

## FINANCE COMMITTEE MEETING

The Finance Committee of the City of Norfolk, Nebraska met in the City's Conference Room, 309 West Madison Avenue, Norfolk, Nebraska, on Monday, June 5, 2006, 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, Fauss, Lange, Saunders, Stauffer, and Van Dyke. Absent: Wilson.

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, and Property/Operations Manager Gary Miller.

The media was represented by Jim Curry, WJAG/KEXL, and Greg Wees, Norfolk Daily News.

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 first item discussed was **Visioning 2026**. Jennifer Adams, Mark Hall, Greg Heineman and Kent Warneke were present at the meeting to update elected officials about Visioning 2026. Jennifer Adams explained a group of concerned citizens see a need for preparing the City of Norfolk for the future. The group feels historical community improvement projects will not adequately prepare Norfolk for the evolving future. The group worked with Rick Smyre, president of Communities of the Future and read material such as *The World is Flat* by Thomas Friedman, *It's Alive* by Christopher Meyer and Stan Davis and *The Hydrogen Economy* by Jeremy Rifkin from which the groups sees that incremental or reforming change will not be enough for Norfolk to succeed. Success must be ensured with transformational change and innovation.

Jennifer Adams, Leadership Coordinator for the Norfolk Area Chamber of Commerce, explained the Leadership program is a personal development class. The program is set up to help citizens be able to look beyond what is currently happening and make citizens aware of what may "come up in the future" which is a key component to visioning for the community. A group of eight citizens have been meeting since February 2006 to design the Visioning 2026 process. The Norfolk Visioning 2026 process will identify future challenges and strategies beyond immediate needs and help prepare the Norfolk community for the ever-changing environment. To facilitate a culture of change in the community, the visioning process introduces future trends, enables the community to collaborate and develops parallel processes for creating innovating action plans. This evolution enhances community prosperity and establishes a sustainable process of cultural transformation.

Mark Hall, 1642 Hackberry Drive, moved back to Norfolk after being gone almost 25 years. Hall attended Leadership Norfolk and acquired new skills, learned to view things from a different prospective, and learned how to apply different concepts to every day life.

The goal of the visioning committee is to incorporate the following key concepts into the process:

- Engage a significant cross-section of the community;
- Capture input, ideas and imagination of citizens and utilize the ideas to direct the visioning process;

- Lay seeds and build capacities for innovation, transformation, identify future trends and weak signals and develop leaders and relationships in the community;
- Emergence of community-directed ideas, issues and projects;
- Encourage the use of electronic media technology for access points and citizen feedback to transform the public's capacity to anticipate and prepare for a different kind of future;
- Provide various venues for citizens to contribute ideas to the visioning process; and
- Foster a culture of openness and trust.

The visioning process will help identify a framework for gathering citizens' input and establish a series of parallel processes to bring together interested citizens for their thoughts as well as structured capacity building experiences for an age of constant change.

Hall said Visioning 2026 in an innovative means of gathering citizens' input and decision-making in creating a sustainable community for the future. Getting citizens involved and talking about future issues is a start in preparing for the future. The group believes the visioning process will allow for input, decision-making and collaboration with a broad section of the community and be a flexible and sustainable model into the future.

Hall said the community needs to engage the younger generation to stay in the area. The group wants to invite a nationally known speaker to bring the community together to help introduce "what is happening to us in the future and try and focus on Norfolk and Northeast Nebraska and how it may impact us over the next 10 years." Hall stated the group has outlined five trends to work on: Internet (global economy), energy, education, work place and understand and engage the younger generation to stay here.

Greg Heineman, 2103 Skyline Drive, feels the City of Norfolk will benefit from an on-going process of visioning for the future. Heineman said Norfolk is on the cutting edge for broadband connection to the Internet. The group can look at the immediate future for Norfolk and "what's in the future for Norfolk on down the line." The group will focus on future trends to help the City of Norfolk grow and broaden the scope from beyond what happens in the Leadership Norfolk class. It is valuable class but it needs to get out into the community to help develop dialogue coming from the people who have been invested with the community for many years, as well as people who may want an entry into the community. Ultimately, citizens need to see what future trends "are out there".

Kent Warneke said the Norfolk Daily News is playing a front role in the Visioning 2026 process to help encourage and support the process. Warneke met with Dan Mauk and Mike Nolan in January 2006 after failure of the water park bond issue. The group felt there is a need for a long-term planning process for the City of Norfolk and surrounding area. The three people discussed the concept with the Norfolk Public Schools, Northeast Community College and Jerry McCallum, a Madison County Commissioner. Warneke said "there seemed to be agreement among that group." The Norfolk Daily News' role is that of impartial coordinator to bring the process together to develop long-range visioning/planning for Norfolk and the surrounding area. Warneke feels Visioning 2026 will be good for Norfolk.

City Administrator Mike Nolan said the next step for the group is to prepare a budget. The group requests \$5,000 from each of the following: City of Norfolk, Madison County, Northeast Community College and Norfolk Public Schools.

Councilperson Stauffer questioned whether the \$5,000 is a start-up cost or an annual expenditure.

Nolan doesn't know how frequently the group will request funding. Nolan stated this request is for

start-up costs but the group may need more funds at some time in the future. The group is considering in-house surveys with volunteers to help save money.

Councilperson Kaspar-Beckman questioned whether each of the other entities have been contacted about the \$5,000 contribution.

Nolan said Jerry McCallum, Randy Nelson and Larry Honke attended the last Visioning 2026 meeting. Nolan said the funds will not be used frivolously because each of the four entities have some budget constraints because of the closing of the Tyson plant.

Stauffer feels the Council should look at the money as an investment and not a cost to the City.

Mark Hall stated Dan Mauk indicated there is a new State grant available and the Visioning group will apply for funding. The grant requires two public institutions to be collaborating on a separate issue. The group believes the Visioning 2026 project will be a good match to meet the requirements of the grant.

Mayor Adams hopes the other entities will contribute funding to the Visioning 2026. Adams doesn't want this to be "only a City function."

Kent Warneke said the Norfolk Public School and Northeast Community College will provide funding. Warneke said Madison County is probably the biggest challenge at this point.

Councilperson Van Dyke moved, seconded by Councilperson Stauffer to budget \$5,000 in FY 2006-2007 for the Visioning 2026 process. Roll call: Ayes: Kaspar-Beckman, Brenneman, Fauss, Lange, Saunders, Stauffer, Van Dyke and Mayor Adams. Nays: None. Absent: Wilson. Motion carried.

City Administrator Mike Nolan explained that there is a trend in Nebraska to use more roundabouts instead of traditional stop lights. Nolan stated the Nebraska Department of Roads is considering installing more roundabouts on the state's highways. The Lincoln Journal Star printed an article on May 25, 2006 entitled, "The future takes a circular route." The State Department of Roads is considering installing more roundabouts on state highways as a way to offer greater safety. A three-year comparison of the roundabout at 33rd Street and Sheridan Boulevard in Lincoln shows a dramatic reduction in the number and severity of car crashes despite a slight increase in the number of cars using the roundabout.

This item was for informational purposes only.

The next item discussed was **curb grinding** costs. Included in the agenda packet was a letter dated May 17, 2006 from Jim Koch, Transportation, Building & Grounds Director, to Don Wisnieski. Koch recaps costs for curb grinding, as follows:

120 curbs per year  
 Average curb plane 30 lineal feet  
 20 cuts during winter months – one per week, four per month  
 100 cuts during summer – y months, 14 per month, 3.5 per week  
 3.5 x 1 hour x 2 workers = 7 man hours  
 7 man hours @\$25.00 = \$175.00

Wages                      \$175.00

Equipment Cost	70.00 (\$20.00/hour)
Planner	70.00 (\$20.00/hour)
Pickup & Trailer	<u>35.00</u> (\$10.00/hour)
	\$350.00

\$350.00/3.5 hours = \$100.00/hour

\$100.00/30 lineal feet = \$3.33

Councilperson Fauss questioned whether gas costs and secretarial time are included in the cost estimate.

Koch said those costs are included.

Don Wisnieski was present at the meeting but did not participate in discussion on this item.

This item was for informational purposes only. The ordinance will appear for second reading on the June 5, 2006 City Council meeting agenda.

The Finance Committee discussed LB 79 relating to **railroad** safety. LB 79 changes provisions relating to railroad crossings. The State Legislature passed LB 79 which required any public railroad crossing without gates, signals, alarm bells or warning personnel located within one-quarter mile from a public railroad crossing to be closed unless it is the only railroad crossing which provides access to property. Anyone objecting to this action may file a written request to the Department of Roads by a professional engineer licensed to practice in the State of Nebraska.

City Administrator Mike Nolan explained the issue is safety. Nolan has concerns with the fact that cities have a statutory obligation to maintain the street and transportation systems. When a railroad intersection isn't signalized, it creates a whole different perspective for management. Safety was the main concern with the Oak Street project to align the street with the railroad tracks. Staff work is complete on the North 3rd Street railroad crossing, and staff will propose closing the street because the railroad crossing isn't signalized. Nolan wanted elected officials aware that the law was passed by the Legislature.

Mayor Adams explained there are two very controversial issues, two un-signalized railroad crossings, between Madison Avenue and Pasewalk Avenue, that fall under this law.

Public Works Director Dennis Smith stated a third intersection that will fall under this legislation is the one located on Michigan Avenue.

Nolan stated the City still has the liability but the railroad has the authority to close the intersection without permission from the City. The second thing is that the State of Nebraska is now involved in the process. If a street is to remain open, City staff will need to meet with the affected property owners and look at possible tradeoffs between closing a street versus signalizing a railroad intersection.

Councilperson Van Dyke feels elected officials and staff also need to look at traffic patterns. It probably needs to be more of an east/west thoroughfare which might mean taking a look at all stop signs along 3rd Street, 4th Street, 5th Street, etc.

Councilperson Fauss feels the railroad has liability issues as well and suggested staff take a look at the railroad crossing by Northeast Community College.

Smith said those railroad tracks have “been on the City’s radar screen” for a while now.

Nolan suggested bringing back a recommendation to elected officials on the North 3rd Street railroad crossing first and then work on the other intersections without signalized railroad crossings.

This item was for informational purposes only at this time.

The next item discussed was a July 22, 2002 invoice from Research Associates to the Norfolk **Chamber** of Commerce in the amount of \$8,100. Both Don Polodna and Dan Mauk were invited to the Finance Committee meeting but were not in attendance. Below is a memo dated May 25, 2006 to Mike Nolan from Finance Officer Randy Gates explaining the request.

“On May 18, you e-mailed me indicating Dan Mauk said the City owes the Greater Norfolk Foundation for payments the Foundation made to Research Associates. You asked me to contact Dan, discuss this with him and obtain a written claim of what was owed the Foundation.

I called Dan on May 18. Dan indicated this was a community survey Research Associates did for LB 840. Dan indicated he would provide copies of the checks and the invoice the Foundation paid which was to be reimbursed by the City.

Attached is a copy of the July 22, 2002 invoice from Research Associates to the Norfolk Chamber of Commerce for \$8,100 for a market research study. Also attached are copies of two checks from the Greater Norfolk Economic Development Foundation to Research Associates totaling \$8,100 paying for this study.

This was the first I was aware of any alleged obligation to reimburse the Foundation. Consequently, we never booked an account payable for this. Since Dan alleges the City owes this to the Foundation, I expected the Foundation to have a receivable booked for this \$8,100. Attached is a copy of the Greater Norfolk Economic Development Foundation Form 990 for 2003. As can be seen on Page 3 of the 990, the only receivable booked by the Foundation is \$696,338 for a note receivable from Nebraska Public Power District. There is no receivable for the \$8,100 Dan alleges the City owes the Foundation. I also find it extremely unusual this request for payment is being made almost four years after the Foundation paid Research Associates.

Wednesday morning, you, Clint, Dennis and myself participated in a phone call with Doug Evans and Barb Derrick from Research Associates regarding their recollection of the reason this bill was paid by the Foundation and not the City. Doug’s recollection is the Chamber was his client and not the City and this survey was undertaken at the Chamber’s direction and they were to pay for it. Doug cannot recall anything about the City being ultimately responsible for paying this bill.

At the time of the LB 840 election we were being very cautious not to advocate a position utilizing City funds or time. There was also much discussion as to the portion of the half-cent sales tax that would be utilized by an LB 840 program. I recall Chamber members expressing their desire to designate half of the additional sales tax funding for LB 840. This was estimated to result in \$1 million of annual funding for an LB 840 program. There was much discussion about what funding level was appropriate and what funding level voters would support. After much discussion, the

Chamber seemed to settle on \$400,000 of annual funding for LB 840; however, there was still concern as to whether voters would support this level of funding. I believe one of the main reasons for the survey was to ascertain what level of LB 840 funding citizens would support and this is why Research Associates was engaged to conduct the survey.

Survey results indicated there was majority support for utilizing 10%, or \$200,000, of the additional half-cent sales tax for Economic Development. This survey also indicated the majority of citizens did not favor utilizing 20%, or \$400,000, of the additional sales tax for economic development. A copy of the survey results is attached.

Because of the survey results, City staff recommended LB 840 funding of \$200,000 per year. However, after the July 23, 2002 Action Council meeting where Action Council members expressed desire for a higher funding level, the final LB 840 funding placed on the ballot was for \$250,000 per year. Attached is a copy of Resolution No. 2002-28 passed August 5, 2002 authorizing the LB 840 ballot issue at \$250,000 per year.

I also find it unusual, if the City was obligated to pay for this survey, we would not have paid it directly. Beth Deck searched meeting minutes to see when the City hired Research Associates. A spreadsheet is attached showing the results of the search. The City hired Research Associates six times in the last 10 years and on all occasions paid for it directly. It seems unusual to have the Foundation pay for services with later reimbursement from the City. Also, as can be seen from the spreadsheet, there was no discussion found in the minutes in 2002 related to hiring Research Associates as there was on all other occasions.

Please let me know if you want to reimburse the Foundation for \$8,100 paid Research Associates. Other than Dan's assertion, I find no evidence the City owes this to the Foundation."

City Administrator Mike Nolan explained City staff reviewed the issue of reimbursing \$8,100 to the Greater Norfolk Foundation. Nolan said the proposal was done that way because public funds aren't allowed to be spent on the issue. Nolan requested the elected officials accept City staff's report and assume the matter is over.

Councilperson Kaspar-Beckman moved, seconded by Councilperson Lange to accept City staff's report regarding the request from the Norfolk Chamber of Commerce for reimbursement of \$8,100 for a market research study on LB 840 and not allow the payment of \$8,100 to the Greater Norfolk Foundation for payments the Foundation made to Research Associates. Roll call: Ayes: Councilperson Kaspar-Beckman, Brenneman, Fauss, Lange, Saunders, Stauffer, Van Dyke and Mayor. Nays: None. Absent: Wilson. Motion carried.

The final item discussed was a request from Troy **Jones** of Sterling Computers for legislative support regarding a **HUBZone** designation for Norfolk. In a May 30, 2006 email to City Administrator Mike Nolan, Mayor Gordon D. Adams, Dan Mauk and Senator Mike Flood, Troy Jones stated the City of Norfolk is in a HUBZone, which seeks to use the power of the marketplace to bring jobs and hope to the nation's most distressed communities. If a HUBZone company is willing to invest in a HUBZone by locating its principal office there and by hiring 35% of its employees from HUBZones,

that small business can compete for federal contracts. Jones says a HUBZone designation could be a huge benefit for any Norfolk business, especially Sterling Computers, dealing with the Federal government.

Councilperson Van Dyke moved, seconded by Councilperson Saunders to support legislation regarding HUBZone designation. Roll call: Ayes: Councilperson Kaspar-Beckman, Brenneman, Fauss, Lange, Saunders, Stauffer, Van Dyke and Mayor. Nays: None. Absent: Wilson. Motion carried.

Councilperson Van Dyke moved, seconded by Councilperson Kaspar-Beckman to adjourn the meeting at 7:37 a.m. Roll call: Ayes: Councilpersons Kaspar-Beckman, Brenneman, Fauss, Lange, Saunders, Stauffer, Van Dyke, and Mayor Adams. Nays: None. Absent: Wilson. Motion carried.

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Elizabeth A. Deck  
City Clerk