

WORK SESSION
Retreat

The Mayor, City Council and City staff of the City of Norfolk, Nebraska met on Wednesday, April 18, 2018, beginning at 12:00 noon Administration Training Room, 309 N 5th Street, Norfolk, Nebraska.

Mayor Josh Moenning called the meeting to order.

The following elected officials were present: Mayor Josh Moenning and Councilmembers Jarad Dahlkoetter, Dave Fauss (1:00 p.m.), Corey Granquist, Gary Jackson, Jim Lange, Rob Merrill, Thad Murren, and Dick Pfeil. Absent: None.

Staff members present were City Administrator Andy Colvin, City Clerk Beth Deck, Finance Officer Randy Gates, Public Works Director Steve Rames and Danielle Noelle-Myers.

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 City Clerk informed the public about the location of the current copy of the Open Meetings Act accessible to members of the public.

Financial Information -- Finance Officer Randy Gates reviewed the long-term financial plan and said the long-term systemic problem is that the largest revenue source, sales tax which makes up about 40% of General Fund revenue, is not growing with expenditures. The long-term financial plan includes a 2.1% estimated growth rate in sales tax revenue. NPPD revenue is the second largest revenue source is 22% of the City's budget. The NPPD lease payments are even less this year than anticipated in the LTFP and down about \$45,000 the first two quarters of FY 2017-2018 and the revenue is down about 1.8% to date. NPPD is trying to hold rates down and revenue is not expected to grow at all for the next 6 years. Gates said property tax revenue is the third largest revenue source and about 13% of the General Fund budget. The long-term financial plan (LTFP) shows property tax revenue increases. The LTFP shows assessed valuation increases of 4%. The LTFP shows property tax as the variable revenue source with ongoing property tax increases. The City's two largest revenue sources are not even keeping up with the LTFP projections this fiscal year, which will make the upcoming budget very tight. It will be a tough year to maintain the status quo, let alone add programs and projects.

Moenning asked Gates to "address disconnect between the growth in net taxable sales and sales tax receipts and why aren't those tracking."

Gates explained the Department of Revenue reports everybody that has a Norfolk mailing address in the number they release for Norfolk's net taxable sales, not just the net taxable sales within the City of Norfolk. As an example, implement dealers that have a Norfolk address make most sales/deliveries outside Norfolk; therefore, city sales tax can't be collected. It could also be businesses in Norfolk doing Internet sales.

Lange stated sales tax is collected on “point of delivery.”

Gates feels larger percentages of sales are over the Internet every year which puts more pressure on brick and mortar stores. Gates reviewed handouts, as follows:

- (1) Assumptions including estimates on inflation; assessed valuations; sales tax; NPPD lease; and interest rates.
- (2) Property Tax Summary
- (3) Comparison of 2017 Property Tax Rates with Nebraska Cities of the First Class
- (4) 1 1/2 Cent Sales Tax Comparison, 2013-2018
- (5) Keno Projections
- (6) Council Priority Money
- (7) General Fund Balance Adequacy

Gates explained a good rule of thumb is to use a 3% inflation rate when budgeting. Plans are to put the City’s FY 2018-2019 budget together with a 7% property tax rate increase based on increased assessed valuation. It will still be a tough budget year. Staff knew it would be a tough budget year in FY 2017-2018; therefore, staff started with Level 2 budgets instead of Level 3. Last year a large flood control bond issue matured and about \$250,000 dollars in debt service went away so about \$160,000 of property tax was moved from the Debt Service Fund into the General Fund but that can’t be done again. Gates said “no big projects will fit into the budget without a property tax increase.” The CIP “has a lot more wants than revenue available” and no big projects will fit into the budget without a revenue increase. Gates said “this year’s budget is going to be tight.” Staff have curtailed some capital outlay purchases and out-of-state conferences, trying to cut back on expenditures. The budget “is definitely going to be tight but we won’t know how tight until we get into it and that is to just sustain what we’ve got now.”

Property Tax Summary -- Gates reviewed the property tax summary of projected levy rate increases based on all of the assumptions. The City’s current property tax levy is .252065. The projected property tax rates to sustain expenditures would be .321504 in FY 2018-2019; .321504 in 2019-2020; .342508 in 2020-2021; .357385 in FY 2021-2022; and increases out to FY 2026-2027 which would then be .397018. The first year of the LTFP always shows a significant levy rate increase as the Plan gets revenue up to the level needed to sustain expenditure growth with much smaller increases thereafter. Gates said there is a lot of room to increase property taxes.

Keno Projections – Based on last year’s CIP; need to get Parks/Rec projects in-line with revenue.

Council Priority Dollars – shows about \$110,000 - \$115,000/annually of the \$400,000 that isn’t committed. Currently, there is \$123,314 uncommitted.

General Fund Balance Adequacy – trying to raise the general fund balance as much as possible with the tight budget years. The Government Finance Officers Association recommends 16% of expenditures be in fund balance at a minimum. Norfolk’s percentage is budgeted at 11.76%.

Gates said the City’s budget is “a bleak picture and worse than normal this year.”

Lange questioned whether tax receipts are adequate to pay for the recreational improvement projects, e.g. Memorial Field, AquaVenture, Ta-Ha-Zouka Park.

Gates said the original bond issue was for 20 years; the bonds were refunded on the five-year call date which provided big savings and the bonds will be paid off sooner than anticipated.

Lange said the city council will then have the option to use an occupation tax for another project.

Gates said the occupation tax raises several million dollars per year but would need to go to a vote of the people to continue, since receipts are over the \$700,000 annually allowed without a vote because of changes to statutes after the original occupation tax was put in place.

Keno – Keno revenue is more flexible than property taxes. Last year the Keno ending fund balance was good but, based on the recently submitted CIP requests, is showing large negative balances. “Major changes will need to be made in the CIP” to align with revenues.

NPPD -- Colvin said “the financial discussion is a key part of this and, as in any community, these are the resources we have and, going forward, should we look at a lease increase?” Colvin said NPPD has proposed a new agreement with Norfolk; Kearney has already signed a new agreement. The current agreement expires December 2029 but Norfolk can renew now with a new agreement; which includes a 14% lease payment (the City currently receives 12%) to be increased incrementally 1/2 percent per year, or approximately \$189,000 annually, until the full 2% is reached. The proposal would generate about \$750,000 annually after 4 years. Another part of the proposal is for public entities (including the City, state and federal offices, schools and the college) to pay the 14% lease payment. Colvin said the national average for electric revenue to general city operations is 5 to 5 1/2 percent so the 14% is very attractive. NPPD is planning LED updates and offers economic development services to the City. Norfolk has a good, long-standing relationship with NPPD. NPPD is also working on solar contracts but, with the current contract, the City takes the risk of the solar contract.

Moenning said “it makes me uneasy that NPPD is tying the contract renewal with a solar contract.

Granquist questioned how the additional NPPD revenue would affect City expenditures. Granquist wondered what “pressure would the city get from the state and local governments.”

Gates said the City would be charged the governmental lease rate on a monthly basis but would receive it back the next month since lease payments go from quarterly to monthly under the new lease. The General Fund would have increased electric cost, but the revenue would come back the next month. Gates said it should “be a wash” in the General Fund. The Enterprise Funds (water, sewer, solid waste) would pay the additional rate and “it would fall back on ratepayers.” Gates said the schools would probably be affected the most but “they have a lot of taxes received from outside the City of Norfolk; most of the tax money for the college is received from outside Norfolk.

Colvin said that if there are more quality of life needs in the community, the extra revenue would allow the City to do more for sports/recreation so it would also benefit the schools and college.

Lange said the college receives revenue from 22 counties.

Colvin said the City is glad to serve industries but most are outside the city limits with the schools and college receiving their property tax, but not the City. “The City is glad to help

industries but the City is not getting sales tax revenue from the industries.” However, the industries do benefit the City. Increased revenue is “an opportunity for city to do more and offer more services and attract more citizens which will benefit schools and college as well.” Colvin said Kearney “refunded a certain amount of the NPPD lease payment over a certain number of years so it is spread out and not such a large burden at one time.”

Gates asked “NPPD if they would do it (refund the other governments directly) but they won’t.”

Merrill said that “every time we talk about revenue, it is a tax burden on citizens; “it isn’t our revenue, it is their taxes.”

Colvin “thinks it can be refunded back to the entities but staff need to check legalities. The goal would be to be at the table for discussion before doing.”

Moening feels the City needs to look at this from all angles; what are the options? NPPD is still very reliant on one generation source – coal. NPPD hasn’t diversified.” Moening questioned “what really happens to rates if the City signs for another 25 years and how long will that last? Other communities are looking at ‘jumping ship’ from NPPD.”

Fauss arrived at 1:00 p.m.

Merrill said the City could take over the electric distribution system.

Gates said the existing NPPD lease agreement requires the City to buy wholesale power from NPPD for decades even if the City wants to take over the distribution system.”

Fauss said “NPPD negotiations are tough but the City usually comes out ok.”

Sales Tax – Moening requested a discussion on the local option sales tax. Moening said the 1/2 cent sales tax for the library renovation and expansion project went off on March 31, 2018. This would be another tool for a specific project or projects but it would need voter approval. Given Gates’ report, revenues remain flat and the City “has different needs in different areas.”

Lange said the soonest it could be on a ballot issue is November 2018 and a project would need to be identified.

Colvin said the City “gets asked a lot about its sports fields.” Norfolk has great facilities but some areas could be better. “An NMCA email showed a lot of 1/2 cent sales tax is being used for streets, water/sewer, recreation improvements, infrastructure, libraries, and other projects.” The City Council needs to provide direction “as to how you think citizens would support another 1/2 cent sales tax moving forward. Some ideas ‘on the street’ include: sports/athletic field, restrooms, indoor community center, indoor aquatic center, rock climbing walls, streets, a lot of it has to do with quality of life issues and amenities.”

Moening gets asked a lot about park and street improvements; “I hear from sports organizations all the time.” The Comp Plan shows Norfolk has only about one-half the park space that is recommended.

Lange said the survey asks citizens “what we need and are they willing to support a tax increase. People have to be willing to pay for improvements; however, the need should be broader to get diversified interests that are willing to support an increase.”

Merrill said the City’s revenues are short and the outlook isn’t good “so how do we keep moving forward. It might be wise to sit back for 1-2 years and see how things balance out.” Merrill feels elected officials should “not stop talking about projects but don’t spend if the money isn’t there.”

Fauss feels “the City can’t sit too long because everyone gets comfortable and then it will be tougher to get the tax in place.”

Moenning said “in the end it is giving people a choice as to invest in the future; the City has a broad number of needs.”

Granquist agreed but said elected officials “need to be cognizant of the revenue shortfall and maybe wait a couple of years before doing again.”

Colvin said the library renovation and expansion “project was a success because the City made a commitment to sunset the sales tax. The public can look at that and now talk about something else to do.”

Gates said the library sales tax generated about \$2.7 million per year.

Lange suggested “running another article about the ½ cent sales tax that dropped off” and also letting people know how much revenue it generated and inform citizens the City “may” at some time want to use another ½ cent sales tax for another project(s).

Granquist suggested timing the information with dedication of the library.

Dahlkoetter feels “recreation would be a good poster child. There are opportunities for gray areas where projects come to the table, e.g. bike racks, ‘which make a huge impact on the City’, and public art work which could enhance quality of life and benefit from an occupation tax.”

Dahlkoetter said another example is the upcoming Cinco de Mayo festival and suggested the City put ‘\$10,000 in the budget’ for that event as well as funding for the tree board.”

Murren reminded elected officials that recreational facilities need to be maintained and citizens, youth groups, as well as the schools and college, need to help pay. “The City can’t build and give the facilities to everyone free to use.” The City also needs to consider how private business may be affected by the City having a community/gathering facility.

Lange feels the college and public school systems are more receptive to paying for facilities than youth groups.

Additional discussion on another ½ cent sales tax included:

- Council needs to place on the ballot
- Information needs to be to Madison County 2 to 2 ½ months prior to the election
- Would need to finalize in July to place on the ballot
- Need To build a case for another additional sales tax

- Survey results will help determine when to put on a ballot
- Would generate about \$2 million/annually

Colvin feels “the mood/attitude may be different now because citizen communication has improved. The end-of-year report was really popular and we are talking about what we are doing as a City. All of these things are working perhaps, to make that selling point to the citizens easier.” Colvin said the public schools purchased the Our Savior Lutheran Church building because of early childhood needs which “should be a future indicator that sports is only going to grow.”

Rames said, that as an outsider coming from another state, the first thing noticed was “the bad condition of **streets** in Norfolk and how fast streets are falling apart.” The streets are designed to minimum design standards and Rames “never put in a street at that design level. From an engineering standpoint, the subgrades have about a 30% of the bearing capacity of a compacted, optimum moisture subgrade and they break when driven on.” Most communities use the Nebraska minimum design standards which were created so that, without having an engineer design a street, and the licensed city street/highway supervisor can implement street design. More money needs to be put into streets if they are going to last longer. **Parks** – definitely missing on park facilities; gravel parking lots should be paved and “I am learning more about the lack of recreational facilities.” The YMCA has 8,000+ members, which is incredible, but it has replaced the City rec program to some extent but not everyone wants to be a member of the YMCA. **Shooting Sports** – Rames said “Hastings has a fantastic facility. Norfolk “is in the middle of the hunting part of America and should offer bow and shooting programs for youth.” **Trees** – Rames is “used to having trees on the boulevard and in front yards which does change the look and feel of the community. There are opportunities to increase more tree growth.” **Hotels and Convention Center** – It would be hard, politically, to compete with Divots but Norfolk is lacking with hotels and a community/convention center. **NPPD** – Rames feels the City is subsidizing other public entities without capturing the lease payment. **Snow Removal** – this is a hot topic and “we need some more components. Rames is going to Yankton and Sioux City “to see what is needed.” Rames asked, “Where do we want to be?” There are a lot of things going on in LaVista, Papillion, etc. and part of that is capturing more tax dollars from the surrounding areas there. Kearney is at the bottom of property tax levy but capturing more taxes somewhere.”

Fauss said that could “be one of our points, we aren’t raising your property taxes” when trying to sell the additional ½ cent sale tax. Fauss said the City should annex property to be west, including Divots.

Merrill agreed but if there isn’t any “Internet sales tax collected and the mall goes away in five years, what do we do? Guess what we are going to be doing.” Merrill doesn’t see “where the model we have right now is sustainable in terms of 40% of the City’s budget being sales tax.”

Colvin said Norfolk is in a really good position and it is important to understand the large trade area, “we don’t want to see another community take those customers.” The City needs to strategize and work with industries to attract qualified employees and look at the housing component for those people. The other component needed is to provide “things for those people to do and that is where it comes to the City.” More people will increase more growth. Colvin said the City “wants apartments, single-family homes and we also need high-end homes” as well as other housing. “Quality of life is an issue for people to come to Norfolk.”

Moening said the “solution is always people and to get people you need quality of life.”

Jackson said Norfolk’s family annual income is behind Fremont by 10% and behind Columbus by 20%. “We need more industry here because retail/service don’t have the best paying jobs.” Jackson said the trail system will be great when it is done but the average person doesn’t know most of it is done with grant funding.” Jackson suggested putting a pamphlet about “Norfolk Looking Forward” projects and how the projects are funded.

Merrill said *Norfolk Now* and the Chamber of Commerce do a good job promoting Norfolk. Merrill is an advocate for “marketing and the Norfolk Visitor’s Bureau could do that; they do a good job bringing people to town and dollars coming to Norfolk.”

Dahlkoetter questioned whether “there was a better way to work together with the City, *Norfolk Now* and Visitors Bureau to be consistent with the message and maybe their branding.”

Merrill agreed and said, “the Chamber and *Norfolk Now* do a phenomenal job and we don’t tell our story as often or as loud as we should.”

Colvin suggested “having a specific budget for marketing to handle those very things. There is an opportunity where *News Channel Nebraska* will interview a city official to discuss to talk about what is going on in their department and to help engage the public to let them know what is going on, e.g. Economic Development, Street Department, Police.” Colvin asked, “Do we have some funds available for that every year to run those TV spots?”

Moening questioned when survey results will be completed.

Colvin said the survey should be completed the beginning of June. The results will then be presented at a City Council meeting.

Myers left at 1:55 p.m.

Colvin feels the “zoning ordinance needs to be updated/overhauled.” Colvin suggests a “task force to drive that” with representation from the City Council, Planning Commission and community members. The current code is “hard to enforce, hard to understand, hard to read and hard to navigate through.” Colvin said “maybe have a consultant come in and look at a new zoning ordinance.” There would also be public outreach – town hall meetings, etc. Colvin feels the zoning “needs to be more user friendly, more understandable and more readable. Everything seems to be industry and then we overlay certain areas.” Colvin feels it makes sense to keep district names but there is “too much fluff.”

Rames agreed and said “it is time to have an overall look at the code.”

Moening feels public education/input is necessary and the timing is good because of the new Comprehensive Plan.

Pfeil agrees “it should be more business/user friendly to help attract new business.”

Annexation – Colvin said staff is working with a company on an annexation study. Staff will schedule some open houses to give citizens an opportunity to ask questions. The completed document “doesn’t make the City do the annexations but allows elected officials to see what makes sense.”

Economic Development – Colvin said staff is approaching economic development from different angles including workforce and housing as part of an overall economic development strategy, which is designed to help small and large businesses as well as industries and not be a burden on the work force. Colvin understands, “it was arranged years ago that the Chamber would handle the workforce part and they have a workforce coordinator, who has an office in the Chamber of Commerce building.” The position is funded by “the City as well as industry partners, school district, hospital and college that have contributed significant dollars over the course of three years.” Colvin said a grant helps with the marketing but doesn’t fund salaries. “Feedback from partners is that this is a very valuable position.” Colvin is reaching out to continue with this position; however, the problem is the lack of continuity because it is a three-year position. Colvin feels “it would be of value to the City to make this a permanent position and incorporate as part of the Economic Development Department.” The Chamber is not in a position to take on the full-time position going forward. Colvin “is confident we can fundraise for another three years but it would be of value to us to find a way to make that a permanent position.” Colvin said there are some grants available, including NIFA, to fund the position for 3-5 years.

Merrill likes the partnership idea and doesn’t have a problem with a 3-5 year position; however, the biggest expense is payroll and benefits.

Gates said the largest expense in the City’s General Fund is personnel costs at 67%.

Merrill questioned whether there is “some kind of mechanism to talk with these people to see if we are getting what we pay for; do you list what should be accomplished and then have it reviewed.” The position needs to be quantified.

Colvin said “yes” there is a steering committee that does the review.

Dahlkoetter feels the person “should be housed at the Chamber of Commerce even if they are a City employee because that position benefits greatly being around that environment.”

Merrill agreed.

Murren questioned what workforce means.

Myers returned at 2:23 p.m.

Colvin said workforce is all of the industries that have jobs available but are having a hard time getting qualified workers. The workforce position was designed to strategize with industries and business struggling to get workers. This involves a place to live, work and things to do.

Murren feels it should also include general labor because it is a huge problem in the community.

Colvin said that has come up in discussions and the next step would be to engage contactors in the community to see what can be done.

Moenning suggested grant funding for the workforce coordinator position and “then work more closely with the ED team to pay for the person.”

Colvin will discuss this with the new Chamber director to “come up with ideas and a strategy going forward.”

City Administrator/Economic Development – Pfeil questioned how it is working out for Colvin “wearing two hats” as the city administrator and economic development director. “Are we lacking something?”

Colvin has discussed this with Gates and said “it is where you allocate resources. I like doing the economic development piece and continuity is necessary as to who you talk to and reach out to.” Colvin has noticed additional burdens on Administration staff because of the economic activity coming in but it is working out well. The City also has a tight budget so maybe “it is a question going forward, can we utilize some existing resources to rearrange some things.”

Moenning asked, “if you take money out of the equations, what would be the ideal structure to operate ideally with both responsibilities.”

Colvin said having a project manager/project analyst on staff in Administration for certain key projects to make sure everything gets done would be ideal. Colvin said “we have a great staff that are getting things done very efficiently now but my concern is burnout of staff.”

Moenning feels the “city administrator and economic development director need to have the space to be strategic thinkers, connect the dots, and to be able to manage economic development.” That person does not have time to execute all the details associated with all of the projects.

Colvin said utilization of grant money is very strong. The economic foundation is starting a campaign to raise private money to be flexible when projects occur. The ideal project manager would have a finance background and some legal understanding.

Colvin said staff is working on getting the City in a position to have land available for warehouse space and/or contractor space for new businesses and expansion of existing businesses. Having land available is the key. Nucor has opened up their property, about 100 acres, to develop an industrial park. “They have businesses that want to come now and have room for more business.” Nucor has reached out to the City to work on master planning. The City has about \$300,000 available. Nucor has requested about \$10,000 for the master planning (surveying and engineering work). Colvin said “we will probably move forward with that contribution.”

Merrill said having land available to keep land prices in place for businesses is a sound strategy.

City Operations – Colvin feels the City needs to have a Parks and Recreation Director at the management level. Colvin would like to combine Parks and Recreation into one division which would handle aquatics, recreation programs, park maintenance and forestry. Norfolk is large enough to attract a top talent to lead a parks and rec program and “I have enlisted Mrsny’s help in putting this together and moving forward.” Colvin doesn’t feel staff need to be added and “it can happen naturally as we move forward.”

Merrill questioned whether any other City departments require a similar review.

Colvin has discussed Public Safety Department restructuring with Sheila Schukei and Shane Weidner, “because we have one director at the top and what are the role of the chiefs. We have eliminated some of the responsibilities of the folks involved so I think going forward it is all part of the transition that we will look at those things going forward to define those positions/responsibilities and both of the chiefs and Shane would be part of the discussions. This is pretty typical as to how other cities are structured.”

Merrill said staff need to continue to look at succession planning and whether to hire from the outside or inside and how it affects services to citizens.

Colvin has discussed this with Sheila Schukei and the “concern a lot of cities has now, across the country, is the wave of retirements coming up.” Norfolk has been such a great place to work and a great employer that there is a lot of knowledge that can quickly be lost.

Dahlkoetter would like the City to “consider looking at getting someone to focus just on trees – an arborist.”

Colvin said that may be part of filling positions and, if more investment is made in parks, it may lead to hiring more staff to help. At that time, “we can get someone with a background in landscape design, horticulture, etc.” Colvin would like to have parks, recreation and forestry as one division.

Moenning said an arborist would be able to “help implement things the Beautification Task Force recommends.”

Jackson has concerns with the additional personnel costs.

Colvin said it may not necessarily affect personnel costs; however, the City needs to stay competitive with wages “but the goal/challenge would be to not increase salaries if not necessary. We will curtail or offset it with something else to make it happen.” Colvin said “the goal would be to not increase personnel unless another need comes up that another person is needed.”

Merrill said “you can also train for that position with the City paying for the education and requiring the person to stay on the job for a certain amount of time.”

Norfolk Public Transit – Colvin and Mayor were approached about some changes necessary in Community Concern, the organization that operates the Norfolk Senior Citizens Center and public transportation. The operation serves a narrow market. Colvin “is seeing a need for public transportation and was surprised there aren’t any transit buses in Norfolk.” Colvin said most towns have public transit and a lot of grant funds are not being utilized. The City of Norfolk currently contributes over \$32,000 to public transportation but they have reached out to the City to increase board membership and look at additional grant fund. Rames is currently serving on the Community Concern board to see what the needs are for public transportation in Norfolk. The board would like to explore the possibility of having a fixed route system and plan to do a

survey/study to find out the community needs. Colvin met with Tyson Foods representatives who expressed a need for employees who live in Norfolk to get to work in Madison because they don't have or don't want to own a vehicle. The question is, "What can the City do to coordinate a regional transportation system?"

Moenning suggested a partnership that would include the Ponca Public Transit as well.

Colvin said affordable public transportation is needed but "I don't know what the obligation of the City would be moving forward given our financial position." Colvin "doesn't see this as becoming a city department but we need to help with expertise to help them manage and go."

Rames said "probably 70% of the discussion would be about transportation needs and unmet transportation needs." Rames "doesn't see the City's contribution growing more but they will need a facility." Rames said Norfolk should have "15-20 buses" to be used for public transportation. Rames said the Norfolk Senior Citizens Center needs to reach out to the schools, hospital, college and other resources to contract to buy buses.

Streets – Colvin suggests the City issue bonds to move some street improvements projects forward.

Rames said interest rates are low and bonding could advance several projects. Rames said the cost of inflation for the next 2-3 years could make project costs much higher than they are today. Rames reviewed the proposed projects that would be completed with bond funds: 8th Street – Michigan Avenue to Omaha Avenue; Widen Benjamin from 4-lanes to 5-lanes, 13th Street to 1st Street; and reconstruct Prospect Avenue between 27th Street and Ridgeway Drive. However, Rames said the survey "very possibly may change staff's mind" as to the project that should be done. Rames said the City would need \$300,000 annually to pay off the CHAF bond for the next ten years to advance those three projects.

Gates reminded Rames that interest would also need to be paid on the bonds so the actual cost would be approximately \$350,000 annually for ten years. Gates said the City Council will need to approve an ordinance to issue the bonds.

Merrill said "we would spend the money anyway so it is a good idea." Merrill is in favor of the bonding for street improvements.

Rames said the bond could probably be \$4 million but it is still cost-effective to issue the bonds. Rames will study the survey results and compare the results to the pavement management system. Rames said "the roads are falling apart faster than the City can afford to rebuild; however, it is a state-wide issue." Rames said the main issue is water in the subgrade. "Costs will increase about 5% but it possibly will double longevity of the roads." Rames also plans to use the City's web site to inform citizens about projects. Another suggestion is to use more seasonal and part-time staff in public works who could help update and get more standardized documents which will require less time for staff to review contract documents.

Colvin reviewed the current goals from the budget book and said staff will continue working on those goals.

A 10-minute break was taken at 3:45.

Moenning “is pleased with the leadership and direction shown with the transition and how everyone has settled into their new positions.”

Airport – Lange said the Airport Authority “is struggling” to get people to serve on the board and the airport manager is getting closer to retirement. Lange understands the Airport Authority “can’t be dissolved if debt is outstanding but what is debt, an electric bill?” From the presentation at the Council meeting, the Airport continues to make improvements/upgrades to the property. Lange would like elected officials to consider taking over the airport.

Merrill feels at least once a year someone from the Airport Authority should come to the City Council to discuss issues/projects.

Gates said if accounts payable counts as debt there will always be debt. It’s unlikely that is what the Legislature intended.

Lange said that unless the airport dissolved automatically, it will probably come to a head because (1) people need to want to run to serve on the board and (2) most of those people are interested in aviation. The airport still operates with taxpayer money.

Texting and Driving – Merrill would like the City to have an ordinance addressing texting and driving as a primary offense; “we don’t need to write a lot of tickets but it should be in place and requested Myers look into the issue.”

Dahlkoetter left the meeting at 4:06 p.m.

Skate Park – Merrill said the “skate park grant is going to be bigger” than initially thought and, therefore, Merrill suggests the City contribute another \$50,000 from Council Priority dollars towards the project.

Murren feels it would be a good idea to have neighborhood meetings to provide information to residents about the project.

Merrill suggested having NENEDD provide information and explain the grant, ADA regulations, etc.

Probation Officers/Drugs – Merrill understands the State Legislature appropriates funding for probation officers but suggested Public Safety Director Shane Weidner contact cities of the first class to gather information about drugs in their communities to see if they have the same issues as Norfolk.

Downtown Norfolk – Murren questioned the mid-block crosswalks in downtown Norfolk and feels the areas should be striped.

Rames agrees the areas should be striped as crosswalks and will have that done.

Levy Certification – Granquist questions how far HDR is on the levy certification.

Rames “needs to reach out to HDR and check the status of the certification and see if the recertification is really necessary. The \$1.5 million study cost is a burden for the City.”

Gates said capital outlay would be in addition to the \$1.5 million.

Murren “would like to see quarterly meetings.”

Colvin said “one thing done in Vermillion was an education session of the council the day of City Council meetings wherein elected officials meet at noon the day of the Council meeting. Staff would pick a topic for discussion and no action would be taken. It would be an open, advertised meeting and, as part of the meeting, elected officials would review the agenda to discuss prior to the council meeting.” Colvin suggested meeting once a month or every two months.

Lange said this was previously done with 7:00 a.m. work sessions prior to City Council meetings. Lange feels once a month noon meetings would be sufficient.

Pfeil would “like council priority dollars changed back to \$400,000 and not funding of regular budgeted items.”

There being no further discussion, the Mayor requested a motion to adjourn the meeting.

Councilmember Merrill moved, seconded by Councilmember Fauss to adjourn the meeting at 4:50 p.m. Roll call: All Ayes. Nays. None. Motion carried.

Josh Moenning
Mayor

ATTEST:

Elizabeth A. Deck
City Clerk

(S E A L)