

## 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, April 28, 2008, 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, Administrative Secretary Bethene Hoff, Fire Chief Shane Weidner, Library Director Ted Smith, Police Chief Bill Mizner, Finance Officer Randy Gates and Property/Operations Manager Gary Miller.

The media was represented by Jim Curry, WJAG/KEXL; Bill Seifert, 94Rock/US92; 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.

Brett Simonsen, on behalf of the Christian Cross Festival, provided information to elected officials regarding a proposed permanent stage and power at **Skyview Park** for use by the Festival and Big Bang Boom. Simonsen stated the proposal has been modified after discussions with City staff. The groups would like to pour a concrete cement slab approximately 50 feet x 70 feet to be able to park semi-trucks and trailers on for use during the events. Simonsen said the City would also be able to use the area for picnic tables during the summer. The path leading to the parking area is proposed to be approximately 119 feet long and 15 feet wide. Paving the path leading to the parking area will help keep semis from getting stuck and tearing up the grass. A back stage tent will be used until a permanent stage can be constructed. Simonsen said financing the project has not been finalized.

Councilperson Wilson questioned whether the path is still necessary if the stage is temporary.

Simonsen stated the groups are only looking at paving the parking area at this time for the semis to allow time to raise the \$2,000 to \$3,000 needed for construction of a permanent stage. Simonsen feels the paved path is necessary for safety reasons whether the staging area is permanent or temporary.

Councilperson Fauss questioned whether the staging area could be moved closer to the road and then the sidewalk moved to go around the paved pad.

Simonsen said Fauss' option has not been considered but moving the area anywhere else in the park would require a lot of dirt work as well as create a hazard because there would be a big drop off due to the sloping terrain in the park.

Public Works Director Dennis Smith feels it will be very difficult to fit an area of 50 feet x 70 feet into the proposed area. Previous discussions with the Festival and BBB representatives indicated an area of 40 feet x 50 feet. Smith estimated there would probably be a three (3) foot drop off with a 40x50 foot pad and an estimated 5-6 foot drop off with a 50x70 foot pad. Smith stated a 50x70 foot area is getting to be a good sized construction project and one corner would drop off fast and be only about 15 feet from the lake.

Property/Operations Manager Gary Miller stated the area marked was only 40x50 feet and not 50x70.

Simonsen said the area was only marked 40x50 but the Festival and BBB representatives felt a 50x70 foot pad would be better. Simonsen stated the pad needs to be level so the trailers don't need to be jacked-up. Simonsen suggested a subcommittee meeting to work out design of the project.

City Administrator Mike Nolan agreed the design should be worked out in a subcommittee meeting.

Mayor Adams suggested the subcommittee consist of the Culture & Recreation and Public Works Subcommittee members (Councilpersons Wilson, Fauss, Saunders and Brenneman) and Engineering staff members. Adams requested the subcommittee meet at the site at Skyview Park to get "real numbers" for the project prior to elected officials making a decision.

The second item discussed was a request from Pete **Becker** with Zodiac Properties for elected officials to discuss intentions regarding the building located on Braasch Avenue and currently occupied by Health & Human Services as a possible location for a **municipal building**.

City Administrator Mike Nolan stated the current stage for locating a municipal building is sending out Requests for Qualifications (RFQ) to have an architect design or go with a design-build concept for the project. Nolan stated Becker would like to know if the building on Braasch Avenue is still being considered by elected officials.

Councilperson Reeder stated the HHS building "is an excellent building" but elected officials would like to explore several other options. Reeder doesn't feel elected officials are ready to make a decision on Becker's building at this time.

Councilperson Coy questioned how much time Becker needs to give notice to HHS to vacate the facility.

Becker stated HHS has signed a five (5) year lease. However, Becker believes a 90-day notice is required to vacate the building.

Councilperson Brenneman questioned "how long the offer is on the table."

Becker "isn't sure the offer is still on the table" but would like guidance as to the City's plan for a municipal facility.

Councilperson Brenneman feels there are a number of assets with the HHS property and the location is good. Brenneman feels Becker's building should be kept as a consideration for a municipal facility.

Councilperson Wilson feels the HHS building is in a good location and a good building. Wilson said, however, there are too many unknowns at this time about a shared facility and those unknowns need to be cleared up before elected officials proceed. Wilson feels Becker's building is "the best option otherwise."

Becker requested to be kept informed about elected officials' intentions with relocating the city administration offices.

General consensus of elected officials was to keep Becker apprised of the situation regarding relocating city administration offices.

The next item discussed was the **reroofing** of the fire station, police station and library. Property/Operations Manager Gary Miller distributed a memo to City Administrator Mike Nolan from Police Chief Bill Mizner, Fire Chief Shane Weidner, Library Director Ted Smith, Finance Officer Randy Gates and Miller discussing the roof replacements. On May 17, 2008, the City Council authorized staff to advertise and receive request for proposals for roof replacements for the fire station, police station and library. Eight proposals were received and opened on April 11, 2008: Willuweit, \$94,404, 15 year labor/material non-prorated warranty (Durolast); Guarantee Roofing, \$104,961, 15-20 year non-prorated warranty (Ballasted); Energy System, \$106,665, 15 year labor/material non-prorated warranty (Durolast); Nuhova Roofing, \$121,233, 15 year non-prorated warranty (Durolast); Western Roofing, \$136,977, 10 year labor/20 year material warranty (fully adhered); McKinnis Roofing, \$145,375, 15 year warranty (Ballasted); NENES, \$162,757.56, 10/15 year limited warranty (Conklin); and Guarantee Roofing, \$175,067, 20 year non-prorated warranty (fully adhered). Staff explained the elements of the proposals and interviews centered around: (1) proposed roof application; (2) cost; (3) years of experience of applicator; (4) warranty; and (5) references. Staff suggests eliminating the bids from Willuweit, Guarantee Roofing (ballasted), and Energy Systems. Staff recommends accepting the bid from Nuhova Roofing in the amount of \$121,233 for a Durolast roof with a 15 year non-prorated warranty.

Councilperson Lange questioned who was involved in writing the specs and analyzing the proposals.

Miller stated the Fire Chief, Police Chief, Finance Officer, Library Director and Property/Operations Manager worked as a committee on the specs, checking references, etc. Miller stated a subcommittee of elected officials could discuss the proposals further if so desired. However, at this time, staff feels comfortable in eliminating some of the proposals and making the recommendation.

Councilperson Lange questioned who was involved in development of the original specifications and the RFP. Lange questioned whether Engineering staff were involved in the project.

Miller stated the group talked with Smith. Miller said Smith "looked at the process after the bids were received" as the group developed questions for the contractors. Miller stated Smith, however, was not involved in every step of the process.

Councilperson Lange's biggest concern is that the staff involved in the project has no knowledge about roofs. Lange doesn't feel "this should be a learning process" for the City. Lange stated the original intent of elected officials was to involve engineering staff and/or do requests for professional advice to write the specifications.

Miller stated the specs were very open-ended and the bids received "were apples and oranges." However, the specs were written in a broad manner to not discount any of the contractors from responding to the RFP. Miller stated several contractors did provide good quality follow-up information for staff. Miller stated the group tried to get the best product and best value for the roof replacements. Miller stated the Nuhova roof covering will be light in color and potentially save energy.

Fire Chief Shane Weidner stated the two lowest bidders did not comply with a fire resistant cover for the roof.

Miller stated after the bids were tallied, Western Roofing gave the City an opportunity to pick the warranty period. Miller stated Western would also do a 15 year total warranty and staff would prefer that warranty. Miller stated the Library roof center needs to be attached differently and the Nuhova roof would be ballasted (rock) on top of the Durolast system thereby reducing the warranty to 10 years for that roof. However, Western Roofing would screw through the roof and staff doesn't want that type of attachment.

Councilperson Van Dyke moved, seconded by Councilperson Reeder to accept staff's recommendation of Nuhova Roofing at a cost of \$121,233.

Councilperson Lange's biggest concern with this is the process used. Lange stated elected officials previously directed staff, at a Finance Committee meeting, to seek professional help with writing the specifications. Lange doesn't feel staff's explanation is good as to why the bid process moved forward as it did. Lange's other concern is Nuhova's roofing system is not specified by architects or engineers. The mechanically or fully adhered systems are currently used in the industry. Lange also voiced concerns when the RFP was mailed. Lange stated "everybody is only looking at dollars". Lange stated \$220,000 was budgeted for the roof replacements and "this is being done on the cheap right now" which may cause problems in several years.

Fire Chief Shane Weidner respects Lange's opinion but feels the process worked. Weidner stated the dollars saved "are precious to the City" because of budget constraints.

Councilperson Lange feels professional help should have been used on this project and it was too open-ended. Lange stated the proposals were so open-ended that one bidder changed the warranty period after bids were opened.

Councilperson Van Dyke agrees with Lange in hindsight but expert help would probably cost \$30,000 or more. Van Dyke is willing to take a chance on the Nuhova bid.

Councilperson Fauss suggested the item be sent back to a subcommittee meeting for discussion and review.

City Administrator Mike Nolan stated the purchasing ordinance addresses lowest total cost and that is what this is really all about. The specs, references and warranties are what counts. Nolan

stated staff did a lot of due diligence in this process. If something goes array, the warranties are in place.

Councilperson Wilson stated some companies bid a fire barrier and some did not. If that would have been part of the bid specs, the companies would have known upfront. Wilson stated Energy Systems may have been the best bid if the specs had been more specific.

Weidner stated staff spoke to all of the companies and Energy Systems did not recognize “the makeup of the Library roof” which made staff uncomfortable about their roofing knowledge.

Bill Fisher, Guarantee Roofing, stated the forum used was not the proper way to analyze the proposals. Fisher stated the bids were so open-ended that any material and any warranty could be bid. Fisher agrees with Councilperson Lange that the process is flawed and there are different classifications of fire ratings for roofs, different UL Class A assemblies, and many other technical issues not considered in this process. Fisher feels this should go back to a subcommittee meeting to be re-evaluated or rebid with professional direction. Fisher stated statistics indicate white roofs are equal to ballasted for energy efficiency.

Weidner questioned whether the Guarantee Roofing bids would change if re-evaluated by elected officials.

Fisher stated the Guarantee Roofing bids would not change.

Brian with Nuhova Roofing has been in the roofing business for over 20 years and Durolast has been on the market for over 30 years. Nuhova is an established contractor and the City is getting good roofs for the money plus a good manufacturer’s warranty.

Roll call on the motion to approve the bid from Nuhova Roofing: Ayes: Councilpersons Coy, Reeder, Saunders and Van Dyke. Nays: Brenneman, Fauss, Lange and Wilson. There being a tie vote, the Mayor voted in favor of the motion. Motion carried.

The final item discussed was a proposal for the City of Norfolk to participate in the University of Nebraska Medical Center (UNMC) **nursing facility** subscription. The request is for the City of Norfolk to support the project with a \$1,000,000 subscription.

Dr. Bill Path, Northeast Community College, gave a presentation on the proposed nursing facility. Path feels the nursing facility is a vital economic development tool for Northeast Nebraska and will transform education and healthcare in the area.

Councilperson Wilson supports the proposal for Norfolk to enter into the UNMC nursing facility subscription. Wilson encouraged elected officials to support the subscription as well. Wilson left the meeting at 8:00 a.m.

Path stated this project is huge for Northeast Nebraska and a “once in a generation” opportunity. Path explained the nursing facility will be co-occupied by Northeast Community College and UNMC. Path updated officials on the project; the economic impact of the project; and how this project will transform higher education, healthcare and Norfolk, Nebraska itself. Path stated Norfolk was picked as the location because an acute care hospital, Faith Regional Health Services, is the only one located in this region and Northeast Community College was willing to partner on the project to make the project financially doable. Path stated Northeast Community

College is donating the land for the facility and is willing to conduct the fund drive for the building. Path stated the \$12.9 million is the largest single capital campaign that has ever been waged in Northeast Nebraska. Path said very soon volunteers are going to be wrapping up the fund drive in the central region, or Madison County and neighboring counties. However, Norfolk and Madison County are the keys to the success of this campaign. Volunteers will be going to all of the surrounding counties to solicit participation. Path stated the challenge for the campaign is to convince other cities and counties to participate in the campaign and the impact the two institutions will have those areas as well. More information on the project can be found at [www.healthy-lives.org](http://www.healthy-lives.org)

Courtney Klein-Cox stated more than 1 million nurses will be leaving the profession nation-wide before 2020 and there will not be enough teachers to instruct new students.

Councilperson Van Dyke questioned how Wayne Stated College fits into the picture.

Path has met with Wayne State College (WSC) faculty and discussed the campaign. WSC doesn't have a problem with the project. Wayne State is the foremost teaching college in Nebraska and can't offer nursing courses on their campus. WSC understands the significance of the project and does not feel threatened.

Councilperson Fauss supports the project 100% and realizes the impact on Norfolk and the region. However, Fauss would like time to find a funding source other than the NPPD 2% lease money.

Path stated Northeast Community College continues to see a decline in enrollment because of population changes in the region and Norfolk needs to capitalize on this opportunity. Path stated the college needs to change its paradigm for growth. Path stated that "failure is not an option on this project."

Paula Pflueger, co-chairperson for the project, stated there is a shortage of nurses in the state and this project will provide quality education, healthcare and economic development for Norfolk which results in quality of life issues for residents.

Ron Stauffer, general campaign chairperson, spoke in favor of the project and said the campaign would like a commitment from the City as soon as possible. The donation from the City would push the campaign to the half-way point and be a big boost for the project.

Senator Mike Flood appreciates the willingness of elected officials to look at this project and make a contribution to the campaign. Flood's role is to get senators to commit operational funding to make the project work by hiring faculty and paying UNL personnel. The Board of Regents meets in June to start prioritizing funding requests from the State which then goes to the Governor by September 1. The Governor puts the budget together in September, October and November and then discusses various concepts with senators in December and introduces the budget in mid-January. Flood wants to see this appropriation in the Governor's budget.

City Administrator Mike Nolan explained the handouts distributed. Resolution No. 2005-50 adopted on August 15, 2005 indicated that after the Power of Partnership funding was completed on September 30, 2009, the lease revenue would be retained by the City to replace revenues being raised or that would otherwise be raised through property tax to support the City's aquatic and recreation needs. A resolution in the sense of the body and elected officials can modify

language as they wish. Staff looked at the General Fund and other funding options for the \$1,000,000. Nolan stated the City doesn't have any other lawful way to fund the subscription without a bond issue for a public purpose that would probably involve an Interlocal Agreement with NECC and UNMC. The NPPD 2% lease payment funding source makes the most sense for the needs of the campaign without disrupting the City's budget and without putting the City into the position to do tradeoffs in terms of the One-and Six Year Plan. Staff recommends payment of \$50,000 on a quarterly basis beginning the 4th quarter of 2009 and ending the 3rd quarter of 2014. The funding would come from the 2% NPPD lease payment after the Power of Partnership payments cease in the 3rd quarter of 2009. Staff estimates the City will receive approximately \$1,689,617 over that same five year period based on the last four quarter lease payments as of March 2008.

Councilperson Fauss doesn't want to take money from the Park and Recreation Departments. Fauss would like to look at other funding source options. Fauss fully supports the project and suggests elected officials commit to the project today but a subcommittee be set up to look at different options for a funding source.

Nolan stated there aren't any other funding sources available to the City but staff will be happy to meet with a subcommittee of elected officials to explain the concept.

Councilperson Van Dyke feels this is a terrific investment for the community.

Councilperson Reeder feels elected officials need to support this project.

Councilperson Brenneman feels it is imperative to take action today on the request and move forward with the campaign.

Councilperson Brenneman moved, seconded by Councilperson Reeder to direct staff to prepare a resolution to re-allocate \$1,000,000 of the 2% NPPD lease payment funds as recommended by staff after the conclusion of the current commitment to the Power of Partnership members (September 30, 2009) and to support the UNMC nursing college at Northeast Community College. Roll Call: Ayes: Councilpersons Brenneman, Coy, Fauss, Lange, Reeder, Saunders, Van Dyke and Mayor. Nays: None. Absent: Wilson. Motion carried.

Councilperson Fauss moved, seconded by Councilperson Van Dyke to adjourn the meeting at 8:40 a.m. Roll call: Ayes: Council members Brenneman, Coy, Fauss, Lange, Reeder, Saunders, Van Dyke, and Mayor Adams. Nays: None. Absent: Wilson. Motion carried.

---

Elizabeth A. Deck  
City Clerk