

**BOARD OF EQUALIZATION**

Madison, Nebraska

December 21, 2010

The Board of Equalization of Madison County, Nebraska met at 9:00 A.M.

Advance notice of meeting was published in the Thursday, December 16, 2010 edition of The Norfolk Daily News. A copy of said notice was mailed to each Board member. An affidavit of acknowledgment of receipt of notice of meeting as published was executed.

Present: Commissioners Jerry McCallum, Rick Uhlir, and Lee Klein, and County Clerk Nancy Scheer. Chairman Lee Klein called the meeting to order and notified the public of the location of the information regarding the Open Meeting Act posted in the meeting room.

Motion was made by Uhlir and seconded by McCallum to approve the agenda for the meeting. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

Motion was made by Uhlir and seconded by McCallum to approve the minutes of the December 7, 2010 meeting. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

County Assessor Jeff Hackerott submitted the following tax list corrections:

- #2652: Norfolk Psychological Services, P.O. Box 223, Norfolk  
Addition to the tax rolls in the amount of \$28.68 for correction to the 2010 personal property taxes due to the schedule being filed after the 2010 tax rolls were completed
- #2653: Herbert and Mary Praeuner, P.O. Box 427, Battle Creek  
Deduction from the tax rolls in the amount of \$667.68 for correction to the 2010 real estate taxes upon receipt of a letter from the State of Nebraska changing the homestead exemption from 40% to 70%

After discussion, it was moved by McCallum and seconded by Uhlir to approve the tax list corrections as submitted. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

The Board of Equalization adjourned at 9:03 A.M.

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County Clerk

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Chairman

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**COMMISSIONERS PROCEEDINGS**

Madison, Nebraska

December 21, 2010

The Board of County Commissioners of Madison County, Nebraska met in regular session at 9:30 A.M.

Advance notice of meeting was published in the Thursday, December 16, 2010 edition of The Norfolk Daily News. A copy of said notice was mailed to each Board member. An affidavit of acknowledgment of receipt of notice of meeting as published was executed. Chairman Jerry McCallum called the meeting to order and notified the public of the location of the information regarding the Open Meeting Act posted in the meeting room.

Present: Commissioners Jerry McCallum, Rick Uhlir, and Lee Klein, and County Clerk Nancy Scheer. County Highway Superintendent Richard Johnson joined the meeting at 9:58 A.M. Planning and Zoning Administrator John Johnson was present from 9:52 A.M. to 10:16 A.M.

Chairman Jerry McCallum read the following consent agenda items into the record:

- 1) Approval of minutes of the December 7, 2010 meeting
- 2) Change pay date from December 24, 2010 to December 23, 2010 due to closure of several banks on Christmas Eve
- 3) Approval of Leon Boecker's Lot Split located in Section 30-24-2
- 4) Authorization for Board Chairman to execute a letter to the Nebraska Game and Parks Commission regarding the Cowboy Trail bridge located approximately five miles southwest of Norfolk

Motion was made by Klein and seconded by Uhlir to approve the consent agenda. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

Motion was made by Klein and seconded by Uhlir to approve the regular agenda. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

Dave Simonsen, Executive Director of Elkhorn Valley Economic Development Council, and Makala Dostal and Candace Taylor, Economic Development Coordinators for Elkhorn Valley Economic Development Council met with the Board. Mr. Simonsen reported that ADM will be locating a plant southwest of Battle Creek. He stated that ADM is requesting a turn lane and Commissioner Klein responded that the turn lane would be along a state highway. Mr. Simonsen reported that they are scheduling an educational session on tax increment financing in January with the city councils of Battle Creek and Madison and he invited and encouraged the Commissioners to attend the meeting. He stated that Mike Bacon, a tax increment financing attorney, will present the session. He explained that new projects will have a direct impact upon the economy; however, during the years that tax increment financing is in place, the county won't be gaining any valuation.

Mr. Simonsen reported that he is working with Battle Creek on a project that hasn't been announced yet, but they plan to use tax increment financing. He stated that the ADM project will be an investment between \$8 million to \$10 million and will have six to eight full time employees. He reported that ADM initially asked EVEDC to locate some landowners in the area who would be willing to sell and they have been working together for seven months. He stated that the ADM plant will be a large facility which will probably have an effect on the existing coops in the area. Chairman McCallum reported that the ADM plant plans to process 620,000 bushels per day.

Mr. Simonsen stated that ADM is also considering one more project in the area; however, it has not been announced at this time. He reported that the project in Battle Creek can't be publicly disclosed at this time, but it will be a \$5 million project and they have a location selected right outside of Battle Creek. He reported that within the last two weeks, six new projects have come forward and all are at different phases of activity. Mr. Simonsen reported that the Madison City Council has recently identified a piece of property that the city could use as an industrial site for development. He explained that when they get a project they can start marketing the Madison site. He reported that they have two meat processor projects that they are currently working on. He reported that the bacon plant will probably be a new building because the Tyson facility is not feasible. He explained that the other project is very similar, but will make jerky, and two contractors are putting together pricing on a new building. Mr. Simonsen reported that another local individual is working on a project identified as FISH, which would involve farm raised fish and processing of the fish. He stated that this is a quick overview of some of the 40 projects that Elkhorn Valley Economic Development Council is working on.

Candace Taylor reported that they are also putting together an electronic newsletter, with distribution to begin in January. Commissioner Klein stated that the two Economic Development Coordinators for Elkhorn Valley Economic Development Council do an excellent job.

No action was taken.

Dick Boschult, area supervisor for the Nebraska Department of Agriculture Noxious Weed program, met with the Board. County Weed Superintendent C.J. Rudnick was also in attendance.

Mr. Boschult reported that he supervises 29 counties in northeast and north central Nebraska. He stated that Madison County will join 77 other counties in which the County Board is considered the Weed Control Authority. He submitted a copy of the Noxious Weed Act which outlined the duties and responsibilities under the act. He stated that the law requires the county to establish a coordinated program to control the noxious weeds in the county. He reported that Madison County has one of the best weed control programs in the state and he wanted to see that a good viable program was continued. He stated that when the County Board takes over the Weed Control Authority function, the weed control program is usually maintained at pretty high standards. Mr. Boschult stated that the law requires Weed Control Superintendents to cooperate and answer to supervisors carrying out the coordinated control of weed control programs in the county, so basically the Weed Control Superintendent under the Noxious Weed Act is the one who carries out most of the duties that are outlined in the law and assigned by the County Board. He stated that the legal responsibilities of the Noxious Weed Board will transfer to the County Board. He explained that most Control Authorities give the responsibilities to the Weed Superintendent, who carries out the requirements of the law, including inspections throughout the county and reports that must be submitted to the State by January 31st of each year.

Mr. Boschult encouraged the Board members to read the entire Noxious Weed Act to become familiar with the requirements. He stated that there are nine noxious weeds, including musk thistle, plumeless thistle, Canada thistle, leafy spurge, spotted knapweed, diffuse knapweed, purple loosestrife, saltcedar, and phragmites. He stated that the Department of Agriculture makes sure that the program is functional and Madison County has a good, functional noxious weed program and the county has a good foundation for the program. He encouraged the Board to continue the weed program because it is one of the top programs in the state since it has been built up during the last 15 to 20 years. He stated that just because the Weed Superintendent is out doing his work, that doesn't mean that all the noxious weeds are controlled, it simply means that the county has a coordinated program to control the noxious weeds and it is working well. He congratulated the Board on a good coordinated noxious weed program in the county and the funds to make it work in the county. Mr. Boschult stated that the Department of Agriculture completes inspections in many counties, speaks to the Weed Superintendents, and also talks to the County Boards to make sure that the program is working the way it should. He advised the Board members to contact him if they have any questions regarding the weed control program.

Weed Superintendent C.J. Rudnick questioned how claims should be completed in the future and what date claims should be submitted. Commissioner Klein responded that the County Board must make a decision on what will be done since in effect the county will start over. Chairman McCallum requested C.J. Rudnick to meet with the County Board at the next meeting.

County Attorney Joseph Smith, Architect Jill Brodersen, Crafts, Inc. attorney Jeff Hrouda, and Crafts, Inc. representative Larry Voecks were in attendance to discuss the final payment for the Public Defender's building addition.

County Attorney Joseph Smith reported that he looked into the issue of the roof on the Public Defender's building. He explained that he looked at the original bid specs and contract. He submitted documents explaining that the specs required a 24 gauge roof with two inch seams that was mechanically seamed on site. He explained that the first two pages of his document explained what the plans required, including the roof sheathing. He stated that the roof required in the specifications is not installed by very many contractors. He advised that he spoke to someone who wasn't involved in the Public Defender's

building process to try to obtain information about the roof required in the specs compared to the roof that was installed. Mr. Smith reported that the third page of his report included information from the bid documents regarding substitution of brand name items. He explained that if anyone submitted a bid that didn't exactly conform to specs, they were to include that with the proposal or the bidder was deemed to be using the brands specified. He reported that the fourth page included information from paragraph 14 of the specs regarding change orders reflecting that changes to the project would be approved by the County Board or a designated representative. He explained that the fifth page of the report was from paragraph 36 of the specs that includes information regarding deduction for uncorrected work which states that if the owner deems it expedient to accept work injured or not completed in accordance with the specs and contract, an equitable adjustment can be made. Mr. Smith explained that as far as options legally, he understands that the roof that was put up was lighter gauge and it wasn't mechanically seamed and it has one inch ridges, so the roof is nonconforming and doesn't fit with the original specs. He stated that the remedies include the difference in the price versus the value of the roofs as one measure of damages. He explained that if one roof is worth \$200 and the other roof is worth \$100, the measure of damage is \$100. He reported that another consideration is specific performance, which is a suit to require the contractor to install the roof according to the specs. In addition, he stated that another option is to withhold money and allow the contractor to put the roof back to specs or the county to bid it out and use the retainer for the cost. Mr. Smith stated that he realizes that there was a bidding process issue, and as he understands it, the top two bids are fairly close and one bidder may be upset. He reported that this is one reason that he went outside of the bidders on this project to get a figure on the roof differences. He reported that he doesn't have an absolute figure on the difference in the roofs because he didn't want to get to the point where he was committing the county on anything, but the difference may be as high as \$20,000 to put the roof back to specs. Mr. Smith reiterated that he spoke to different contractors than those involved in the bidding process, but he didn't get any precise figures because he didn't want to get to the point where he was spending money or making commitments that he was not authorized to make. He stated that he has spoken to Crafts attorney Jeff Hrouda and the issue that the contractor has is that the roof was authorized by the architect. He stated that when the meeting gets to the point where there is discussion of possible litigation, he may suggest that the Board go into executive session.

County Highway Superintendent Richard Johnson questioned what the \$20,000 number included and County Attorney Joseph Smith responded that \$20,000 is a rough number because the person that he talked to had seen the plans, but didn't have a copy. He explained that \$20,000 is the difference between the roof installed and the roof required in the specs. He stated that \$20,000 sounds rather high to him and he could have a better figure if the person he spoke to had the plans. He also stated that if the county wants to replace the roof, it would be bid using the same specs.

Jeff Hrouda, attorney for Crafts, Inc., thanked the Board for the opportunity to come to the meeting and expressed appreciation to the Board for trying to accomplish some kind of resolution that would be equitable for both parties and would resolve the issue as quickly as possible. He stated that with regard to what they are able to reconstruct as far as he can understand of what happened, there were some plans and specifications originally set out and in reviewing the plans and specs as the project was going, it was apparent that there were problems associated with the plans because the roof that was suggested wasn't appropriate for the building. He explained that there are several things that were noted and one was that the roof as originally proposed didn't fit well with the valleys that were part of the roof design. Mr. Hrouda stated that the type of roof that was proposed was not well suited for a building that had valleys involved. He reported that there were some other issues and Crafts met with the architect to discuss these problems and, as far as they could ascertain, the architect agreed that this was problematic and the architect then, as the county's designated representatives with respect to the issues involving plans and specifications for the building, approved a proposal to put together a roof that would be more appropriate. He stated that at the end, what the county has is a perfectly functional roof that looks nice on the building. He reported that the specs required the building to have 25 year minimum manufacturer warranty and the installed roof has a 40 year warranty. He reported that, in addition, the roof installed has a UL 90 rating for the wind uplift, so the county has a good quality roof. Mr. Hrouda stated that looking at this situation, if the county would put the roof on as originally proposed, the county may not have this particular UL rating because of the way it has to be applied to the roof and there would be a question whether the county would get a manufacturer's warranty on that. He explained that from Crafts perspective, the two areas that they would come from are, number one, that Crafts was authorized to construct the building as approved by the architect and that they did in fact perform their functions pursuant to the plans and specs as approved. He reported that secondly, as a result, the county has a better roof and one with a better warranty and a UL rating of 90. Mr. Hrouda stated that, with these items in mind, Crafts believes that it is on firm legal grounds to ask that its contract price be paid; however, that is probably an issue that is better discussed and litigated in court and they are hoping that they don't have to get to that point, so they would like to explore possible settlements that would be acceptable. He stated that if the Board takes the position that the county wants the roof replaced and specific performance, then Crafts would have no choice but to go into litigation because that is not an acceptable option. He stated that any other options would be looked at to see what could be done.

Larry Voecks, representative from Crafts, Inc., reported that a couple items that caused Crafts to want to visit with the architect were items in the specifications. He stated that one item was the requirement for a trapezoidal roof two inches tall, which was in the specs, because there is no such thing. He reported that trapezoidal roofs come in three inches tall, they don't come in two inches tall, even by the manufacturer that is stated in the specifications. He explained that a trapezoid has two equal sides and is a four-sided configuration until it gets to architecture. He stated that when it gets to architecture, then the definition changes and becomes that of a pyramid style of a configuration. He reported that when you deal with trapezoidal roofs and that kind of a configuration, you are dealing with an open web system on a roof and there is no decking over the top of the webbing. Mr. Voecks stated that webbing for instance could be considered rafters and there are clips on the members and then the roof interlocks into the clip. He explained that when you have flat decking then that system does not apply. He stated that you want a system that lays flat on the decking and fastens to the decking, so those were a couple of things that caused Crafts to want to go and visit with the architect. In addition, he stated that this, plus the fact, that a trapezoidal roof, because of the raise on the open edge, doesn't fit valleys very well and these things caused them to propose a different roof, which was approved by the architect. Mr. Voecks stated that, if the roof is rolled on site, then it cannot be certified with the UL 90 rating on it, and the roof installed is certified with a UL 90 rating. He stated that the county will be furnished with a warranty that exceeds the 25 years on the roof, because this roof has a 40 year warranty.

County Attorney Joseph Smith questioned if the 40 year warranty was on the finish and Larry Voecks responded that the warranty is on the coating, like is called for in the specs. Commissioner Klein stated that the roof is not really guaranteed, just the color, and Larry Voecks responded that the coating on the roof is guaranteed for 40 years and a 25 year warranty was called for in the specifications. Larry Voecks offered to share exactly where Crafts was with billing on the project and who is owed money.

County Attorney Joseph Smith stated that the specs called for 5/8 inch sheathing and Larry Voecks confirmed that this was correct. County Attorney Joseph Smith stated that the sheathing would have been put on with other roofs. Larry Voecks explained that a trapezoidal application would have been a practical application on an open web system. County Attorney Joseph Smith reported that the specs called for sheathing and Larry Voecks responded that this is little bit of a conflict and another reason for the visit with the architect. County Attorney asked what the problem was with attaching the deck to a roof with sheathing and Larry Voecks responded that there is a clip that goes into a ridge and that clip then is anchored and it is difficult to anchor a clip to an open web system because when you have an open web system there are individual members on rafters that would be steel and they would be fastened to the steel roof.

County Attorney Joseph Smith reported that he talked to a subcontractor who installs these types of roofs who thought he could have bid it. Larry Voecks stated that there were questions that came to mind and that was the reason for visiting with the architect, along with the fact that they couldn't get panels in two inch high, but in three inch high. He added that the manufacturer stated in the specs does not make the sheathing, they make a machine that makes the sheathing. County Attorney Joseph Smith inquired if the current roof has mechanical seams and Larry Voecks responded that the roof is an interlock seam. Mr. Voecks clarified that there are two different ways to do the seam and that was included in the information supplied to the architect. County Attorney Joseph Smith inquired what Crafts position was with respect to the associated value of interlocking opposed to mechanically seamed. Larry Voecks responded that he went back through the numbers and looked at the estimates that were done prior to bidding the project and material alone had an estimated cost of \$10,000, but when he looked at the billing for what Crafts paid for materials it was \$11,180, so these costs are very similar. He stated that as far as the roof application, there probably wouldn't be a lot of difference in the labor putting on one roof versus the other. County Attorney Joseph Smith questioned if Crafts would have completed the work themselves or subbed out the roof and Larry Voecks responded that in either application, Crafts could have completed the job or subbed it out.

Commissioner Klein stated that he was surprised that a change order didn't come through the County Board. Larry Voecks stated that maybe in hindsight, when Crafts visited with the architect, the architect probably should have said that they need to go to the Board. Commissioner Klein responded that the Board didn't know there was an issue until the roof was put on the building. He stated that when the first two contract changes happened, change orders came through the County Board, so the Board was assuming that the contractor was following the specs because the precedence was set by coming to the Board twice and then afterwards the Board needed a visual to see that Crafts substituted a different roof without getting approval. Larry Voecks reported that Crafts did go to the architect like the specifications called for them to do. He explained that Crafts also knew that other decisions were made and the architect was the person who went through on the punch list and the architect was the person who approved the billings that were sent to the county. He stated that in hind sight, when they went to the architect, and the architect said this looks fine to me and to the engineer, they should have said lets go to the Board before we proceed.

Chairman McCallum stated that he doesn't have any set figures, but every contractor he has talked to said that the roof that was put on the building is much cheaper in price than the roof that should have been put on the building. He stated that if that price would have been brought to the Board in the final payment, it could have been deducted. Larry Voecks responded that if they wanted to, a person could engage a third disinterested party to make that decision. Chairman McCallum stated that he understands that there is a difference in cost and Larry Voecks responded that they are not sure that is the case when their estimate shows that they paid as much or a little bit more for the roof that is on the building. Larry Voecks also stated that they could argue that until the cows come home and it wouldn't make any difference.

County Attorney Joseph Smith reported that the second bidder takes the position that he submitted a bid based on the specs and had he know he could substitute a roof he could have been awarded the bid. Larry Voecks responded that the roof is not available according to specs so there would have been a change made. He explained that Crafts checked with the manufacturer and it is not available in a two inch, but is available in a three inch. At this point in the meeting, County Attorney Joseph Smith left the meeting for a period of time.

Larry Voecks reported that the roof had been submitted for payment in September and was approved for payment and received on the 20th of September. He stated that what is left on the building to date and the bill that the County Board members have in front of them totaling \$25,712.33 includes \$21,491.00 owed to various subcontractors including Wacker, Volkman, T & H Drywall, Model, Long Masonry, Heartland Fire Protection, Fullerton, Complete Floors, Carhart, and Albracht Disposal. He explained that out of the final bill there are subcontractors that are owed \$21,491.00. He offered to leave a copy of the itemization.

Commissioner Klein stated that the breakout doesn't mean anything to the County Board because Crafts is the general contractor, not the county. Larry Voecks stated that he thought the Board would be interested in knowing what is left to be paid on the bill. Commissioner Klein responded that this just shows how Crafts paid their subcontractors. Larry Voecks explained that the roof had already been approved and paid for, so he just wanted to report this.

Attorney Jeff Hrouda stated that there are some questions regarding numbers and figures, but as far as he can ascertain, he has seen no evidence to indicate that the quality of the roof that is installed in anything different than the quality would have been if the contractor had installed the two inch trapezoidal panels. He stated that as far as they could tell, the quality of the roof is either the same or actually a better quality roof.

Commissioner Klein stated that he disagreed because when you have a mechanically seamed roof it is better than a snap together roof. Attorney Jeff Hrouda responded that he hasn't seen any evidence that would indicate that.

Chairman McCallum reported that he spoke to outside contractors who told him that a mechanically seamed roof will handle wind better than a snap together roof and will have more longevity. He stated that when the county leased the building from the City of Madison, the City designated that this is the type of roof that the City wanted on the building before it would be leased to the county. He stated that Architect Jill Brodersen talked to Mayor Lyons about the roof and the City of Madison also came before the Board several weeks ago and gave some testimony regarding this type of roof and this is the reason that these specs were used. He stated that when the specs are laid out to the contractor and they are changed without the guidance of the person who signs the check, then you start to wonder what else has been changed. Chairman McCallum stated that he is not accusing anybody of anything, but this puts doubt in people's minds, especially constituents or taxpayers, who are paying the bill.

Attorney Jeff Hrouda stated that from Crafts perspective in that regard, they were operating under the assumption and the evidence provided to them that the architect had the responsibility to deal with such changes. Commissioner Klein responded that Crafts set the precedence by coming to the Board twice with change orders and then they abandoned that process, so they knew what the procedure was. Attorney Jeff Hrouda responded that he doesn't know anything about the change orders, but his understanding is that the change orders were to add extras to the contract. Chairman McCallum reported that one change order was regarding telephone lines and he didn't recall what the other item was. Attorney Jeff Hrouda stated that the roof question was more of a clarification and didn't involve any addition to the contract. Larry Voecks affirmed that the roof change didn't involve any additional money.

Attorney Jeff Hrouda stated that when they secured the architect's permission to go forward, Crafts was operating under the assumption that everything was cleared because the architect was the designated representative of the county. Commissioner Klein stated that Crafts set the precedence by coming to the County Board twice and then suddenly dropped that procedure, so the Board didn't know anything was happening. Larry Voecks reiterated that the other items were change orders because additional money was involved. Commissioner Klein stated that he has a contractor's license and every time he substitutes or makes a change he needs to have a stamped approved document from the owner saying that it is okay or he is liable to rip it back out, which has happened to him, he doesn't substitute without getting full authority.

Chairman McCallum stated that especially since there was so much difference in whether the roof could be gotten or whether the specs were off, the roof issue should have been brought to the Madison County Board so the Board could have been advised that the roof would not work. Attorney Jeff Hrouda responded that in that case, the person who was responsible for the plans and specs maybe should have brought that to the Board's attention. Chairman McCallum stated that maybe that is where the conversation should be.

County Highway Superintendent Richard Johnson questioned if Larry Voecks could give the Board an approximate percentage of Crafts overhead and profit on the job. Larry Voecks responded that if he would be given a little time he could get this information. He stated that if you look at the last billing, there is approximately \$4,000 difference between what they owe and what was billed so that is why he was going to let these billings with the Board, so if the Board members wanted to compare, they could see what the cost was, because that would be Crafts profit. County Highway Superintendent Richard Johnson questioned if the profit would be around 25% and Larry Voecks responded that is not correct, but only reflects that way on the final billing. Larry Voecks explained that normally the profit runs between 10% and 15%. Attorney Jeff Hrouda explained that the 25% is an arbitrary number. Larry Voecks explained that in the last billing there are amounts that are held back from the subs until certain documents are signed. Commissioner Klein stated that this has more to do with when the subs billed Crafts as opposed to when they did the work and Larry Voecks agreed with this comment.

County Attorney Joseph Smith returned to the meeting at this point of the discussion. He reported that he made another phone call and that he is uncomfortable talking about information that people gave him that is privileged and since they have talked about litigation on the building contract, he requested an opportunity to update the Board in executive session on some of the legal aspects and evidence that may be expected to be presented at a hearing.

Motion was made by Klein and seconded by Uhlir to recess into executive session to discuss issues regarding the Public Defender's building addition contract that may result in litigation. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

The Board recessed into executive session at 10:48 A.M. with Chairman Jerry McCallum, Commissioners Rick Uhlir and Lee Klein, County Attorney Joseph Smith, County Highway Superintendent Richard Johnson, and County Clerk Nancy Scheer present.

Motion was made by Klein and seconded by Uhlir to recess from executive session. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried. The Board recessed from executive session at 11:12 A.M.

Chairman McCallum provided an opportunity for the architect to address the Board. Architect Jill Brodersen stated that the specs dealt with what the Mayor wanted, which was to have Knudsen Builders do the roof on the building and she told the Mayor that she couldn't put that in the specs, so she asked Knudsen Builders what they use for a roof. She explained that Knudsen Builders sent her the specs which she included in the bid documents. She reported that after the bid was over, Crafts came to her and said that she needed to pick a color for the roof and that they wanted to propose this different style panel which has a little bit of an edge to it and had a one inch seam instead of a two inch and she advised that she really preferred a one inch. In addition, she stated that Crafts told her that the specs were wrong because they require the contractor to provide a Knudsen panel that is not available and Knudsen is really the name of a company that makes a machine that rolls the steel. In addition, she stated that she looked at what Knudsen Builders gave her and laid it out in the specs just like Knudsen Builders gave it to her, thinking that this is what the Mayor wanted. Ms. Brodersen stated that the specs did request a two inch seam that was mechanically fastened. She reported that when the information was given to her, the contractor was asking her to pick a color and asked her if she would approve a one inch seam versus a two inch seam and she told the contractor that was okay because a one inch seam would look better on a smaller building. She stated that she didn't think it was that big of a deal. She explained that the contractor did not give her any information about seaming or gauging being different or that it was snap-in rather than mechanically fastened and she assumed that it was all the same. Ms. Brodersen stated that she thought it was the contractor's responsibility to verify that information. She reported that she picked a color, but she did not know that there was any problem with the valley.

Chairman McCallum reported that when he spoke with Jill Brodersen she also insinuated that the contractor said the roof was equal to what the specs required. County Attorney Joseph Smith interrupted at this point and stated that some of the information presented by Architect Jill Brodersen includes some very precise details, so the Board may wish to go into executive session so no one suffers any damage business wise. He recommended that the Board discuss any further details in executive session so they don't inadvertently harm anyone.

Motion was made by Klein and seconded by Uhlir to recess into executive session to prevent needless injury to the reputation of individuals involved in the Public Defender's building addition contract. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

The Board recessed into executive session at 11:22 A.M. with Chairman Jerry McCallum, Commissioners Rick Uhlir and Lee Klein, County Attorney Joseph Smith, County Highway Superintendent Richard Johnson, Architect Jill Brodersen, and County Clerk Nancy Scheer present.

Motion was made by Klein and seconded by Uhlir to recess from executive session. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried. The Board recessed from executive session at 11:28 A.M.

County Attorney Joseph Smith recommended that the County Board determine what amount, if any, should be withheld from the final payment to Crafts for the Public Defender building addition.

Motion was made by Klein and seconded by Uhlir to authorize payment to Crafts in the amount of \$5,712.33, which results in retaining \$20,000 of the total contract amount, and authorize the County Attorney to conduct research and expend any funds necessary to arrive at a fair and equitable estimate to begin negotiations with Crafts for settlement of the final payment for the Public Defender's building addition. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

County Attorney Joseph Smith requested to meet with the Board in executive session to update the Board on pending litigation regarding the Blaser vs. Madison County lawsuit.

Motion was made by Uhlir and seconded by Klein to recess into executive session to discuss litigation. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

The Board recessed into executive session at 11:32 A.M. with Chairman Jerry McCallum, Commissioners Rick Uhlir and Lee Klein, County Attorney Joseph Smith, County Highway Superintendent Richard Johnson, and County Clerk Nancy Scheer present.

Motion was made by Klein and seconded by Uhlir to recess from executive session. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried. The Board recessed from executive session at 11:35 A.M.

Chairman McCallum reported that County Attorney Joseph Smith updated the Board on pending litigation. No action was taken by the Board.

The following claims were audited:

GENERAL FUND		
Total Net Payroll		113,896.07
Afternooners	Meals, County Jail	2,400.24
Ronald Albin	Legal Services, County Court	665.24
Albracht Disposal Service	Garbage Services, Public Defender	41.00
Albracht Disposal Service	Garbage Services, Courthouse	94.00
Albracht Disposal Service	Garbage Services, County Jail	155.00
American Family Life Assurance Company	Insurance Premiums	688.89
Ameritas Life Insurance Corporation	Employee Share Retirement	7,327.54
Ameritas Life Insurance Corporation	Employer Share Retirement	10,769.18
Ameritas Life Insurance Corporation	Insurance Premiums	363.74
Antelope County Court	Transcript, Law Enforcement	22.75
Appeara	Mat Service, Public Defender	44.68
Axiom Wireless	Supplies, County Sheriff	15.99
Beckman's Service Center	Repairs, County Sheriff	32.40
BI Inc.	Monitoring Services, Juvenile Diversion	463.76
Black Hills Energy	Gas Service, Courthouse	483.46
Black Hills Energy	Gas Service, County Jail	595.57
Blue Cross Blue Shield of Nebraska	Insurance Premiums	118,120.18
Bob Barker Company Inc.	Supplies, County Jail	100.56
Brady & Amy's	Fuel, Election Commissioner	45.43
Brady & Amy's	Fuel, Courthouse	61.51
Brady & Amy's	Fuel, County Sheriff	92.63
Al Brandl	Repairs, County Jail	21.10
Brogan and Gray, P.C., L.L.O.	Legal Services, District Court	1,864.25
Cableone	Internet Services, Public Defender	125.95
Jaida Carley	Witness Fees, County Court	36.00
Carney Law, P.C.	Legal Services, County Court	1,590.50
Central United Life Insurance Company	Insurance Premiums	37.21
Charm-Tex	Mattresses, County Jail	4,096.80
Maria Chavez	Interpreting Services, Public Defender	205.50
City of Madison	Utilities, Public Defender	164.13
City of Madison	Utilities, County Jail	2,958.71
Colonial Life and Accident Insurance	Insurance Premiums	154.67
Columbus Tire & Service Center Inc.	Repairs, County Sheriff	570.92
Connecting Point	Internet Services, District Judge	20.95
Connecting Point	Equipment, County Sheriff	465.00
Connecting Point	Equipment, Probation	99.00
Connecting Point	Internet Services, Veterans' Service Office	35.95
Constellation Newenergy Gas Division	Gas Services, Courthouse	975.78
Constellation Newenergy Gas Division	Gas Services, County Jail	2,276.82
Continental Alarm & Detection	Repairs, County Jail	310.00
Copple, Rockey, McKeever & Schlecht, P.C., L.L.O.	Legal Services, County Court	2,439.52
Crafts Inc.	Contract Payment	5,712.33
Credit Bureau Services	Garnish of Wages	131.41
Culligan	Drinking Water Service, County Jail	98.45
Eakes Office Plus	Supplies, County Court	80.94
Eakes Office Plus	Supplies, Public Defender	45.00
Eakes Office Plus	Supplies, County Sheriff	68.24
Eakes Office Plus	Supplies, County Jail	186.75
Eakes Office Plus	Furniture, Supplies, Equipment, Probation	1,550.68
Election Systems & Software Inc.	Programming, Election Commissioner	795.00
Electrical Engineering & Equipment Company	Supplies, Courthouse	30.46
Electrical Engineering & Equipment Company	Supplies, County Jail	410.72
Enviromaster Inc.	Supplies, County Jail	42.00
Firestone Commercial Tire Center	Repairs, County Sheriff	127.99
First Concord Benefits Group	Flexible Benefit Plan, Deductible Buy Down	5,990.99
Fitzgerald, Vetter & Temple	Legal Services, County Court	281.50
Fleet Services	Fees, County Sheriff	10.00
Floor Maintenance & Paper Supply	Supplies, County Jail	290.50
Floor Maintenance & Paper Supply	Supplies, Probation	194.85

Gall's Inc.	Equipment, County Sheriff	206.96
Gall's Inc.	Uniforms, County Jail	229.89
Gasrite Inc.	Fuel, County Sheriff	5,057.36
Vickie Green	Meals, Uniforms, Planning and Zoning	115.66
Kayla Grone	Services, Probation	100.00
Nancy Gross	Mileage, Register of Deeds	118.00
Hampton Inn Kearney	Training, Juvenile Diversion	77.00
Hartford Life Insurance Company	Deferred Compensation	25.00
IHC/Group Link	Insurance Premiums	542.28
Jack's Uniforms	Uniforms, County Sheriff	241.88
Jack's Uniforms	Uniforms, County Jail	174.94
Jerry's Standard, Inc.	Fuel, Supplies, County Sheriff	47.04
John's Disposal	Garbage Service, Probation	38.00
Johnson, Morland, Easland & Lohrberg, P.C.	Legal Services, District Court	4,053.75
Johnson, Morland, Easland & Lohrberg, P.C.	Legal Services, County Court	948.75
John Johnson	Meals, Planning and Zoning	4.89
Kings County Sheriff	Service Fees, District Court	45.00
Kathryn Liebers	Equipment, Probation	128.39
Louderback Drug	Prescriptions, County Jail	924.47
Madison County Clerk	Tax Deposit	38,574.05
Madison County Court	Court Costs, County Court	1,687.00
Madison County Sheriff	Prescription, County Jail	2.00
Madison County Sheriff	Fees, County Court	171.14
Madison County Sheriff	Fees, District Court	537.55
Madison National Life	Insurance Premiums	118.55
Maintenance Engineering LTD	Supplies, County Sheriff	244.56
Major Refrigeration Company, Inc.	Repairs, County Jail	138.55
Veronica Martinez	Interpreting Services, Juvenile Diversion	105.00
Matthew Bender & Company, Inc.	Publications, Public Defender	263.78
Matthew Bender & Company, Inc.	Publications, County Attorney	246.52
Matthew Bender & Company, Inc.	Publications, County Sheriff	501.46
Matthew Bender & Company, Inc.	Publications, County Jail	100.71
Kaitlyn Maxey	Witness Fees, County Court	20.00
Microfilm Imaging Systems, Inc.	Supplies, Register of Deeds	31.50
Microfilm Imaging Systems, Inc.	Equipment Lease, County Court	218.00
Microfilm Imaging Systems, Inc.	Equipment Lease, County Surveyor	45.00
Midwest Office Automations	Equipment Lease, Probation	260.11
Midwest Radar & Equipment	Equipment, County Sheriff	80.00
Moore-Wallace	Supplies, County Sheriff	53.52
Morrissey Motor Company	Repairs, County Sheriff	106.96
National Board of Legal Specialty	Dues, County Attorney	265.00
Nationwide Retirement Solutions	Deferred Compensation	395.00
Nebraska Child Support Payment Center	Garnish of Wages	505.84
Nebraska Association of County Officials	Dues	2,005.76
Nebraska Law Enforcement Training Center	Training, County Jail	820.00
Nebraska Health and Human Services	State Institution Costs	795.00
Nebraska Public Power District	Utilities, Planning and Zoning	119.91
Nebraska Public Power District	Utilities, Probation	473.61
Nebraska State Bar Association	Dues, Public Defender	1,265.00
Nebraska State Bar Association	Dues, County Attorney	1,380.00
Norfolk Auto Center	Repairs, County Sheriff	21.76
Norfolk Awning Company	Repairs, Courthouse	95.50
Norfolk Daily News	Publication Costs, Election Commissioner	2,703.00
Norfolk Daily News	Publication Costs, Courthouse	320.01
Northeast Nebraska Juvenile Services	Board of Juveniles, Juvenile Detention	11,305.00
Rita Olberding	Transcripts, District Court	198.75
Pierce County Leader	Subscriptions, Planning and Zoning	28.00
Pierce Medical Clinic	Medical Services, County Jail	203.00
Pioneer Telephone	Telephone Service, Courthouse	230.70
Pitney Bowes	Equipment Rental, Courthouse	930.00
Pottawatomie County District Court	Copies, Law Enforcement	1.50
Michael Prather	Uniforms, County Sheriff	96.28
Puppy Love	Impound Fees, County Sheriff	25.00
Qwest	Telephone Services, County Jail	17.66
Qwest	Telephone Services, Probation	223.78
Reigle Implement Company Inc.	Repairs, Courthouse	226.40
Renner Auto Body	Repairs, County Sheriff	250.00
Sanne Repair	Repairs, County Sheriff	9,139.03
Marjorie Schaffer	Mileage, Meals, District Court	138.37
Nancy Scheer	Mileage, County Clerk	114.00
Schroeder Land Surveying	Surveying Services, County Surveyor	1,520.00
Secretary of State	Supplies, Election Commissioner	25.00
Shell Fleet Plus	Fuel, Reappraisal	239.10
Shell Fleet Plus	Fuel, County Sheriff	431.39
Short Stop	Fuel, County Sheriff	103.78
Sleuth Software	Software, County Sheriff	2,250.00
Stanton County Court	Copies, Law Enforcement	4.50

State of Nebraska AS Central Services	Computer Services, County Sheriff	32.00
Dale Taylor	Interpreting Services, Public Defender	427.50
The Cornhusker	Lodging, County Officials	2,070.00
The Farner Company, Inc.	Supplies, County Jail	60.59
Tiburon Financial	Garnish of Wages	219.80
Trane US Inc.	Maintenance Agreement, Courthouse	435.75
Rick Uhlir	Mileage, County Board	122.50
United Bank of Iowa	Equipment Rental, Probation	422.40
U.S. Bank Corporate Payment System	Supplies, Uniforms, Software, County Sheriff	766.83
U.S. Bank Corporate Payment System	Travel Expense, Fees, Law Enforcement	569.25
U.S. Bank Corporate Payment System	Supplies, Meals, Juvenile Diversion	277.64
Verizon Wireless	Telephone Services, Planning and Zoning	141.77
Verizon Wireless	Telephone Services, County Extension	90.45
West Payment Center	Internet Service, Publications, County Attorney	706.25
West Payment Center	Publications, Law Library	34.00
Western Office Plus	Supplies, County Assessor	28.34
Western Office Plus	Supplies, District Court	104.98
Western Office Plus	Supplies, County Court	254.57
Western Office Plus	Supplies, County Attorney	321.43
Western Office Plus	Furniture, Probation	468.00
Western Office Plus	Supplies, Veterans' Service Office	79.96
Whiskey Creek Steak House	Meals, Planning and Zoning	120.59
White Star Oil Company	Repairs, County Sheriff	72.00
Zodiac Properties	Rent, Probation	7,876.67

#### ROAD/BRIDGE FUND

Total Net Payroll		27,620.48
Advance Auto Parts	Parts, District #2	441.51
Albracht Disposal Service Inc.	Garbage Service, District #1	40.00
American Family Life Assurance Co.	Insurance Premiums	445.89
Ameritas Life Insurance Corporation	Employee Share Retirement	1,674.20
Ameritas Life Insurance Corporation	Employer Share Retirement	2,511.35
Ameritas Life Insurance Corporation	Insurance Premiums	92.20
Appera	Towel Service, District #1, #2	215.53
AS Central Finance	Telephone Service, Noxious Weed	42.39
B's Enterprises Inc.	Bridge Materials, District #1	220.00
Battle Creek Farmers Coop	Fuel, District #3	539.55
Black Hills Energy	Gas Service, District #1	163.37
Blue Cross Blue Shield of Nebraska	Insurance Premiums, District #1, #2, #3, Noxious Weed	32,960.98
Bomgaars	Shop Supplies, Noxious Weed	112.67
Brady & Amy's	Fuel, District #1	612.27
Cableone	Internet Services, Noxious Weed	59.46
Capital One	Garnish of Wages	248.69
Carquest Auto of Norfolk	Parts, District #2	37.81
Colonial Life and Accident Insurance	Insurance Premiums	121.80
Connecting Point	Equipment, Supplies, District #2, #3	1,827.00
Constellation Newenergy Gas Division LLC	Gas Service, District #1	489.29
Electrical Engineering & Equipment Company	Parts, District #1	6.08
Eudell Feldmann	Mileage, Meals, Noxious Weed	21.58
First Concord Benefits Group, L.L.C.	Flexible Benefit Plan, Deductible Buy Down	728.19
Herbies Small Engine	Parts, District #3	2,500.00
IHC/Group Link	Insurance Premiums	15.22
Jim Hawk Truck Trailers Inc.	Parts, District #1	646.35
John Day Company	Shop Supplies, District #2	122.18
John Deere Credit	Equipment Rental, District #2	5354.15
John's Disposal, Inc.	Garbage Service, Noxious Weed	26.00
Johnson Engineering Company	Engineering Services, District #3	1,020.00
K & S Door Company Inc.	Repairs, District #2	64.50
Kimball Midwest	Shop Supplies, District #3	94.86
August Klug	Mileage, Meals, Noxious Weed	25.49
Linweld Inc.	Supplies, District #3	53.02
M & M Farm Supply	Shop Supplies, District #1	83.27
Madison County Clerk	Tax Deposit	9,231.08
Madison National Life	Insurance Premiums	37.81
Meisinger Oil Company Inc.	Fuel, District #1	8,707.12
Menards	Shop Supplies, District #1, #3	23.91
Nance County	Equipment, District #2	3,000.00
Nebraska Child Support Payment Center	Garnish of Wages	419.70
Nebraska Harvestore Systems Inc.	Parts, District #1, #3	68.36
Nebraska Public Power District	Utilities, District #2	173.79
Nebraska Weed Control Association	Dues, Noxious Weed	85.00
Myron Nelson	Mileage, Meals, Noxious Weed	38.58
NMC Exchange LLC	Parts, Equipment, District #1, #2, #3	156,374.42
Norfolk Daily News	Publication Costs, Noxious Weed	10.80
Omaha Pneumatic Equipment Company	Repairs, District #1	648.77
Pioneer Telephone	Telephone Services, District #1, #3	63.48

Earl Reeves	Mileage, Meals, Noxious Weed	38.20
Reigle Implement Company Inc.	Repairs, District #1, #3	95.90
Orin Rinkel	Mileage, Noxious Weed	5.00
CJ Rudnick	Meals, Registration, Noxious Weed	36.71
The Cornhusker	Lodging, District #1, #2, #3	230.00
The Pit Stop	Fuel, District #3	407.14
Transamerica Life Insurance Company	Insurance Premiums	49.28
Verizon Wireless	Telephone Services, District #2	71.12
Western Office Technologies	Supplies, Noxious Weed	1.99

FEDERAL AID SECONDARY FUND

Elkhorn Paving Construction Company, Inc.	Contract Payment	52,107.66
Johnson Engineering Company	Engineering Services	21,805.00
Mainelli Wagner & Associates, Inc.	Engineering Services	1,995.00

VISITORS PROMOTION FUND

Norfolk Area Chamber of Commerce	Administrative Expense	3,606.65
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VISITORS IMPROVEMENT FUND

Norfolk Area Chamber of Commerce	Administrative Expense	6,034.38
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LAW ENFORCEMENT OPERATING FUND

Davis Distributors, Inc.	Supplies	325.43
Eakes Office Plus	Supplies	143.28
Madison County Sheriff	Supplies	436.41

DRUG COURT FUND

Axiom	Supplies	50.00
Menards	Supplies	9.96
On Call Employee Health	Drug Testing	70.00
Redwood Toxicology Lab	Drug Testing	56.35

Motion was made by Uhlir and seconded by Klein to approve the claims as audited and authorize the County Clerk to issue checks for payment of said claims. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

The Board adjourned at 11:38 A.M. to Tuesday, January 4, 2011 at 9:30 A.M.

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County Clerk

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Chairman