

**CITY OF NORFOLK, NEBRASKA**

The City Council of the City of Norfolk, Nebraska met in emergency session in the Council Chambers, 309 North 5th Street, Norfolk, Nebraska on the 16th day of December, 2022, beginning at 12:00 p.m.

Following a moment of silence and the Pledge of Allegiance to the flag of the United States of America, Council President Shane Clausen called the meeting to order. Roll call found the following Councilmembers present: Corey Granquist, Frank Arens, Justin Webb, Andrew McCarthy, Thad Murren, Gary L. Jackson, Shane Clausen and Kory Hildebrand. Nays: None. Absent: Mayor Josh Moenning.

Staff members present were: City Administrator Andy Colvin, City Attorney Danielle Myers-Noelle, City Clerk Brianna Duerst, Finance Officer Randy Gates, Public Safety Director Scott Cordes, Administrative Secretary Bethene Hoff, Director of Administrative Services Lyle Lutt, City Planner Val Grimes, Communications Manager Nick Stevenson, Administrative Secretary Kylee Soderberg, Economic Development Director Candice Alder, Business Resource Specialist Melissa Figueroa and Police Chief Don Miller.

The Council President presided and the City Clerk recorded the proceedings.

The Council President informed the public about the location of the current copy of the Open Meetings Act posted in the City Council Chambers and accessible to members of the public.

Notice of the meeting was given via email notification to media outlets, publication on the City of Norfolk website, physical posting at Norfolk City Hall, 309 N 5th Street, and social media postings prior to the meeting.

Notice was given to the Mayor and all members of the Council and a copy of their acknowledgement of receipt of notice and agenda is attached to the minutes. Availability of the agenda was communicated via email notice to the Mayor and Council of this meeting. All proceedings hereafter shown were taken while the convened meeting was open to the public.

The subjects to be discussed or considered or upon which any formal action to be taken were as follows:

1. Consideration of approval of an addendum agreement with North Fork Area Transit, Inc., a Nebraska Nonprofit Corporation, to amend the terms of the original agreement dated October 18, 2021, to allow additional options for the payment of City's annual contribution to fund ongoing operations for transit services.
2. Consideration of approval of the City of Norfolk to pay \$88,155.98 to North Fork Area Transit, Inc., a Nebraska Nonprofit Corporation.

## Agenda Motions

Councilmember Arens moved, seconded by Councilmember Murren to adopt the full agenda as printed. Roll call: Ayes: Granquist, Arens, Webb, McCarthy, Murren, Jackson, Clausen and Hildebrand. Nays: None. Absent: None.

## Regular Agenda Items

### North Fork Area Transit, Inc. addendum agreement

Councilmember Granquist moved, seconded by Councilmember Hildebrand, for approval of an addendum agreement with North Fork Area Transit, Inc., a Nebraska Nonprofit Corporation, to amend the terms of the original agreement dated October 18, 2021, to allow additional options for the payment of City's annual contribution to fund ongoing operations for transit services, with a potential closed session for the protection of public interest to discuss an ongoing investigation regarding an allegation of criminal misconduct within a local organization.

Jason Lampli, legal counsel for North Fork Area Transit, said the board is requesting Council approve the addendum to the agreement and that the annual payment be paid in a lump sum. Lampli said the board is taking action and has begun an internal investigation into its systems, processes and financials. Action being taken as part of the investigation include:

- Have suspended the general manager
- Starting the process of the audit that is required by the City contract
- Have engaged a local CPA firm to help determine the current financials
- Have engaged their banks about meeting their financial obligations
- Have engaged Madison County in accordance with their contract to determine what needs to be done under that contract
- Have engaged the Nebraska Mobility Management Team to start taking over the day to day operations and also look into the systems, processes and potential reimbursements

Lampli said the board does not know all the details of the current financials, but said the reason for the ask of the lump sum payment today is to meet the current financial obligations. Lampli said he could not get into much detail regarding the financials because the exact numbers are not yet known, but said there is not enough cash on hand to meet the current obligations without the city passing this motion. The immediate need is to cover payroll, which is due today providing pay for the last two weeks. The board is trying to figure out what else is out there, if anything, as that is unknown at this point.

City Attorney Danielle Myers-Noelle clarified that, on the city's end, this agenda item is a change to the original agreement from 2021. The original agreement currently reads that there will be an annual contribution by the City to the Transit Authority of \$108,333 broken down into quarterly payments. The amendment before Council today is to allow us the opportunity to pay in four equal payments, in one lump sum paid up front, or as otherwise determined by the City at City's sole discretion. That amendment to the agreement would be necessary to look at the next agenda item. This item is just a change to the contract. The remaining funds to be paid this fiscal year, as budgeted for, equals \$88,155.98, as the first quarterly payment has already been made.

Noelle noted if the motion on this agenda item is voted down, we would not be able to move on to the next agenda item.

Finance Officer Randy Gates explained this year's payment includes an inflation adjustment and equals \$117,541.31. The city has already paid one fourth of that, \$29,385.33. Payment of the second quarter would be due in January. The payment to be authorized today would be the second, third and fourth quarter payments.

Councilmember Arens asked why the lump sum is needed now. Lamkli said that without additional funding, payroll cannot be met today.

Councilmember McCarthy asked what the plan for the next payroll will be. Lamkli said the plan is to do the investigation and audit by the Nebraska Mobility Management Team to figure out what needs to be done, what can be done, and what steps to take to keep working with the banks.

Councilmember Jackson asked about measures being put into place to ensure this does not happen again. Lamkli said that is part of what the Nebraska Mobility Management Team is there to do and the board is going to take action to make sure the financials are watched.

Councilmember Arens asked about any insurance coverage. Lamkli said the board is looking into any possible insurance coverage or reimbursement that wasn't put in to the other government programs out there.

Councilmember Hildebrand asked if the bank has been notified and able to lend any finances. Lamkli said the board has met with their banks. The banks are not willing to loan any money at this time.

Councilmembers asked for further clarification on how future payroll will be met.

Traci Jeffrey, North Fork Area Transit Board President, said the state mobility team has been in contact with the Nebraska Department of Transportation about getting their reimbursement from the state as soon as next week. The exact amount is not known yet, but will be over \$200,000. Jeffrey said they also have local sponsors that have not completely paid for their sponsorship so that money will be coming in in the next few weeks as well.

Councilmember Jackson asked if the staff was aware of the situation. Jeffrey's said she notified staff one hour prior to this meeting.

Councilmember Hildebrand asked Gates what financial position paying all of this money now puts the city in. Gates said we have the funding to make this payment.

Councilmember Clausen asked Jeffrey how many people North Fork Area Transit employs. Jeffrey said they have over 70 employees. Jeffrey also said they transport people to and from work and school on a daily basis; people that cannot get to work, school, church or shopping without public transportation.

Hildebrand said the money is already set aside, whether it is paid now or in installments and asked for other Council members opinions.

Councilmember Jackson said he is okay with it as long as there is not another ask in the future. Jackson said while North Fork Area Transit is a great asset to the city, it is not run by the city.

Councilmember Arens noted we have already committed this money, it is not an additional ask, we're in a situation where the money is needed now and sees no problem getting this money where it needs to be.

Joe Smith, County Attorney, said the County was notified on Wednesday about the situation. Commissioners have an item pertaining to this on their next agenda. There is an investigation pending, which is proceeding well. Smith anticipates the criminal investigation will be concluded enough by next Tuesday that he can make some decisions by next Tuesday. Smith noted Madison County gave North Fork Area Transit a one-time payment of \$750,000 in late June 2022.

Roll call: Ayes: Granquist, Arens, Webb, McCarthy, Murren, Jackson, Clausen and Hildebrand.  
Nays: None. Absent: None.

#### North Fork Area Transit, Inc. payment

Councilmember Granquist moved, seconded by Councilmember Jackson, for approval of the City of Norfolk to pay \$88,155.98 to North Fork Area Transit, Inc., a Nebraska Nonprofit Corporation, with a potential closed session for the protection of public interest to discuss an ongoing investigation regarding an allegation of criminal misconduct within a local organization.

Councilmember Jackson said we have already agreed to pay this money quarterly but, in this situation, they are only asking for money we've already agreed to give them.

Councilmember Webb asked how much time this buys. Jeffrey said the Mobility Management Team will be going through every invoice to ensure everything has been submitted to the State. The board believes there are some invoices that have not been submitted for reimbursement from the state, so there may be some additional reimbursement there. There will also be the \$200,000+ reimbursement coming from the State next week for the invoices that have been submitted. Jeffrey said 80% of all invoices are paid by the State by reimbursement. From there, they will be reaching out to business sponsors to reengage them to keep things going. If Council approves the \$88,155.98 today, that will cover payroll.

Councilmember Granquist said we have already dedicated this money and we need to move forward to keep them going. This is people's lives, not just the people that work there, but the people that are going to work that need the service to get there.

Councilmember Hildebrand asked if other contributors have been notified. Jeffrey said, after this meeting, they will be reaching out to the other sponsors individually to inform them of the current situation.

Roll call: Ayes: Granquist, Arens, Webb, McCarthy, Murren, Jackson, Clausen and Hildebrand.  
Nays: None. Absent: None.

There being no further business, the Council President declared the meeting adjourned at 12:34 p.m.

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Josh Moenning  
Mayor

ATTEST:

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Brianna Duerst  
City Clerk

( S E A L )

I, the undersigned Clerk, hereby certify that the foregoing is the full, true and correct original document of proceedings of December 16, had and done by the City Council; that all of the subjects included in the proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to the meeting; that at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members of the public; that the said minutes 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 advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

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Brianna Duerst  
City Clerk

( S E A L )