

WORK SESSION
Retreat

The Mayor, City Council and City staff of the City of Norfolk, Nebraska met on Tuesday, March 3, 2020, beginning at 4:39 p.m. in the Administration Training Room, 309 N 5th Street, Norfolk, Nebraska.

The following elected officials were present: Mayor Josh Moenning and Councilmembers Shane Clausen, Corey Granquist, Gary Jackson, Jim Lange, Rob Merrill, Thad Murren, Dick Pfeil and Fred Wiebelhaus. Absent: None.

Staff members present were City Administrator Andy Colvin, City Clerk Brianna Duerst, Finance Officer Randy Gates, Public Safety Director Shane Weidner, Public Works Director Steve Rames and Risk Manager Lyle Lutt.

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 accessible to members of the public.

Colvin said the retreat is an opportunity for open discussion among elected officials to discuss possible goals and priorities for the community and city.

Financial Information – Finance Officer Randy Gates reviewed the long-term financial plan with elected officials and said under assumptions there is an increase in sales tax presumed growth rate from 2.1% to 2.5%. Investment rate was also lowered from 2% to 1.5% to be conservative as investment rates are no longer trending up. Gates noted the City currently has several investments that will gain more than 1.5% but is a good number going forward.

Property Tax Summary – Gates discussed general fund projections and said the projected 2028-2029 levy rate of .37416 is about 2 cents lower than previously anticipated due to sales tax growth increases and said there may be no levy rate increase next year with current sales tax growth. Gates noted a lot of construction going on in town driving the increase, but also remote sales tax. As of January 2019, Department of Revenue passed the law to collect taxes on internet sales. Gates said a lot of the sales tax growth is driven by internet sales, but cannot say how much. Gates does not expect significant increase shown to continue.

Expenditures – Group Insurance – Gates said over the last 10 years, the City has maintained a pretty consistent fund balance. As the City covers a small group of people, there is a greater impact with large claims. Decrease in fund balance projecting a \$562,632 decrease. Discussed plan with comparable cities, with Norfolk sitting on lower end. Norfolk contributes 82.5% whereas average contribution is 86%. Two individuals have been lasered (identified as someone that has expected future health claims). City pays a higher dollar amount of claims for these individuals. Projecting another 15% rate increase over the next two years, to slowly drop beginning 2022. Long term financial still looking good. Moenning asked if there were any health and wellness plans in place or if staff is exploring options? Merrill asked if the City could get closer to an 80/20 split. Clausen questions how sustainable the current share the city pays is if sales tax were to go down again. Pfeil asked what percentage of overall budget is in healthcare? Gates

said City is budgeting a little under \$3.3 million. Total expense budget is \$25 million, so about 13% of overall budget goes toward healthcare. Colvin said staff needs to look at long term sustainability of the health plan. Look at a subcommittee in June prior to budget discussions to look at adjusting share, health and wellness programs.

Property Tax rates – Gates said Norfolk sits at third lowest for levee rates for first class cities. With projected increase, will move closer to lower half if no other cities increase levee rates.

NPPD Enhanced Pro Agreement – Gates discussed the plan which would create a lease rate increase from 12% to 14% in .50% increments. Annual increase would generate about \$1,083,690 after 4 years. Discussed distributing the solar shares as the cost for the solar shares is significantly less than traditional retail. Elected officials expressed concerns over signing a new agreement with NPPD beyond the current agreement that expires in ten years.

Keno – Gates said projections are based on 2019 revenue. City has seen a tremendous increases in keno revenue this year. Primary projects are recreation projects. Can do more with keno revenue than with tax dollars.

Council Priority Dollars – Gates said there \$490,477 in funds, after commitments to baseball turf at Veterans Memorial Park, Miller Condemnation, and sales tax and LB840 Ballot issues there are \$87,477 of available funds.

Local Option Sales Tax – Colvin discussed the community survey results that people identified three areas of improvements needed. 1) Street improvements; 2) Year-round Recreation; and 3) Recreation and Athletic Field Improvements.

- Street Improvements – Streets in Norfolk are in poor condition and continue to deteriorate. Crack sealing, panel replacements, and overlays allow time as City works on replacing streets that have failed. \$8,000,000 to go mill/overaly, panel replacements and major reconstruction. Recent contract with StreetScan will help staff identify the areas in most need. Street improvements are the top priority and plans would be presented at a town hall-format public meeting.
- Indoor recreation/aquatics center – As the YMCA has finished their expansion, the question of why an aquatics center was not part of the project has been raised. Colvin has talked to representatives from the YMCA and Norfolk Public Schools and the project has been received well. Concept for \$5,000,000 to go toward an aquatics center. Colvin feels there a lot of opportunities for partnerships. Without help from the YMCA and school, a competition pool is not feasible. Would be important that City maintains ownership and control. Again, a town hall public meeting would present the idea to the public.
- Recreation/Athletic Field Improvements – In comparison to what other communities offer, Norfolk could offer better facilities. Restrooms, changing room, field improvements and paved parking would benefit to the City's Athletic complexes. \$2,500,000 include improvements at Veterans Memorial Park and Ta-Ha-Zouka Park.

Colvin said all three projects positively impact a segment of the community. Every citizen should be affected by something that is part of the plan and feels community will reinvest in a plan to better the City. Colvin said having partners to increase the amount of financial support is crucial. While the top priority is street improvements, the aquatics facility and athletic field improvements will have an economic development impact by positioning Norfolk to attract more visitors to the community. The next step will be engaging a firm to put together concepts and drawings to present at public meetings. Colvin noted the deadline for putting items on the November ballot is September 1st so would need to approved by Council in August.

Economic Development Update – Colvin said there are two good prospects for the business park. First prospect has committed and will be relocating headquarters to Norfolk, second prospect is ready to move forward as well.

Communication/Outreach – Elected officials said coffee with the council is not something that gains community involvement. Moenning feels utilizing social media to be proactive with communicating with members of the public would be more beneficial. Looking at implementing MyCivic to the website and being more proactive with social media. Candice Schmitt will be transitioning from Economic Development to a communications role. Merrill suggested utilizing the resources of the radio stations to spread the word of what the City is doing. Consensus to discontinue current coffee with the council.

Downtown Development – Colvin discussed the Downtown Vehicle Parking District Board and the option of the board being more of an advisory committee with the responsibility of formulating budget and managing the parking district to move to the Traffic and Infrastructure subcommittee. Marketing to be handled by the committee with decision making moving to elected officials.

NPPD Agreement – Proposed agreement puts a limit on renewables to 10%. Solar project fits, but not much room for anything else. If the City would choose to buy-in to renewable projects, City would assume both the risk and the reward. Rames discussed agreements with SunVest and NPPD. Pro Agreement is mechanism to increase lease payment. 9,200 shares of solar will be available, and City will need to decide how to disperse. City could consume 13% of the total shares. When shares become available, how do we want to distribute them since the cost will be lower, which is not the usual case? Gates said if we want to offset costs. Moenning said this is a community solar project, and feels shares should be available to the community. Gates noted lower utility costs will lower NPPD lease payment. Rames said we can go forward with the lease as is, with small amendment that says if we discontinue our retail agreement to terminate in 10 years, we agree to take over Power Purchase Agreement with SunVest. Gates said unless power prices go way up, we would want that anyway. Before power goes live, we can decide if we want to sign new agreement and figure out how to allocate the shares. Moenning feels City should move forward with solar agreement with time to decide later if other options exist.

Trail Plan/Sidewalk Connections – Rames discussed the bicycling network plan and walking network plan and top priorities for connections on collector streets. Rames said staff has been looking at arterial streets that are missing sidewalks, and slowly moving into residential areas. Clausen noted sidewalk discussions have not been met well with property owners in the past.

Riverfront/Growing Together – Colvin said the Greater Norfolk Economic Development Foundation has purchased the old Alco building. As part of the project, CBRE is working on that site and other sites around downtown to get commerce happening in the area. Regarding Johnson Park, the latest estimates came in a little high, keeping conversation open to keep project moving forward. For the overall project, the bridge is not overly old or in disrepair, but whole area will not reach full potential with current spillway. Bridge needs to be addressed as a quality of life issue, and becomes important as entire project gains momentum. Moenning noted potential for private funding.

Street Planning Design Standards – Rames discussed current City street design standards and the changes that have been put into place include: increased minimum street grades; increased depth of subgrade compaction; increased minimum subgrade density; updated NDOT reference from the 2007 standard to the 2017 standard; increased required strength for pavement; increased staff inspection of subdivisions; and established engineering policy for minimum testing requirements for private development of public

improvements. Future updates in progress include: code update for minimum pavement design and ROW requirements; strengthening asphalt pavement design section in City code; adopt design standards/guidelines; adopt typical street sections for major, collector, and locals streets; update and enhance standard design details for streets and public utilities; and expand the use of foundation course in pavement design.

Miscellaneous Discussion

Discussion on the recent purchase of the Bethards property, where those dollars came from and further discussion on purchasing additional property near Ta Ha Zouka Park.

Merrill questioned if subcommittee meetings could be moved to evening meetings with the thought that maybe more people would run for office. Other Council members didn't feel daytime meetings were a factor in limited interest in running for office. Evening meetings cut into family time and activities.

Discussion on the parking on the lawn ordinance. Plan is to simplify the ordinance and bring back before Planning Commission and Council.

Jackson discussed the current city code regarding fence requirements and the possibility of amending the code for corner lots.

Clausen asked if the Tree Advisory Board could be approached to think about a community tree farm. Murren has been asked by property owners on Logan Street regarding ownership of trees located in the terrace. Confirmed that landscaping in the terrace is the responsibility of the property owner. Merrill suggested a video on website to educate the public on tree plantings. Rames said water mains run 3 feet behind the curb, would like to have water main under the street. Because of the water main, that may be why not many trees are in the terrace.

Clausen asked if there is a possibility to charge a utilities protection fee to go toward police and fire wages. Gates said any time a fee for utility is transferred, it would be subject to the lid. Gates noted that administration costs have already increased utilities charges.

Jackson discussed the option of having bike trails on opposite side of walking trail.

There being no further discussion, the Mayor declared the meeting adjourned at 8:22 p.m.

Josh Moenning
Mayor

ATTEST:

Brianna Duerst
City Clerk

(S E A L)