

**MINUTES
CITY COUNCIL MEETING
April 15, 2014**

The Wayne City Council met in regular session at City Hall on Tuesday, April 15, 2014, at 5:30 o'clock P.M. Mayor Ken Chamberlain called the meeting to order with the following in attendance: Councilmembers Cale Giese, Rod Greve, Jon Haase, Jennifer Sievers, Nick Muir, Matt Eischeid and Jill Brodersen; City Attorney Amy Miller; City Administrator Lowell Johnson; and City Clerk Betty McGuire. Absent: Councilmember Kaki Ley.

Notice of the convening meeting was given in advance by advertising in the Wayne Herald on April 3, 2014, and a copy of the meeting notice and agenda were simultaneously given to the Mayor and all members of the City Council. All proceedings hereafter shown were taken while the Council convened in open session.

Councilmember Sievers made a motion, which was seconded by Councilmember Eischeid, whereas, the Clerk has prepared copies of the Minutes of the meeting of April 1, 2014, and that each Councilmember has had an opportunity to read and study the same, and that the reading of the Minutes be waived and declared approved. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried and the Minutes approved.

The following claims were presented to Council for their approval:

VARIOUS FUNDS: AMERITAS, RE, 1901.80; APPEARA, SE, 160.54; ARDENT LIGHTING GROUP, SE, 6694.00; ARNIE'S FORD-MERCURY, SE, 2927.40; BANK FIRST, FE, 120.00; BROWN SUPPLY, SU, 112.22; BSN SPORTS, SU, 999.97; CHAPMAN METERING, SE, 1926.50; CHARTWELLS, SE, 5704.10; CHILD SUPPORT, RE, 100.00; CITY OF WAYNE, PY, 58281.78; CITY OF WAYNE, RE, 712.70; COMMUNITY HEALTH, RE, 4.00; COPY WRITE, SE, 440.44; DE LAGE

LANDEN FINANCIAL, SE, 684.14; DEMCO, SU, 192.80; DUTTON-LAINSON, SU, 555.93; ECHO GROUP, SU, 723.33; ED. M FELD EQUIPMENT, SU, 151.00; EMPLOYERS MUTUAL CASUALTY, RE, 167.36; FASTENAL, SU, 39.83; FLOOR MAINTENANCE, SU, 169.33; FREDRICKSON OIL, SU, 50.05; GAYLORD BROS, SU, 112.86; GEMPLER'S, SU, 24.00; GUILDCRAFT ARTS & CRAFTS, SU, 32.34; HARDING & SHULTZ, SE, 848.00; HAWKINS, SU, 127.20; HD SUPPLY, SU, 1240.61; HEIKES AUTOMOTIVE, SE, 69.23; HEWLETT-PACKARD, SU, 451.87; HYDRAULIC EQUIPMENT, SE, 237.19; HYPERION, SE, 79.88; ICMA, RE, 6766.49; IIMC, FE, 145.00; INGRAM BOOK COMPANY, SU, 81.66; INNOVATIVE PROTECTIVES, SU, 1600.00; IPMA, SE, 201.00; IRS, TX, 21871.72; CITY EMPLOYEE, RE, 2223.32; CITY EMPLOYEE, RE, 162.36; KEPSCO, SU, 3.52; KRIZ-DAVIS, SU, 833.37; KTCH, SE, 705.00; LEAGUE OF NEBRASKA, FE, 170.00; LUKAS RIX, RE, 384.00; LUTT OIL, SU, 5681.93; MIDWEST LABORATORIES, SE, 258.35; MSC INDUSTRIAL, SU, 711.28; NE DEPT OF ENVIRONMENTAL, FE, 150.00; NE DEPT OF REVENUE, TX, 3172.24; NE HARVESTORE, SU, 97.35; NE SAFETY COUNCIL, SE, 159.21; NNPPD, SE, 13185.52; NORTHEAST NEBRASKA NEWS, SU, 29.50; ONE CALL CONCEPTS, SE, 39.40; PAC N SAVE, SU, 131.04; PARTS ENGINEERING, SU, 213.96; QUALITY FOODS, SU, 90; RANDOM HOUSE, SU, 116.25; ROB HENNRICH, SU, 232.13; SHOPKO, SU, 57.25; SPARKLING KLEAN, SE, 1708.80; STADIUM SPORTING GOODS, SE, 14.00; STATE NEBRASKA BANK, SE, 107.06; STATE NEBRASKA BANK, RE, 602.53; T & R SERVICE, SE, 1377.99; T & S TRUCKING, SE, 446.08; TAK, INC, SE, 60.00; THE MAX AGAIN, SE, 1214.75; TOM'S BODY & PAINT SHOP, SU, 28.75; TONI HYTREK, SE, 700.00; VOSS LIGHTING, SU, 611.64; WAYNE AUTO PARTS, SU, 470.84; WAYNE COUNTY CLERK, SE, 182.00; WAYNE HERALD, SE, 2456.77; WAYNE VETERINARY CLINIC, SE, 112.00; WESCO, SU, 830.70; WAPA, SE, 33262.41; WIGMAN CO, SU, 24.82; WISNER WEST, SU, 103.17; ZACH HEATING & COOLING, SU, 59.70; BROWN SUPPLY, SU, 30.00; CHARLES MAIER, RE, 500.00; CITY OF WAYNE, RE, 204.69; COOPORTUNITY HEALTH, SE, 28066.87; DEARBORN NATIONAL LIFE, SE, 1839.02; DUTTON-LAINSON, SU, 1295.05; ECHO GROUP, SU, 79.03; ELECTRIC FIXTURE, SU, 99.23; FIRST SOURCE TITLE&ESCROW, SE, 200.00; GEMPLER'S, SU, 48.00; GEOCOMM, SE, 3184.00; GROSSENBURG IMPLEMENT, SU, 34.47; KLEIN ELECTRIC, SE, 2202.50; KRIZ-DAVIS, SU, 147.50; L.G. EVERIST, SU 1446.97; MERCY MEDICAL CLINIC, SE, 60.00; MID-CONTINENT SALES, SU, 214.96; IZABEL CHAVEZ, SE, 45.00; MURPHY TRACTOR & EQUIPMENT, SU, 46.03; CITY EMPLOYEE, RE, 298.86; NE DEPT OF ROADS, RE, 675.00; NPPD, SE, 288021.26; NMPP ENERGY, FE, 2111.50; OLSSON ASSOCIATES, SE, 849.72; PIEPER & MILLER, SE, 3168.00; CITY EMPLOYEE, RE, 90.42; SEWER MATIC, SU, 8400.00; STADIUM SPORTING GOODS, SE, 14.00; WESCO, SU, 1453.73

Councilmember Sievers made a motion, which was seconded by Councilmember Eischeid, to approve the claims. Mayor Chamberlain stated the motion, and the result of

roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

Mayor Chamberlain advised the public that a copy of the Open Meetings Act was located on the south wall of the City Auditorium and was available for public inspection. In addition, he advised the public that the Council may go into closed session to discuss certain agenda items to protect the public interest or to prevent the needless injury to the reputation of an individual and if such individual has not requested a public hearing.

Mayor Chamberlain proclaimed the week of April 13-19, 2014, as “National Library Week,” and April 25, 2014, as “Arbor Day.”

Dave Headley was present requesting Council consideration to his request to vacate the half block alley between Lots 9 and 10, Block 24 of the Original Town of Wayne.

Administrator Johnson advised the Council that zoning is about property and uses and not about people. Compliance issues come before us and staff does not have a lot of latitude because we have a given set of rules. To rebuild this building is not going to be as simple as it looks.

Joel Hansen, Zoning Administrator, explained the reasoning behind Mr. Headley requesting the alley be vacated. There are a couple of hurdles to jump. The first is whether or not they will be able to rebuild based upon whether or not the alley is vacated. If the Council would vacate the alley, then there is the issue of whether or not the Council is going to keep the cap that limits how much they can build back, or is the Council going to let them rebuild the structure the same size as it currently is.

The Planning Commission is reviewing sections of the code regarding some of these issues, and those recommendations will be heard at the May 6th Council meeting.

Mayor Chamberlain stated he would have a hard time seeing anything but a house going back in there. A house will generate more property taxes than any accessory structure will. He wanted to talk to the neighbors and get their opinions on this matter.

Councilmember Eischeid wanted to see the recommendations of the Planning Commission before making a decision on vacating the alley at this time. By that time, staff will have had enough time to contact the Assessor's office to find out how much of the property has been damaged, etc.

Dave and Terry Headley were present to answer questions.

Mr. Hansen stated the Planning Commission's recommendation on the 60% cap was to get rid of that section and just allow someone to rebuild as long as they have obtained a building permit within six months.

Councilmember Sievers made a motion, which was seconded by Councilmember Eischeid to table action on the request of Dave Headley to vacate the half block alley between Lots 9 and 10, Block 24 of the Original Town of Wayne until the next Council meeting (May 6th). Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

Wes Blecke, Director of Wayne Area Economic Development, was present and advised the Council that the LB840 Sales Tax Advisory Committee met to review and make recommendations on two LB840 requests.

On the first application, the Committee reviewed the request by GCSR, LLC, d/b/a Dollar Plus (Gurkan Ozenci) for a \$125,000 loan to start a dollar type store in the old Dollar General store. The applicant had requested \$100,000 of that to be a 0% interest loan for five years, and \$25,000 to be a performance based loan (3 FTE's for 5 years). The recommendation of the Sales Tax Advisory Committee was to have all of the \$125,000 be an interest free loan for five years.

Discussion took place regarding 0% interest loans versus 3% interest loans and how it is determined who gets which. Mr. Blecke was directed to report this discussion back to the Committee.

Gurkan Ozenci was present to answer questions.

Councilmember Sievers was not in favor of the 0% interest.

Councilmember Giese thought this was a different circumstance. One of the goals at the Council Retreat was to get something back into that building and something that would generate similar foot traffic to the business that was previously located there. He thought it was a perfect fit. In regard to 0% loans, if the Council wants to get away from them, he would rather they get away from them in the 15 year range. He did not have a problem with 0% interest for five years and getting the money back faster so that the same can be loaned out again. Councilmember Eischeid agreed, as well as Councilmember Brodersen.

Councilmember Brodersen made a motion, which was seconded by Councilmember Giese approving the recommendation of the LB840 Sales Tax Advisory Committee to approve a \$125,000, 0% interest loan for 5 years for GCSR, LLC, d/b/a Dollar Plus (Gurkan Ozenci) to start a dollar type store in the older Dollar General store.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Sievers who voted Nay and Councilmember Ley who was absent, the Mayor declared the motion carried.

On the second application, the Committee reviewed a request by Ken Jorgensen (4th Jug Sports Bar and The Jug Store) for a \$250,000 loan to build a sports bar and bottle shop, with \$125,000 being performance based and forgiven over 15 years, provided 20 FTE's are employed by Mr. Jorgensen, and a \$125,000 loan for 15 years at 3% interest. The Committee also recommended that this loan not be transferable.

This application was previously approved by the Council as a \$250,000 loan and Mr. Jorgensen has come back through the process to request that it be broken into a \$125,000 performance based loan and a \$125,000 interest free loan.

Loren Kucera, by way of an e-mail, stated that it is critical that the \$125,000 of the LB840 funds be forgivable at 0% interest because that amount, under those terms, would be considered by the SBA as equity. This will increase Mr. Jorgensen's equity from 9% to 15%, which he feels is the minimum required.

Councilmember Eischeid stated that the Council, again, has the pressure that if this isn't approved, the bank loan isn't going to go through.

It was noted that staff verifies the number of FTE's annually.

Councilmember Giese stated something that would make giving the money away easier would be seeing the sales tax and keno projected revenues.

Mr. Jorgensen was present to answer questions. He stated Mr. Hassett of Advanced Gaming Technologies told him that keno revenues to the City would be

\$75,000 to \$100,000 per year. The golf simulator, which is a conservative figure, would generate around \$150,000, which he found out is subject to sales tax.

When asked if the Council would keep the loan as originally approved (\$250,000, 0% interest loan), would the facility be built, Mr. Jorgensen responded that he would not say it would not be built, but he would have to do a lot of head scratching to find a way to get the SBA loan.

It was noted that Mr. Jorgensen is also requesting \$225,000 in tax increment financing funds.

Joe Baldwin, owner of Rain Tree Liquors, was present and spoke in opposition to the recommendation. He was not against anybody trying to get a loan as long as the loan is paid back.

Councilmember Eischeid thought this would bring more business into the city, but as to how much, he had no idea. This will take business away from the other businesses in town, including Mr. Jorgensen's.

Mr. Blecke, from an economic development perspective, stated the same thing could be said about the Dollar Store. When there is competition, you are going to take something away from somebody – that is a risk reward you are going to take.

Councilmember Sievers stated while she was in favor before of the \$125,000 performance based loan, she thought if Mr. Jorgensen does not meet the 20 FTE requirement he should be required to pay the loan back in full.

Councilmember Muir thought it was a good project and wanted to see it go forward.

Councilmember Giese made a motion, which was seconded by Councilmember Sievers, approving the recommendation of the LB840 Sales Tax Advisory Committee on a reapplication by Ken Jorgensen for a \$250,000 loan to build “The 4th Jug Sports Bar and The Jug Store”, with \$125,000 being a performance based loan and forgiven over 15 years provided 20 FTE’s are employed by Mr. Jorgensen and a \$125,000 loan for 15 years at 3% interest, with the clause added that states should he fail to employ 20 FTE’s he pay back the \$125,000 performance based loan at 3% interest which shall accrue from the date the loan started. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

Mayor Chamberlain declared the time was at hand for the public hearing on the Application for the Community Development Block Grant Comprehensive Investment and Stabilization Phase II, Year One Funds.

The grant application consists of the following: \$30,000 for clearance/demolition of six structures, \$80,000 for the construction of a tornado shelter/public restrooms, \$75,000 for single-family owner-occupied rehabilitation of three houses, \$6,000 for housing management \$4,500 for risk assessment/testing, and \$19,500 for general administration of the grant. Local matching funds of \$130,400 will be provided by the City to make street and water improvements. The total project cost is \$345,400.

Administrator Johnson stated that this is the first of potentially three funding opportunities made available to the southeast quadrant of Wayne. The City’s match will be water main replacement, street paving and repairs on Valley Drive and 4th Street, park improvements at East Park and the summer sports complex, etc.

City Clerk McGuire had not received any comments, either verbal or in writing, for or against this public hearing.

There being no further comments, Mayor Chamberlain closed the public hearing.

Councilmember Eischeid introduced Resolution 2014-33 and moved for its approval; Councilmember Giese seconded.

RESOLUTION NO. 2014-33

A RESOLUTION AUTHORIZING CHIEF ELECTED OFFICIAL TO SIGN AN APPLICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

Administrator Johnson stated one bid was received on the installation of the sprinkler system at the Softball Complex. The lone bid came from Claussen & Sons Irrigation, Inc., for \$7,200. His recommendation is to award the bid to Claussen & Sons Irrigation, Inc., for said amount.

Councilmember Eischeid noted for the record that he will not be supplying the materials at cost. The distributor he goes through has agreed to supply the materials to the City at cost. He will not be involved in the purchase of any sprinkler materials whatsoever.

Councilmember Giese introduced Resolution 2014-34 and moved for its approval; Councilmember Sievers seconded.

RESOLUTION NO. 2014-34

A RESOLUTION ACCEPTING BID AND AWARDED CONTRACT ON THE INSTALLATION OF A SPRINKLER SYSTEM AT THE SUMMER SPORTS

COMPLEX.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

Councilmember Sievers introduced Ordinance 2014-8, and moved for approval of the third and final reading thereof; Councilmember Eischeid seconded.

ORDINANCE NO. 2014-8

AN ORDINANCE ESTABLISHING ANNUAL SALARY FOR MAYOR AND CITY COUNCILMEMBERS, REPEALING CONFLICTING ORDINANCES, AND ESTABLISHING AN EFFECTIVE DATE.

Doug Sturm spoke against the passage of this ordinance.

Councilmember Brodersen thought Mr. Sturm made some good points.

Councilmember Eischeid, in doing the math, came up with \$22.00 per hour (based upon 200 hours per year for attending meetings, retreat, conferences, etc., as provided by Mr. Sturm) and did not think that was out of line.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Brodersen who voted Nay and Councilmember Ley who was absent, the Mayor declared the motion carried.

Councilmember Sievers introduced Ordinance 2014-11, and moved for approval of the second reading thereof; Councilmember Greve seconded.

ORDINANCE NO. 2014-11

AN ORDINANCE AMENDING WAYNE MUNICIPAL CODE CHAPTER 26 CIVIL SERVICE, ARTICLE III CIVIL SERVICE COMMISSION, SECTION 26-81 CREATED AND SECTION 26-89 QUORUM; TO PROVIDE FOR THE REPEAL OF CONFLICTING ORDINANCES OR SECTIONS; AND TO PROVIDE FOR AN EFFECTIVE DATE.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried. The third and final reading will take place at the next meeting.

Councilmember Sievers made a motion, which was seconded by Councilmember Giese, to adjourn the meeting. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried and the meeting adjourned at 7:04 p.m.