

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, January 31, 2005, beginning at 7:00 a.m.

In the absence of Mayor Adams and Council President Leshovsky, City Clerk Beth Deck called the meeting to order. Deck explained a Chairperson Pro Tem needed to be appointed to conduct the meeting.

Councilwoman Saunders moved, seconded by Councilman Lange to appoint Councilwoman Sue Kaspar-Beckman as Chairperson Pro Tem for this meeting. Roll call: Ayes: Councilpersons Kaspar-Beckman, Brenneman, Fauss, Lange, Saunders, Van Dyke, and Wisnieski. Absent: Leshovsky. Nays: None. Motion carried.

Roll call found the following Committee members present: Councilpersons Kaspar-Beckman, Brenneman, Fauss, Lange, Saunders, Van Dyke, and Wisnieski. Absent: Leshovsky. Mayor Adams listened to the meeting via telephone conference call but did not vote on any agenda items.

Staff members present were City Administrator Mike Nolan, Public Works Director Dennis Smith, City Attorney Clint Schukei, City Clerk Beth Deck, Finance Officer Randy Gates, Transportation, Building & Grounds Director Jim Koch, Police Chief Bill Mizner, and Water & Sewer Director Dennis Watts.

Councilman Wisnieski moved, seconded by Councilman Brenneman to amend the agenda with the deletion of Item No. 9, executive session to discuss Oak Street property negotiations and to approve the agenda as amended. Roll call: Ayes: Councilpersons Kaspar-Beckman, Brenneman, Fauss, Lange, Saunders, Van Dyke, and Wisnieski. Nays: None. Absent: Leshovsky. Motion carried.

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 Chairperson Pro Tem presided and the City Clerk recorded the proceedings.

The first item discussed was a proposed contract with Northeast Nebraska Economic Development District to do a blight study on the Norfolk Avenue and Cottonwood Blighted and Substandard Study. City Administrator Mike Nolan explained HyVee made a request to conduct a blighted and substandard study on the area immediately east across the river from the HyVee Food Store parking lot located at 120 East Norfolk Avenue. Staff proposes the study be conducted by the Northeast Nebraska Economic Development District (NENEDD) at a cost of \$1,500.

Councilman Fauss questioned whether HyVee is paying for the cost of the study.

Finance Officer Randy Gates stated HyVee is paying for the cost of the study.

Fauss questioned why the City of Norfolk is getting involved if HyVee is paying for a study that is being conducted by NENEDD.

Nolan explained State Statutes requires that the City manage the entire process.

Councilwoman Kaspar-Beckman stated this request is only for a study and the Council will have the opportunity to look at the results before taking any further action.

Councilman Wisnieski questioned what the study will do for HyVee.

Nolan stated the study is a requirement of state law for the Mayor and City Council to be able to evaluate the property as to whether it is eligible, under community development statutes, for tax increment financing.

Councilman Fauss questioned why the City of Norfolk “has to go over the river and do a study for them”.

Nolan stated the City of Norfolk must have the study completed because by State law the City must manage the process.

Councilman Van Dyke doesn't have a problem with doing the study. However, Van Dyke has concerns with using TIF for the project.

Councilman Fauss also has concerns with using TIF for the HyVee project.

Councilman Van Dyke moved, seconded by Councilman Lange to approve and move forward with a contract with the Northeast Nebraska Economic Development District to complete a blight study on the Norfolk Avenue and Cottonwood Blighted and Substandard Study at the request of HyVee. Roll Call: Ayes: Kaspar-Beckman, Brenneman, Lange, Saunders, Van Dyke, and Wisnieski. Nays: Fauss. Absent: Leshovsky. Motion carried.

The next item discussed was a request from the **Police** Division to accept three **donations**. Police Chief Bill Mizner explained the Police Division recently received a \$500 donation from Nucor and a \$500 donation from Nebraska Central Railroad. The donations were made in appreciation of the Police Division's response to a runaway railroad car incident. The third donation was received from Westside Elementary School after a presentation by the Police Service Dog Unit during Red Ribbon Week. The Westside Elementary Schools classes held a penny war and raised \$550.19 to support the Service Dog Unit.

Councilman Fauss moved, seconded by Councilman Lange to accept the three donations made to the Police Division as discussed. Roll call: Ayes: Councilpersons Kaspar-Beckman, Brenneman, Fauss, Lange, Saunders, Van Dyke, and Wisnieski. Nays: None. Absent: Leshovsky. Motion carried.

Police Chief Mizner explained the Police Division applied for and received a grant from the Office of Highway Safety for the purchase of a Sokkia Series 3OR-surveying instrument and TDS Recon Data System accessory equipment to assist in traffic crash investigations. The equipment will allow the use of digital technology to measure and diagram accident and crime scenes. The Police Division is required to provide a \$1,000 match. Total cost of the project is \$8,684. The match portion of the project will come out of the Police Division's investigative funds line item.

Mizner stated the Police Division also received a grant from the Office of Highway Safety in an amount up to a \$300 to purchase a digital camera. This is in recognition of the Police Division's cooperation with the Office of Highway Safety's safety belt enforcement efforts during the past year.

Councilman Van Dyke moved, seconded by Councilman Fauss to approve acceptance of the two grants as discussed. Roll call: Ayes: Councilpersons Kaspar-Beckman, Brenneman, Fauss, Lange, Saunders, Van Dyke, and Wisnieski. Nays: None. Absent: Leshovsky. Motion carried.

The Finance Committee discussed a request from Norfolk **Parking District** No. 1 for authorization to reconstruct the center **median strips** along Norfolk Avenue between 1st Street and 6th Street in the 2005 construction season. The conceptual plan involves sidewalk replacement on Norfolk Avenue from 1st Street to 6th Street or 1st Street to 8th Street, aesthetic improvements to the sidewalk area, aesthetic improvements to the medians from 1st Street to 6th Street and updated street and pedestrian lighting on Norfolk Avenue.

Nick Lueschen, Parking District No. 1 Chairman, spoke on behalf of the Parking District Board of Directors. The Board has been working for some time on downtown redevelopment plans. The Board hired an engineering firm to provide ideas for the redevelopment. The engineering firm submitted an estimate higher than expected for the project. However, the firm stated there may be some governmental funds available in the future. The Parking District feels it is imperative that a portion of the project be completed during the 2005 construction season to show the project is moving forward. The Board requested the City of Norfolk approve Phase 1 of the project which is reconstruction of the median strips at a cost of \$178,750. This includes tree removal/replacement and changes in lighting. Street light poles will be located to the median instead in on the sidewalks. New sidewalk lighting will be the lower level lights designed for sidewalks. Lueschen stated a center walkway will also be installed. Lueschen stated the medians will remain the same size. Funding for the entire project will be 1/3 City of

Norfolk, 1/3 Vehicle Parking District and 1/3 assessments to property owners on a per foot of frontage sidewalk basis.

Councilman Fauss questioned how much down time will occur in Downtown Norfolk during the project.

Smith explained traffic may need to be diverted at times when one side of the street is under construction but the other side of the street will be open to traffic. Total close down will probably not occur. Another possibility is to remove parking and move traffic next to the curb while working in that area. None of those specifics have been addressed at this time.

Fauss questioned whether merchants are aware of the traffic diversion during construction.

Lueschen stated merchants are aware of the project and that traffic may be diverted or parking prohibited during portions of the project.

Fauss questioned whether power currently goes under the street to the medians.

Smith stated power to the medians will probably be done with directional boring. There currently is not power to the middle of the street. Smith explained the bases and conduit work only be completed as part of Phase 1. JEO feels there is a potential for Federal highway funding for historic-type lighting. Smith explained Phase I of the project will actually be paid with a 50/50 split between the City of Norfolk and the Vehicle Parking District. The overall project funding will be adjusted to reflect the 1/3 City of Norfolk, 1/3 Vehicle Parking District, and 1/3 assessments.

Councilman Wisnieski questioned who will be doing the work for the project.

Public Works Director/City Engineer Dennis Smith stated JEO will design the project and then sealed bids will be received for project construction.

Councilman Van Dyke questioned what impact the street lighting will have on the City's electric bill.

Smith stated the impact would be minimal, if any, because street lights are already in the downtown area. Smith stated the City of Norfolk and the Vehicle Parking District will probably own the new light poles.

Van Dyke has concerns because other developers must "create their own parking and put up their own poles and lights" but in the downtown area the City puts up the lights and buys the poles. Van Dyke questioned whether it "is totally fair" to other developers.

Smith explained the Vehicle Parking District and owners in the downtown area are paying at least 1/3 of the cost through property taxes.

Van Dyke stated the City doesn't pay 1/3 of the cost "for developers out on West Norfolk Avenue".

Nolan stated that if the Vehicle Parking District defaults on its debt it becomes a general obligation cost of the entire community.

Councilman Lange moved, seconded by Councilwoman Saunders to approve the request from Norfolk Parking District No. 1 to move forward with Phase 1 of the downtown redevelopment project, reconstruction of the center median strips along Norfolk Avenue between 1st Street and 6th Street, during the 2005 construction season as discussed. Roll call: Ayes: Councilpersons Kaspar-Beckman, Brenneman, Fauss, Lange, Saunders, and Wisnieski. Nays: Van Dyke. Absent: Leshovsky. Motion carried.

Public Works Director Dennis Smith discussed Amendment No. 14 to the contract for engineering services with Black and Veatch for implementation of a **wellhead protection** plan for the West Water Treatment Plant well field for a not-to-exceed fee of \$106,410. This project will develop a plan to protect the West Well field water supply. The State of Nebraska has a program to provide protection to water supplies over the next 20 years. The plan developed will protect the City's well field as development pressure continues west of Norfolk. Smith

explained underground storage tanks in that area, as well as overuse of fertilization and herbicides, could be detrimental to the well field. The City needs to develop best management practices for protection of the well field. The City Council recently authorized staff to start the process to acquire ownership of 80 acres east of the West Well Fields. The City has been trying to acquire property within 1,000 feet of the wells for wellhead protection. Expanding that program with zoning overlays will help with the wellhead protection. The City will need to work with the county on the project. Staff recommends Black & Veatch be hired as consultants for the project. Black & Veatch has retained Stahr & Associates, Inc. of York, Nebraska as legal counsel to help develop zoning regulations.

Bill Knoll, Black & Veatch, participated in the discussion via conference call. Knoll stated the plan would include interaction with a citizen's advisory committee consisting of representatives from the county and the rural area included in the wellhead protection plan. An overlay district would provide the City Council with full control of what happens in the area defined by the State and can inhibit installation of underground storage tanks that could impact the City's well field.

Councilman Wisnieski questioned whether the plan will completely eliminate installation of underground storage tanks in the wellhead protection area.

Knoll explained the plan won't necessarily eliminate underground storage tanks but will control specifically that a tank could not be installed within 500-1000 feet of the well. However, in other areas of the map created by the State it would control how the tanks are installed.

Wisnieski questioned what other activity, other than underground storage tanks, currently being done won't be allowed in the area. Wisnieski questioned what changes will affect current farming operations and commercial development in the area.

Knoll stated some commercial development is occurring west of Norfolk near the well field. The City needs the ability to provide control as to what types of businesses would develop in and around the well field. There would be some agricultural land west and northwest of the West Water Treatment Plant that would be included in the maps generated by the State and along with that would be an education program to inform farmers about the effect of fertilization of crops and the possible impact to the City's water supply if interests permeate ground water.

Smith feels the City would also want to make sure farmers are complying with regulations related to fumigation and chemigation through center pivot irrigation systems so there isn't a potential for backflow into the ground water supply. The City should discourage septic systems in the area or at least have the systems on a minimal basis without a lot of density. Currently, the City has been very careful on what zoning is allowed in the area of the well fields. Zoning is either C-1 or a planned development overlay. These mechanisms control placement of underground storage tanks in the well field protection area because a service station is not allowed in C-1 zoning.

Knoll stated another consideration is managing private wells that are within that area map to keep wells covered and educate the people of the importance of managing existing wells which could be a direct access to the aquifer if something would be injected in open-cap wells.

Wisnieski questioned "if I move out there I can't put a septic tank in?"

Smith explained the City would want to minimize the density of the septic systems. The City probably would not implement a total ban. Smith stated an example would be a septic system for a 10 acre lot instead of a septic system for every 1 acre of land. Controlling the density of the septic systems is the key. Smith stated the City of Norfolk has a huge investment in the West Well field. When the City purchased the property for a well field, all surrounding property was agriculture in nature and center pivots weren't used a lot. The chemigation and fumigation through center pivots is all new since the City purchased the property for use as a well field. Because of the huge investment, the City needs to get a plan in place to manage risk the best way possible. Smith stated the City is already dealing with remediation with Henkel Oil Company because of a leaking underground storage tank. Fortunately the leak has not impacted any of the City's wells to date.

Councilwoman Saunders stated the City's water system is a vital resource and the City Council needs to protect those assets and the funds already spent on the water system.

Councilwoman Saunders moved, seconded by Councilman Fauss to approve and move forward with Amendment No. 14 to the Contract for Engineering Services with Black & Veatch for implementation of a wellhead protection plan for the West Water Treatment Plant well field for a not-to-exceed fee of \$106,410.

Councilman Wisnieski questioned what additional costs will be incurred other than the \$106,410 to Black & Veatch for Amendment No. 14. Wisnieski questioned whether there would be costs for items such as property descriptions, right-of-way, easements, utility surveys, laboratory inspection of materials, field testing, and field sampling services.

Smith stated most of the items mentioned will be staff time involved, the opportunity costs that are lost because of staff time used. A summer intern will work on some of the surveying data. Water Division staff will go to Madison County and update property descriptions. The State's wellhead protection plan is done at their expense. Smith doesn't envision a lot of sampling of water supply on this project over and above what is done on a routine basis. One of the things the State requires is looking at the current water supply and evaluating future needs prior to the need becoming a reality. Smith doesn't think the City is going to need to look for a new well field for another 5-10 years. Smith stated this plan will primarily look at existing resources. The City may also look at the most efficient mechanism to withdraw additional water if the current well field supports additional withdrawal. That may be done through an additional collector well.

Councilman Brenneman thought the City already has a wellhead protection ordinance in place.

Smith stated the City has a drawing and a wellhead protection plan. However, this is the next step and it adds controls to the plan. The only thing the City has in place is a map showing an area of concern regarding the well but no controls are currently identified. Smith stated there is a specific State Statute that defines what needs to be done to get controls in place.

Councilman Lange stated the City of Norfolk has millions of dollars invested in the West Well Field and this is a good means of educating the public. The City will manage septic systems not abolish them. Lange stated the League of Municipalities is having a session on wellhead protection at the Mid-Winter Conference, and Lange encouraged Council members to attend the session to learn more.

Smith stated the plan will also be beneficial to the agricultural community because they need to protect their own drinking water.

Roll call on the motion to approve Amendment No. 14: Ayes: Roll call: Ayes: Councilpersons Kaspar-Beckman, Brenneman, Fauss, Lange, Saunders, Van Dyke, and Wisnieski. Nays: None. Absent: Leshovsky. Motion carried.

Public Works Director/City Engineer Dennis Smith explained Addendum No. 1 to Amendment No. 13 to the Contract for Engineering Services with Black & Veatch. The Addendum provides for design, bidding phase services and construction management for construction of the West Water Treatment Plant **Filter Addition** raising the maximum fee under Amendment No. 14 by \$10,847. The project design was revised in response to the Nebraska Department of Health and Human Services concerns that the City's West Well Field may have wells that could be considered to potentially be under the influence of surface water, which would affect future treatment process at the West Water Treatment Plant. The Mayor and City Council were informed of this in a memo dated August 14, 2003 from the Public Works Director to the City Administrator. The construction management engineering exceeded the budgeted amount by more than the costs of the additional design; however, Black & Veatch is only requesting payment for additional design work, which was outside the scope of the initial contract.

Councilman Van Dyke moved, seconded by Councilman Brenneman to approve and move forward with Addendum No. 1 to Amendment No. 13 to the Contract for Engineering Services with Black & Veatch raising the maximum fee by \$10,847. Roll call: Ayes: Councilpersons Kaspar-Beckman, Brenneman, Fauss, Lange, Saunders, Van Dyke, and Wisnieski. Nays: None. Absent: Leshovsky. Motion carried.

The next item discussed was a discussion of LB 234, the City of Norfolk **drainage** bill. Senator Connelly sponsored LB 234 and co-sponsors were Senator Flood and Senator Cunningham. City

Administrator Mike Nolan explained the existing statute allows first class cities to extend drainage one mile beyond the city limits. However, there are drainage concerns that need to be addressed for the new ethanol plant, which is outside the one mile jurisdiction. The City of Norfolk has a project to construct a road connecting Highway 81 and Highway 35. This road will be located north of Norfolk Iron and Metal and south of Nucor Steel. In order to make the ethanol plant feasible, the ethanol company, Madison County and the City of Norfolk are working on a major drainage project. The City of Norfolk supports the passage of LB 234 so the City can partner with future developers and the county to implement drainage that will be necessary for additional development in this industrial area. Staff believes LB 234 will be helpful in leveraging infrastructure dollars the City and the County are investing to support the existing industries in the area.

Councilman Van Dyke moved, seconded by Councilman Fauss to continue to proceed with getting LB 234 passed by the State Legislature. Roll call: Ayes: Councilpersons Kaspar-Beckman, Brenneman, Fauss, Lange, Saunders, Van Dyke, and Wisnieski. Nays: None. Absent: Leshovsky. Motion carried.

The last item discussed was the One and Six-Year **Street** Improvement Plan. Public Works Director Dennis Smith explained this is basically a maintenance-type plan for 2005-2006. The maintenance includes concrete repairs, asphalt overlays, and crack sealing. The Council recently approved a contract with Schemmer & Associates to do a comprehensive master plan which will take approximately one year to develop. As part of that plan, Schemmer will be looking at road improvement projects that need to be done over the next 6-20 years. The major road projects, Omaha, Pasewalk and Benjamin Avenues, are completed. Included in the 2005-2006 Street Improvement Plan are:

Miscellaneous street maintenance work by contract, \$1,000,000
Miscellaneous residential paving district, \$30,000
25th Street, 200' north/south of the bridge, \$75,400
Curb and sidewalk improvements on Norfolk Avenue, 1st to 8th Streets, \$500,000
Oak and Spruce Avenue street improvements north of Maple Avenue, \$400,000

Smith stated it may be the 2006 construction season before the 25th Street Bridge can be repaired. The engineer advised the City to wait until after the next bridge inspection is completed which will probably show an efficiency rating low enough to qualify for additional federal funding for the project.

Smith stated the Oak Street improvements project may take some time to complete because of the need to address right-of-way issues.

Councilman Wisnieski questioned whether there are plans to reconstruct 25th Street from Norfolk Avenue to Benjamin Avenue.

Smith stated a traffic study would need to be completed to take a look at capacity needs. If capacity needs are there, an overlay project may be warranted.

Councilman Wisnieski moved, seconded by Councilman Fauss to approve the One and Six-Year Street Improvement Plan as presented. Roll call: Ayes: Councilpersons Kaspar-Beckman, Brenneman, Fauss, Lange, Saunders, Van Dyke, and Wisnieski. Nays: None. Absent: Leshovsky. Motion carried.

Councilman Brenneman moved, seconded by Councilman Van Dyke to adjourn the meeting at 7:57 a.m. Roll call: Ayes: Council members Kaspar-Beckman, Brenneman, Fauss, Lange, Saunders, Van Dyke, and Wisnieski. Nays: None. Absent: Leshovsky. Motion carried.

Elizabeth A. Deck
City Clerk