issues. The fees proposed in the Master Fee Schedule will cover administrative costs for the permitting process and a percentage of the Watershed Partnership costs.

General Fund Budget Presentations and Capital Expenditures Discussion

Gunn reviewed the budget for Mayor and Council, indicating that any line item increases were based on actual numbers from fiscal year 2005 as well as the current fiscal year.

A discussion was held regarding the "paperless packet" process for Council. Gunn stated staff had reviewed the costs for hardware and the wireless connection that would be needed to begin this process; however she was not recommending funding the proposal next year. She suggested to Council that staff continue to research and review this process next year. City Clerk Ramirez recommended that Council consider adopting policies and procedures, taking time to review all of the potential issues associated with this change prior to making a decision. Issues such as training, internet connections, additional equipment, etc. have not been discussed or considered. With the availability of the new website and the volume of information that can be made available through that avenue, it was suggested that perhaps Council could ease into using electronic versions of various information to see if they were really interested in pursuing this full time.

Discussion was held regarding Mayor and Council travel and training. Gunn stated she had budgeted for one Councilmember to attend the National League of Cities annual conference and for two Councilmembers to attend the League of Nebraska Municipalities conference.

Councilmember Sell asked about Line Item 314. Gunn stated that all departments get charged a percentage of telephone and computer maintenance costs.

At 6:30 p.m. Councilmember Quick arrived to take her seat.

Gunn presented the budget for Boards and Commissions. She noted that funding is included for one member of the Planning Commission to attend the Nebraska Planning and Zoning Association Conference.

Public Building and Grounds Director Archibald was out of town and Gunn presented his budget to Council. She indicated that the opening of the new fire station, anticipated in February or March, will have a significant impact on this budget. An additional maintenance worker is being requested with a proposed hire date of January of 2007. Currently, there is one full time employee in this department other than the Director and a part time custodial position. With the addition of yet another large facility to maintain, staff feels another employee is justified.

Several capital items were requested by the Director, however as with all departments, Gunn is recommending only those identified as top priorities. The patch panels for the City's computer/telephone room are funded in this budget. A request to re-roof City Hall has been moved to the Construction Fund.

Councilmember Gowan asked about the parking lot area at City Hall. Gunn stated she would prefer that the municipal facilities study be completed prior to making any commitment to parking lot repairs.

Gunn reviewed the Administration budget with Council. She pointed out that the administrative salaries do include the Human Resources Assistant; however it is likely that next year this will be moved to the Human Resources budget, as well as a portion of the City's Clerk's salary since she

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serves as the Human Resources Director. The Human Resources Department is a fairly new addition to the budget and has only been included for the past couple of years.

Gowan asked if the Assistant City Administrator position received a car allowance. Gunn stated it did not.

Gunn stated that out of state travel has been limited significantly in all departments this year, with a few exceptions. An attempt has been made to keep most of the local, in-state training opportunities funded.

In Line Item 510 Gunn pointed out the County Treasurer's fee of \$25,000. This is the fee that the County charges to collect the property tax revenues for the City. It was not included in the budget last year.

Gunn stated she had budgeted for six total people to attend the ICSC Conference next year. She is proposing that Lottery Funds be used for this expenditure. Sheehan suggested that rather than doing a transfer from the Lottery Fund to cover this, he would rather see the money budgeted in the fund where it was going to be expended.

Police Chief Lausten reviewed his department's budget with Council. He pointed out that significant increases had been budgeted for vehicle fuel and utilities. These increases are due to the rising price of both gasoline and natural gas.

The Police Department is proposing to lease two new unmarked vehicles for the fleet this year. A three-year lease is being recommended rather than purchasing new vehicles to keep expenses down during the next budget year.

Lausten stated the Department is not requesting additional staff in the next budget year. Three new officers were added this year, bringing the department to sufficient staffing levels for 2007 based on the projections done at the time the new facility was planned.

A proposal to create a Community Youth Services Unit within the existing Investigations Bureau was reviewed by Lausten. His proposal would move the current School Resource Officer positions into Investigations. The officers would still teach the D.A.R.E. and G.R.E.A.T. curriculums in the schools, but would not be assigned to the school facilities forty hours per week. They would handle all youth-related crimes and investigations. This will result in a \$1,500 increase in wages due to the premium pay for investigators; however it would eliminate the need to add anyone to the Investigations Bureau in the next three to five years.

Lausten also reviewed the potential for various grants the Police Department anticipates receiving next budget year.

Councilmember Ronan asked if the officers in the new Community Youth Services Unit would continue to be at the schools on a daily basis. Lausten stated they would visit the schools at least a couple of times per week, investigate all crimes involving youth, and teach the D.A.R.E. and G.R.E.A.T. curriculums. They would not spend 40 hours per week at the schools as in the past. Lausten stated that with the tight budget situation and staffing conditions at the City, he did not feel it was the best use of his resources to have officers in these assignments on a full time basis and that the problems they have seen in the past at the junior high have decreased significantly since the ninth grade students were moved to the high school. The Department still supports the programs and will continue to serve the schools to the best of their ability. Lausten also stated that last year the school district was made aware of the possibility that these changes could take place.

Chief Lausten also stated that the annual budget for animal control services shows a slight increase due to population increase. La Vista's humane services are provided through an interlocal cooperation agreement with Sarpy County who has contracted with the Nebraska Humane Society. The City is charged \$2.28 per resident for this service, an annual total of approximately \$34,000 next year. Lausten stated the City could not provide this service on their own for that cost.

Fire Chief Schuster addressed the Council to present the Fire Department's budget. He stated that a full time paid Fire Chief position has been included in the budget for the first time in the City's history and that the Department supports this change. He indicated that the membership and the City want to see the Department remain volunteer, however with all of the time that is involved in training and answering fire and rescue calls, it is not realistic that someone who does all of that and has a full time job and family life outside of the Department can do all of the administrative work, as well. New programs such as a Length of Service Award Program for

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volunteers have been discussed, however there has not been sufficient time or staff to put this together for consideration. Councilmember Sheehan asked if a paid Fire Chief would appoint the other officers in the Department. Schuster stated currently the Chief does appoint the officers and he didn't see that changing. Gunn indicated that a complete review of the Departmental Operating Procedures (DOPs) would be done prior to the hiring process to determine what the expectations would be regarding a paid position.

Councilmember Gowan stated he is fully supportive of the concept. He felt a paid position would be an asset when recruiting new members, as well. Schuster stated the department currently has 52 members and it is anticipated that an additional 20 could be added by the end of the year.

Councilmember Quick asked if any other volunteer fire departments were operating with a paid chief. Schuster stated that both Papillion and Elkhorn have combination departments where the chief and some firefighters are paid employees, and there are volunteers serving, as well. He stated it is very common in Iowa to have all volunteer departments with only a paid chief.

Councilmember Ellerbeck asked about the Length of Service Award Program. Schuster explained it is basically a retirement program for volunteers. There are guidelines in place for this program and it is recognized by the State. Other cities are participating in this type of program; however, even though it has been discussed internally, a proposal has never been put together for consideration by La Vista. This would be something a paid chief could investigate and make a recommendation to Council.

Schuster reviewed the other line items of the Fire Department budget indicating that \$2,000 had been requested to update the department patch and uniform logo with the opening of the new station. Other increased costs associated with the new station show up in the line items for telephone and utility charges.

A decrease in training funds is shown due to the training currently being provided by Sarpy County. A total of \$37,000 is being requested in Line Item 411, Radio Maintenance. \$12,000 would be used to begin replacing pagers that are over eight years old and becoming obsolete. The remaining \$25,000 would only be spent if a matching grant could be obtained to purchase other radio and paging equipment.

Two items were recommended for funding in the 618 category: the purchase of six sets of bunker gear in the amount of \$7,800 and the purchase of one automatic electronic defibrillator in the amount of \$16,500.

At 7:43 p.m. Councilmember Sheehan made a motion to take a ten minute recess. Seconded by Councilmember Gowan. Councilmembers voting aye: Sell, Ronan, Quick, Sheehan, Carlisle, McLaughlin, Ellerbeck, and Sell. Nays: None. Absent: None. Motion carried.

At 8:00 p.m. Councilmember Sheehan made a motion to reconvene the meeting. Seconded by Councilmember McLaughlin. Councilmembers voting aye: Sell, Ronan, Quick, Sheehan, Carlisle, McLaughlin, Ellerbeck, and Sell. Nays: None. Absent: None. Motion carried.

Community Development Director Birch reviewed her Department's budget for Council. She stated that in terms of staffing the Department currently has two full time Building Inspectors and a Chief Building Official. While no additional staff is being requested, the creation of a new Building Inspector II position is being proposed. La Vista's current salaries are competitive for inspectors without certification, however if an inspector is certified in one or more specialties, our salaries fall below the average. The creation of a Building Inspector II position will hopefully encourage the current staff to obtain their certifications in order to qualify for the higher pay range. Additionally, the Department currently has an authorized part time inspector position that is not filled. Funding of this position is being requested to facilitate specialized inspection services that could be necessary as a result of the hotel project or other more sophisticated Southport projects. It is anticipated that would be on a temporary basis until the project(s) were completed.

Councilmember Sheehan asked several questions regarding how the salary figures were calculated and also about the necessity to purchase a computer server for the recently acquired BluePrince software. Birch stated the purchase of a new server was ultimately necessary and the equipment had been ordered and received in the current budget year.

In Line Item 610, the approval of \$6,000 for office furniture for the Building Department is being recommended. A reduction in the contract services line item of \$15,000 is also recommended in an attempt to control professional fees associated with engineering and design review.

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Public Works Director Soucie presented the Streets Division budget to Council. He stated that in regard to the travel cuts being proposed, the City receives incentive pay for having a staff member with the Certified Street Superintendent certification. This certification must be kept up to date by maintaining education/contact hours. Attendance at the annual APWA Congress meets this requirement and if travel to that conference is not funded, Soucie would need to pick up hours locally to maintain his certification. Gunn stated that she had no issue with department heads manipulating travel within the total amount allotted; that is they could decide who from their departments attend which conferences, etc. as long as they do not go over the total budgeted for travel and training.

Soucie stated that with the addition of the City's parking facility in Southport, an additional part time staff member is being requested, as well as an additional \$5,000 in part time salaries for seasonal workers.

Two new pickup trucks for the Streets Division were requested. Staff recommended the funding of one vehicle through a lease-purchase. Soucie stated that if only one new truck was approved, he would recommend the purchase of a \$3,500 snow plow unit for an existing truck, giving the Department a total of three pickups equipped for snow removal.

Soucie informed Council that while he fully understood the need for budget constraints at this point in time, he wanted to emphasize the importance of having a regular replacement schedule for equipment and how important having safe, reliable equipment was to the employees. Several pieces of equipment were requested in the Streets Capital Budget; however the administration only recommended funding of the lease/purchase of one truck.

Soucie also presented the Parks Division budget. The addition of one Maintenance Worker I position was requested, as well as two additional seasonal positions. These positions will be needed in order to maintain the City's parking facility and accompanying water feature in the Southport area.

The lease/purchase of an additional pickup truck is also being recommended, as well as an increase in the line item for motor vehicle supplies. This increase is based on the rising cost of fuel and the additional miles that will need to be covered each day to maintain the Southport parking area.

Again, several additional pieces of equipment were requested and not recommended for funding by the administration.

Recreation Director Stopak addressed Council to present his Department's budget. He stated that overall his operating budget request is \$2,000 less than last year. In terms of personnel, he requested that the current Program Director position be reclassified from a 113 to a 116. This position assumed the responsibilities of running the Senior Program after the part time Senior Director position was eliminated and a monthly stipend has been paid for taking on these duties. The transition has gone very well and it has been determined that the Program Director can adequately serve as the Senior Director. The reclassification will incorporate the positions and duties on a permanent basis and eliminate the payment of a stipend.

An additional full time Program Coordinator position is also being requested. This position will eliminate one evening part time Recreation Supervisor and provide evening and weekend supervisory presence at the Community Center.

In the Capital Outlay line item, the purchase of cash register/card reader equipment was recommended for approval due to the increased demand from the public to use credit and/or debit cards to pay for program registration fees. Some replacement of existing exercise equipment and other Community Center equipment was also recommended for approval.

Soucie again addressed the Council regarding the Sports Complex budget. A reduction in Line Item 302 was recommended due to the removal of the pay telephones at this location. These phones were seeing virtually no use and were costing the City \$100 a month.

Several equipment items were requested in the Capital Outlay line item; however the administration did not recommend funding any of these requests.

Library Director Schinker presented her budget information to Council. She reported that circulation at the Library is up by 5,600 items and non-resident membership has stayed the same as last year. The number of visitors to the Library has stayed steady at about 90,000 per year. Work study students from Metropolitan Community College put in just over 10,000 hours last year, saving the City money in the area of part time salaries.

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Schinker stated that she did not include funding in the 2007 budget for in-house staff training, resulting in a savings of \$3,100. Minimal increases and decreases were noted in other budget line items. Several replacement computers were included in the budget in an effort to keep the equipment current and functional for the public.

Stopak again addressed Council regarding the Swimming Pool budget. He stated that total revenue to date for the current season is up by approximately \$1,000 over last year, even though attendance numbers are down from last year. He stated that a combination of concession sales and the sale of a larger number of day care passes have contributed to the increased revenue.

A request was made in the Capital Outlay line item for \$3,000 to purchase pool deck chairs. Administration recommends funding \$1,500.

City Clerk Ramirez presented the Human Resources budget. She stated this is a relatively new budget category and no salaries have been included. The Human Resource Assistant's salary is included in the Administration budget as well as the City Clerk's entire salary even though she serves in the capacity of Personnel Director, as well.

Ramirez stated that funds were being requested for the purchase of an annuity to fund a lifetime disability payment for a former police officer. Because the officer had an on-duty injury that resulted in a permanent disability, the City is obligated by statute to fund a lifetime benefit. Initially, benefits were paid from the officer's pension account funds. Once this account was depleted it became the City's responsibility to fund the benefit. The purchase of an annuity is a one-time expense that will cover the benefit for the remainder of the officer's life.

An estimated 10% increase in the cost of insurance premiums for property, casualty, liability, workers compensation and automobile coverages was included in Line Item 305. This estimate is based on past years' increases and the fact that the City's workers compensation modification factor is higher than normal at the present time.

Travel and training expenses requested for the HR Assistant to attend a national conference were not recommended for funding.

Councilmember Sheehan stated he would like to see the HR Assistant salary and a portion of the City Clerk's salary shown in this budget rather than the administration budget. City Administrator Gunn stated they anticipated making this change in the next year or two anyway and could certainly do it this year if that was Council's direction.

Stopak addressed Council regarding the Senior Bus budget, stating there were no changes or additions.

Executive Session – Personnel Performance and Contract Negotiations

At 9:06 p.m. Councilmember McLaughlin made a motion to go into executive session to discuss personnel performance and contract negotiations. Seconded by Councilmember Carlisle. Councilmembers voting aye: Sell, Ronan, Quick, Sheehan, Carlisle, McLaughlin, Ellerbeck, and Gowan. Nays: None. Absent: None. Motion carried.

At 9:50 p.m. the Council came out of executive session. Councilmember McLaughlin made a motion to reconvene in open and public session. Seconded by Councilmember Gowan. Councilmembers voting aye: Sell, Ronan, Quick, Sheehan, Carlisle, McLaughlin, Ellerbeck, and Gowan. Nays: None. Absent: None. Motion carried.

IV. Comments from the Floor

There were no comments from the floor.

V. Comments from Mayor and Council

Mayor Kindig thanked Councilmember Sell for attending a ribbon cutting on his behalf. He also reminded Council that the budget workshop would continue on Wednesday evening, July 12, beginning at 6 p.m.

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VI. Adjourn

At 10:02 p.m. Councilmember Sheehan made a motion to adjourn the meeting. Seconded by Councilmember Quick. Councilmembers voting aye: Sell, Ronan, Quick, Sheehan, Carlisle, McLaughlin, Ellerbeck, and Gowan. Nays: None. Absent: None. Motion carried.

PASSED AND APPROVED THIS 1ST DAY OF AUGUST 2006.

CITY OF LA VISTA


Douglas Kindig, Mayor

ATTEST:


Rita M. Ramirez, CMC
City Clerk