

## WORK SESSION Retreat

The Mayor, City Council and City staff of the City of Norfolk, Nebraska met on Monday, April 12, 2021, beginning at 3:30 p.m. at the Norfolk Public Library, 308 W Prospect Ave, Norfolk, Nebraska.

The following elected officials were present: Mayor Josh Moenning and Councilmembers Frank Arens, Shane Clausen, Corey Granquist, Kory Hildebrand, Gary Jackson, Rob Merrill, Thad Murren 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, City Attorney Danielle Myers-Noelle, City Planner Val Grimes, Communications Director Candace Schmidt 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 2.5% to 2.9%. Inflation stays the same at 3% and assessed valuation increased to 4%. Short-term investment rates are expected to increase after historic lows during the pandemic. When the pandemic hit there was a drop in interest and treasury rates. Short-term rates are still very low, but rates on long-term investments have increased.

Sales Tax has been growing steadily over the last year. Year-to-date is up about 8%. Gates said a majority of the growth in sales tax has been driven by the construction going on in town as well as sales tax on internet sales, although this amount is difficult to measure. It is assumed the sales tax generated from internet sales has been phased in over a number of months or years, making it difficult to figure the affect it has had.

Property Tax Summary – Gates discussed the general fund projections and the impact of the increase in presumed sales tax growth. Gates also discussed LB840, valuations, debt service and property tax rates. Compared to other first class cities in Nebraska, Norfolk remains third lowest in property tax rates. Even with projected increase, Norfolk will remain in the lower third if no other cities increase levee rates. The primary drivers to bring the projected tax levy down are increases in sales tax and assessed valuations. Moenning noted that of the property taxes collected; only 13% goes to the City of Norfolk.

Keno Projections – Gates highlighted future capital expenditures for Keno funds, which is primarily the funding for park capital improvements in the CIP. We continue to see a nice Keno balance. Even during COVID, revenues increased over prior year and Norfolk continues to see a nice Keno balance. The big expense this year is the YMCA funding of \$625,000. Half of that amount will be dispersed in April 2021.

Council Priority Dollars – As of February 23, 2021, there was \$566,588 remaining, but commitments including baseball turf at Memorial Park, park expansion projects, sales tax and LB840 ballot issues and Skyview Park playground upgrades leave \$211,541 of uncommitted Council Priority Dollars.

General Fund – Gates said that when putting together the budget in the summer of 2020, the height of the effect of the pandemic was seen and staff was very conservative and did not want to over budget revenues. The budget was put together, and the effects of the pandemic changed quickly. The 9/30/2020 ending balance was \$7,776,102. We saw a nice increase instead of a decrease and expect to meet the GFOA standard.

COVID Funding – The city received just over \$2,000,000 for presumptive public safety payroll. \$25,205 was budgeted for Region 11 Emergency management, leaving \$1,981,382.21 for the General Fund. Some of the money has already been committed. A mid-year cost of living adjustment of 2% was given to all City employees beginning April 1, 2021 to keep up with comparability of other Nebraska First Class cities. The street improvements plan was amended by adding various street improvement projects totaling \$1,000,000.

American Rescue Plan Act – latest number we have that we expect is \$4,132,360, which will come in two payments, June of 2021 and June of 2022. There are specific things that can be done with these funds. Limited to revenue lost during pandemic, response to pandemic or its negative economic impact, premium pay for essential workers during pandemic, water, sewer or broadband infrastructure and transfers to non-profits or special-purpose units of state or local government. So far, there has been very little guidance from the Treasury.

### Approach to Zoning

Colvin discussed the city's current approach to zoning. In the past, the city has not initiated zoning changes. Moenning said there are some zoning designations that don't make sense anymore looking specifically at the Highway corridors and certain residential areas. The other topic for zoning is looking at alternatives for housing, specifically "tiny homes" as needs have changed and young adults and active seniors are looking for alternative housing options.

Moenning discussed being proactive in zoning and not reactive. Specific areas – Omaha Avenue, Queen City Boulevard, Riverside Boulevard, West Hwy 275, East Norfolk Avenue. These are areas that would be benefited by changes in the current zoning districts.

There was discussion on County Industrial Tracts (CITs). The City is the only entity that does not receive property taxes on CITs. City Planner Val Grimes discussed state statute related to CITs. The industry property owner can petition to the County Commission to take themselves out or County Commission can remove them. Grimes said all of the current CITs in Norfolk are

still operating as industry and there is no incentive for them to remove themselves from that designation.

Councilmember Clausen discussed tiny houses. Current market trends make things very difficult for first time homebuyers. With a higher density development, lot and construction costs decrease. Construction for tiny home can range from \$50,000-\$100,000. There are homes that are mobile and homes that are not mobile. Clausen said mobile tiny homes fall more into mobile home area (RM zoning) and does not see that being popular in our area.

Grimes said that for construction of a single family home, the minimum size requirement is 650 square feet and 400 square feet for a mobile home. The tiny homes are classified as an RV and Mobile Home zoning seems most appropriate with the city's current zoning districts. Grimes said she would like to see these homes be put on a solid foundation and be hooked up to water and sewer. Could potentially put in RM zoning as they are similar to size and use, or make into neighborhood with a new zoning category. Discussed setback issues on the smaller, older lots in town.

Moenning asked if a new zoning classification should be created. The tiny homes are attractive to young people and active seniors. Immobile and permanent neighborhoods in urban areas is direction he would like to go. Merrill said he would like to see scenarios to take more pointed look. Clausen agreed there should be an entirely new zoning category for these. Clausen also discussed issues with Energy code requirements as these homes do not fit into mold of current building code requirements and said there will be some challenges.

Discussed tiny home subdivisions vs. tiny home infill. Colvin said the direction would be a new zoning district with minimum area requirements. From utility perspective, much more efficient. Will look at having new zoning district, minimum areas, standards, etc.

#### CARES Act and American Rescue Plan Funding Ideas

Colvin said the Cares Act funding is funding we have already received. Colvin had a recent meeting with representatives from the Senior Center. Thus far, the relationship between the Senior Center and City has been strictly capital. City built the building and transferred ownership to Senior Center. The pandemic has had strain on Senior Center and Colvin discussed the option of using some of the CARES Act funding to give to the Senior Center to invest in new programming, new events and ways to start raising money to become self-sustained. Sees strong desire to do that. A plan would be presented by the Senior Center regarding the request. Clausen asked what are they looking for dollar wise. Colvin said they did not come with a number but a number he would suggest would be \$50,000. Moenning recommended we receive a proposal from the Senior Center and take the issue back to a subcommittee.

Colvin discussed other potential uses for these dollars – parks and recreation including landscaping, playground equipment, etc. Colvin asked about the desire to have indoor aquatic center. A survey last year indicated citizens would like to see city fund that. There is opportunity for partnerships and staff will take a look at what is available. Colvin would suggest spending \$100,000 to get an architectural design.

Granquist asked about Memorial baseball field turf. The cost to do infield is approximately \$500,000 and Granquist would like to see some of this funding go toward this project. Colvin said the recreation component pays dividends. With a first class baseball field and aquatic center there are reasons for people to come to town.

Colvin discussed the public safety center construction/renovation and addition and noted there is \$835,000 left after commitments to streets and COLA. The renovation and addition to the Police Division building is estimated at about \$5 million.

Clausen discussed a continued desire to increase public safety payroll to get our police officers to the higher end of pay for first class cities in Nebraska. Weidner said to increase fire and dispatch personnel by 5% and police officers by 10%, there is an increase of about \$500,000 per year that would need to be funded. Moenning said it would difficult to use this money for payroll, as an increase in payroll is not a one-time thing. Elected officials and staff discussed the difficulty in recruiting police officers.

American Rescue Plan - what it can be used for – revenue losses during pandemic, response to pandemic or negative economic impact, premium pay for essential workers during pandemic, water, sewer and broadband infrastructure improvements, transfers to non-profits (not any non-profit, has to fall within Act). Once specifically named is transit, which will be discussed in further detail during this meeting as there is a need for the transit system to expand to meet needs of the community.

#### Local Option Sales Tax

Colvin is looking to identify future projects. Half-cent sales tax brings in approximately \$3 million annually. Colvin's desire would be to look at 5-year half-cent sales tax (the limit is 10 years) for Street improvement projects, public safety center and major improvements to the City's baseball and softball fields. Colvin feels these projects would appeal to voters. Street projects could be bonded. If bonds issued, can go out past 10 years but are limited to a half-cent sales tax per state statute. First available election – May of 2022. Target date is to put on ballot by end of the 2021. Council has to vote to put on ballot, which defines where funding would go. Would plan to put \$7-8 million toward streets as this is the biggest citizen concern.

#### Public Art, Sculpture Walk, Downtown Events

Hildebrand discussed the idea of having the ability to enjoy the downtown area by going from one establishment to another while carrying drinks. Noelle reviewed state statute and open container laws. State statute allows for an "Entertainment District" but that would not fit within our downtown area. There is the ability for certain events to take place that would allow this but could not be a permanent set up.

Arens said he met with Norfolk Arts Council regarding the sculptures downtown that is mostly privately funded and said he would like to look at more public funding to help promote arts. Arens said Wayne gives \$30,000 for public assistance for Arts and he reached out to other communities that showed interest in something similar. Discussed setting up a "Creative Arts District" and LB 39 related to the Sports Facility Financing Assistance Act.

### Traffic Control Safety

Rames provided an update on what is being done to ensure safety for street crews. Rames said there is certainly room for improvement and has created standard traffic control details. Standards are not different for in house crews vs. contract crews and discussed the need to add an arrow board. For lighter reconstruction would like to close off for 2 to 3 blocks. Granquist discussed filling of potholes. Rames said there seems to be a focus on temporary repair. Material used is a hybrid material that is not set up for larger asphalt replacements.

Michigan Avenue discussion – how to handle going forward. Rames said the second phase of the Michigan Avenue project has gotten pushed back. Contract for drainage study was done last year. Will take nine months to work through design. Rames said both Michigan Avenue and 18th Street will have a 1” asphalt cap this year in the bad areas to hold them together until a permanent solution can be done.

Rames also discussed Truck Route signage and said all signage that will go in city Right of Way has been ordered.

### Airport

Colvin discussed a possible interlocal agreement with Airport Authority bringing staff to work with the City moving forward. There is an opportunity for growth and a chance to make the airport operate more efficiently moving forward. Goal is to have a plan by next fiscal budget year.

### Closed Session

Mayor Moenning requested a motion to go into closed session for the prevention of needless injury to the reputation of individuals, to discuss personnel performance and evaluation.

Councilmember Merrill moved, seconded by Councilmember Granquist to adjourn from regular session and convene into close session at 7:26 p.m. to discuss personnel performance and evaluation. Roll call: Ayes: Arens, Clausen, Granquist, Hildebrand, Jackson, Merrill, Murren and Wiebelhaus. Nays: None. Absent: None. Motion carried.

Councilmember Merrill moved, seconded by Councilmember Murren to adjourn from closed session at 9:03 p.m. and reconvene into regular session. Roll call: Ayes: Arens, Clausen, Granquist, Hildebrand, Jackson, Merrill, Murren and Wiebelhaus. Nays: None. Absent: None. Motion carried.

### Transit

Rames provided a brief history of Norfolk Public Transit and said a need has been identified to increase mobility. Currently, Norfolk Public Transit operates with mini vans and four busses (with two more on order) and provides an average of 25,000 to 30,000 rides per year. The city and United Way provide a local match for funding. Rames discussed construction for a new home for a transit facility with goals to increase mobility, reduce fares and have monthly and seasonal passes. Moving forward, the new transit service will be North Fork Area Transit. Rames

discussed features of the new program including demand response transit, proposed routes and funding options. There will be a joint ask from county and city, will be asking for \$1,000,000 each for startup costs.

There being no further discussion, the Mayor declared the meeting adjourned at 9:21 p.m.

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Josh Moenning  
Mayor

ATTEST:

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Brianna Duerst  
City Clerk

( S E A L )