





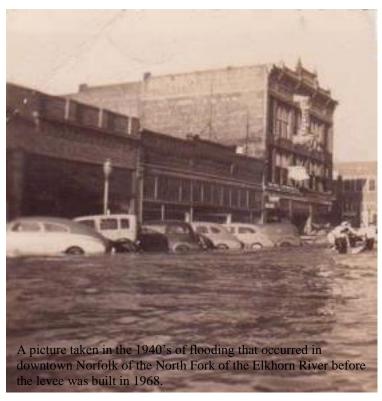
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"Flat revenue affects City's 2016/2017 budget"



City council members voted to fund the start of levee certification in the 2016/2017 budget.



City of Norfolk managers took the red pen to their budgets this year. The reason? Two sources that account for most of the City's general fund revenue show no increase from 2015.

According to City Finance Officer Randy Gates, sales tax revenue is flat and the amount the City collects from Nebraska Public Power District (NPPD) to lease the City-owned electrical distribution system decreased by almost \$100,000. Sales tax and NPPD revenue account for two-thirds of the general fund income.

Each year division heads submit budget requests in four different levels. The first level assumes a 1% increase and the second assumes a 2% increase. Both of these levels mean a potential for reduced City services as they don't allow for inflation and growth. The third level is a 3.5% increase and keeps City services at the minimum maintenance level. The fourth level is an increase of up to 6% and is the level the department or division head feels is ideal.

This year, all divisions were advised by City Administrator Shane Weidner to stay at Level 2 which required many cuts of each division's capital items-approximately \$240,000 worth. As the budget preparation continued, an additional \$430,000 needed to be cut in order to balance the budget.

Two items that totaled about \$70,000 were deemed important enough by City Council members to put back into the budget and be paid for with a very small increase in property tax. That increase is a half-cent per \$100

valuation which amounts to about a \$5 increase on a \$100,000 home. Property tax accounts for only about 10% of the City's revenue.

That small increase will fund the start of the process to re-certify the levee east of the City and provide for an increase in the City's ending emergency operating fund balance.

The beginning stage of certifying the levee is estimated to cost about \$60,000. City Administrator Shane Weidner said it's important for the Norfolk community to evaluate the entire levee to ensure it meets Federal Emergency Management Agency standards. He noted that residents' home insurance premiums could increase greatly if the levee doesn't meet FEMA specifications.

The levee was completed in 1968 to protect the City from the devastation of the North Fork of the Elkhorn River which had previously brought six major floods and 11 minor floods in the city.

"The levee may be one of the most important capital investments the City has ever done. It's of vital importance that we keep it up to FEMA standards," Weidner said.

Another priority item for the City Council was to continue work on their goal to increase the City's emergency fund. The current budget increases the emergency fund amount to 12% of the general fund operating budget.

"Several governmental agencies have a contingency fund of 16% to 50% of their operating budget. We are far from that amount and need to edge it up to a more prudent level," Weidner said.

Weidner said that even with the small tax increase Norfolk is expected to remain the city with the fourth lowest property tax of the 30 First Class cities in Nebraska.