

FINANCE COMMITTEE MEETING

The Finance Committee of the City of Norfolk, Nebraska met in the City's Conference Room, 309 Madison Avenue, Norfolk, Nebraska, on Monday, August 22, 2005, beginning at 7:00 a.m.

Mayor Gordon D. Adams called the meeting to order.

Roll call found the following Committee members present: Mayor Gordon Adams and Councilpersons Kaspar-Beckman, Brenneman, Lange, Saunders, Van Dyke and Wilson. Absent: Fauss and Leshovsky.

Staff members present were City Administrator Mike Nolan, City Attorney Clint Schukei, City Clerk Beth Deck, Solid Waste Manager Gary Lund, Park Superintendent Pat Mrsny, Finance Officer Randy Gates and Police Chief Bill Mizner.

The media was represented by Jim Curry, WJAG/KEXL.

Notice of the meeting was given in advance by publication in the Norfolk Daily News, and notice of the meeting was given to the Mayor and all members of the Council prior to the meeting.

The Mayor presided and the City Clerk recorded the proceedings.

The Finance Committee first discussed issues related to City collection of **roofing waste**. Solid Waste Manager Gary Lund explained the Solid Waste Division staff should be able to handle collection of roofing waste and it may be profitable for the City. The Norfolk Transfer Station is the only entity in Norfolk with semi-trailers that can compete for the roofing waste. Lund requests approval from elected officials to provide trailers to roofing contractors and businesses that could use waste transport services in quantities larger than the standard roll-off container. The customer would be billed for placing the trailer at the job site plus the transport charge to the Northeast Nebraska Solid Waste Coalition (NNSWC) landfill which is currently \$99.90 per load plus the landfill gate fee. Current Transfer Station staff and equipment will be utilized to collect roofing waste. Lund explained no other company is providing this service out of Norfolk. The current roofing waste collector comes from Butler County and the waste is transported back to the Butler County landfill. Lund stated haulers don't want to provide the service. Lund contacted John Beard with Waste Connections about the proposal. Beard said the City of Norfolk and NNSWC need to "look out for your own interests" and the small amount of roofing waste won't "show up on his radar screen". Lund estimates the City will handle about one-half dozen loads of roofing waste per year.

Lund proposed Transfer Station staff deliver a trailer to the job site and the contractor take the full trailer to the landfill. However, the City could also deliver the trailer to the landfill. Lund proposes repairing two old transfer trailers for collection of roofing waste. The repairs will cost approximately \$10,000 to \$20,000 whereas a new trailer would cost at least \$50,000. Lund proposes providing this service to offset some losses of waste going to Porter's contractor/demolition (C&D) landfill.

Councilman Van Dyke moved, seconded by Councilwoman Saunders to approve the roofing waste collection proposal as explained. Roll call: Ayes: Councilpersons Kaspar-Beckman, Brenneman, Lange, Saunders, Van Dyke, Wilson and Mayor. Nays: None. Absent: Fauss and Leshovsky. Motion carried.

The next item discussed was **skate park** maintenance. Property/Operations Manager Gary Miller explained the skate park is in need of repair and staff requests direction from elected officials. Miller stated the skate park can be closed for the season to work on various repairs or a temporary fix can be made with closure of the park for several weeks. The skate park would then be back in service after several weeks and then close in the fall so more repairs can be made.

Councilwoman Kaspar-Beckman discussed repairs with Jackie Ellenberger who was instrumental in getting the skate park built. Ellenberger feels the repairs can be done locally, and Ellenberger's son volunteered to help with the repairs. Ellenberger feels the City should have entered into a maintenance contract for the skate park.

Miller explained the manufacturer's warranty covers most of the repairs required this year.

Park Superintendent Pat Mrsny explained the ramp sheets are under warranty. However, Mountain Ramp, the company who sold the ramps to the City, went bankrupt and only one company makes that type of sheeting. Mrsny stated bikes are hard on the ramps but the citizens group wanted to allow bikes into the skate park. The manufacturer will stand behind the warranty but the City needs to make the repairs and send the sheets back to the manufacturer to receive reimbursement. Mrsny stated someone punched a hole in one of the major ramps which is supported by two side panels and the process to change panels and do repairs takes time.

Councilman Wilson questioned whether the repairs could wait another 1 1/2 months.

Mrsny stated one of the ramps needs immediate repair.

City Administrator Mike Nolan explained the City is at risk for liability if the skate park is left in a state of disrepair. Nolan stated the City would be negligent if repairs aren't made to the ramps.

Councilwoman Kaspar-Beckman has concerns with closing the skate park and having skateboarders back on the streets and in parking lots. Kaspar-Beckman would like to wait another 1 1/2 months to do repairs in the skate park.

Mayor Adams questioned whether the ramp needing repair can be barricaded.

Mrsny stated people climb the fence to use the skate park and doesn't feel a barricade will keep youth from using the skate park. Mrsny explained the middle ramp is supported by two end ramps which go into the middle, damaged ramp. Turnaround time to repair the sheeting is about two (2) days but it takes approximately two weeks to get the sheeting.

Wilson suggested doing a quick fix and then shut the skate park down in the fall for major repairs. Wilson suggested other cities may have sheeting on-hand which would be quicker than ordering from the manufacturer.

Miller stated City staff will close the skate park until the repair is made and do the major repairs after the October 15 official park closing date.

This item was for informational purposes only.

Elected officials discussed Will Masters' concerns about **scooters**. City Administrator Mike Nolan distributed the following picture of an individual riding a "scooter" (see below) on the sidewalk in front of the Will Masters residence at 1212 Verges. The picture shows a motor bike and not a scooter. Nolan stated the scooter ordinance is not intended to license any mode of transportation that goes more than 20 mph.



Councilwoman Kaspar-Beckman feels the picture is that of a motorcycle and not a scooter. Kaspar-Beckman feels a scooter is one that a person stands on and this individual is riding the bike.

Will Masters, 1212 Verges, stated there aren't any more dealers in Norfolk that sell this type of cycle because they "aren't going to hold up so they jumped back out of the business before things start breaking".

Masters hit the front wheel of the bike while mowing the other day. The individual was "harassing" Masters and rode the bike right behind the 14 hp Toro zero-turn radius mower. The individual's parents called the police and Masters was cited for malicious mischief. The mother also called the police because Masters was taking pictures of the person riding the bike on the sidewalk. Masters said the individual and his family have been harassing Masters for over two years. Masters now feels the family will probably vandalize Masters' property, "if the pattern falls right."

Councilman Van Dyke stated "this type of thing shouldn't be on a sidewalk."

Councilman Brenneman questioned whether the police checked to see if the "scooter" was

licensed.

Masters said the police did check and the bike is registered with the City. As far as Masters knows, the bike has a 5 hp Briggs & Stratton engine and will probably go 40-45 mph.

Councilman Wilson has seen a lot of “these types of bikes” in Norfolk. Wilson questioned the top speed of the bike.

City Attorney Clint Schukei checked the Internet for bikes of this type and the bikes commonly have a top speed of 70 kilometers per hour which is 43.5 mph. Schukei explained the individual went to the City Clerk’s office to comply with the scooter registration requirement and signed the registration form indicating the bike has a speed of 20 mph or less. As a result of the signed statement, a scooter license was issued. Schukei stated the bike doesn’t seem to meet the scooter ordinance requirements.

Councilman Van Dyke questioned what can be done about the individual lying on the scooter license registration form.

Councilman Brenneman feels the bike should be impounded because the individual falsified information on the scooter registration form.

Schukei stated the police have the ability to impound the bike and this certainly may be a situation where that may be appropriate. Schukei stated the young man is 15 years old and the whole system doesn’t react very well to policing those sorts of violations. All kinds of questions are then raised as to “where are the parents?”, etc. There is the potential for this to be filed in juvenile court. It seems that maybe instead of dealing with the registration the riding situation should be addressed. The registration of these things is about as effective as licensing pets, there are a lot more dogs in the city than are licensed and a lot more scooters in Norfolk than are licensed.

Mayor Adams feels things need to be corrected, however, because the individual is harassing Masters on his own property but Masters received the ticket. Mayor doesn’t want to “cut him any slack as to whether this is legal or not”. If the scooter/bike is able to go more than 20 mph then it should be immediately impounded. Adams said “these people are getting serious.”

Masters stated the individual’s father also came onto Masters’ property and threatened to “knock me off my lawn mower”. Masters told the police about the comment but the police just said, “he was upset because you hit his kid’s bike.”

Councilman Van Dyke moved, seconded by Councilwoman Kaspar-Beckman to instruct the Police Department to immediately impound the vehicle and check the speed of the vehicle. Roll call: Ayes: Councilpersons Kaspar-Beckman, Brenneman, Lange, Saunders, Van Dyke, Wilson and Mayor. Nays: None. Absent: Fauss and Leshovsky. Motion carried.

The last item discussed was structuring of the proposed **water park** bond issue. Finance Officer Randy Gates did a Water Park Debt Structure comparison of straight 20-year amortization vs. 4 years of interest only.

	Straight Amortization		4 Yrs Interest Only	
	First 4 yrs	Last 16 yrs	First 4 yrs	Last 16 yrs
Bond Size	10,700,000	10,700,000	10,700,000	10,700,000
Term	20	20	4	16
Rate	5%	5%	5%	5%
Annual Debt Service	858,596	858,596	535,000	987,288
NPPD 2%	-	500,000	-	500,000
Net Debt Service	858,596	358,596	535,000	487,288
Fee & Delinquency Allowance	6%	6%	6%	6%
Tax asking with Fee & Delinquency Allowance	910,111	380,111	567,100	516,525
Valuation	925,382,359	925,382,359	925,382,359	925,382,359
Levy Rate	0.09834977	0.04107615	0.06128278	

0.05581750

Tax on \$100,000 home	<u>98.35</u>	<u>41.08</u>	<u>61.28</u>	<u>55.82</u>
Total Debt Service		17,171,914		17,936,608
Increased Debt Service with 4 year interest only structure				764,695

Gates explained the table assumes a 5% interest rate and is based on the current property valuation. The 4 years interest only assumption keeps property taxes more stable; however, principal stays outstanding longer so the City will be paying more interest in the amount of \$764,695.

City Administrator Mike Nolan stated the swimming pool advisory committee will be using the numbers for marketing and the Norfolk Daily News is going to publish an article on the proposed water park.

Councilman Van Dyke doesn't like to put off paying for the water park and "paying for them when they are worn out".

Nolan stated the first four years won't make a difference in the water park.

Van Dyke stated maintenance on the water park may start being an issue after 4-5 years. Van Dyke feels the only reason to vote for the 4 years interest only is the fact that the City will have the NPPD 2% money after four years. However, the bottom line is that the City will be paying \$764,695 more in interest payments which is money "coming out of the taxpayer's pockets."

Gates feels citizens hate to see property taxes change on a frequent basis.

Councilman Wilson feels the water park will be a "harder sell" without delaying the principal payments for the first four years.

Nolan feels most citizens won't pay attention to the four years interest only. Citizens will only look at the difference from \$98.35 to \$55.82 in property taxes.

Councilman Brenneman stated citizens already have the mindset that "once a tax, always a tax" and it never goes away. Brenneman feels "geriatrics will look at it as tax relief in four years" from \$98.35 to \$41.08 by using the straight amortization. Brenneman feels the straight amortization may be the "better way to go". Brenneman isn't opposed to the water park and feels it has economic value; however, Brenneman is looking for a way to appease the public. Brenneman feels that maybe financing the water park "shouldn't be mentioned at this point" and the City should just let citizens vote on the issue.

Nolan stated the life cycle of a water park will easily be 30 years. The City of Hastings said 2/3 of the cars visiting the park are from out-of-town and approximately 800 people per day use the facility.

Van Dyke agrees with letting citizens vote on the issue. Van Dyke feels elected officials have a fiscal responsibility to the community. Van Dyke said that "this country cannot continue thinking that somehow everything is going to be done today and not worry about who is going to pay for it in 20 years." Van Dyke agrees with Brenneman's suggestion to let the financing out of it at this time.

Councilman Brenneman and Councilwoman Kaspar-Beckman would like to receive input from the swimming pool advisory committee members.

Mayor Adams has had input from citizens with some in favor of using the NPPD money and some opposed to the proposed use of the funds.

Van Dyke is in favor of getting the information out to make the public aware of the bond financing proposals.

Nolan stated staff needs direction to be able to put the budget together.

Gates stated the FY 2005-2006 budget is being put together assuming the bond election passes because the budget hearing notices need to be to the newspaper before the September 13, 2005 special election. The FY 2005-2006 budget hearings will be held on September 19, 2005. If the bond issue fails, the City's budget will need to be amended. The budget needs to be put together one way or the other.

Van Dyke questioned at what point the City will begin spending money for the water park. Van Dyke questioned whether the City will sell the bonds all at one time.

Gates stated that if the bond issue passes, the City will want to purchase the land as soon as possible. City staff will also begin the bidding procedures as soon as possible. Gates explained staff doesn't know whether the entire bond issue will be sold at one time. Another scenario is to sell an \$8 million bond issue first and after the bids are received additional funding may be necessary. Bids may come in lower than the estimated \$10.7 million. The downside to issuing several bond issues is that interest rates may keep going higher.

Van Dyke will support delaying the principal payment for four years to pass the bond issue; however, philosophically Van Dyke doesn't like delaying the principal payments.

Councilwoman Kaspar-Beckman agrees with Councilman Van Dyke.

Councilman Van Dyke moved, seconded by Councilwoman Kaspar-Beckman to put the FY 2005-2006 budget together based on the first four years interest only payment explained by Finance Officer Randy Gates for the water park. Roll call: Ayes: Council members Kaspar-Beckman, Brenneman, Lange, Saunders, Van Dyke, Wilson and Mayor Adams. Nays: None. Absent: Fauss and Leshovsky. Motion carried.

Councilwoman Kaspar-Beckman moved, seconded by Councilman Lange to adjourn from regular session and convene into executive session at 7:43 a.m. to discuss possible litigation. Roll call: Ayes: Council members Kaspar-Beckman, Brenneman, Lange, Saunders, Van Dyke, Wilson and Mayor Adams. Nays: None. Absent: Fauss and Leshovsky. Motion carried.

Councilman Wilson left the meeting at 7:48 a.m.

Councilman Van Dyke moved, seconded by Councilwoman Kaspar-Beckman to adjourn from executive session and reconvene into regular session at 8:00 a.m. Roll call: Ayes: Council members Kaspar-Beckman, Brenneman, Lange, Saunders, Van Dyke, and Mayor Adams. Nays: None. Absent: Fauss, Leshovsky and Wilson. Motion carried.

Councilman Van Dyke moved, seconded by Councilman Lange to instruct the City Attorney to present a "Plan of Action" to elected officials before proceeding with further litigation regarding the East Water Treatment Plant benzene contamination. Roll call: Ayes: Council members Kaspar-Beckman, Brenneman, Lange, Saunders, Van Dyke, and Mayor Adams. Nays: None. Absent: Fauss, Leshovsky and Wilson. Motion carried.

Councilwoman Kaspar-Beckman moved, seconded by Councilwoman Saunders to adjourn the meeting at 8:01 a.m. Roll call: Ayes: Council members Kaspar-Beckman, Brenneman, Lange, Saunders, Van Dyke, and Mayor Adams. Nays: None. Absent: Fauss, Leshovsky and Wilson. Motion carried.

Elizabeth A. Deck
City Clerk