

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 17, 2007, beginning at 6:30 p.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 and Wilson.
Absent: None.

Staff members present were City Administrator Mike Nolan, Public Works Director Dennis Smith, City Attorney Clint Schukei, and City Clerk Beth Deck.

The media was represented by Greg Wees, Norfolk Daily News, 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 only item of discussion on the agenda was a proposed agreement with Don **Wesely** for lobbyist services through October 31, 2008. Wesely was present at the meeting. Also present were lobbyists Paul O'Hara and John Lindsay.

City Administrator Mike Nolan explained the lobbyists came to discuss lobbying efforts on behalf of the City of Norfolk. Nolan stated Senator Mike Flood is willing to share views with elected officials on behavioral health issues, which is very important for Norfolk. However, Flood was unable to attend the meeting. Nolan stated one of the most critical issues this session is roads in Nebraska.

O'Hara has been with O'Hara, Lindsay & Associates for 40 years. Lindsay was a former state senator and former chairman of the judiciary committee and has been with the firm since 1997. O'Hara, Lindsay and Wesely appreciate the opportunity to visit with elected officials to explain lobbying efforts for Norfolk. Wesely served as a state senator for 20 years and as chair of the health committee. Wesely is extremely knowledgeable about behavioral health issues and the importance of what is happening with the Norfolk Regional Center (NRC).

Wesely provided a brief background on the major issues worked on to date by the lobbyists on behalf of Norfolk. Norfolk retained the lobbyists during the 2004 legislative session when LB 1083 called for the closure of the Norfolk and Hastings Regional Centers by June 30, 2005. The lobbyists worked together to take the closing dates out of LB 1083 and put a process in the bill on how, if ever, a regional center can be closed. There was also an effort to close the NRC by July 1, 2006 and the lobbying efforts stopped that process. The lobbyists worked with Senator Flood to find alternative services that could be provided by NRC and the idea was worked on for

several years to analyze the possibility of establishing a Methamphetamine Treatment Center at the NRC. Parallel to that, LB 1199 was passed during the 2006 legislative session to lengthen the time sex offenders needed to stay incarcerated or in treatment. Therefore, the Norfolk Regional Center was used for that purpose along with mental health patients. The lobbyists worked with Governor Heineman's Administration to have the sex offender treatment program established at the NRC and funding in place. Funding for 2007 was set at \$13.5 million to keep 120 beds at the NRC and also \$13.7 million for the next fiscal year. Wesely stated the lobbyists were also involved with the settlement of the leaking underground storage tank, which was very important to Norfolk. Norfolk was having difficulty with getting compensation from the State on the issue. The lobbyists obtained a \$500,000 settlement from the State of Nebraska's Leaking Underground Storage Tank (LUST) fund for Norfolk.

Lindsay, O'Hara and Wesely provided an update on 2008 legislative issues of importance to the City of Norfolk (a list of the 2008 Legislative issues was distributed to elected officials during the meeting):

Funding for Norfolk area roads projects (probably the most important issue in the 2008 session);

LR2CA which is legislation in part to assist Norfolk's redevelopment of the Norfolk Regional Center grounds and extends the length of tax increment financing from 15 years to 30 years when more than one half of the property in the project is owned by the State of Nebraska;

LB 542 follow-up (passed last session) calling for a study of children's behavioral health services. If the future of the Hastings Regional Center is in question at the Legislature, it can be expected the future of the Norfolk Regional Center will also be raised, which occurred in 2007;

Monitor the Legislature's appropriations process to ensure continued funding for the Norfolk Regional Center. Due to lobbyist's involvement last session, a funding gap was identified for FY 2008-2009 and \$3.5 million was added to the budget to ensure adequate funding for the NRC. There are currently 89 patients served at NRC with 50 sex offenders and 39 behavioral health patients. NHHS plans to move all NRC behavioral health patients into community programs;

Look at other funding opportunities for capital projects at the Norfolk Regional Center;

Continue support of Senator Flood's UNMC Nursing Education Program in Norfolk;

Monitor efforts that could benefit Norfolk with funding from LB 551 that provides financial help to the Qwest Center and other public projects in Nebraska;

The issue of intrastate natural gas pipeline regulation; and

Other additional issues that emerge during the 2008 session that have been of interest to Norfolk including municipal authority regarding concealed weapons, emergency protective custody of the mentally ill and ethanol incentives.

Councilperson Coy asked for a clarification of the lobbyists contracts.

Nolan explained there are two separate contracts because there are two separate firms. Wesely has spent the last 16-17 years as a member or chair of the Health & Human Services Committee and was hired initially on the Regional Center issue. Wesely is recognized across the state as the most knowledgeable person about health care reform. The City hired Lindsay & O'Hara to help with the issue because Hastings officials insisted on another lobbyist. Lindsay and O'Hara were able to get an amendment added to LB 1083 creating a Behavioral Health Oversight Commission and established criteria for how an executive committee would authorize closure when the process is to occur. Nolan stated legislation is very complicated and based on relationships and expertise.

Councilperson Reeder commended the lobbyists for work on Regional Center issues. Reeder questioned how many lobbyists are retained by the Nebraska League of Municipalities. Reeder feels that if Senator Mike Flood feels Norfolk should retain all three lobbyists then it should be important to Norfolk.

Nolan stated the League does have lobbyists and there may be some overlap in services. However, the League represents municipalities across the State that don't all have the same issues as Norfolk. Nolan explained the roads/expressway projects across the State as an example of how different areas want different projects/legislation. Nolan stated Norfolk has a state senator as Speaker of the House, which is part of being successful in the Legislature, and the 2008 session is very important. However, Flood is Speaker of the entire Legislature and some of these issues are unique to Northeast Nebraska; therefore, the lobbyists are important to Norfolk.

Councilperson Brenneman said there is an ongoing effort to close regional centers and Norfolk "needs to keep on top of it." Brenneman stated Norfolk "can't afford" to go without the lobbyists' efforts.

Councilperson Fauss questioned how many lobbyists are retained by the League.

Nolan said the League retains probably 3-4 lobbyists.

Mayor Adams stated the League represents 512 municipalities and, therefore, the League can't represent one municipality at the expense of another. Adams stated the smoking issue is a good example wherein 50% of municipalities want to retain a local option on the proposed State-wide smoking ban. Therefore, the League could not support a total smoking ban and still represent constituents. Adams stated the League is neutral on the smoking ban issue.

Fauss questioned how much Lindsay & O'Hara receive from the City annually for lobbyist services.

Lindsay stated the contract is for \$25,000 annually.

Fauss feels the City "pretty much won that (the leaking underground storage tank issue) before the lobbyists were hired." Fauss stated "all the evidence was lined up so it should have been pretty easy."

Lindsay stated Speaker Flood requested Lindsay & O'Hara "work the numbers for the Business & Labor Committee" on the leaking underground storage tank issue because a representative of

the State, who did not agree and thought all of the claims should be under one amount of money, far less than requested (only about \$150,000 total). Flood requested the lobbyists prepare arguments before the Committee. The Committee heard the arguments, agreed and awarded the City of Norfolk a \$500,000 settlement on the issue.

Fauss would like City staff to provide the amount the City pays to the League each year for fees.

Nolan will provide the amount to Fauss. Nolan stated the lobbyists have also worked on issues related to Nucor.

Mayor Adams stated the annual amount the City pays to the League of NE Municipalities is around \$30,000.

Coy questioned when the O'Hara & Lindsay contract expires.

Nolan stated the O'Hara & Lindsay contract automatically renews unless elected officials provide 60-90 days notice.

Councilperson Van Dyke feels it is very important to have the lobbyists in the Legislature to represent Norfolk. Van Dyke wants the lobbyists on Norfolk's side.

Councilperson Fauss moved, seconded by Councilperson Van Dyke to adjourn the meeting at 7:16 p.m. Roll call: Ayes: Council members Brenneman, Coy, Fauss, Lange, Reeder, Saunders, Van Dyke, Wilson and Mayor Adams. Nays: None. Absent: None. Motion carried.

Elizabeth A. Deck
City Clerk