

## WORK SESSION

The City Council and City staff of the City of Norfolk, Nebraska met on Monday, August 15, 2022, beginning at 12:00 p.m. in the City Council Chambers, 309 N 5th Street, Norfolk, Nebraska.

The following elected officials were present: Councilmembers Frank Arens, Shane Clausen, Kory Hildebrand, Gary L. Jackson, Andrew McCarthy, Thad Murren and Rob Merrill. Absent: Corey Granquist.

Staff members present were City Administrator Andy Colvin, Assistant City Administrator Scott Cordes, City Clerk Brianna Duerst, Economic Developer Candice Alder, City Engineer Steven Rames, Assistant City Engineer Anna Allen, Communications Manager Nick Stevenson, Parks and Recreation Director Nathan Powell, Administrative Assistant Kylee Soderberg, Administrative Assistant Stacey Hansen, Senior Accountant Sheila Rios, Police Chief Don Miller, Business Analyst Melissa Figueroa and Director of Administrative Services Lyle Lutt. Media present was Gerry Guenther with Norfolk Daily News.

Notice of the meeting was given in advance by publication in the Norfolk Daily News, the designated method of giving notice, as shown by affidavit of publication, 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.

Discussion regarding proposed local option sales tax election to fund Police facility expansion, street improvements and recreation projects (Aquatics facility and Ta-Ha-Zouka Park enhancements)

### Police Facility Expansion

Police Chief Don Miller said the Police Division expansion project has been discussed for quite a while. The Police facility was built in 1987. At that time, there were 30 police officers, and a total of 41 employees in the building. Since that time, have expanded services and staff and are now “bursting at the seams.” A space needs assessment was done in 2020. Since the facility was originally built, staffing has increased from 41 staff members to a current 66 staff members. The current building is 17,365 square feet. At current staffing, building should be almost 23,000 square feet. It does not make sense to build to match current needs as it would be quickly outgrown. Space needs were projected out 30 years, which indicated the building should be about 25,000 square feet. Also looked at whether it would make sense to stay at current facility or start over in a new facility. Made sense to stay in current location, which works very well for serving the community. There are multiple phases to the project. Due to recent multi-jurisdictional dispatching services housed in Norfolk, the dispatch center was expanded. Final plan is to add on to current facility and renovate existing structures. After improvements, facility would be right at 26,000 square feet, which will serve well into the future.

Miller discussed the budget - current estimate is \$5.9 million to construct building. This number includes construction costs only, no equipment or furnishings. Engineering design fees - \$375,000, which will have already been paid prior to this process. \$125,000 would go after construction starts. Reimbursable expenses - \$7,500; materials testing - \$10,000; security systems - \$75,000; furnishings - \$300,000; Equipment - \$250,000; Other identified - \$87,500; commissioning of HVAC systems - \$20,000. These items plus construction costs and 15% contingency, brings total to \$8,035,000.

Discussed preliminary conversations related to a potential satellite location if needed to meet future needs. This would serve the Police Department without having to redo this facility.

Moening said if it were left up to the Police Division budget, safe to say there wouldn't be enough to cover funding of this need anytime soon. Miller said the Police Division budget is just an operating budget. There is no room in the current budget to put together something like this. Moening said this is why it is proposed to include this project in the local option sales tax issue as it provides a new revenue stream to fund this need.

### Street Improvements

Public Works Director Steven Rames directed attention to maps, which are available on the city's website, regarding potential street improvements. Looking to program \$4 million into intersection repairs and another \$6-8 million for street repairs. Street improvements – master planning – showing streets that need concrete paving repairs and which would require mill and overlays. Would intend to hit all areas in need of concrete paving repairs, sections we know have significant street repair needs. Chip seal projects to be completed as part of this plan as well. Intersection repair planning. Discussed repairs needed for intersections and need for repairs on different intersection approaches. Rames said he expects that over the next two years, would have all \$10-12 million under contract, anywhere from 2-4 contracts. Intend to get repairs done in three years.

Arens asked about sections on the map shown where concrete repairs and mill and overlays are shown and about potential cost savings of doing large contracts versus several smaller contracts across several years. Rames said these streets will require concrete repair followed by a mill and overlay. Rames also said that by doing the repairs in a three year period, about 5-10% more money would be going into the actual project. 95% of the design would be done through city engineers office so would not need to bring in consultants for majority of the work.

Moening said historically, the city has spent about \$2 million dollars less on street repairs compared to other cities the size of Norfolk. Prioritization of these projects was not left to guess work. This is another reason we're looking at this local option sales tax in an attempt to get the street conditions in Norfolk caught up and get back to regularized repair projects.

Rames said Norfolk's entire system is worth about \$450 million, and we should be investing \$6 million per year in repairs and replacements. Currently capture about \$4 million per year through City Highway Allocation Fund (CHAF) and licensing fees. Norfolk is further down in the

deterioration curve due to not investing enough annually. Will take time and investment to get out of deterioration curve and get back to a point where we can just maintain.

Clausen discussed the recently approved bond to fund the Benjamin Avenue project and the amount of CHAF dollars allocated to pay of the bond and said there is no feasible way to do this without the increased revenue from local option sales tax.

#### Recreation Projects (aquatic facility and Ta Ha Zouka Park improvements)

Parks and Recreation Director Nathan Powell discussed the two projects.

A full master plan of Ta Ha Zouka Park was presented.

Phase 1: Ball Field Improvements - \$19,483,989 – projects include improving all existing fields, adding locker rooms for umpires and athletes, adding parking and roadway and adding two softball fields to the north.

Phase 2: Park Improvements - \$7,060,130 – projects include adding a baseball field, expanding campground opportunities and adding a sports complex.

Phase 3: Soccer Complex Improvements – \$4,825,117 – projects include adding four soccer fields, two with artificial turf and adding two futsal courts.

Powell discussed the public input, which has been incorporated into design works. These items include: safer roadway with access to 1st Street, improved parking, improved existing ballfields and additional fields with proper sizing, improved backstops, dugouts and bullpens, improved spectator areas with ADA access and shade, addition of improved comfort stations with umpire, men and women locker rooms, properly sized ball fields to host more tournaments and improved playing surface with level ballfields.

Second project is the indoor aquatic center. Two locations were considered. Firstly, Embrace Park, but had issues with LWCG Grant and space limitations as 8-10 acres are needed for the facility and parking. Second considered was Winter Park. This location has the 10 acres that are needed and is across from high school and library.

Proposing 54,000 square foot facility at a total cost of \$32,535,151. The facility would include a competition pool with spectator seating for 600 and a recreation pool with a lazy river and several play features for water based recreation.

Powell discussed the public input - want year round facility; destination pool with regional draw; large competition pool with enough spectator seating to bring in local and state swim meets; recreation pool that maximizes the square footage available; facility that allows the YMCA to continue their programs; improved parking and bike lanes along N 3rd Street; keeping north end playground are in Winter Park; and replace tennis courts.

Expected revenue – Powell said Aquaventure averages 40,000 visits over its two and a half months of operation. Average visit is \$6.63 totaling \$265,000 in revenue, which excludes concessions.

New indoor pool projection with 100,000 visits. Average would be based on fees. Set fees to average \$10.00 per visit to bring in \$1,000,000 in revenue.

Powell discussed the public process to this point, which began January 18 where city council approved contract with Davis Design. Nearly a dozen meetings with steering committees, stakeholders, Council subcommittees and public open houses have occurred since that time.

Jackson asked about the number of teams can be currently hosted at a swim meet using the YMCA facility.

Dave Nelson, representing Aquajets swim team, said three teams can be accommodated for swim meets at YMCA. Would probably be able to get 20 teams with a facility as discussed. Could host major invites in a facility like this. Could build up more programs and more opportunities for kids. Norfolk is one of a few communities of this size that only has one indoor pool.

Arens asked if space for 600 spectators was adequate. Nelson said there are only two indoor facilities in Nebraska that can seat that amount. All others seat around 400 or less. State YMCA championships could be hosted in this facility. Would be able to meet a lot of needs for winter competitions in the state of Nebraska.

Clausen asked about operating costs after project is running. Powell said we can expect \$800,000 to \$1,000,000 in annual operating costs. Working from bottom up, will need more lifeguards. How to recoup that in revenue depends on fees. If we can hit the 100,000 visits mark, feel we can cover operating costs with revenues.

Jackson asked about conflicts with having indoor and outdoor facilities. Powell said it is not expected for there to be an impact on the two facilities as there are two different clientele. There are people in community that need an indoor facility. Expect to be slower in summer, but still a need in community.

McCarthy asked about capacity on indoor rec pool and said the space feels tight. Powell said capacity is not known at this time. Would look at some of those details in final design.

Moening said these are early design concepts, which are not set in stone. There will be a refining period where plans can be amended. Moening also referenced a community survey that was done in 2018 which showed a priority for youth activities.

City Administrator Andy Colvin said the result of the survey is a livability report. The survey listed a number of projects. Of the citizens that answered, projects that ranked high were: indoor community center; children's museum, and aquatic center – all ranked close to 50% mark. The survey asked if the citizen would support a tax increase to pay to pay for these projects. Overall, about a 60/40 split. Of the 60%, about 25% were yes, rest were "maybe." Would tell you, for the

right projects, people would support. Goal is to offer these to the community if they want to do them. If so, we have a voter approved mechanism to do so by putting it in hands of the community. Livability report provided some guidance for where citizens want the city to go.

Moening noted there will be more opportunity to discuss at a council meeting later tonight when council decides.

Sharon Harthoorn, representing Norfolk High School, said a lot of people travel to other communities for swim meets and said the YMCA has limited space for laps. It is also challenging to coach effectively due to space constraints. Feels this would bring a lot of people and revenue to the community.

Jim McKenzie, 1412 Longhorn Drive, said approving \$70 million ballot issue will put the city in a dire financial position. Will require the maximum sales tax levy allowed by law for 20 years. Almost an entire generation of citizens that will pay for this. Any other projects that come up after this, for the next 20 years, will require a property tax increase or additional tax. Costs for the project were officially released to the public two working days before the meeting where council will vote on the issue. McKenzie said he believes this is an injustice to the tax payers, who deserve an opportunity to have long lasting input into this, including the costs. Citizens will not show up to open houses until costs are known. There should have been a 6-12 month feedback cycle so citizens could look at the project and massage it into something workable. McKenzie said he does not believe there has been a mandate demanding this level of recreation spending. There is nothing in survey that required survey participants be residents to Norfolk. While McKenzie appreciates the passion of people who want this, there is a significant portion of the population that will have to pay for this that may not be able to do so. McKenzie discussed the city portion of property tax increases. If schools felt there is a significant need, would they have not built it themselves? Why is the city taking that on? In addition to paying increased property taxes, now have to pay for indoor aquatic center, which will be difficult for many tax payers. Will have to pay that tax on gas and electric bills. There has got to be some limits. Understand passion of those that want it, but it is putting the city in a dire situation. If the sales tax is maximized for 20 years, there is no other way to do other projects without additional property tax increases. If going to put on ballot, divide and put on ballots individually so citizens can choose what they want to support. Don't hold certain projects hostage for other projects. There is a huge need for Police Department improvements. Let citizens decide what they determine is a need and what is a want.

Merrill said issues with property tax should be taken up with the assessor. McKenzie said he would disagree because other entities reduced their levy when valuations went up, the city did not.

Merrill said this is a vote of the public. Citizens will decide if this moves forward.

Moening said Norfolk maintains the third lowest property tax levy in state of Nebraska amongst first class cities. Local options sales tax is a revenue source that is used by many cities in Nebraska to pay for special projects. Moening said the city is in the strongest fiscal position it has ever been. Part of that is due to the fact that we have been willing to invest in ourselves.

Merrill left the meeting at 1:05 p.m.

Nichole Sedlacek, 1301 Lawndale Ave, O'Neill, Economic Development director for NPPD said their research team received request form impact assessment for what proposed improvements to park portion of project could do for the city. Looked specifically at the aquatic center and ballpark portions of project. Received numbers from past events. On an annual basis would bring in \$4.7 million in total visitor spending, up to an additional 107 jobs, additional \$12 million economic impact from visitor spending, over 30,000 visitors and spectators that would come to the community with this type of project. Presented report on economic impact with proposed improvements.

Oliva Matteo, 4401 S 13th Street, said there are a lot of things going on in the city. It was her understanding the work session was to get public input. Matteo said, if these are citizen driven projects, council should consider breaking the projects up into separate ballot issues, or at least break the recreation piece off the safety and street projects. Matteo said she feels there will be problems with doing everything at once and expressed concern with roads being able to handle increased traffic. If citizen driven, figure out which ones go together.

Rob Haake, 83730 555th Ave, said a concern business owners have is access to the workforce. Investment in parks and pools is something people look at when they choose Norfolk as a place to live, in addition to what jobs are available.

Moenning said official resolution to put this on the ballot will be taken at the August 15 City Council meeting and there will be opportunity for more public input.

With no further business, the meeting adjourned at 1:16 p.m.

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Josh Moenning  
Mayor

ATTEST:

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Brianna Duerst  
City Clerk  
( S E A L )