

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, December 10, 2007, 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 Brenneman, Coy, Fauss, Lange, Reeder, Saunders, Van Dyke (7:01 a.m.) and Wilson. Absent: None.

Staff members present were Acting City Administrator/Public Works Director Dennis Smith, City Attorney Clint Schukei, City Clerk Beth Deck, Finance Officer Randy Gates, Fire Chief Shane Weidner, Prevention Manager Scott Cordes and Property/Operations Manager Gary Miller.

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

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 Change Order No. 1 with M & B Quality Concrete L.L.C. of Norfolk. Acting City Administrator/Public Works Director Dennis Smith explained the change order is for the Concrete Improvements 2007-1 project and results in a net increase of \$83,666.64. The change order provides for additional repair of concrete areas not in the original scope of the contract. In 2005 less than 50% of the concrete repair project planned was completed and in 2006 only 82% of the planned work was completed. An additional 16% of planned concrete repairs were completed in 2007. Therefore, combining all three years, the City is still below the expenditure of funds budgeted for concrete repairs. Smith stated this project is the first for M & B Quality Concrete L.L.C. with the City of Norfolk. Smith stated M & B Quality Concrete has done a good job.

Councilperson Coy stated M & B Quality Concrete completed work by Skyview and did a good job.

Councilperson Saunders moved, seconded by Councilperson Lange to approve Change Order No. 1 with M & B Quality Concrete L.L.C. of Norfolk for the Concrete Improvements 2007-1 project resulting in a net increase of \$83,666.64. Roll Call: Ayes: Councilpersons Brenneman, Coy, Fauss, Lange, Reeder, Saunders, Van Dyke, Wilson and Mayor. Nays: None. Absent: None. Motion carried.

The other item discussed was an **Option** to Purchase Real Estate from **First Christian Church** to be converted into the City's administrative office building. Acting City Administrator/Public Works Director Dennis Smith stated the property is located at 1200 North 13th Street. The Option, in the amount of \$6,500, was signed by Property/Operations Manager Gary L. Miller, on behalf of the City of Norfolk, and Donald Holloway, President, and Steve Ball, Secretary, on behalf of First Christian Church. The Option provides for a purchase price of \$650,000 and must be exercised by giving notice thereof to First Christian Church prior to 12:00 noon on March 18, 2008. Smith explained the Option provides the City with the opportunity for due diligence prior to purchasing the building and provides time to evaluate remodeling costs to convert the building from a church to a municipal office building.

Councilperson Coy questioned the process prior to exercising the Option.

Smith explained state statute requires the City have an appraisal completed for properties costing over \$100,000. Smith stated an asbestos study and termite inspection will probably both be completed as well as determining the best way to fund the property purchase and improvements. If elected officials determine the project is feasible, a public hearing needs to be scheduled prior to acquisition of the property.

Webb McNally, 103 South 5th Street, questioned the rationale behind purchasing property outside the Downtown Norfolk area for a municipal facility. McNally does understand the need for municipal offices but feels the property east of the current City Council Chambers (on West Madison Avenue) purchased from Dr. Wilbur years ago would be a better location for a new municipal building. McNally said the City owns the building on Madison Avenue, the parking lots and the alley and feels "it would make more sense" to put a pre-engineered building either to the west or the east of the current Council Chambers building "for less than \$650,000." McNally feels the City needs "to keep everything together" in Downtown Norfolk for communication purposes. McNally also has property "right across the alley that I would sell you at a reasonable price." McNally feels it is "detrimental to the downtown" if the municipal offices are relocated to North 13th Street and it is nice for citizens to have the offices in the downtown area. McNally feels the church needs a lot of repairs including new windows, which are expensive, and the rationale used to move the municipal offices doesn't make sense.

Councilperson Reeder stated elected officials discussed constructing a new building but it was cost prohibitive.

Councilperson Lange explained elected officials discussed new construction and looked at various options. The option to build west of the current Council Chambers isn't feasible because the old YMCA swimming pool is still located under the parking lot. Lange explained "building new, even with negating the current space, could not be done for less than \$90 to \$110 per square foot."

Councilperson Van Dyke explained that when the property was purchased from Dr. Wilbur, elected officials planned on a joint building with the Norfolk Public Schools. However, the Norfolk Public Schools are not interested in a joint facility. Lange stated the item being discussed is only an Option to Purchase and provides an opportunity to look at the possibility of moving forward with the purchase of the property.

Councilperson Reeder questioned the expenses associated with doing an appraisal and the various inspections.

Smith stated an appraisal will cost approximately \$2,500 and the asbestos and termite inspections will be about \$1,000 for both. Smith estimates about \$10,000 in expenses by the time the Option needs to be exercised.

Reeder respects McNally's concerns but elected officials are trying to find the best option for a municipal building at the best price for citizens. Reeder stated the Auditorium is very old and inefficient. Reeder questioned the amount of square feet needed for administrative offices.

Smith estimates 15,000 to 20,000 square feet are necessary for the Administrative offices, Council Chambers and storage. The current Council Chambers building is approximately 4,500 square feet. Smith stated the church has about 19,000 square feet.

Lonn Atwood, 109 East Prospect Avenue, feels that if cost is the only issue then "a couple of metal warehouses could be converted" into administrative offices. Atwood stated it isn't prudent of elected officials to think only of cost. Atwood questioned "what is the message being sent to citizens in Downtown Norfolk." Atwood stated "there is talk about an initiative that would revitalize the central part of the City and funds are being raised to do a master plan for a corridor going through the City." Atwood stated a committee is working on several options and "the City offices could be included in the plans." Atwood said it "might be prudent just to see what some of the possibilities are." Atwood feels "it sends a bad message for the City to abandon" Downtown Norfolk. Atwood sees "an incredible need for city facilities with something that sets our best foot forward" but the offices should not be moved from Downtown Norfolk. Atwood suggested a city-wide dialogue to allow citizens to participate and decide the issue. Atwood wants elected officials to look at the long range picture "before making this sort of public statement."

Councilperson Reeder stated cost is not only the issue but "when you are dealing with other people's money cost is a big issue." Reeder stated "this wasn't a rash decision" and elected officials have considered relocating the administrative offices for years.

Councilperson Fauss stated "we are looking at trying to do this project without raising property taxes so the citizens don't feel that they are paying for the building." Fauss said "it would be great if it could be located in this area somewhere but cost keeps popping up."

Atwood feels the project should be made part of a "complex that offered other features that also address some of the needs of the community." Atwood stated elected officials would then "be selling not just city offices but a new look for the entire community" and the project would be "more desirable to put a little money into it."

Mayor Adams stated the "key words stated were a little money. It is not a little money but a lot of money."

Smith stated the Fire Station, Police Station and Library will still be located in the downtown area. All three structures are 40 years old or less and the Fire Station was totally remodeled in the late 1980s. The Auditorium has served the community well and may still be used in the future. However, the offices outgrew the facility 20-30 years ago.

Councilperson Van Dyke stated elected officials are "not insensitive" to the downtown area and have put a lot of effort into revitalizing the area. Van Dyke stated "Atwood's new project is

great but the City isn't going to be leading the charge" and someone from the private sector will need to step forward.

Atwood did not mean to imply the City would be responsible for the initiative but hopes citizen involvement in that process will help create a sense of ownership and that the City offices can be part of the project which may make it "less of a hard sell."

Councilperson Coy reiterated this is only an Option to Purchase the property but will probably initiate public comments. Coy has already received a phone call from a citizen with property for sale. Coy feels this conversation "may put it on the front burner" especially since it has been worked on for a long time. Coy stated that ideally a facility housing the administrative offices as well as the Chamber of Commerce, the Elkhorn Valley Economic Development District, and the Northeast Nebraska Economic Development District would be best but "with the practicalities of money sometimes we have to make compromises."

Mayor Adams stated "this is the most inefficient situation to have meetings here and offices in the Auditorium." Adams stated the current situation "burns up personnel time."

Jean Atwood, 109 East Prospect Avenue, suggested a citizen committee be involved to see about other options. Atwood feels the City "is already putting a lot of money into this" and no one, except elected officials, have been aware "that this is even going on." Atwood stated several elected officials could sit on the committee. Atwood doesn't see any reason "to take the city offices out of the downtown area." Atwood stated Administrative personnel will need to travel more to go to the Fire or Police stations if the administrative offices are moved. Atwood doesn't feel there is any hurry to move forward on this project since elected officials "have waited 30 years already". Atwood stated some people don't want to raise taxes but there are also a lot of citizens "who realize you are going to have to put some money out if you are going to have something." Atwood stated the project (Riverwalk) may have a good chance to materialize and suggested elected officials wait on the municipal building and "give the group enough time" to see if the master plan includes a new municipal building. Atwood stated elected officials could look at cutting costs for the building and "may be look at raising taxes." Atwood stated that "if you have something to draw people in you will be able to broaden the tax base." Atwood stated some citizens never want taxes raised but most people don't feel that way. Atwood feels this should have been discussed publically prior to execution of the Option to Purchase and that the revitalization of Downtown Norfolk will be adversely affected if the municipal offices are moved. Atwood stated this "is not the right to move."

Councilperson Van Dyke stated opportunity comes along in real estate as well as missed opportunities. Van Dyke stated last summer elected officials considered purchasing a building located close to the downtown area but the opportunity was lost.

Jean Atwood said, "I'm not saying the offices should never be moved" but "this is not the right time and more citizens should be involved." Atwood stated, "I don't think there's anybody in this town who doesn't think the city offices should be someplace else, that where you are at now doesn't even look good to someone visiting the city." Atwood recently saw the Mayor's office and said "that's terrible." Atwood doesn't feel "this is a good option."

Reeder questioned when the proposed master plan will be complete.

Lonn Atwood stated the group is hoping to have funds raised by the middle of January 2008 and a contract awarded to an architectural firm. The master plan initiative should be completed within six months. Atwood feels this is a good opportunity for the City to have some needs addressed, especially when private citizens are raising the funds for the plan.

Mayor Adams explained there will be plenty of chances for citizen input when a public hearing is held regarding the property. Adams explained the church property offers a big advantage with the large parking lot and the property is located on a main arterial road. Adams stated elected officials receive a lot of citizen input all the time.

Smith explained this item was for informational purposes only at this time.

The Mayor requested a motion to go into executive session to discuss property negotiations (floodway buyout property) and real estate/contract negotiations (railroad crossings).

Councilperson Van Dyke moved, seconded by Councilperson Reeder to adjourn from regular session and convene into executive session at 7:37 a.m. to discuss property negotiations and real estate/contract negotiations. Roll Call: Ayes: Councilpersons Brenneman, Coy, Fauss, Lange, Reeder, Saunders, Van Dyke, Wilson and Mayor. Nays: None. Absent: None. Motion carried.

Councilperson Wilson left the meeting at 7:51 a.m.

Councilperson Van Dyke moved, seconded by Councilperson Fauss to adjourn from executive session and reconvene into regular session at 7:59 a.m. Roll call: Ayes: Councilpersons Brenneman, Coy, Fauss, Lange, Reeder, Saunders, Van Dyke, and Mayor Adams. Nays: None. Absent: Wilson. Motion carried.

The Mayor restated for the record the only items discussed in executive session were property negotiations (floodway buyout property) and real estate/contract negotiations (railroad crossings).

Councilperson Van Dyke moved, seconded by Councilperson Fauss to adjourn the meeting at 8:00 a.m. Roll call: Ayes: Councilpersons Brenneman, Coy, Fauss, Lange, Reeder, Saunders, Van Dyke, and Mayor Adams. Nays: None. Absent: Wilson. Motion carried.

Elizabeth A. Deck
City Clerk