

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 4, 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 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 and Finance Officer Randy Gates.

The media was represented by Brian Masters, US92; 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 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.

City Administrator Mike Nolan explained City staff researched **Keno** issues at the direction of elected officials. The City of Norfolk is the only first class city in Nebraska that doesn't have Keno. On May 15, a Council subcommittee consisting of Councilpersons Brenneman, Fauss, Reeder and Van Dyke met with City staff to discuss Keno. The subcommittee reviewed staff work and recommended moving forward with placing Keno on the ballot. Documentation provided in the agenda packets was as follows:

- * copies of the State of Nebraska County/City Lotteries Gross proceeds for the previous four fiscal years;
- * a possible timeline for the Keno issue;
- * general information needed to be done in conjunction with Keno;
- * several options for ballot language; Cost Estimate for a City of Norfolk Special Election (provided by the Madison County Clerk), which indicates Madison County costs of approximately \$9,413.30 for a Special Election for Norfolk with a single issue printed on one ballot face.

In 2005, Big Red Keno of Omaha projected the City of Norfolk would receive \$390,901, or 10.5% (percentage of proceeds), annually from Keno proceeds. Nolan proposes several stages in the Keno process with the first step being approval from elected officials to send out Request for Proposals to Keno operators. Other items that need discussion/approval from elected officials is the designated purpose for use of Keno proceeds; selection of ballot language; and deciding whether the Keno ballot question will be considered at a general, primary or special election.

Councilperson Coy questioned how broad the words "community betterment" can be for use of Keno proceeds.

Finance Officer Randy Gates stated “community betterment” is a very broad definition.

Councilperson Van Dyke stated “community betterment” can be used for most everything with regard to City operations.

Nolan visited the Fremont Keno facility and said it is a very clean, well run operation – much like a sports bar.

Councilperson Wilson has concerns with the cost of a special election.

Nolan stated a special election can probably be held sooner than the projected timeline of October 2007. However, Nolan feels public participation in the process is necessary. Nolan doesn't want to make a rush to judgment when the trade off in revenue can be significant.

Councilperson Coy suggested the election be held during the Primary Election in May 2008 to eliminate some of the costs of a Special Election.

Councilperson Van Dyke feels Keno revenue for Norfolk will compare more with Columbus at \$200,000 to \$240,000 annually instead of the estimate of \$390,000 projected by Big Red Keno. Van Dyke sat on the Keno subcommittee and feels it is best to let citizens decide whether Keno should come to Norfolk.

Nolan stated it is imperative that Norfolk has a good, effective Keno operator because the Keno operator is responsible for all State reporting requirements.

Gates stated it would be a good idea for elected officials and staff to look at the revenue generated by the Keno operators who submit RFPs.

Councilperson Fauss feels elected officials should move forward with placing the Keno issue on the ballot and let citizens decide the issue.

Councilperson Fauss moved, seconded by Councilperson Wilson to move forward with the Keno issue and authorize staff to prepare and send out RFPs for selection of a Keno operator prior to an election. Roll call: Ayes: Councilpersons Brennehan, Coy, Fauss, Lange, Reeder, Saunders, Van Dyke, Wilson and Mayor. Nays: None. Absent: None. Motion carried.

The Mayor requested a discussion on selection of ballot language for the Keno issue.

Councilperson Van Dyke likes the City Attorney's suggestion that includes “community betterment purposes” and “parks and recreational projects”.

Nolan stated expenditures to improve the City's parks and recreational capital operations can justify the means. Nolan feels parks as a priority in the ballot language will “sell to the voters”.

Councilperson Wilson agrees the City's parks and recreational activities should be a priority.

Councilperson Coy suggested elected officials review options every four (4) years to see where the City's needs are for use of Keno revenue.

Nolan explained Coy's suggestion would incur the costs of an election every four (4) years. However, Nolan suggested ballot language that includes a public hearing every four (4) years to review use of

Keno revenue. Nolan stated staff can draft ballot language and bring back to elected officials for review.

Councilperson Brenneman stated this Council's desire is to improve recreational facilities but future Councils may have other priorities.

Mayor Adams likes the City Attorney's ballot language suggestion.

Councilperson Fauss wants parks and recreation more defined in the ballot language. Fauss also wants the Parks Division to keep its current budget funding instead of allocating the funds to other General Fund expenditures.

Councilperson Fauss moved, seconded by Councilperson Lange to designate the purpose for use of Keno proceeds be for parks and recreational needs. Roll call: Ayes: Councilpersons Brenneman, Coy, Fauss, Lange, Reeder, Saunders, Van Dyke, Wilson and Mayor. Nays: None. Absent: None. Motion carried.

The Mayor stated the next item to consider is the selection of **ballot language**.

City Administrator Mike Nolan suggested staff prepare ballot language to bring back to the Mayor and City Council for consideration. The language will include a designation that Keno revenue be used for parks and recreational needs and that every four years elected officials hold a public hearing to obtain input from citizens on whether Keno revenue should be re-designated for another purpose, otherwise the proceeds will continue to be used for parks and recreational purposes.

Councilperson Van Dyke moved, seconded by Councilperson Wilson to authorize staff to draft ballot language for the Keno issue and bring back to elected officials for consideration. Roll call: Ayes: Councilpersons Brenneman, Coy, Fauss, Lange, Reeder, Saunders, Van Dyke, Wilson and Mayor. Nays: None. Absent: None. Motion carried.

Mayor requested consideration of authorizing City staff to send out RFPs for selection of a **Keno operator** prior to the election.

Nolan stated this is a public process that includes advertising and interviewing prospective operators. Nolan requested approval for City staff to set up an RFP process to select a Keno operator.

Mayor Adams feels having a Keno operator selected prior to an election should make the election easier.

Councilperson Van Dyke moved, seconded by Councilperson Fauss to authorize the City Clerk to send out RFPs for selection of a Keno operator prior to an election. Roll call: Ayes: Councilpersons Brenneman, Coy, Fauss, Lange, Reeder, Saunders, Van Dyke, Wilson and Mayor. Nays: None. Absent: None. Motion carried.

Councilperson Van Dyke moved, seconded by Councilperson Fauss to adjourn the meeting at 7:26 p.m. Roll call: Ayes: Councilpersons Brenneman, Coy, Fauss, Lange, Reeder, Saunders, Van Dyke, Wilson and Mayor. Nays: None. Absent: None. Motion carried.

Elizabeth A. Deck
City Clerk