

## 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, October 30, 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, Van Dyke and Wilson. Absent: None.

Staff members present were City Administrator Mike Nolan, Public Works Director Dennis Smith, City Attorney Clint Schukei, City Clerk Beth Deck, Transportation, Building & Grounds Director Jim Koch, Fire Chief Shane Weidner and Program Administrator Kim Kwapnioski.

The media was represented by Brian Masters, US92; Greg Wees, Norfolk Daily News; and 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 Mayor informed the public about the location of the current copy of the Open Meetings Act posted in the meeting room and accessible to members of the public.

The first item discussed was a request from Project Extra Mile for a resolution of support urging the Nebraska **Liquor** Control Commission to reverse its recent decision to reclassify flavored alcoholic beverages as beer instead of distilled spirits. Project Extra Mile representatives present at the meeting were Diane Riibe, Omaha, Nicole Wangler, Columbus, and Nick Jensen, Norfolk.

Riibe explained Project Extra Mile works for the prevention of underage drinking. Riibe stated ten cities and four counties, as well as many schools across Nebraska, have adopted the resolution of support. Project Extra Mile has been working for more than three years on this project. On July 31, 2006, the Commission voted to reclassify Flavored Alcoholic Beverages, or alcopops, as beer instead of distilled spirits, contrary to Nebraska law, according to Project Extra Mile. Project Extra Mile has a concern for children and feels the liquor industry targets children, mainly young females, differently than adults. The younger age drinking pattern, especially females, is for alcopops. Riibe stated Project Extra Mile is taking two items to the Liquor Commission for consideration: (1) resolutions of support urging the Nebraska Liquor Control Commission to reverse its recent decision to reclassify flavored alcoholic beverages as beer instead of distilled spirits and (2) a lawsuit against the Commission regarding the ruling.

Councilperson Saunders moved, seconded by Councilperson Van Dyke to approve and move forward with a resolution of support urging the Nebraska **Liquor** Control Commission to reverse its recent decision to reclassify flavored alcoholic beverages as beer instead of distilled spirits.

Councilperson Kaspar-Beckman questioned whether elected officials should take a stand on this issue because the City of Norfolk doesn't take a stand on liquor license applications.

City Administrator Mike Nolan stated Norfolk was at the forefront twice in the past to try to limit the saturation of liquor licenses in Norfolk but was struck down both times by the Nebraska Supreme Court. However, the resolution is different from a liquor license application.

Kaspar-Beckman feels young adults will only switch their beverage of choice if the ruling is reversed by the Liquor Commission.

Riibe stated the resolutions are a critical piece of a broad, comprehensive strategy to limit the saturation of liquor licenses in the State of Nebraska; however, the issue will probably need to be decided in court.

Roll call on the motion: Ayes: Councilpersons Brenneman, Lange, Saunders, Stauffer, Van Dyke, Wilson and Mayor. Nays: Kaspar-Beckman. Abstaining: Fauss. Absent: None. Motion carried.

Riibe urged the City of Norfolk to, once again, get involved in liquor licensing. Riibe stated the Liquor Commission uses the non-involvement of municipalities "to do what they want." Riibe stated Grand Island has taken a pro-active approach and, as an example, places conditions on some liquor licenses. Also, Riibe stated Special Designated Liquor Licenses (SDL) are totally under local control. If an SDL is denied at the local level, the application doesn't go to the Liquor Commission. Riibe requested elected officials try to be part of the solution.

Finance Committee members discussed **storm water** issues. Director of Public Works Dennis Smith stated the new storm water regulations took effect January 1, 2006. Municipalities must have a storm water permit issued by the Department of Environmental Quality. Smith explained the City of Grand Island spearheaded an idea for municipalities to work together to obtain a singular permit for all first class cities in the State except for the cities around Omaha and for South Sioux City which are tied to metropolitan areas. As a part of the group, the municipalities will provide education required by the permit, as well as adopt ordinances dealing with illicit discharges and erosion/sedimentation control. Smith signed a Memorandum of Understanding, on behalf of the City of Norfolk, for formation of the Nebraska Phase II Storm Water Communities Cooperative which includes Beatrice, Columbus, Fremont, Grand Island, Hastings, Kearney, Lexington, Norfolk, North Platte and Scottsbluff. An interlocal agreement will be forthcoming to formalize the formation of the Cooperative.

Smith explained municipalities can apply for grant funds to implement a Storm Water Management System. There is \$2.5 million allocated to the State of Nebraska, as a whole, for implementation of the Storm Water Management System. Grant funds are allocated per population with a 20% local match. Smith stated Omaha, Lincoln and South Sioux City have been allocated \$2 million. The City of Norfolk is requesting \$213,000 in grant funds fully recognizing the amount the City may receive is about \$53,000 because all first class cities are also applying for funding. The City Council approved the grant application on October 16, 2006 without a dollar amount so Smith wanted to keep elected officials informed.

Smith stated the City of Lincoln has been working with a group from American Communications Group (ACG) to lobby in the Legislature to education state senators about the unfunded Federal

mandates that municipalities must deal with to meet storm water quality issues and also try to obtain enabling legislation to allow for storm water utilities. Lincoln requested first class cities participate in the lobbying efforts. The City of Norfolk's cost to participate in the lobbying effort is \$1,000. City staff feels ACG's lobbying efforts in the last legislative session was instrumental in obtaining grant funds to help with implementation of the storm water regulations. However, ACG did not make a lot of headway on the storm water utilities issue. Smith stated the public needs to be educated about this issue. If the Legislature approves storm water utilities, it will be a local decision as to whether a storm water utility is created or whether the funding is from other sources which would primarily be General Fund sources. If the issue is funded with General Fund dollars, property taxes would probably increase.

Councilperson Van Dyke moved, seconded by Councilperson Saunders to approve and move forward with the Storm Water Management Plan Program Grant Application, the formation of the Nebraska Phase II Storm Water Communities Cooperative, and the proposal from ACG for lobbying support for storm water issues in the 2007 legislative session.

Councilperson Wilson feels the \$1,000 may be wasted money if LB 423 is passed because municipalities will be responsible anyway.

Smith stated municipalities will need help with local funding issues for the Storm Water Management System. Smith stated lobbying efforts will help educate state senators about the unfunded Federal mandate as well as trying to obtain enabling legislation to allow for storm water utilities.

Roll call: Ayes: Councilpersons Kaspar-Beckman, Brenneman, Fauss, Lange, Saunders, Stauffer, Van Dyke, Wilson and Mayor. Nays: None. Absent: None. Motion carried.

During recent weeks, elected officials received recurring contacts from Norfolk citizens who do not understand the request by **Meadow Ridge** general partners to forgive the past compounded interest associated with HOME funds that financed a portion of the construction costs for the 84-unit apartment complex located on East Benjamin Avenue. In a memo dated October 25, 2006, Councilpersons Ivan Van Dyke and Ron Stauffer believe an **ad hoc citizens' advisory committee** should be created to meet with the Meadow Ridge principals and City staff to review all audited financial statements and other financial information submitted to the City regarding the project. The committee will make a conclusion and report back to elected officials. The Councilpersons recommend the process be open and transparent with participation by elected officials, citizens and the news media. Complete proceedings of the ad hoc citizens committee should be kept as a public record for review of other citizens. Van Dyke and Stauffer recommend the following persons serve on the ad hoc committee; however, elected officials can add additional names to the committee if they wish:

DJ Denn	Mike Renken	Warren Reimer
Phil Cox	Brandon Theophilus	Donna Peterson (Herrick)
Paula Pflueger	Kathy Jedlicka	

Councilperson Kaspar-Beckman questioned how people were chosen to serve on the Committee.

Councilperson Stauffer, Councilperson Van Dyke, Mayor Adams and City Administrator Mike Nolan recommend the committee members. Stauffer said, however, elected officials can add more people to the committee but feels it would be best if the committee doesn't get too large.

Mayor Adams reiterated that other persons can be added to the committee if they wish to serve.

Councilperson Saunders moved, seconded by Councilperson Lange to approve and move forward with the members appointed to serve on the ad hoc citizens committee to review Meadow Ridge financial statements and information.

Councilperson Brenneman suggested Jared Faltys serve on the committee. It was also suggested that Jim Rourke might want to serve on the committee.

Mayor Adams said the committee is open-ended and elected officials can add names if they so desire.

Roll call on the ad hoc citizens committee: Ayes: Councilpersons Kaspar-Beckman, Brenneman, Fauss, Lange, Saunders, Stauffer, Van Dyke, Wilson and Mayor. Nays: None. Absent: None. Motion carried.

At Councilperson Stauffer's request, the Finance Committee briefly talked about topics being discussed on the WJAG talk show. The show is held each Monday at 11:00 a.m. for approximately 15-20 minutes. The topic discussed today, October 30, will be Ponca/Community College Planned Development Issues presented by Scott Cordes, Clint Schukei and Mike Nolan.

This item was informational purposes only.

Staff request authorization for City Administrator Mike Nolan to send a letter to Monte Fredrickson, Deputy Director of the Nebraska Department of Roads, regarding collaboration for a roundabout at 37th Street and West Norfolk Avenue.

City Administrator Mike Nolan explained the Nebraska Department of Roads requested City participation in the project. The location is good for a roundabout and state and local dollars will be utilized. The concept is for a two-lane roundabout.

Councilperson Saunders moved, seconded by Councilperson Stauffer to authorize the City Administrator to sign and forward a letter to Monte Fredrickson, Deputy Director of the Nebraska Department of Roads, regarding collaboration for a roundabout at 37th Street and West Norfolk Avenue. Roll call: Ayes: Councilpersons Kaspar-Beckman, Brenneman, Fauss, Lange, Saunders, Stauffer, Van Dyke, Wilson and Mayor. Nays: None. Absent: None. Motion carried.

The last item discussed were options for the mediation process between the Norfolk Chamber of Commerce and the City regarding economic development issues.

Mayor Adams requested input on the following options for the mediation process:

- A. Full mediation session, in public, with participation by entire City Council and representatives of Chamber Board at their discretion. This would require a paid, trained mediator.
- B. Mediation facilitated by an impartial trained mediator in public with participation of a subcommittee of the City Council and the Chamber Executive Board.

- C. Limited discussion with Chamber President, Mayor, Executive Director of Chamber of Commerce, President of City Council, City Administrator and whatever other representative the Chamber of Commerce chooses, with court reporter.
- D. Limited discussion as in “C” above, except no court reporter, with findings to be reported as a joint statement of the Council and Chamber Board.

Councilperson Van Dyke felt the mediation process should be more limited in scope with only the Chamber President, City Administrator and a mediator participating. However, Van Dyke would go along with Option “D”.

Councilperson Saunders agrees with Van Dyke and likes either Option “C” or “D”. Saunders stated elected officials can move forward with an attorney investigation if the mediation process doesn’t work.

Councilperson Fauss agrees with Van Dyke and Saunders. Fauss feels someone needs “to keep notes so the Council is kept informed.”

Councilperson Wilson questioned whether Senator Mike Flood will participate in the mediation.

Mayor Adams said Senator Flood will not participate in the mediation.

Councilperson Wilson feels Option “A” would be a good item for a retreat or brainstorming session. Wilson said there needs to be open communications between the City and the Chamber of Commerce.

Mayor Adams said Wilson’s suggestion could be the second step in the process.

Councilperson Wilson left the meeting at 7:55 a.m.

Mayor Adams requested elected officials provide input on the suggested options so the process can proceed as soon as possible.

Councilperson Kaspar-Beckman feels an impartial person needs to keep a record of the mediation meetings.

The item was for informational purposes only and no action was taken.

Councilperson Van Dyke moved, seconded by Councilperson Fauss to adjourn the meeting at 7:56 a.m. Roll call: Ayes: Council members 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