

WORK SESSION

The Mayor, City Council and City staff of the City of Norfolk, Nebraska met on Monday, April 4, 2022, beginning at 4:00 p.m. in the Administration Training Room, 309 N 5th Street, Norfolk, Nebraska.

The following elected officials were present: Mayor Josh Moenning and Councilmembers Frank Arens, Shane Clausen (4:08), Corey Granquist, Kory Hildebrand, Gary Jackson (4:05) and Thad Murren. Absent: Andrew McCarthy and Rob Merrill.

Staff members present were City Administrator Andy Colvin, City Attorney Danielle Myers-Noelle, City Planner Val Grimes, City Clerk Brianna Duerst, Finance Officer Randy Gates, Assistant City Administrator Scott Cordes, Public Works Director Steve Rames, Assistant City Engineer Anna Allen, Library Director Jessica Chamberlain, Communications Manager Nick Stevenson, Police Chief Don Miller and Director of Administrative Services 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.

American Rescue Plan Funds

Colvin said the work session will be dedicated to planning and discussion on a variety of topics and said we are not looking for action, this session is more about discussion and giving staff direction.

Gates said the city received \$2,163,586.71 of American Rescue Plan funding in July 2021 and expects to receive the same amount in June of this year for a total of \$4,327,173.42. These funds must be allocated by end of 2024.

Colvin discussed options for utilizing American Rescue Plan Funds. Council has previously discussed allocating \$1.25 million for the Water Pollution Control grit system. Using these funds to toward the cost of this will help stabilize wastewater rates. Other ideas;

- Downtown master planning - engaging a consultant that specializes in urban planning to work with the City to formulate what a Business Improvement District or Riverfront Overlay District might look like downtown.
- Parks Master Plan - taking a comprehensive look at our entire park system, city policies on parks and needs in the community.
- Veterans Memorial Field - finishing of turf. City did apply for a Land and Water Conservation fund grant but was not awarded that grant so need to find funding to finish.
- New NPPD Service territory from Elkhorn Rural Public Power due to annexation - when a municipality acquires new service territory, need to pay that utility for a period of time as we are taking on their business. This was an unanticipated expense.
- Street improvements.

- Water, sewer and stormwater infrastructure - funds could be held to pay for new infrastructure for economic development purposes.
- 1st Street and Instream Improvements - Rames has estimated a need of \$1 million for the project.

When American Rescue Plan Funds were originally dispersed, the use of the funds was fairly restricted. More recently, the Treasury has come out with some relaxation on those restrictions. These funds can be used for any general municipal purpose with a few restrictions. Gates clarified the funds can't be used for unfunded pension liability or paying down debt. With the exception of specifically prohibited uses, funds can be used for any allowable municipal expense.

Clausen discussed a possible stormwater runoff fund and treating stormwater retention more like a utility cost rather than a developer cost. This would allow the City to have control on how we manage stormwater retention rather than developers doing what they want within each development. This has become a problem for city and developers trying to manage and is very expensive for developers. Colvin said the city collects a stormwater fee on residences and businesses. This would be looking more at regional detention, with large detention cells instead of little pockets of stormwater retention that every developer is responsible for and would be a city service like water or sewer. Clausen said this would reduce the cost of lots but is more about how things are managed. The federal guidelines developers now have to follow have changed the scope of how things are done and it has become harder to manage. Colvin said we are seeing new environmental regulations treating stormwater more similarly to water and sewer in regard to quality issues, wetlands, etc. and putting that on the developers can hinder development and growth. In the city's interest, it offers greenspace in neighborhoods. Rames discussed doing a study to look at where we would want regional detention and noted long-term maintenance is the bigger issue beyond just the implementation

Hildebrand asked if there was a dollar value to buy annexation areas out and about the return on investment to the NPPD lease. Rames said we did not acquire a lot of properties that weren't already served by NPPD and part of our NPPD lease. We did have to purchase about \$220,000 worth of infrastructure near Divots, which we purchase at a deferred rate, but don't expect this to generate a lot of revenue. Gates said the infrastructure costs in areas annexed that were not served by NPPD were approximately \$217,000. The revenue off those is about \$40,000 per year with current customer base. If that area does not grow, \$40,000 of revenue would give us about \$4,800 per year of additional lease payments, so a very long payback. Once those areas are annexed, we get all the growth. NPPD would like for everything inside city limits to be part of our distribution system. Gates said this happened one other time in the 1990's in an area around Eldorado Hills. At that time, NPPD carried that balance until revenues produced could pay it back. NPPD said they will not carry the cost this time, the best they can do is allow interest free payments for one year. Gates said we knew we'd have to pay something but didn't know how much until very recently when NPPD did the calculations. There is long payback on revenue but we do expect there will be growth in that area.

Ideas on dollar amounts on categories discussed:

- Grit system- \$1,250,000
- Downtown Master Plan - \$100,000
- Parks Master Plan - \$100,000

- NPPD/Elkhorn Rural buyout - \$217,434.82
- 1st Street Bridge and Instream Improvements - \$1,000,000
- Water/Sewer/Stormwater Improvements - \$600,000
- Street Improvements - \$800,000
- Veterans Memorial Park turf – still researching, but estimate under \$100,000

Murren asked about using some of this money to start a property acquisition fund for dilapidated properties, as we never have enough in the budget.

Colvin said there would be no official action at this meeting. If in agreement for instream improvements, grit system and NPPD buyout, would look for direction to move those items forward to a council agenda for action. Allocating funds for these three items would leave approximately \$1.7 million in ARPA funds that we could use for other purposes. Moenning asked if we did not use these funds for the NPPD buyout, if general funds would be used. Gates said we would have to draw down fund balance.

Arens asked about the additional costs for the 1st Street Bridge and instream improvements. Rames said some parts of the project came in high, particularly the instream improvements, which were about \$1.5 million high, and said costs for the boulders was significant. Staff is still exploring if there is a way to get cost down but expect significant damage to trucking fleet to get materials here.

Moenning said most of the items noted are projects and that the NPPD payment is procedural and questioned if it is the most effective use of these funds. Gates said it's a legal obligation that we have to pay and said NPPD has likely already paid this money to Elkhorn Rural and they are wanting it back from us now.

Moenning discussed the possibility of a micro-business grant program utilizing the remaining LB840 money. In combination with some seed money here, would be nice to have available. Staff will look into legality.

Clausen said the American Rescue Plan Funds are restricted funds so if they can be used to replace non-restrictive dollars, to target those to free up funds for the rest of the budget. Gates reminded the group that the funds have to be obligated by December 31, 2024 and spent another year or two after that.

Moenning suggested moving forward with allocating funds for the grit system, NPPD payment and 1st Street Bridge and Instream improvements projects.

Moenning asked what the \$800,000 for street improvements would provide. Rames said he would look to put \$250,000 per year for street maintenance and repair by contract for next three years, not into areas of full reconstruction. Arens asked about anticipated cost increases for street repairs. Rames said it would be up to contractor to build in any escalation. Improvements utilizing these funds would be focused on intersections where we tend to see the most deterioration in addition to pothole repair.

Moenning discussed enhanced lighting downtown and noted Riverpoint Square would benefit from having some sort of climbing or play feature and said that it would be nice to get moving

on those things. Moenning asked if those items could fit within Parks budget or if we should consider using ARPA money. Colvin said, regarding the lighting, it will take some engineering on where to place them and said we have some funds in the Parks budget that can be moved around for a play/climbing feature.

Theft of Library Materials

Staff provided an update on changing how staff handles theft of library materials as it fits the definition of theft. Will change from failure to return library materials to theft of library materials.

Highway Corridor Overlay District

Grimes said Council and Planning Commission subcommittees have discussed involuntary zoning, which would change zoning for everyone in our zoning jurisdiction. Grimes gathered a few examples of highway corridor overlay that puts limits on uses and aesthetics along the highway corridor. Bringing back for discussion because staff has gotten a few calls regarding potential development on West 275 and North 81. Want to get something on the books to make people aware that something different is being considered. Do not know the exact uses that might be proposed, but providing this would help them in their planning. Grimes noted a waiver process remains if someone objects to what is in the corridor overlay. Will put the ordinance on next Planning Commission agenda, which would then move to Council the first meeting in May.

Clausen asked if the process was moving a little fast and questioned if this should go back to the economic development subcommittee. Moenning noted the topic gone to economic development subcommittee a couple times and what is proposed is the direction staff received.

Moenning asked about aesthetic guidelines and uses requiring a conditional use permit. Grimes said a lot of the code is related to aesthetics. There would be two outright prohibited uses - sexually oriented business and salvage/junk yards. Grimes also noted there is a lengthy list of exemptions and said that some uses that are already there, and would technically need conditional use permit, would be exempt from that requirement. If a business wanted to do an addition, providing they are not increasing the square footage by 50% or more, it would be allowed. Grimes discussed the uses that would require a conditional use permit, including storage and warehousing of products; vehicle, trailer, camper, recreational vehicle sales lots; auto repair and maintenance; farming and construction equipment sales, commercial outdoor recreation; car washes; outdoor storage; and billboard signs.

There being no further discussion, the Mayor declared the meeting adjourned at 5:12 p.m.

Josh Moenning
Mayor

ATTEST:

Brianna Duerst
City Clerk

(S E A L)