

CITY COUNCIL PROCEEDINGS

September 7, 2011

The City Council of the City of David City, Nebraska, met in open public session in the meeting room of the City Office, 557 N 4th Street, David City, Nebraska. The Public had been advised of the meeting by publication of notice in The Banner Press on September 1st, 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 notice 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.

Mayor Zavodny opened the special meeting at 6:17 p.m.

Present for the meeting were: Mayor Alan Zavodny, Council members Gary Smith, Mike Rogers, John Vandenberg, Ruddy Svoboda, Interim City Administrator Joan Kovar and Interim City Clerk Tami Comte. Council members Scribner and Kroesing were absent.

Also present for the meeting were: Park/Auditorium Supervisor Scott Bales, Police Chief Anthony McPhillips, Street Superintendent James McDonald, Library Director Kay Schmid, Electric Supervisor Pat Hoeft, Electric Plant Supervisor Eric Betzen, Water/Sewer Supervisor Gary Janicek, Carolyn Yates, and Banner Press Editor Larry Peirce.

Mayor Zavodny informed the public of the "Open Meetings Act" posted on the east wall of the meeting room.

Mayor Zavodny opened the discussion concerning the proposed budget for fiscal year 2011-2012 by stating that the proposed budget has a deficit of \$6,008,358 however, that includes both the Northwest Drainage and Downtown Redevelopment. The expenses for both of those are included in the budget but we do not have the revenue to offset those. When you take both of those out you are left with roughly \$900,000 in the red. Mayor Zavodny said, "We cannot fix our problems today. We have been operating with deficit budgets for a while now and what we have basically been doing is depleting our contingency fund." One of the things that have caused us to be in this position is RICE – \$455,000 to put catalytic converters on the engines at the power plant. Mayor Zavodny said, "It would be my recommendation that we do not put that in the budget. I think that we need to look at doing something else with that and I'm sure that's an issue that we should debate. Doing away with that would get us to about \$400,000 in the red. We have two ways that we need to approach that. We need to increase revenue and we need to need to cut expenses. We need to find ways to fix it but this year we will have a deficit budget, there's just no other way around it."

Mayor Zavodny said, "That being said – what do you want to do about the building for the salt for the street department. We were told that we run the risk of being out of compliance with DEQ if we leave our salt uncovered. That's \$25,000 that has not been budgeted. Starting with a roughly \$400,000 figure – everything that we add to this makes that worse. I took pretty much everything out. I did put \$6,000 back in for a salt spreader. We did leave in the ball program amount of \$7,500, we left in the city administrator salary and we left in the mower for the park."

Mayor Zavodny stated that we have problems with the way that we have billed for electricity. We have done studies and then not followed the recommendations of those studies. He also stated that we need to find ways to increase the revenue. We need to evaluate how we operate the power plant. The bottom line is that the proprietary funds are subsidizing the city side.

There are several city departments that don't generate any revenue – police, library, street and swimming pool.

Electric Supervisor Pat Hoefft said, "The electric department revenues pay for both the electric system and the power plant budgets. There have been increases from NPPD and we have not passed those along to our customers."

Mayor Zavodny said, "I want to use actual numbers. I've heard from almost every department head that numbers that they gave us last year, that they were fairly confident about, got changed and then we ended up spending what they thought and that's why when we looked at our progression through the years they are sometimes 400% over budget. If you know you are going to spend it then budget for it instead of trying to make our budget look better. Let's use real numbers so we can make good decisions on what projects to do and what not to do. We can prioritize our capital expenditures."

Mayor Zavodny asked Electric Plant Supervisor Eric Betzen when the deadline was for the catalytic converters for the power plant engines. Betzen replied that the deadline is May of 2013.

Mayor Zavodny stated that we have some very hard decisions to make over the next few years. He also stated that we need housing developments. We have several businesses that are looking to come to David City.

There being no further business to come before the Council, Council member Rogers made a motion to adjourn. Council member Vandenberg seconded the motion. Voting AYE: Council members Rogers, Smith, Svoboda and Vandenberg. Voting NAY: None. Council members Scribner and Kroesing were absent. The motion carried and Mayor Zavodny declared the meeting adjourned at 7:17 p.m.



CERTIFICATION OF MINUTES
September 7, 2011

I, Tami L. Comte, duly qualified and acting Interim City Clerk for the City of David City, Nebraska, do hereby certify with regard to all proceedings of September 7, 2011; 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.

Tami L. Comte, Interim City Clerk