

AGENDA
CITY COUNCIL MEETING
February 17, 2015

1. [Approval of Minutes – February 3, 2015](#)

2. [Approval of Claims](#)

Anyone desiring to view the Open Meetings Act may do so. The document is available for public inspection and is located on the south wall of the City Council Chambers.

The City 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.

3. [Presentation of FY13-14 Audit – Terry Galloway, Almquist, Maltzahn, Galloway & Luth, PC](#)

Background: This is the tenth year we have worked with this auditor, and it is the end of our current agreement. We will publically request proposals for a new contract. This audit report includes a comparison by Terry of Wayne’s financial operations with other similar towns in a “Benchmarking” spreadsheet that is included. Terry’s report at the Council meeting will be relatively detailed and here are some general issues summarized in the “Benchmark” spreadsheet:

- While the utility cash reserves are stable and generally considered adequate for future emergencies, the Government General Fund has recently taken two unplanned hits: the \$650,000 in legal fees for the police termination cases and the uninsured costs and the improvement costs after the tornado. We have about \$400,000 remaining in cash reserves, but they would need to be reallocated from future capital projects if needed. In 2004 when our reserves were this low, the auditor recommended that we budget an actual annual amount to replenish our cash reserve over time back to \$1 million where we were 5 years ago.
- Our debt load for government capital projects remains very low.
- Our property tax per capita is lower than the average of the towns in the “Benchmark” survey.
- Wayne receives a substantially larger amount per capita of State Equalization Funds than the average of the other towns in the “Benchmark” survey.

4. [Action on Request to Encroach on City Right-of-Way with Access Stairway \(corner of 2nd and Main Street\) — Keith Moje, Otte Construction on behalf of First Realty](#)

Background: When we replaced the side street sidewalks downtown, we had to follow ADA accessibility standards for new sidewalks. The slopes of our streets vary from the elevations of the buildings when they were constructed in the early 1900’s causing some sidewalks to slope more from the buildings to the curbs. That required us to construct a 5 foot wide ADA accessible width of sidewalk against the building and then slope the rest of the sidewalk to the curb at whatever slope it took to match the curb.

There are no required building setbacks in the downtown area, so the buildings are built right up to the city right-of-way. That means all the sidewalk area is on the city right-of-way. The stairway access to the second floor of 1st Realty is located on city right-of-way. Otte Construction plans to replace the stairs with steps that will descend eastward instead of toward Main Street as they are now. New ADA standards require a rest platform part way up the stairs. That makes the stairs longer so they have to go east.

Otte's are required to secure City Council approval to encroach on a different area of sidewalk on the city right-of-way to build the stairs.

Recommendation: The recommendation of Joel Hansen, Building Code Official, is to approve the request so they can build the stairs in compliance with new ADA standards.

5. **Resolution 2015-20: Authorizing City Administrator to Apply for Nebraska Public Transportation Act Funds for Operation of the Wayne Public Transportation System**
6. **Action on Submission of the Senior Center's Detailed Plan of Operation and Budget for 2015 for Northeast Nebraska Area Agency on Aging**
7. **Public Hearing: To consider the Planning Commission's recommendation in regard to a rezoning request from B-1 Highway Business District to R-4 Residential District. The applicant, Windom Ridge, seeks the request to rezone Lot 4 of Benscoter Addition PUD Replat 2, to allow for a two family style rental housing project.**

Background: This lot is the alfalfa field immediately south across Jaxon Street from the Digital Blue building that is by the fire hall. When the subdivision was created, it was zoned for commercial development. This lot was the site of the retirement villa project that was proposed twice, but not approved for a Community Development Block Grant to provide income qualified rental and a public commons building.

The project proposed here would be the same project at market rate rent, with two family rental homes, with no income subsidy and would possibly eliminate the commons building.

8. **Ordinance 2015-8: Amending the Zoning Map**

Recommendation: The recommendation of the Planning Commission is to approve the rezoning of the lot.

9. **Public Hearing:** To consider the Planning Commission's recommendation in regard to a Use by Exception Request for A-1 Agricultural District, Section 90-114 Exceptions, Specifically (21) Auto Sales and Services. The applicant, Brent Pick, seeks the request to allow for auto sales and services to be conducted at 57706 – 855th Road.

Background: The site for this business is at the intersection one mile south of Prime Stop on South Centennial Road on property already owned by Brent Pick.

10. [Resolution 2015-16: Approving the Application for a Zoning Use by Exception Permit to allow for auto sales and services to be conducted at 57706 – 855th Road](#)

Recommendation: The recommendation of the Planning Commission is to approve the request.

11. [Ordinance 2015-3: Amending the Wayne Municipal Code, Sec. 90-311 Intent of the R-5 Residential District \(Third and Final Reading\)](#)
12. [Ordinance 2015-4: Amending the Wayne Municipal Code, Sec. 90-312 Permitted Principal Uses and Structures of the R-5 Residential District \(Third and Final Reading\)](#)
13. [Ordinance 2015-5: Amending the Wayne Municipal Code, Sec. 90-317 General Provisions of the R-5 Residential District \(Third and Final Reading\)](#)
14. [Ordinance 2015-6: Amending the Wayne Municipal Code, Sec. 90-318 Height and Area Regulations of the R-5 Residential District \(Third and Final Reading\)](#)
15. [Ordinance 2015-7: Amending the Wayne Municipal Code, Sec. 90-319 Design Standards and Requirements of the R-5 Residential District \(Third and Final Reading\)](#)
16. [Ordinance 2015-9: Amending the Wayne Municipal Code, Sec. 78-135 Restricted Parking from 3:00 a.m. to 5:30 a.m. on certain streets – the north side of E. 9th Street from Main Street to Logan Street](#)

Background: This is requested by Grace Lutheran Church to control the overnight parking of cars from area apartments on the north terrace that was paved by the church for church service parking and funerals

Recommendation: This is a request from the Church, and is the prerogative of the elected officials.

17. [Ordinance 2015-10: Authorizing the Issuance of a Combined Utility Revenue Bond, 2015 Series, in the Principal Amount of \\$1,983,650 in the form of a Promissory Note issued to evidence indebtedness to the Nebraska Department of Environmental Quality – City of Wayne Waterworks Plant and Water System and the Sewage Disposal Plant and Sanitary Sewer System](#)

Background: This ordinance provides the legal due diligence for the bond funding of the sludge handling system at the wastewater treatment plant.

Recommendation: Bond Counsel is recommending that the required three readings of this ordinance be waived at this meeting.

18. [Resolution 2015-10: Approving Agreement with Advanced Consulting Engineering Services for the “Thorman Street Sanitary Sewer Extension Project” \(Tabled from last meeting\)](#)

Background: ACES has surveyed the site to see how much farther south the sewer line can be extended and still use gravity flow. At this time, we don't have a copy of the engineering information, but expect to by the Council meeting. The engineering quote to design the extra distance to the intersection of 4th Street would increase from \$3,500 to \$5,000 if the elevation allows the extension.

19. [Resolution 2015-17: Approving DGR Engineering for Professional Engineering Services to conduct a Comprehensive Electric Distribution System Study for the City of Wayne](#)

Background: The complexity and dependability requirements of urban electric systems require some long-term planning to project future needs and to have an orderly plan for extensions and upgrades. Our last strategic plan was completed in 2000, and a lot of new areas have been subdivided. We did not do a Request for Proposals for this.

Recommendation: Tim Sutton has considered his experience with DGR and other consultants and recommends the attached proposal to help us plan for the next 10-15 years.

20. [Resolution 2015-18: Identifying City of Wayne Goals](#)

Background: A summary of the 2015 Council Retreat Goals and the intended Year of Completion is attached. It will be put into Resolution form for the meeting.

21. [Resolution 2015-19: Approving the Plans and Specifications for the East Park Bathroom/Storm Shelter Project \(CIS Grant\) and Authorizing the City Clerk to begin advertising for bids](#)

Background: JEO will bring the final plans and specs for this project to the meeting.

Recommendation: The recommendation of City Staff is to approve those plans and specs and to authorize the City Clerk to begin advertising for bids on this project.

22. [Action to buy-out comp time for the Police Department and reduce maximum sick leave accumulation to 960 hours](#)

Background: Several years ago when our certified officer and dispatcher staffing was at low levels, we offered to defer a larger amount of overtime to be accrued as compensation time to be used later as we became fully staffed. However, we have not had the opportunity to do this and recommend paying it down to a cap of 48 hours of carried comp time. This was a general consensus at the 2014 annual retreat but not completed.

Recommendation: The recommendation of the City Administrator is to establish a new comp time cap at 48 hours and pay down to 48 hours and to allow department staff to transfer it into their retirement plans or take a cash payout.

23. Discussion of the request of the public to ask the Planning Commission to consider amending the Wayne Municipal Code for two front yards for parking restrictions

Background: City zoning code currently prohibits trailer, RV or camper parking in front of the front line of homes in residential areas. For corner lots, current code does allow parking of these vehicles on the second side front yard of homes. We are receiving complaints about a large camper parked in the side front yard. This is a zoning issue, but staff sense is that this will require a lot of work and discussion on the part of the Planning Commission. The public hearing process cost would be \$400 to the neighbors if they make the request to the Planning Commission. Since this issue has been previously discussed, but not acted upon, do you want to have some sense of council openness to this?

24. Action to Purchase Acer Tablets for the Mayor and Council
25. Appointments:
- George Burcham to the Pool Construction Design Committee
 - Reappointment of Breck Giese and Pat Melena to the Planning Commission
 - Appointment of Peg Lutt to the Wayne Housing Authority Board of Commissioners (will replace Karen Van Delden)
26. Adjourn

APPROVED AS TO FORM AND CONTENT:

Mayor

City Administrator

[Wayne Airport Authority Meeting Minutes – December 8, 2014](#)

[Wayne Airport Authority Meeting Minutes – January 12, 2015](#)

[Wayne Planning Commission Meeting Minutes – January 5, 2015](#)

**MINUTES
CITY COUNCIL MEETING
February 3, 2015**

The Wayne City Council met in regular session at City Hall on Tuesday, February 3, 2015, at 5:30 o'clock P.M. Mayor Ken Chamberlain called the meeting to order with the following in attendance: Councilmembers Rod Greve, Jon Haase, Jennifer Sievers, Nick Muir, Jason Karsky, Matt Eischeid and Jill Brodersen; City Attorney Amy Miller; City Administrator Lowell Johnson; and City Clerk Betty McGuire. Absent: Councilmember Cale Giese.

Notice of the convening meeting was given in advance by advertising in the Wayne Herald on January 22, 2015, 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 Haase, whereas, the Clerk has prepared copies of the Minutes of the meeting of January 20, 2015, 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 Giese 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: AMERICAN TEST CENTER, SE, 1300.00; AMERITAS, SE, 2514.03; APPEARA, SE, 226.48; ARNIE'S FORD-MERCURY, SE, 200.33; ARSL, FE, 39.00; AS CENTRAL SERVICES, SE, 448.00; BANK FIRST, SE, 15.00; BLACK HILLS ENERGY, SE, 1827.06; BOMGAARS, SU, 54.83; CITY EMPLOYEE, RE, 26.64; BROWN SUPPLY, SU, 3749.88; CENTER FOR EDUCATION, SU, 254.95; CENTURYLINK, SE, 314.45; CITIZENS STATE BANK, RE, 5647.69; CITY OF WAYNE, SE, 420.00; CITY OF WAYNE, PY, 61451.90; CITY OF WAYNE, RE, 476.76; COMMUNITY HEALTH, RE, 4.00; CONSOLIDATED MANAGEMENT, RE, 333.00; DE LAGE LANDEN FINANCIAL, SE, 77.00; DEARBORN NATIONAL LIFE, SE, 103.20; DUTTON-LAINSON, SU, 380.74; ECHO GROUP, SU, 1070.72; ELECTRONIC ENGINEERING, SE, 71.25; FAITH REGIONAL, SE, 111.00; FASTENAL, SU, 117.13; FIRST CONCORD GROUP, SE, 3309.16; FLOOR MAINTENANCE, SU, 462.76; FOURTH GENERATION FAMILY, RE, 13552.21; FREDRICKSON OIL, SU, 1113.75; CITY EMPLOYEE, RE, 88.16; GALE GROUP, SU, 46.48; GROSSENBURG IMPLEMENT, SU, 108.43; HOMETOWN LEASING, SE, 73.51; ICMA, SE, 6783.52; IRS, TX, 22409.78; JACK'S UNIFORMS, SU, 72.85; JEO CONSULTING GROUP,

SE, 13630.00; JOEL LIPP, RE, 376.06; KELLY SUPPLY, SU, 196.11; MAIN STREET AUTO CARE, SE, 140.00; MIDWEST ENERGY SOLUTIONS, SU, 2305.50; NE DEPT OF REVENUE, TX, 3180.64; NE PUBLIC HEALTH, SE, 147.80; NHHS, FE, 1350.00; N.E. NE AMERICAN RED CROSS, RE, 39.24; NNPPD, SE, 4654.00; NORTHERN SAFETY CO., SU, 231.03; NORTHWEST ELECTRIC, SU, 3134.20; NWOD, FE, 10.00; OTTE CONSTRUCTION, SU, 2800.00; OVERDRIVE, INC., SU, 252.77; PROGRESSIVE PROPERTIES, RE, 8237.86; ROBERT WOehler & SONS, SE, 95575.91; RON'S RADIO, SE, 48.50; STADIUM SPORTING GOODS, SU, 332.00; STAPLES ADVANTAGE, SU, 54.19; TIM FERTIG, RE, 6437.37; TRLS, FE, 20.00; TYLER TECHNOLOGIES, FE, 200.00; UNITED WAY, RE, 14.00; VERIZON, SE, 99.26; VIAERO, SE, 237.09; WAED, RE, 70.00; WAYNE BASEBALL ASSOCIATION, FE, 180.00; WAYNE COUNTY CLERK, SE, 1370.64; WAYNE RENTALS, RE, 741.61; WESTERN OFFICE PRODUCTS, SU, 1758.56; WESTERN RIDGE III, RE, 8726.79; WISNER WEST, SU, 58.71; AMERICAN BROADBAND, SE, 2498.26; CERTIFIED TESTING SERVICE, SU, 37.00; CITY OF WAYNE, RE, 100.00; CLEAN TO A T, SE, 1300.00; CONSOLIDATED MANAGEMENT, RE, 204.00; DELANEY COMMUNICATIONS, SU, 95.00; EASYPERMIT POSTAGE, SU, 1790.15; ECHO GROUP, SU, 13.29; ED. M FELD EQUIPMENT, SU, 665.00; ELECTRIC PUMP, SU, 486.40; FASTENAL, SU, 89.65; FREDRICKSON OIL, SE, 34.00; GROSSENBURG IMPLEMENT, SU, 28.42; HAUFF MID-AMERICAN SPORTS, SU, 166.50; CITY EMPLOYEE, RE, 887.16; LAW ENFORCEMENT SYSTEMS, SU, 228.20; LAYNE CHRISTENSEN, SE, 25874.48; MARCO, SE, 126.36; MIDLAND COMPUTER, SE, 2341.50; NNEDD, SE, 135.00; NE CODE OFFICIAL ASSOC, FE, 130.00; NE LIBRARY COMMISSION, SU, 1025.00; NE RURAL WATER, FE, 275.00; NE SAFETY COUNCIL, SE, 18.76; NORFOLK DAILY NEWS, SU, 153.00; OFFICE SYSTEMS COMPANY, SE, 249.21; OVERHEAD DOOR, SE, 533.50; CITY EMPLOYEE, RE, 15.00; PIEPER & MILLER, SE, 3465.00; QUILL, SU, 20.99; S & S WILLERS, SU, 858.21; SIOUX CITY WINNELSON, SE, 814.38; SKARSHAUG TESTING, SE, 135.90; STAPLES ADVANTAGE, SU, 40.75; STATE NEBRASKA BANK, RE, 491.72; SUN RIDGE SYSTEMS, SE, 2785.00; UTILITIES SECTION, FE, 470.00; WAYNE CO TREASURER, SE, 3709.69

Councilmember Sievers made a motion, which was seconded by Councilmember Haase, to approve the claims. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Giese 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 Council Chambers 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 month of March as "Problem Gambling Awareness Month."

Randy Larson, Wayne County Commissioner, gave an update on the 4th Street extension access negotiations going on between Midland Equipment, Wayne County and the City of Wayne. The County has purchased approximately 6 acres south of the Van Diest property and west of the Midland Equipment property. He needs an exit to Centennial Road to keep his heavy equipment off city streets. The County has an easement going through the Midland Equipment property to get to Centennial Road, but since 4th Street already goes south past his property, he suggested swapping the easement he has with Midland Equipment for another easement on the 4th Street access to Centennial Road. Bob Fouss, the owner of the adjoining property to Wayne County, is requesting that to make this go forward, that the City let him irrigate where Well No. 11 is with offsite water.

Mr. Larson also advised the Council that since the City is not yet ready to extend 4th Street to Centennial Road, the County would either rock or gravel 4th Street to Centennial Road at no cost to the City.

It was noted that Mr. Fouss would still need to get permission to irrigate from the Lower Elkhorn NRD. Mr. Larson, as a farmer, did not think this was an unreasonable request. There would not be any irrigation wells going in next to the City's well. Mr. Fouss would have to pipe water in from another existing well.

Administrator Johnson stated he had asked Dave Shelton, Bill Kranz and Charles Shapiro their opinions on this matter. While they do not oppose this, they thought there needed to be some stipulations.

Tim Sutton, Electric Distribution Foreman, advised the Council that Wayne State College is preparing to upgrade their outdoor campus lighting system to LED fixtures. Wayne State College has asked if we would convert seven of our city streetlights on 10th Street to match the campus lighting for aesthetics. His recommendation was to do this. No action was taken on the matter, but Council's consensus was to do the conversion of those seven streetlights.

Gary Boehle of First National Insurance Agency stated because there was concern regarding United Health Care's network, he and staff reviewed other proposals and are recommending the Blue Cross Blue Shield "Bronze" plan, which has a \$6,325 single/\$12,650 family deductible. There are no co-pays or prescription cards with this plan. Everything goes towards the deductible. This is similar to the plan the City had before switching to CoOpportunity in 2014. The premium for the Blue Cross plan is around \$28,700 per month. This will save approximately \$7,800 per month compared to the United Health Care premium, which was \$36,500 per month. The extra savings on the premium will go into the pool to help cover the self-funding portion of the plan.

We have been advised that CoOpportunity, the company that the Federal government set up between Iowa and Nebraska to allow for more competition for the companies that do health insurance in Nebraska is being liquidated at the end of this month. Therefore, the recommendation is to make this change to Blue Cross effective February 1, 2015.

Councilmember Sievers made a motion, which was seconded by Councilmember Muir, approving the proposal received from Blue Cross Blue Shield of Nebraska for the 2015 group health insurance effective February 1, 2015, and terminating coverage with CoOpportunity also effective February 1, 2015. Mayor Chamberlain stated the Motion, and the result of roll call being all Yeas, with the exception of Councilmember Giese who was absent, the Mayor declared the motion carried.

Mayor Chamberlain declared the time was at hand for the public hearing on the One and Six Year Street Improvement Program.

Joel Hansen, Building Inspector/Planner/Certified Street Superintendent, presented the One and Six Year Street Improvement Program. This is a yearly requirement to receive Highway Allocation Funds from the Nebraska Department of Roads. He noted that just because a project is in the One and Six Year Street Improvement Plan does not mean the project has to be done that

year. However, if the City would want to do a project that is not in the One and Six Year Street Improvement Plan, another public hearing would have to be held to amend the plan.

Upcoming projects, which include some carry-over projects from previous year(s), include the following:

<u>Project Number</u>	<u>Project Year</u>	<u>Improvement</u>	<u>Estimated Cost</u>

M-617(92)	2015	Windom Street from 645' N of Fairground Ave to E. 7 th - 1,750' Reconstruct Concrete Paving, Curb & Gutter, Storm Drainage, Sidewalks	\$965,000
M-617(110)	2015	Hillside Drive from East 7 th St. to 70' S of E. 7 th St. - 70' Construct Concrete Paving, Curb & Gutter, Storm Drainage, Sidewalks	\$ 80,000
M-617(105)	2015	Tomar Drive & E. 4 th St. to the Summer Sports Complex - 1,800' Construct Concrete Paving	\$400,000

M-617(91)	2016	Trail & Pedestrian Underpass on W. 7 th Street Located between CAC and Oak Drive	\$566,000
M-617(107)	2016	Clark Street & S. Pearl Street - 745' Construct Concrete Paving, Curb & Gutter, Storm Drainage	\$180,000

M-617(98)	2017	Sherman Street from W. 5 th St. to W. 6 th St. - 300' Construct Concrete Paving, Curb & Gutter, Storm Drainage	\$ 90,000
M-617(113)	2017	Sherman Street from W. 3 rd St. to W. 4 th St. - 300' Construct Concrete Paving, Curb & Gutter	\$ 80,000

M-617(104)	2018	S. Lincoln Street from W. 1 st St. to 300' S. of W. 1 st St. Construct Concrete Paving, Curb & Gutter	\$ 90,000
M-617(114)	2018	W. 2 nd Street from Blaine St. to 360' E of Blaine St. - 380' Construct Concrete Paving, Curb & Gutter, Storm Drainage	\$105,000

M-617(115)	2019	W. 3 rd Street from Oak Dr. to 250' E. of Oak Dr. - 250' Construct Concrete Paving, Curb & Gutter	\$ 70,000

M-617(112)	2020	Lagoon Streets - 2,500' Construct Concrete Paving	\$550,000
M-617(89)	2020	Lage Subdivision - South of Fairgrounds Avenue - 900' Construct Concrete Paving, Curb & Gutter, Storm Drainage	\$175,000

No written or oral comments had been received by the City Clerk's Office concerning this public hearing.

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

Councilmember Brodersen introduced Resolution 2015-12 and moved for its approval; Councilmember Eischeid seconded.

RESOLUTION NO. 2015-12

A RESOLUTION APPROVING THE ONE AND SIX YEAR STREET IMPROVEMENT PROGRAM.

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

The following Resolution would amend the contract with JEO Consulting Group, Inc., for the Water Main and East Park Bathroom/Storm Shelter Project (CIS Grant) to add Attachment B. This allows the City to be reimbursed for the engineering costs from the grant.

Councilmember Sievers introduced Resolution 2015-13 and moved for its approval; Councilmember Haase seconded.

RESOLUTION NO. 2015-13

RESOLUTION AMENDING AGREEMENT WITH JEO CONSULTING GROUP, INC., FOR PROFESSIONAL SERVICES FOR THE "WAYNE STORM SHELTER/WATER LINE IMPROVEMENT PROJECTS" BY ADDING ATTACHMENT "B" — CDBG CLAUSES AND CONDITIONS ATTACHMENT FOR PROFESSIONAL SERVICES.

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

The following Resolution would approve the plans and specifications for the Water Main Project (CIS Grant) and authorize the City Clerk to begin advertising for bids. The estimated cost of this project is \$180,000.

Councilmember Sievers introduced Resolution 2015-14 and moved for its approval; Councilmember Haase seconded.

RESOLUTION NO. 2015-14

A RESOLUTION REAFFIRMING THE PROJECT ENGINEER AND APPROVING THE PLANS, SPECIFICATIONS AND ESTIMATE OF COST FOR THE WATER MAIN PROJECT AND AUTHORIZING THE CITY CLERK TO ADVERTISE FOR BIDS.

Roger Protzman, representing JEO Consulting Group, was present to answer questions. This is for the water main portion of the project. The plans and specs for the storm shelter should be ready in approximately two weeks.

The contract completion date on this funding was extended to September 23, 2015. They have set a completion date for September 1, 2015. They used the Department of Roads' formula in calculating what liquidated damages should be. That came out to \$150 per day, which is not very much. If staff or Council wants that to be higher, a different rationale needs to be used besides the Department of Roads' formula.

Attorney Miller stated she would draft language and forward the same to Mr. Protzman regarding liquidated damages and the concern of losing the grant funds in the event the project is not finished by the completion date.

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

Councilmember Eischeid introduced Ordinance No. 2015-3 and moved for approval of the second reading thereof; Councilmember Greve seconded.

ORDINANCE NO. 2015-3

AN ORDINANCE AMENDING WAYNE MUNICIPAL CODE CHAPTER 90, ARTICLE IV RESIDENTIAL DISTRICTS, DIVISION 6 – R-5 RESIDENTIAL DISTRICT, SECTION 90-311 INTENT; 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 Giese who was absent, the Mayor declared the motion carried. The third and final reading will take place at the next meeting.

Councilmember Eischeid introduced Ordinance No. 2015-4, and moved for approval of the second reading thereof; Councilmember Greve seconded.

ORDINANCE NO. 2015-4

AN ORDINANCE AMENDING WAYNE MUNICIPAL CODE CHAPTER 90, ARTICLE IV RESIDENTIAL DISTRICTS, DIVISION 6 – R-5 RESIDENTIAL DISTRICT, SECTION 90-312 PERMITTED PRINCIPAL USES AND STRUCTURES; 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 Giese who was absent, the Mayor declared the motion carried. The third and final reading will take place at the next meeting.

Councilmember Eischeid introduced Ordinance No. 2015-5 and moved for approval of the second reading thereof; Councilmember Greve seconded.

ORDINANCE NO. 2015-5

AN ORDINANCE AMENDING WAYNE MUNICIPAL CODE CHAPTER 90, ARTICLE IV RESIDENTIAL DISTRICTS, DIVISION 6 – R-5 RESIDENTIAL DISTRICT, SECTION 90-317 GENERAL PROVISIONS; 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 Giese who was absent, the Mayor declared the motion carried. The third and final reading will take place at the next meeting.

Councilmember Eischeid introduced Ordinance No. 2015-6, and moved for approval of the second reading thereof; Councilmember Brodersen seconded.

ORDINANCE NO. 2015-6

AN ORDINANCE AMENDING WAYNE MUNICIPAL CODE CHAPTER 90, ARTICLE IV RESIDENTIAL DISTRICTS, DIVISION 6 – R-5 RESIDENTIAL DISTRICT, SECTION 90-318 HEIGHT AND AREA REGULATIONS; 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 Giese who was absent, the Mayor declared the motion carried. The third and final reading will take place at the next meeting.

Councilmember Eischeid introduced Ordinance No. 2015-7, and moved for approval of the second reading thereof; Councilmember Brodersen seconded.

ORDINANCE NO. 2015-7

AN ORDINANCE AMENDING WAYNE MUNICIPAL CODE CHAPTER 90, ARTICLE IV RESIDENTIAL DISTRICTS, DIVISION 6 – R-5 RESIDENTIAL DISTRICT, SECTION 90-319 DESIGN STANDARDS AND REQUIREMENTS; 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 Giese who was absent, the Mayor declared the motion carried. The third and final reading will take place at the next meeting.

Councilmember Eischeid introduced Ordinance No. 2015-1, and moved for approval of the third and final reading thereof; Councilmember Sievers seconded.

ORDINANCE NO. 2015-1

AN ORDINANCE AMENDING WAYNE MUNICIPAL CODE, CHAPTER 78, ARTICLE III, SECTION 78-134 RELATING TO PARKING TIME LIMITS OF 15 MINUTES, 30 MINUTES AND ONE HOUR; LOCATION; 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 Giese who was absent, the Mayor declared the motion carried.

The following Resolution would approve the agreement with Advanced Consulting Engineering Services for the “Thorman Street Sanitary Sewer Extension Project.” The engineering fees were increased to \$5,000 to cover the cost of extending the project all the way to 4th Street. The original proposal was \$3,500. This was tabled from the last meeting.

Because there was a questions of whether or not the sewer line could even be extended all the way to 4th Street, Councilmember Eischeid made a motion, which was seconded by

Councilmember Sievers, to, again, table action on Resolution 2015-10 – approving the Agreement with Advanced Consulting Engineering Services for the “Thorman Street Sanitary Sewer Extension Project” until the next meeting. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Giese who was absent, the Mayor declared the motion carried.

The following Resolution would adopt the Title VI Policy for the City of Wayne Public Transit Program. This is a requirement to receive funding for the handi-van transit program.

Councilmember Sievers introduced Resolution No. 2015-15 and moved for its approval; Councilmember Greve seconded.

RESOLUTION NO. 2015-15

A RESOLUTION ADOPTING TITLE VI – NON-DISCRIMINATION PLAN FOR THE CITY OF WAYNE PUBLIC TRANSIT PROGRAM.

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

Discussion took place concerning staff’s proposal to extend city sewer services south on Chief’s Way. This is a result of Gill Hauling wanting sewer on their lot in that area. If the City would get involved in this project, the costs would be assessed by way of hook-up fees similar to what was done on Chief’s Way. Councilmember Eischeid had concerns about the non-billable feet or costs. BJ Woehler was present and had concerns about the numbers put together by Olsson & Associates for this proposed project.

Mayor Chamberlain expressed he wanted to see this move forward. The decision tonight does not mean it is going to be built. He thought the actual costs or bids that the City would get back on this would be half of what has been proposed by Olsson’s.

Councilmember Muir made a motion, which was seconded by Councilmember Sievers, approving staff’s proposal to extend city sewer services south on Chief’s Way. Mayor

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

Discussion took place on the terms for the agreement to be presented to the Wayne Country Club Board pertaining to their request to use the Civic and Community Center Financing Fund for the golf course clubhouse. These were brought forward at the last meeting. If Council had no changes to the proposed terms, Mayor Chamberlain would present the same to the Country Club Board.

Councilmember Sievers made a motion, which was seconded by Councilmember Brodersen, approving the proposed terms of the agreement for the Mayor to present to the Wayne Country Club Board pertaining to their request to use the Civic and Community Center Financing fund for the golf course clubhouse.

Attorney Miller advised the Council that she had a board member contact her who would be willing to provide their financial statements for the past two years.

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

Discussion took place in regard to providing laptops/tablets for Council or to approve a stipend of \$250 to Council to purchase their own laptop/tablet. This is in an effort to go paperless, which the initial goal was set for March 1, 2015.

Brian Kesting, Information Technology Specialist, was present to answer questions. He suggested maybe one or two television monitors/displays in the Council Chambers, as well as smaller monitors/displays, which would be placed between every other councilmember. He thought it would be difficult and expensive to synchronize Council's own tablets with the monitor/display in the Council Chambers, because most of those tablets do not have video inputs on them.

Mayor Chamberlain suggested bringing the proposal for the monitors back when Mr. Kesting gets some prices for a sound system for the Council Chambers. However, he wanted to move forward with going paperless.

Councilmember Eischeid thought when this was initially brought up, these would be city owned devices (all the same), and would be used for city email and Council packets or information for Council packets only. If something goes wrong with the city owned device, he can contact Mr. Kesting to look at it because the city owns it. Councilmember Karsky agreed.

Councilmember Eischeid wanted to make a decision on this matter at the next meeting; therefore, no action was taken on the matter this evening.

Mayor Chamberlain requested Council consideration to approving the following appointments to the Pool Construction Design Committee: Heather Claussen, BJ Woehler, Jodi Pulfer, Lowell Johnson, Todd Hoeman, Chanelle Belt, Joel Hansen, Jill Walling, Chad Maas and Andee Schulz.

Councilmember Brodersen made a motion, which was seconded by Councilmember Haase, approving the appointment of Heather Claussen, BJ Woehler, Jodi Pulfer, Lowell Johnson, Todd Hoeman, Chanelle Belt, Joel Hansen, Jill Walling, Chad Maas and Andee Schulz to the Pool Construction Design Committee.

Councilmember Eischeid had a citizen contact him who was concerned about the number of city staff that were on this committee, and the fact that the chair of the committee did not live in Wayne.

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

Councilmember Sievers made a motion, which was seconded by Councilmember Muir, to adjourn the meeting. Mayor Chamberlain stated the motion, and the result of roll call being all

Yeas, with the exception of Councilmember Giese who was absent, the Mayor declared the motion carried and the meeting adjourned at 7:35 p.m.

CLAIMS LISTING FEBRUARY 17, 2015

ALMQUIST, MALTZAHN, CITY EMPLOYEE	AUDITED FINANCIAL STATEMENTS	19,800.00
AMERITAS LIFE INSURANCE	COLLEGE CLASS REIMBURSEMENT	150.00
APPEARA	POLICE RETIREMENT	2,516.88
BAKER & TAYLOR BOOKS	MAT SERVICE	107.64
BANK FIRST	BOOKS	602.29
BLUE CROSS BLUE SHIELD	FRATERNAL ORDER OF POLICE DUES	15.00
BOMGAARS	HEALTH INSURANCE PREMIUM	28,717.21
BROWN PLUMBING	TOOL BOX/SOLVENT/GREASE/HEATER ETC	1,279.76
CHARTWELLS	WATER COOLER REPAIR	281.30
CHEMQUEST, INC.	SENIOR CITIZEN MEALS	5,872.90
CITY OF WAYNE	QUARTERLY MONITORING	595.00
CITY OF WAYNE	AUDITORIUM DEPOSIT REFUND	150.00
CITY OF WAYNE	PAYROLL	64,060.04
COMMUNITY HEALTH	UTILITY REFUNDS	79.28
CONSOLIDATED MANAGEMENT	PAYROLL DEDUCTIONS	4.00
COPY WRITE PUBLISHING	TRAINING CENTER MEALS	171.25
DAVE'S UNIFORM CLEANING	OFFICE SUPPLIES/SHIPPING CHARGES	297.49
DEARBORN NATIONAL LIFE	POLICE UNIFORM CLEANING	84.00
DUTTON-LAINSON COMPANY	DISABILITY/LIFE INSURANCE	1,854.28
ECHO GROUP INC JESCO	PHOTO CELL	211.94
CITY EMPLOYEE	HEATER VENT/BALLAST TERMINALS	85.20
ELECTRIC FIXTURE & SUPPLY	HEALTH REIMBURSEMENT	1,576.46
ELKHORN FENCE LLC	SHOP HEATER BULBS	1,307.76
ERNEST E PING	LAGOON FENCE REPAIRS	5,450.00
FAITH REGIONAL	GRIND STUMPS	230.00
FASTENAL CO	HEP B SHOTS	111.00
FIRST CONCORD GROUP LLC	EAR PLUGS/SAFETY GLASSES	71.33
FLOOR MAINTENANCE	ANNUAL COMPLIANCE/MAINTENANCE	400.00
FREDRICKSON OIL CO	BOWLS	13.56
GODFATHER PIZZA	MOUNT TIRES	16.00
HOLIDAY INN OF KEARNEY	COUNCIL RETREAT MEAL	132.00
HOMETOWN LEASING	LODGING	719.60
HR DIRECT	COPIER LEASE	259.98
ICMA RETIREMENT	POSTER GUARD	699.90
INGRAM BOOK COMPANY	RETIREMENT	6,798.52
IRS	BOOKS	521.72
JAMES ROBINSON	FEDERAL WITHHOLDING	23,731.28
MAIN STREET AUTO CARE	ENERGY INCENTIVE	500.00
MARCO INC	TOWING	906.80
MARRIOTT HOTELS	SR CENTER 2015 COPIER LEASE	1,175.00
MATHESON TRI-GAS, INC.	LODGING	318.00
MES-MIDAM	OXYGEN	29.76
MIDWEST LABORATORIES, INC	FD COATS/PANTS	5,064.73
MIDWEST SERVICE & SALES	BOD TESTING	71.50
	DRAG BLADE	750.40

MIKE TOWNE	T & E	400.00
MUNICIPAL SUPPLY INC	VALVE BOX RISER	460.68
MURPHY TRACTOR & EQUIPMENT	CUTTING EDGE	340.00
NE CODE OFFICIAL ASSOC	REGISTRATION-J HANSEN	130.00
NE DEPT OF REVENUE	STATE WITHHOLDING	3,412.51
NE PUBLIC HEALTH ENVIRONM	POLICE SERVICES	105.00
NEBRASKA COMMUNITY FOUND.	HANK OVERIN CASH DONATION	100.00
NHHS	POOL PERMITS	80.00
N.E.NE AMERICAN RED CROSS	PAYROLL DEDUCTIONS	19.62
NORTHEAST NE PUBLIC POWER	WHEELING CHARGES	12,306.60
O'REILLY AUTOMOTIVE STORE	FLOOR MATS	42.59
ONE CALL CONCEPTS, INC	DIGGERS HOTLINE	10.40
OTTE CONSTRUCTION COMPANY	CONDENSATION AC CEILING REPAIR	1,468.00
PAC N SAVE	PROGRAM/RETREAT SUPPLIES	281.17
QUILL CORPORATION	CHAIR	123.99
RESCO	LIGHT FIXTURE	180.62
RIEKES EQUIPMENT CO	LIBRARY-CRANE INSPECTIONS	465.36
SOOLAND BOBCAT	AIR/FUEL FILTERS	190.11
SPARKLING KLEAN	JANITORIAL SERVICES	3,043.81
STATE NEBRASKA BANK	ACH FEES	59.76
STATE NEBRASKA BANK	LIBRARY PETTY CASH	106.61
TIM FERTIG	LB 840	4,750.00
CITY EMPLOYEE	VISION REIMBURSEMENT	37.50
UNITED WAY	PAYROLL DEDUCTIONS	7.00
US BANK	LODGING/MEALS/GEAR BOX/COMPUTER ETC	6,063.65
UTILITIES SECTION	PUBLIC WORKS CONFERENCE	1,027.00
VIAERO	CELL PHONES	129.35
VOSS LIGHTING	BULBS	226.00
WASTE CONNECTIONS	SANITATION SERVICE	73.36
WAYNE COUNTY CLERK	FILING FEES	124.00
WAYNE GROCERY LLC	COFFEE/FILTERS/SIVERWARE	22.96
WAYNE HERALD	ADS AND NOTICES	1,868.99
WAYNE VETERINARY CLINIC	CAT & DOG IMPOUNDS	154.00
WESCO DISTRIBUTION INC	METER SOCKET	428.13
WESTERN AREA POWER ADMIN	ELECTRICITY	34,471.69

DELETE FROM CLAIMS LISTING 2/2/15

ICC- MEMBERSHIP DUES \$170.00

To the Honorable Mayor and City Council
City of Wayne
Wayne, Nebraska

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wayne for the year ended September 30, 2014, and have issued our report thereon dated January 14, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 17, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Wayne are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2014. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the collectability of accounts receivable is based on historical utility revenues, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the collectability of accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

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Management's estimate of the depreciation of capital assets is based on the estimated useful life of the capital asset. We evaluated the key factors and assumptions used to develop the depreciation of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Fourteen audit adjustments decreased the fund balances of the City's governmental funds by \$196,188. Fifteen audit adjustments increased the net position of the City's business-type funds by \$72,078. Eighteen audit adjustments increased the net position of the City's component units by \$862,049. The following material misstatements detected as a result of audit procedures were corrected by management:

1. Electric grants receivable and grant revenue were both increased \$317,270.
2. Net position and transfers out were increased \$126,944 on the Electric Fund, and fund balance and transfers in were increased \$126,944 on the CDA Fund to reclass the posting of transfers.
3. CDA land and gain on sale of property were both reduced \$22,919 to record the sale of Western Heights lots.
4. Prepaid insurance was increased \$32,761 with a corresponding decrease to expense on the Internal Service Fund.
5. TIF receivables were increased \$641,646 along with offsetting redevelopment expenses.
6. TIF receivables were decreased \$33,751 with a corresponding decrease to TIF tax proceeds to adjust TIF receivables to estimated actual.
7. Accrued leave on the General Fund was decreased \$25,096 with a decrease to wage expense.
8. Airport inventory was increased \$25,547 with a corresponding decrease to fuel expense.

9. An allowance for doubtful accounts of \$99,722 was recorded on the business-type funds for estimated uncollectible water and sewer hookup fees.
10. Accrued interest payable and interest expense were both decreased 35,663 for the CDA.
11. Airport grants receivable and revenue were increased \$76,969.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 14, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

In connection with our audit of the financial statements of the City of Wayne as of September 30, 2014, we noted certain matters that we believe you should consider. Our observations were formed as a by-product of our audit procedures, which did not include a comprehensive review for the purpose of submitting detailed recommendations.

1. The CDA Fund paid an extra \$10,094.98 of principal on the Western Ridge loan from Electric in December 2013, but the amortization schedule was not updated for this extra payment. We recommend updating the amortization schedules whenever extra payments are made so future interest calculations are accurate.

2. During our audit, we noted the accounts receivable aging report for utilities did not tie to the general ledger. We recommend reconciling the aging report to the general ledger for all accounts monthly. We also recommend that you do not post transactions to accounts receivable after it has been closed for the month.
3. As the City of Wayne has been successful in providing incentive loans in the past but we recommend that you evaluate the potential for any losses in the future and make a provision for those potential loan loss reserves on the books.
4. While reviewing petty cash reimbursements, we noted the July 2, 2014 reimbursement had \$4.64 of disbursements with no supporting documentation. We recommend requiring employees to submit receipts to substantiate all cash disbursements.
5. During the audit, we noted an unapplied credit of \$12.58 for the Wayne Softball Association that was due to a 2014 bill for domain fees not being done. We recommend completing this billing so the credit can be cleared out of their account.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis and the budgetary comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the nonmajor governmental combining statements and the component unit combining statements, which accompany the financial statements but are not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the City Council and management of the City of Wayne and is not intended to be and should not be used by anyone other than these specified parties.

*Amquist, Malthahn,
Galloway - Luth, P.C.*

Grand Island, Nebraska
January 14, 2015



To the Honorable Mayor and City Council
City of Wayne
Wayne, Nebraska

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wayne as of and for the year ended September 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the City of Wayne's internal control to be significant deficiencies:

The size of the City's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This lack of segregation of duties creates an opportunity for employees to commit fraud that may go undetected. This situation suggests that the City Council remain involved in the financial affairs of the City to provide oversight and independent review functions.

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Joseph P. Stump

This communication is intended solely for the information and use of management, the City Council, and others within the City, and is not intended to be and should not be used by anyone other than these specified parties.

Amquist, Malthalm,
Galloway & Luth, P.C.

Grand Island, Nebraska
January 14, 2015

CITY OF WAYNE, NEBRASKA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

September 30, 2014

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Wayne, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the fiduciary fund of the City of Wayne, Nebraska, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

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and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the fiduciary fund of the City of Wayne, Nebraska, as of September 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6-23 and 84-88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wayne, Nebraska's financial statements. The nonmajor fund combining statements and the component unit combining statements are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The nonmajor fund combining statements, the component unit combining statements, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information described in the first sentence of this paragraph and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2015, on our consideration of the City of Wayne, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Wayne, Nebraska's internal control over financial reporting and compliance.

August Malthalm
Galloway & Luth, P.C.

Grand Island, Nebraska
January 14, 2015

**CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended September 30, 2014**

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Wayne, we offer readers of the City of Wayne financial statements this narrative overview and analysis of the financial activities of the City of Wayne for the fiscal year ended September 30, 2014. For information on the Wayne Municipal Airport component unit included in these financial statements, please see the separate audit report for the Airport.

Financial Highlights

- The assets of the City of Wayne exceeded its liabilities at the close of the most recent fiscal year by \$37,447,367 (*net position*). Of this amount, \$11,506,855 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Wayne's governmental funds reported combined ending net position of \$17,948,027. Approximately 10.1 percent of this total amount, \$1,820,758, is *unrestricted net position*.
- At the end of the current fiscal year, the General Fund did not have any unassigned fund balance.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Wayne's basic financial statements. The City of Wayne's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Wayne's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Wayne's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Wayne is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2014

Both of the government-wide financial statements distinguish functions of the City of Wayne that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Wayne include general government, public safety, highways and streets, economic development, and culture and recreation. The business-type activities of the City of Wayne include the Water, Sewer, Electric, and Transfer Station Enterprise Funds.

The government-wide financial statements include not only the City of Wayne itself (known as the *primary government*), but also legally separate entities, the Municipal Airport Authority and the Community Development Agency, for which the City of Wayne is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 24 and 25 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Wayne, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Wayne can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Wayne maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Street Fund, the LB840 Fund, and the Debt Service Fund, all of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2014

The City of Wayne adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General, Street, LB840, and Debt Service Funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 26-29 of this report.

Proprietary funds. The City of Wayne maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Wayne uses enterprise funds to account for its Water, Sewer, Electric, and Transfer Station Funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Wayne's various functions. The City of Wayne uses an internal service fund to account for its employee health insurance. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, Electric, and Transfer Station Funds, all of which are considered to be major funds of the City of Wayne.

The basic proprietary fund financial statements can be found on pages 30-33 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Wayne's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 34 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-83 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Wayne's budgetary comparison schedules. Required supplementary information can be found on pages 84-88 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and the component units are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 89-92 of this report.

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2014

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Wayne, assets exceeded liabilities by \$37,447,367 at the close of the most recent fiscal year.

Summary Statements of Net Position

	September 30, 2014			September 30, 2013		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other Assets	\$ 5,701,929	\$ 10,968,401	\$ 16,670,330	\$ 4,851,501	\$ 11,319,324	\$ 16,170,825
Capital Assets	16,131,810	16,423,786	32,555,596	15,425,773	16,531,266	31,957,039
Total Assets	<u>21,833,739</u>	<u>27,392,187</u>	<u>49,225,926</u>	<u>20,277,274</u>	<u>27,850,590</u>	<u>48,127,864</u>
Long-term Liabilities	2,868,001	6,613,391	9,481,392	2,624,751	7,138,092	9,762,843
Other Liabilities	1,017,711	1,279,456	2,297,167	705,242	1,347,881	2,053,123
Total Liabilities	<u>3,885,712</u>	<u>7,892,847</u>	<u>11,778,559</u>	<u>3,329,993</u>	<u>8,485,973</u>	<u>11,815,966</u>
Net Position:						
Net Investment in						
Capital Assets	13,081,810	9,362,697	22,444,507	12,705,773	8,962,300	21,668,073
Restricted	3,045,459	450,546	3,496,005	2,720,764	573,954	3,294,718
Unrestricted	1,820,758	9,686,097	11,506,855	1,520,744	9,828,363	11,349,107
Total Net Position	<u>\$ 17,948,027</u>	<u>\$ 19,499,340</u>	<u>\$ 37,447,367</u>	<u>\$ 16,947,281</u>	<u>\$ 19,364,617</u>	<u>\$ 36,311,898</u>

By far the largest portion of the City of Wayne's net position (59.9 percent) reflects its investment in capital assets (land, infrastructure, buildings, machinery, vehicles, and equipment), net of any related debt used to acquire those assets that is still outstanding. The City of Wayne uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Wayne's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Wayne's net position (9.3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$11,506,855) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Wayne is able to report positive balances in all three categories of net position, for the government as a whole as well as for its separate governmental and business-type activities.

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2014

Expenses and Program Revenues - Governmental Activities

<u>Function</u>	<u>Year Ended September 30, 2014</u>		<u>Year Ended September 30, 2013</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
General Government	\$ 198,325	\$ 186,944	\$ 122,403	\$ 403,937
Public Safety	295,294	1,109,365	203,473	1,087,757
Public Works	18,911	427,708	75,346	428,864
Public Buildings	31,520	77,382	28,434	70,176
Recreation	513,755	439,289	80,943	272,869
Community Activity Center	95,455	246,139	100,733	231,109
Library	13,931	272,315	14,746	253,049
Senior Citizens Services	271,496	277,794	168,351	238,873
Interest	-	105,605	-	49,738
Depreciation	-	895,442	-	836,183
Total	<u>\$ 1,438,687</u>	<u>\$ 4,037,983</u>	<u>\$ 794,429</u>	<u>\$ 3,872,555</u>

Revenues by Source - Governmental Activities

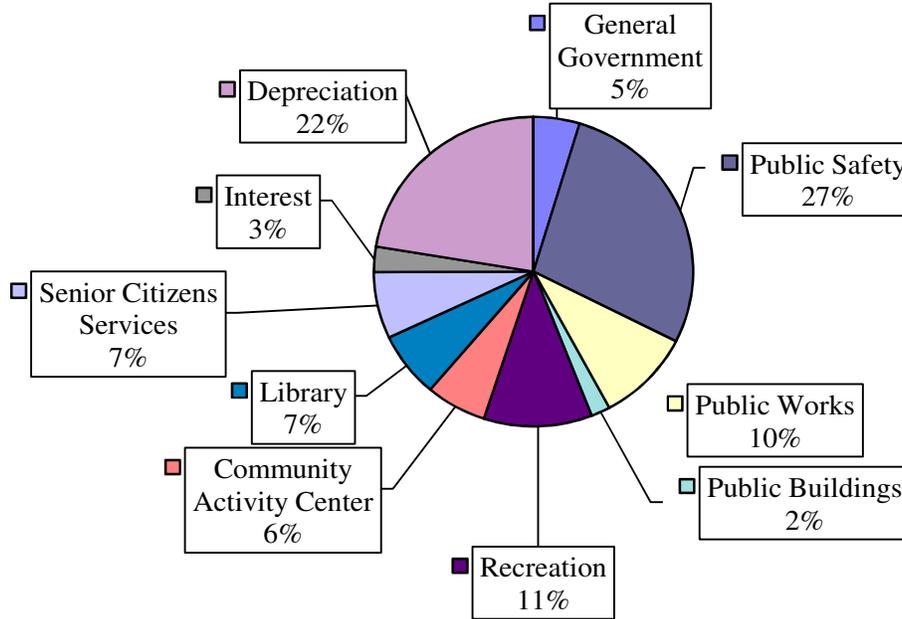
SOURCES OF REVENUE

	<u>Year Ended September 30, 2014</u>		<u>Year Ended September 30, 2013</u>	
Charges for Services	\$ 555,834	11.03 %	\$ 567,527	13.81 %
Operating Grants and Contributions	331,784	6.59	130,887	3.19
Capital Grants and Contributions	551,069	10.94	96,015	2.34
Property Taxes	740,107	14.69	741,688	18.05
Motor Vehicle Taxes	74,232	1.47	72,508	1.76
Payments in Lieu of Taxes	724,947	14.39	680,942	16.57
Sales Tax	682,383	13.54	604,083	14.70
Franchise Taxes	188,809	3.75	185,546	4.52
State Allocation	917,766	18.21	852,925	20.76
Special Assessments	109,891	2.18	81,549	1.99
Other	16,355	0.32	57,475	1.40
Interest	34,174	0.68	28,404	0.69
Gain on Sale of Assets	14,684	0.29	23,680	0.58
Interfund and CDA Transfers	96,694	1.92	(14,675)	(0.36)
Total	<u>\$ 5,038,729</u>	<u>100.00 %</u>	<u>\$ 4,108,554</u>	<u>100.00 %</u>

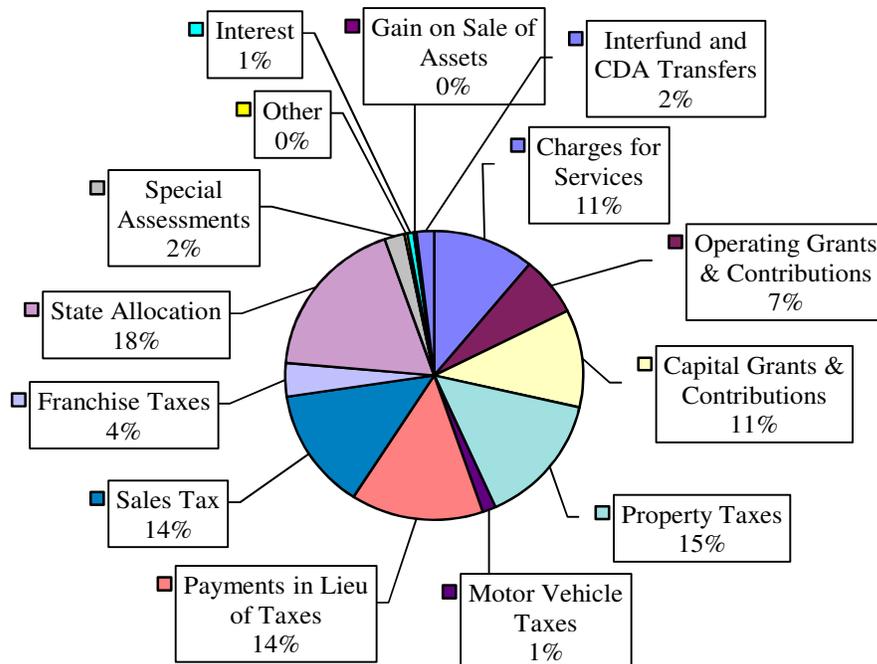
Net position increased \$1,000,746 in the governmental funds during the year ended September 30, 2014.

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2014

Governmental Activities - 2014 Expenses



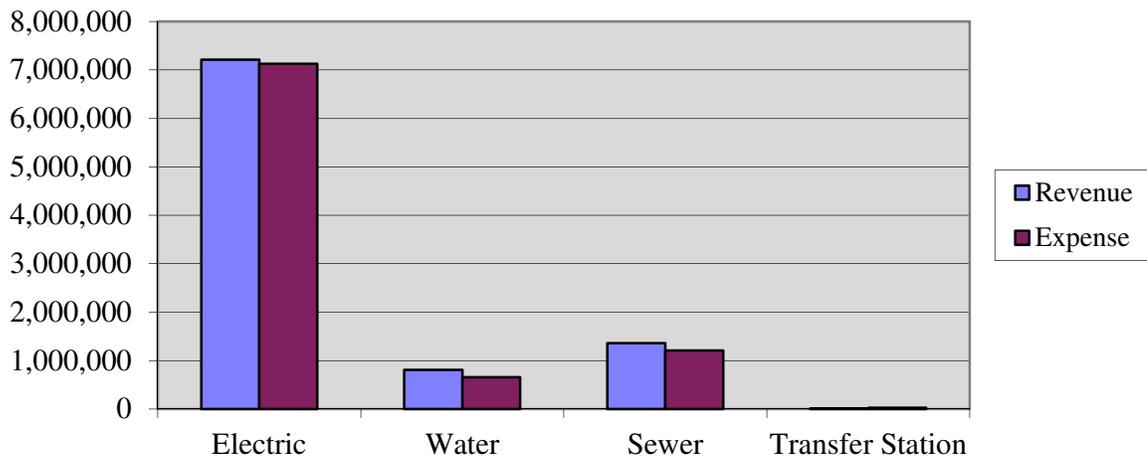
Governmental Activities - 2014 Revenue



CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2014

Business-type activities. Business-type activities increased the City of Wayne's net position by \$134,723, accounting for 11.9 percent of the total growth in the government's net position for the year ended September 30, 2014. Key elements of this increase are as follows:

2014 Expenses and Program Revenues - Business-type Activities



Expenses and Program Revenues - Business-type Activities

<u>Function</u>	<u>Year Ended September 30, 2014</u>		<u>Year Ended September 30, 2013</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Electric	\$ 7,210,801	\$ 7,126,262	\$ 6,681,467	\$ 6,832,862
Water	799,339	651,739	679,019	653,331
Sewer	1,359,208	1,205,522	1,099,312	858,955
Transfer Station	12,800	23,678	13,800	52,938
Total	<u>9,382,148</u>	<u>9,007,201</u>	<u>8,473,598</u>	<u>8,398,086</u>
Interfund & CDA Transfer	-	308,397	32,775	-
	<u>\$ 9,382,148</u>	<u>\$ 9,315,598</u>	<u>\$ 8,506,373</u>	<u>\$ 8,398,086</u>

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2014

Revenues by Source - Business-type Activities

<u>SOURCES OF REVENUE</u>	<u>Year Ended September 30, 2014</u>		<u>Year Ended September 30, 2013</u>	
Charges for Services	\$ 8,961,336	98.02 %	\$ 8,365,375	97.82 %
Capital grants and Contributions	420,812	4.60	108,223	1.27
Interest	68,173	0.75	62,338	0.73
Gain on Sale of Assets	-	-	925	0.01
Interfund Transfers	(308,397)	(3.37)	14,675	0.17
Total	<u>\$ 9,141,924</u>	<u>100.00 %</u>	<u>\$ 8,551,536</u>	<u>100.00 %</u>

Financial Analysis of the Government's Funds

As noted earlier, the City of Wayne used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Wayne's *governmental* funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Wayne's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Wayne's governmental funds reported combined ending fund balances of \$4,610,438. None of this total amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balances is not available for new spending because it has already been 1) restricted to pay debt service (\$956,350), 2) restricted for Federal loan programs (\$1,161,024), 3) restricted for park expenditures (\$27,494), 4) restricted for golf course expenditures (\$36,278), 5) restricted for Community Activity Center expenditures (\$209,088), 6) restricted for economic development (\$406,619), 7) restricted for capital projects (\$248,606), 8) assigned for budgetary stabilization (\$916,061), 9) committed for capital projects (\$128,500), 10) assigned for street expenditures (\$388,511), or 11) assigned for other purposes (\$131,907).

The General Fund is the chief operating fund of the City of Wayne. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$0, while total fund balance reached \$1,356,939. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 0 percent of total General Fund expenditures, while total fund balance represents 39.0 percent of that same amount.

The fund balance of the City of Wayne's General Fund increased by \$31,620 during the current fiscal year.

Proprietary funds. The City of Wayne's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2014

Unrestricted net position of the proprietary funds at the end of the year were as follows: Electric Fund - \$6,310,261, Water Fund - \$1,555,447, Sewer Fund - \$1,818,435, and Transfer Station \$1,954. The growth in net position for the proprietary funds was as follows: Electric Fund – decrease of \$(163,943), Water Fund – decrease of \$(55,265), Sewer Fund - \$364,802, and Transfer Station – decrease of \$(10,871). Other factors concerning the finances of these four funds have already been addressed in the discussion of the City of Wayne's business-type activities.

Budgetary Highlights

There was no difference between the original budget and the final adopted budget for the City of Wayne.

Capital Asset and Debt Administration

Capital Assets. The City of Wayne's investment in capital assets for its governmental and business-type activities as of September 30, 2014, amounts to \$32,555,596 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, building and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Major capital asset events during the current fiscal year included the following:

- Construction in progress on 10th Street turn lane project - \$259,543
- Land purchase for 10th Street project - \$111,300
- Milo Drive infrastructure - \$190,631
- Two 2014 police cars - \$52,400
- Siren system - \$110,655
- Elgin street sweeper - \$147,848
- Fencing at softball complex - \$172,529
- Softball complex field lighting - \$298,275
- Softball complex irrigation system - \$25,950
- Scoreboards at softball complex - \$30,959
- North softball field relocation - \$78,935
- Updating electric plant cooling tower - \$26,563
- Ford 350 service truck - \$27,413
- Electric distribution system at Industrial Park - \$345,191
- 2014 Electric improvements - \$85,685
- Chief's Way sewer line - \$250,626
- Chief's Way waterline - \$61,014

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2014

City of Wayne's Capital Assets
(net of depreciation)

	<u>Year Ended September 30, 2014</u>			<u>Year Ended September 30, 2013</u>		
	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
Land	\$ 691,592	\$ 369,751	\$ 1,061,343	\$ 617,650	\$ 369,751	\$ 987,401
Construction						
in progress	562,340	12,362	574,702	288,137	39,150	327,287
Infrastructure	6,650,964	-	6,650,964	6,825,126	-	6,825,126
Improvements	1,244,698	-	1,244,698	685,433	-	685,433
Buildings	5,752,823	10,270,693	16,023,516	5,957,422	10,830,183	16,787,605
Equipment	1,229,393	277,131	1,506,524	1,052,005	211,202	1,263,207
Distribution						
Systems	-	5,493,849	5,493,849	-	5,080,980	5,080,980
Total	<u>\$ 16,131,810</u>	<u>\$ 16,423,786</u>	<u>\$ 32,555,596</u>	<u>\$ 15,425,773</u>	<u>\$ 16,531,266</u>	<u>\$ 31,957,039</u>

Additional information on the City of Wayne's capital assets can be found in Note C4 on pages 61-64 of this report.

Long-term debt. At the end of the current fiscal year, the City of Wayne had total long-term debt outstanding of \$10,111,089. Of this amount, \$3,050,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Wayne's debt represents bonds and notes secured solely by specified revenue sources (i.e., revenue bonds and DEQ note payable).

City of Wayne's Outstanding Debt

	<u>Year Ended September 30, 2014</u>			<u>Year Ended September 30, 2013</u>		
	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>		<u>Activities</u>	<u>Activities</u>	
General Obligation						
Bonds	\$ 1,360,000	\$ -	\$ 1,360,000	\$ 435,000	\$ -	\$ 435,000
Bond Anticipation						
Notes	-	-	-	935,000	-	935,000
Highway Allocation						
Bonds	1,000,000	-	1,000,000	620,000	-	620,000
Public Safety						
Bonds	690,000	-	690,000	730,000	-	730,000
DEQ Note	-	5,111,089	5,111,089	-	5,353,966	5,353,966
Revenue Bonds	-	1,950,000	1,950,000	-	2,215,000	2,215,000
Total	<u>\$ 3,050,000</u>	<u>\$ 7,061,089</u>	<u>\$ 10,111,089</u>	<u>\$ 2,720,000</u>	<u>\$ 7,568,966</u>	<u>\$ 10,288,966</u>

The City of Wayne's total debt decreased by \$177,877 (1.7 percent) during the current fiscal year, as the City made scheduled principal payments and issued \$380,000 of highway allocation bonds and \$1,005,000 of various purpose bonds to refinance \$935,000 of Series 2010 bond anticipation notes.

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2014

Additional information on the City of Wayne's long-term debt can be found in Note C6 on pages 65-71 of this report.

Economic Factors and Next Year's Budgets and Rates

The City of Wayne has maintained a strong financial position again this year. The budget adopted for 2014-2015 continues the City's practice of conservative financial planning. The budget adopted complies with the financial management policies approved by the City Council and is structured to meet the Council's priorities. For 2014-2015, those priorities included:

- Hold a "State of the City Address" before the election and include an opportunity for Mayor and Council candidates to tell about themselves and why they are running for election to the Council.
- Establish a City of Wayne/WSC Night Lights Pilot Program one Friday night per month at the Community Activity Center with student athletes to offer babysitting for parents to go out.
- Select a swimming pool option to rebuild or replace. (Outdoor pool by the Community Activity Center sales tax financing.)
- Rebuild the Summer Sports Complex with improvements. (Majority of work is completed.)
- Annex the Williams Farm, Woehler, Wayne Airport and other city parcels, but not the Pacific Coast property.
- Complete the Phase II Trail Project.
- Build new park equipment in one more park.
- Promote available properties around Wayne for future business development.
- Work closely with the newly reorganized Community Redevelopment Authority to incent private business development on available properties.
- Review the City Employee Group Health Plan.
- Review the City Investment Policy for cash reserves.
- Consider options for emergency back-up power for radio station as a part of our civil defense notification. (No action taken.)
- Review compensation for future Mayor and Council members after the election.

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2014

- Cooperate with Wayne State College in future campus expansion projects for potential student housing.
- Review of tax increment financing projects.

A shortage of qualified employees continues as a problem for Northeast Nebraska. In our area industrial businesses, call centers, manufacturing businesses, medical facilities, construction businesses, and many small businesses have been advertising employment positions. They are having problems attracting personnel to fill the positions.

The City continues to provide assistance to Wayne Area Economic Development for promotion of the City and assistance with any economic development projects.

One of the Wayne City Council's goals has been to increase the affordable housing stock in Wayne. The housing down payment loan program has assisted three new homeowners within the City of Wayne. The developer that is working on building houses in the City's Western Ridge subdivision has completed or is in the process of completing several houses. There are now 32 homes in the subdivision.

Benscoter has constructed a duplex and has completed or is constructing three houses in his Angel Acres subdivision.

The City continues working on Tax Increment Financing (TIF) projects. During the current year we completed the paperwork on the following projects:

- Angel Acres infrastructure project
- Progressing Properties 25 unit apartment complex's
- Western Ridge III infrastructure project
- Wayne Rentals multi-unit apartments
- Progressive Properties 10 unit apartment complex
- Chad Sebade 3 unit apartment complex
- Mid Plains Grain - elevator expansion and the demolition dilapidated structures
- Ken Jorgensen - construction of a new sports bar restaurant and related infrastructure to the facility

Concerns about the national and local economy will have an impact on our local revenues and rising costs. The State of Nebraska continues to have short falls in their revenue projects and undertake a variety of cost cutting measures. The future of state equalization funds continues to be in jeopardy as the state is continually looking for ways to shore up their budget.

New requirements from the Nebraska Department of Roads caused approved grants to be delayed as we wait for the necessary approval before the next steps are taken. This process has added

**CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2014**

additional time to complete the projects. The Windom Street project has been bid and the contract has been awarded to the contractor. The other grants we are waiting on are the phase II trail and the underpass that has been incorporated into the trail project.

The police department has hired two new Patrolmen and will be hiring another Sergeant. At the present time we also need two dispatchers to have a fully staffed dispatch center.

We did transfer one employee from the street department to the water & sewer departments and hired two new employees in the street department. Our Superintendent of Public Works & Utilities resigned and currently staff employees and the City Administrator are operating the departments. Our Community Activity Center director also resigned this year. Interviews have taken place but we have not yet hired a new director. Future loss of institutional knowledge is a concern that council needs to look at. In the next five years we have 15 percent of our full time employees eligible for retirement. In 10 years we have another 15 percent of our employees eligible for retirement.

Our larger construction projects last year were rebuilding the electrical system, Airport and the Summer Sports Complex that were damaged in the tornado on October 4, 2013. We also increased the size of the industrial park, water and sewer project to install water and sewer to the south side of Highway 35. Several of the businesses asked to have the sewer and water extended to them rather than install new wells and upgrade septic systems. The project of paving and installing water and sewer lines on 10th Street was completed. Council also approved the installation of a turn lane which has been completed at the end of 2014. Hillside drive south of Highway 35 is under at this time. The replacement of our tornado sirens was completed earlier in 2014. There were several pieces of equipment purchased in the 2013-2014 fiscal year for the public works department, electric and water & sewer departments too.

In November, the voters approved an additional 1/2 cent sales tax to be used for the construction of a new swimming pool at the Community Activity Center location. This sales tax will sunset when the bonds are paid off.

Revenues from the City Sales Tax have grown at a larger rate than estimated during the last year. The Citizens Advisory Committee has processed several requests for the LB840 plan projects. In order to fund the approved LB840 projects, Council has authorized three more interest bearing loans from the Electric Fund to pay for the projects. The proceeds of future sales tax dollars will pay the interest and principal of this loan.

Rates for the utility funds are set to cover operating costs and capital needs. Annually we have looked at the electric rates and adjusted them accordingly. The water rates need to be sufficient to cover the debt service on the State Revolving Loan and the proposed transfer of \$150,000 to help cover the cost of the combined utility State Revolving Loan debt service.

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2014

Capital items for 2014-2015 include:

- Radios for the police department and upgrading the radio consoles.
- Mower replacement.
- The rescue truck #20 is a 1980 and is in need of update. The truck responds to all vehicle accidents in town and rural. A new truck is about \$300,000 and if the City and Rural Board would split the cost, maybe it can be replaced sooner. The fire department was able to find a good used rescue truck in Pennsylvania for \$56,000 and purchased it.
- In June we had a windstorm that caused a tree to fall on the grandstand at Hank Overin Baseball Field. The building is totaled so the Mayor has appointed a group to rebuild the facility. We will be using insurance money and fundraising to rebuild the building, upgrade the public restrooms to new accessibility standards, and replace the ball field lighting.
- We have arranged for \$1.9 million in NDEQ Revolving Loan Funds to construct a belt press sledge handling system to be constructed in 2015. The 26 acre sludge lagoon will be decommissioned after the sewer sludge is diverted to the belt press. The lagoon site land will be repurposed.
- The storage shed at the Summer Sports Complex is being moved to a different location. The cost is more than the insurance funds we will receive so there will need to be fundraising efforts to complete the facility the advisory group wants built.
- Phase II of the City's biking/hiking trail system. In the current design there is a portion of the trail that is designed as crushed rock. City Council requested that the 2,200' be concrete and allocated \$16,500 from the city sales tax capital project dollars. This project has received a grant of \$45,000 from the Game & Parks. It also has been awarded \$342,056 in Transportation Enhancement Grants and \$27,000 from the Lower Elkhorn Natural Resource District. The Department of Roads has made some adjustments to Phase II of the trail and will take out a portion of the at-grade crossing and connect with the Highway 35 underpass when it is constructed. Nebraska Department of Roads has also changed the original requirements for potential trail hazard and has required us to relocate 1,100 of trail farther away from two propane storage tanks and a center pivot tower. Potential delay time to mitigate this is one year.
- Thru a Comprehensive Investment & Stabilization (CIS) grant from the Department of Economic Development we plan to put a storm shelter/bathroom in East Park.
- The activity center has budgeted for replacing fitness equipment.

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2014

- The Library and Senior Center have both budgeted for carpet and painting of the facility.
- Park improvements to meet ADA standards for the restrooms. We anticipate using sales tax dollars for this project (\$50,000). We are also beginning to set aside dollars for the restrooms at Hank Overin Baseball Field (\$3,000).
- Fourth year of setting aside (\$75,000) per year for swimming pool replacement.
- Playground equipment for Summer Sports Complex and/or Sunnyview Park.
- Membrane roof replacement for Library/Senior Center.
- Rugby/Soccer field improvements.
- Replace Loader, truck and mower in Public Works Department.
- Renovation of Windom Street has been taken over by the Department of Roads and we hope construction will be in 2015. (\$965,654 bid awarded by Department of Roads) Windom Street water main. (\$105,441 city cost for water mains included in the bid.)
- Extension of Hillside Drive south to a new development (\$244,468).
- The Department of Roads has moved the underpass into the trail project and we are hopeful that it will be finished in 2015-2016 (\$538,946).
- Renovations to the Clerk/Treasurer and Administrative Assistance offices including wall reconfiguration, carpet, paint, plaster repair and furniture (\$25,000).
- Upgrade the Incode software to Version X.
- Painting & Windows at the power plant (\$15,000).
- Annual equipment purchases for the distribution system (\$150,000).
- Electric Distribution Improvement Project will continue directional boring and trenching in areas where system reliability will be improved by replacing overhead lines with underground or replacing aged underground lines with new cable and equipment (\$150,000).
- Electric distribution is looking to replace the 1986 basket truck (\$155,000).
- Also need to replace the 2000 pickup.

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2014

- We will continue exploring Automated Meter Reading (AMR) systems to determine the best system for the City. The City has collected and has in reserve \$597,094 in the Electric Fund and \$582,058 in the Water Fund for this project.
- Replacement of the wood chipper used for trimming trees. (Cost for a used wood chipper is \$15,000.)
- Replacing technology in various departments (\$46,000).
- The City will continue updating our lift stations (\$15,000).
- The City will continue rehabbing manholes in the City sewer system (\$25,000).
- Sewer main cleaning and vacuuming, annual project (\$20,000).
- Updating the Scada system for the sewer and water systems (\$20,000 from each department).
- Replace various pieces of equipment including the one ton flat-bed truck, split between water & sewer.
- Paint the water tower (\$140,000).
- Begin replacing 4" water mains in various sections of the City with 8" water lines to provide better water flow and fire protection. (The first lines will be between Dearborn & Walnut \$100,000. This is the City's match for the CIS grant.)
- Replacing water main valves as some of the old valves will no longer operate, making it difficult to isolate an area of shut off water if there is a main break (\$20,000).
- Variable Frequency Drives (VFD) were replaced in the wells, this will improve power consumption as well as the life of the pumps and motors (\$20,000).
- The airport authority has nearly completed the restoration of the entire facility after the October 2013 tornado.
- A sewer pump station from the airport to hookup to the City's sewer system is in the budget (\$180,000). Since the airport is within city limits it is necessary to hook up the sewer system to the City's sewer.
- The 911 system needs to be replaced due to end of its life and the company will not be making any software upgrades to the system (\$146,000).

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2014

The City has a slight decrease in the total property tax levy requested for City support at \$0.450816 per \$100 of valuation for the upcoming fiscal year. Due to the increased land values, the total tax levy has decreased from \$2.097068 to \$1.873155 per \$100 of valuation.

We will be filing the FEMA paperwork in the next fiscal year requesting the funds approved by FEMA for seven projects. Some of the smaller projects have already been paid out, but we need to document the work done on the electrical system and identify what the insurance did not pay for to put the airport and summer sports complex back into the condition on October 4, 2013.

At the airport, all structures that were destroyed have been rebuilt with some improvements that were not covered by insurance or FEMA. This resulted in a cash flow shortage of \$70,000. The authority requested a loan from the City of Wayne and will schedule semiannual repayment over two years.

The summer sports complex has been repaired with many improvements. These improvements included moving two fields and installing sidewalks between the north and south fields. All four fields had new lighting installed too. The improvements over the insurance proceeds at this time amount to \$300,000. The lighting was paid for from the Electric Fund and there were donations to the facilities from companies and individuals in the amount of \$96,000. The fund to finance the shortfall of these improvements has come out of General Fund revenues. Still to be completed is the storage building. The insurance funds for that project are \$16,770 but the estimate of the project the committee would like have built is \$250,000 (this would include an indoor batting cage, storage areas for baseball, softball, soccer and rugby, bathrooms and a storm shelter. The committee has been told that they need to fundraise to build the facility they want.

In 2013-2014 the Council reorganized the Community Development Agency and appointed a Community Redevelopment Authority. The authority has had a busy year learning what their purpose is and how they work with the City Council. There have been some trial but they have purchased the Pacific Coast Feather (PFC) property (this company decided not to rebuild after the tornado on 10/4/13). They asked that it be annexed into city limits so the blight study could be accepted and any future business could potentially use TIF if they requested. The original request was turned down. At this time they also have a purchase agreement on the S&M Liquid Tire property which is in front of the PFC property. There is a proposal by the building inspector to combine city owned properties into three lots in this area. Due to airport zoning, not all of the area can be built on; however, it could be used for parking. There is an offer to purchase one of these proposed lots and they have requested TIF financing.

In the current budget, the airport does not have any major projects. They intend to start rebuilding their cash reserves.

CITY OF WAYNE, NEBRASKA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
For The Year Ended September 30, 2014

Request for Information

This financial report is designed to provide a general overview of the City of Wayne's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Wayne, 306 Pearl St., P.O. Box 8, Wayne, NE 68787.

CITY OF WAYNE, NEBRASKA
STATEMENT OF NET POSITION
September 30, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 982,863	\$ 1,114,933	\$ 2,097,796	\$ 327,507
Investments	1,167,504	5,648,914	6,816,418	-
County treasurer cash	30,712	-	30,712	3,431
Receivables:				
Property tax	32,235	-	32,235	4,457
Special assessments	440,475	469,591	910,066	-
Accounts, net of allowance for doubtful accounts	12,435	855,909	868,344	1,876
Unbilled revenue	-	301,925	301,925	-
Grants	19,844	318,076	337,920	76,969
Interest	1,242	8,737	9,979	-
Current portion of TIF receivable	-	-	-	143,262
Current portion of notes	182,169	-	182,169	-
Due from other governments	120,286	-	120,286	-
Due (to)/from other funds	(1,077,000)	1,077,000	-	-
Due from component units	1,582	300,000	301,582	-
Prepaid insurance	32,760	-	32,760	4,048
Inventory	-	275,966	275,966	22,123
Total current assets	<u>1,947,107</u>	<u>10,371,051</u>	<u>12,318,158</u>	<u>583,673</u>
Noncurrent assets:				
Restricted cash and cash equivalents	659,992	129,047	789,039	-
Restricted investments	1,299,774	468,303	1,768,077	-
Noncurrent TIF receivable	-	-	-	2,119,898
Noncurrent notes receivable	1,795,056	-	1,795,056	180,000
Capital assets:				
Land and construction in progress	1,253,932	382,113	1,636,045	498,893
Other capital assets, net of depreciation	14,877,878	16,041,673	30,919,551	7,058,856
Net capital assets	<u>16,131,810</u>	<u>16,423,786</u>	<u>32,555,596</u>	<u>7,557,749</u>
Total noncurrent assets	<u>19,886,632</u>	<u>17,021,136</u>	<u>36,907,768</u>	<u>9,857,647</u>
Total assets	<u>21,833,739</u>	<u>27,392,187</u>	<u>49,225,926</u>	<u>10,441,320</u>
LIABILITIES				
Current liabilities:				
Accounts payable	204,901	404,261	609,162	240,979
Accrued expenses	183,541	199,758	383,299	95,211
Customer deposits	13,700	157,680	171,380	-
Due to the City of Wayne	-	-	-	301,582
Unavailable property tax	400,569	-	400,569	3,031
Current portion of long-term obligations	215,000	517,757	732,757	169,222
Total current liabilities	<u>1,017,711</u>	<u>1,279,456</u>	<u>2,297,167</u>	<u>810,025</u>
Noncurrent liabilities:				
Compensated absences - noncurrent	33,001	70,059	103,060	-
Noncurrent portion of long-term obligations	2,835,000	6,543,332	9,378,332	2,245,974
Total noncurrent liabilities	<u>2,868,001</u>	<u>6,613,391</u>	<u>9,481,392</u>	<u>2,245,974</u>
Total liabilities	<u>3,885,712</u>	<u>7,892,847</u>	<u>11,778,559</u>	<u>3,055,999</u>
NET POSITION				
Net investment in capital assets	13,081,810	9,362,697	22,444,507	7,405,713
Restricted for:				
Debt service	956,350	430,546	1,386,896	-
Economic development	406,619	20,000	426,619	-
Federal loan programs	1,161,024	-	1,161,024	-
Capital projects	248,606	-	248,606	-
Community Activity Center	209,088	-	209,088	-
Parks and golf course	63,772	-	63,772	-
Unrestricted	1,820,758	9,686,097	11,506,855	(20,392)
Total net position	<u>\$ 17,948,027</u>	<u>\$ 19,499,340</u>	<u>\$ 37,447,367</u>	<u>\$ 7,385,321</u>

See notes to financial statements.

CITY OF WAYNE, NEBRASKA

STATEMENT OF ACTIVITIES

For the year ended September 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>
Primary government:			
Governmental activities:			
General government	\$ 186,944	\$ 121,240	\$ 77,085
Public buildings	77,382	31,520	-
Public safety	1,109,365	163,735	48,568
Public works	427,708	6,492	-
Senior citizens services	277,794	70,365	201,131
Library	272,315	8,931	5,000
Recreation	439,289	58,758	-
Community Activity Center	246,139	94,793	-
Interest and related expenses	105,605	-	-
Depreciation - unallocated	895,442	-	-
Total governmental activities	4,037,983	555,834	331,784
Business-type activities:			
Electric	7,126,262	6,893,531	-
Water	651,739	754,368	-
Sewer	1,205,522	1,300,637	-
Transfer Station	23,678	12,800	-
Total business-type activities	9,007,201	8,961,336	-
Total primary government	\$ 13,045,184	\$ 9,517,170	\$ 331,784
Component units:			
Wayne Municipal Airport	\$ 513,670	\$ 131,938	\$ -
Community Development Agency	128,943	-	-
Total component units	\$ 642,613	\$ 131,938	\$ -

See notes to financial statements.

Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position			Component Unit
	Governmental Activities	Primary Government Business-type Activities	Total	
\$ -	\$ 11,381		\$ 11,381	
-	(45,862)		(45,862)	
82,991	(814,071)		(814,071)	
12,419	(408,797)		(408,797)	
-	(6,298)		(6,298)	
-	(258,384)		(258,384)	
454,997	74,466		74,466	
662	(150,684)		(150,684)	
-	(105,605)		(105,605)	
-	(895,442)		(895,442)	
<u>551,069</u>	<u>(2,599,296)</u>	<u>\$ -</u>	<u>(2,599,296)</u>	
317,270	-	84,539	84,539	
44,971	-	147,600	147,600	
58,571	-	153,686	153,686	
-	-	(10,878)	(10,878)	
<u>420,812</u>	<u>-</u>	<u>374,947</u>	<u>374,947</u>	
<u>\$ 971,881</u>	<u>(2,599,296)</u>	<u>374,947</u>	<u>(2,224,349)</u>	
\$ 1,939,110				\$ 1,557,378
-				(128,943)
<u>\$ 1,939,110</u>				<u>1,428,435</u>
General revenues:				
Taxes:				
Property	740,107	-	740,107	101,020
Motor vehicle	74,232	-	74,232	-
Payments in lieu of taxes	724,947	-	724,947	-
Sales tax	682,383	-	682,383	-
Franchise	188,809	-	188,809	-
TIF proceeds	-	-	-	105,341
State allocation	917,766	-	917,766	-
Special assessments	109,891	-	109,891	-
Miscellaneous	16,355	-	16,355	-
Interest income	34,174	68,173	102,347	369
Gain on sale of assets	14,684	-	14,684	(103,738)
Transfer between City and CDA	30,000	(241,703)	(211,703)	211,703
Interfund transfers	66,694	(66,694)	-	-
Total general revenues	<u>3,600,042</u>	<u>(240,224)</u>	<u>3,359,818</u>	<u>314,695</u>
Change in net position	1,000,746	134,723	1,135,469	1,743,130
Net position - September 30, 2013	<u>16,947,281</u>	<u>19,364,617</u>	<u>36,311,898</u>	<u>5,642,191</u>
Net position - September 30, 2014	<u>\$ 17,948,027</u>	<u>\$ 19,499,340</u>	<u>\$ 37,447,367</u>	<u>\$ 7,385,321</u>

CITY OF WAYNE, NEBRASKA

**BALANCE SHEET -
GOVERNMENTAL FUNDS**

September 30, 2014

	<u>General</u>	<u>Street</u>	<u>LB840</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 559,083	\$ 111,701	\$ -	\$ -	\$ 51,228	\$ 722,012
Investments	786,369	300,461	-	-	80,674	1,167,504
County treasurer cash	22,247	5,718	-	2,747	-	30,712
Receivables:						
Special assessments	-	-	-	440,475	-	440,475
Accounts, net of allowance for doubtful accounts	5,306	7,129	-	-	-	12,435
Grants	19,844	-	-	-	-	19,844
Notes receivable	-	-	1,473,125	-	503,931	1,977,056
Interest	232	276	-	529	205	1,242
Property tax	28,688	-	-	3,547	-	32,235
Due from other governments	120,286	-	-	-	-	120,286
Due from component units	1,582	-	-	-	-	1,582
Restricted assets:						
Cash	103,254	-	13,410	208,963	334,365	659,992
Investments	63,772	-	-	704,386	531,616	1,299,774
Total assets	\$ 1,710,663	\$ 425,285	\$ 1,486,535	\$ 1,360,647	\$ 1,502,019	\$ 6,485,149
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 191,875	\$ 8,026	\$ -	\$ -	\$ -	\$ 199,901
Accrued expenses	129,094	28,748	2,916	22,783	-	183,541
Customer deposits	13,700	-	-	-	-	13,700
Due to other funds	-	-	1,077,000	-	-	1,077,000
Unavailable property tax	19,055	-	-	381,514	-	400,569
Total liabilities	353,724	36,774	1,079,916	404,297	-	1,874,711
Fund balances:						
Restricted for:						
Debt service	-	-	-	956,350	-	956,350
Capital projects	248,606	-	-	-	-	248,606
Community Activity Center	-	-	-	-	209,088	209,088
Federal programs	-	-	-	-	1,161,024	1,161,024
Economic development	-	-	406,619	-	-	406,619
Parks	27,494	-	-	-	-	27,494
Golf course	36,278	-	-	-	-	36,278
Committed for:						
Capital projects	128,500	-	-	-	-	128,500
Assigned for:						
Budgetary stabilization	916,061	-	-	-	-	916,061
Street expenditures	-	388,511	-	-	-	388,511
Other purposes	-	-	-	-	131,907	131,907
Unassigned	-	-	-	-	-	-
Total fund balances	1,356,939	388,511	406,619	956,350	1,502,019	4,610,438
Total liabilities and fund balances	\$ 1,710,663	\$ 425,285	\$ 1,486,535	\$ 1,360,647	\$ 1,502,019	\$ 6,485,149

See notes to financial statements.

CITY OF WAYNE, NEBRASKA

RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

September 30, 2014

Total fund balances - governmental funds		\$ 4,610,438
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$30,942,279, and the accumulated depreciation is \$14,810,469.		16,131,810
Internal service funds are used by management to charge the costs of employee health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		288,780
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Noncurrent compensated absences	\$ (33,001)	
Bonds payable	<u>(3,050,000)</u>	<u>(3,083,001)</u>
Total net position - governmental activities		<u><u>\$ 17,948,027</u></u>

See notes to financial statements.

CITY OF WAYNE, NEBRASKA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS**

For the year ended September 30, 2014

	<u>General</u>	<u>Street</u>	<u>LB840</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes:						
Property	\$ 657,018	\$ 1,427	\$ -	\$ 81,662	\$ -	\$ 740,107
Motor vehicle	-	74,232	-	-	-	74,232
Payments in lieu of taxes	724,813	-	-	134	-	724,947
Sales tax	445,735	-	236,648	-	-	682,383
Franchise	188,809	-	-	-	-	188,809
Intergovernmental	717,041	512,223	-	-	8,957	1,238,221
Special assessments	-	-	-	109,891	-	109,891
Charges for services	468,499	6,492	-	-	80,686	555,677
Interest income	5,998	1,092	7,675	4,136	14,606	33,507
Contributions	127,827	-	-	-	-	127,827
Bond/loan proceeds	-	380,000	-	1,005,000	-	1,385,000
Sale of property	53,011	608	-	-	-	53,619
Insurance proceeds	452,151	-	-	-	-	452,151
Other income	16,355	-	-	-	-	16,355
Total revenues	<u>3,857,257</u>	<u>976,074</u>	<u>244,323</u>	<u>1,200,823</u>	<u>104,249</u>	<u>6,382,726</u>
EXPENDITURES						
General government	204,268	-	71,877	-	11,859	288,004
Public buildings	77,382	-	-	-	-	77,382
Public safety	1,091,722	-	-	-	17,643	1,109,365
Public works	-	425,466	-	-	-	425,466
Senior citizens services	277,794	-	-	-	-	277,794
Library	272,315	-	-	-	-	272,315
Recreation	439,288	-	-	-	-	439,288
Community Activity Center	245,983	-	-	-	-	245,983
Capital outlay	867,462	760,533	-	-	-	1,627,995
Principal payments on debt	-	-	-	1,055,000	-	1,055,000
Interest on long-term debt	-	-	17,216	74,319	-	91,535
Bond fees	-	-	-	14,070	-	14,070
Total expenditures	<u>3,476,214</u>	<u>1,185,999</u>	<u>89,093</u>	<u>1,143,389</u>	<u>29,502</u>	<u>5,924,197</u>
Excess (deficiency) of revenues over expenditures	381,043	(209,925)	155,230	57,434	74,747	458,529
OTHER FINANCING SOURCES (USES)						
Transfers in	34,000	352,456	-	97,661	-	484,117
Transfers out	(383,423)	-	-	-	(34,000)	(417,423)
Net transfers	<u>(349,423)</u>	<u>352,456</u>	<u>-</u>	<u>97,661</u>	<u>(34,000)</u>	<u>66,694</u>
Net change in fund balances	31,620	142,531	155,230	155,095	40,747	525,223
Fund balances - September 30, 2013	<u>1,325,319</u>	<u>245,980</u>	<u>251,389</u>	<u>801,255</u>	<u>1,461,272</u>	<u>4,085,215</u>
Fund balances - September 30, 2014	<u>\$ 1,356,939</u>	<u>\$ 388,511</u>	<u>\$ 406,619</u>	<u>\$ 956,350</u>	<u>\$ 1,502,019</u>	<u>\$ 4,610,438</u>

See notes to financial statements.

CITY OF WAYNE, NEBRASKA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

For the year ended September 30, 2014

Total net change in fund balances - governmental funds	\$ 525,223
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay (\$1,640,414) exceeded depreciation expense (\$895,442) during the period. State grants funded \$12,419 of the capital additions.	744,972
Basis remaining of capital asset disposals does not impact the governmental funds, but the remaining basis reduces the gain on sale of capital assets in the statement of activities.	(38,935)
Internal service funds are used by management to charge the costs of employee insurance and post-employment benefits to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities in the statement of activities.	107,736
The change in noncurrent compensated absences is reported as an expense in the statement of net position. Noncurrent compensated absences are not reported in the governmental funds.	(8,250)
The issuance of bonds is reported as revenue in the governmental funds, but the issuance increases long-term liabilities in the statement of net position.	(1,385,000)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	<u>1,055,000</u>
Change in net position of governmental activities	<u><u>\$ 1,000,746</u></u>

See notes to financial statements.

CITY OF WAYNE, NEBRASKA

STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS

September 30, 2014

	Enterprise Funds	
	Electric Fund	Water Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 469,684	\$ 224,796
Investments	3,564,655	1,093,875
Receivables:		
Accounts, net of allowance for doubtful accounts	683,886	71,470
Unbilled revenue	225,107	30,829
Grants receivable	317,270	806
Special assessments	-	147,490
Interest	7,268	866
Current portion of notes	-	-
Due from other funds	1,077,000	-
Due from Community Development Agency	300,000	-
Prepaid expenses	-	-
Inventory	247,997	27,969
Total current assets	6,892,867	1,598,101
Noncurrent assets:		
Restricted cash and cash equivalents	129,047	-
Restricted investments	468,303	-
Capital assets:		
Land	129,517	143,875
Construction in progress	-	-
Distribution systems	5,544,246	5,216,112
Buildings	8,096,508	141,152
Equipment	3,483,620	504,362
Less accumulated depreciation	(10,696,163)	(3,992,593)
Net capital assets	6,557,728	2,012,908
Total noncurrent assets	7,155,078	2,012,908
Total assets	14,047,945	3,611,009
LIABILITIES		
Current liabilities:		
Accounts payable	389,702	9,349
Customer deposits	157,680	-
Accrued interest payable	12,320	3,887
Other accrued expenses	115,882	21,527
Current portion of long-term obligations	270,000	33,279
Total current liabilities	945,584	68,042
Noncurrent liabilities:		
Compensated absences - noncurrent	53,826	7,891
Noncurrent portion of long-term obligations	1,680,000	633,008
Total noncurrent liabilities	1,733,826	640,899
Total liabilities	2,679,410	708,941
NET POSITION		
Net investment in capital assets	4,607,728	1,346,621
Restricted for:		
Debt service	430,546	-
Economic development	20,000	-
Unrestricted	6,310,261	1,555,447
Total net position	\$ 11,368,535	\$ 2,902,068

See notes to financial statements.

Enterprise Funds			Internal
Sewer Fund	Transfer Station	Total	Service Fund
\$ 418,499	\$ 1,954	\$ 1,114,933	\$ 260,851
990,384	-	5,648,914	-
100,553	-	855,909	-
45,989	-	301,925	-
-	-	318,076	-
322,101	-	469,591	-
603	-	8,737	-
-	-	-	169
-	-	1,077,000	-
-	-	300,000	-
-	-	-	32,760
-	-	275,966	-
<u>1,878,129</u>	<u>1,954</u>	<u>10,371,051</u>	<u>293,780</u>
-	-	129,047	-
-	-	468,303	-
55,178	41,181	369,751	-
12,362	-	12,362	-
3,317,870	-	14,078,228	-
7,719,595	606,685	16,563,940	-
897,001	19,541	4,904,524	-
(4,428,102)	(388,161)	(19,505,019)	-
<u>7,573,904</u>	<u>279,246</u>	<u>16,423,786</u>	<u>-</u>
<u>7,573,904</u>	<u>279,246</u>	<u>17,021,136</u>	<u>-</u>
<u>9,452,033</u>	<u>281,200</u>	<u>27,392,187</u>	<u>293,780</u>
5,210	-	404,261	5,000
-	-	157,680	-
25,928	-	42,135	-
20,214	-	157,623	-
214,478	-	517,757	-
<u>265,830</u>	<u>-</u>	<u>1,279,456</u>	<u>5,000</u>
8,342	-	70,059	-
4,230,324	-	6,543,332	-
<u>4,238,666</u>	<u>-</u>	<u>6,613,391</u>	<u>-</u>
<u>4,504,496</u>	<u>-</u>	<u>7,892,847</u>	<u>5,000</u>
3,129,102	279,246	9,362,697	-
-	-	430,546	-
-	-	20,000	-
1,818,435	1,954	9,686,097	288,780
<u>\$ 4,947,537</u>	<u>\$ 281,200</u>	<u>\$ 19,499,340</u>	<u>\$ 288,780</u>

CITY OF WAYNE, NEBRASKA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS

For the year ended September 30, 2014

	Enterprise Funds				Total	Internal Service Fund
	Electric Fund	Water Fund	Sewer Fund	Transfer Station		
Operating revenues:						
User charges	\$ 6,837,085	\$ 723,292	\$ 1,059,355	\$ 800	\$ 8,620,532	\$ -
Health insurance premiums	-	-	-	-	-	487,377
Hookup fees	-	24,729	238,166	-	262,895	-
Other revenue	56,446	6,347	3,116	12,000	77,909	-
Total operating revenues	<u>6,893,531</u>	<u>754,368</u>	<u>1,300,637</u>	<u>12,800</u>	<u>8,961,336</u>	<u>487,377</u>
Operating expenses:						
Cost of power	4,141,119	-	-	-	4,141,119	-
Personnel	1,108,691	197,712	190,598	(16)	1,496,985	-
Contract services	60,259	93,538	274,677	-	428,474	-
Commodities	748,456	109,721	132,672	4,490	995,339	-
Payments in lieu of taxes	539,745	45,399	75,083	-	660,227	-
Insurance claims and health premiums	-	-	-	-	-	380,308
Depreciation	480,684	184,835	395,635	19,204	1,080,358	-
Total operating expenses	<u>7,078,954</u>	<u>631,205</u>	<u>1,068,665</u>	<u>23,678</u>	<u>8,802,502</u>	<u>380,308</u>
Operating income (loss)	(185,423)	123,163	231,972	(10,878)	158,834	107,069
Nonoperating revenues (expenses):						
Interest income	52,082	8,251	7,833	7	68,173	667
Grant revenue	317,270	5,639	-	-	322,909	-
Special assessments	-	39,332	58,571	-	97,903	-
Interest expense	(47,308)	(13,626)	(90,829)	-	(151,763)	-
Loan administration fees	-	(6,908)	(46,028)	-	(52,936)	-
Total nonoperating revenues (expenses)	<u>322,044</u>	<u>32,688</u>	<u>(70,453)</u>	<u>7</u>	<u>284,286</u>	<u>667</u>
Income (loss) before interfund transfers	136,621	155,851	161,519	(10,871)	443,120	107,736
Interfund transfers:						
Transfer to CDA	(241,703)	-	-	-	(241,703)	-
Transfer from (to) other funds	(58,861)	(211,116)	203,283	-	(66,694)	-
Total transfers	<u>(300,564)</u>	<u>(211,116)</u>	<u>203,283</u>	<u>-</u>	<u>(308,397)</u>	<u>-</u>
Change in net position	(163,943)	(55,265)	364,802	(10,871)	134,723	107,736
Net position - September 30, 2013	<u>11,532,478</u>	<u>2,957,333</u>	<u>4,582,735</u>	<u>292,071</u>	<u>19,364,617</u>	<u>181,044</u>
Net position - September 30, 2014	<u>\$ 11,368,535</u>	<u>\$ 2,902,068</u>	<u>\$ 4,947,537</u>	<u>\$ 281,200</u>	<u>\$ 19,499,340</u>	<u>\$ 288,780</u>

See notes to financial statements.

CITY OF WAYNE, NEBRASKA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS

For the year ended September 30, 2014

	Enterprise Funds	
	Electric Fund	Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 7,016,446	\$ 722,675
Receipts from other funds	-	-
Payments to suppliers	(5,562,028)	(244,684)
Payments to employees	(1,098,103)	(195,400)
Net cash provided by operating activities	356,315	282,591
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer to CDA	(241,703)	-
Transfers (to) from other funds	(58,861)	(211,116)
Net cash provided (used) by noncapital financing activities	(300,564)	(211,116)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of property and equipment	(540,644)	(113,419)
Grant proceeds	-	4,833
Special assessments received	-	39,332
Increase in due to Wayne Municipal Airport	-	-
Principal payments on capital debt	(265,000)	(32,624)
Interest paid on capital debt	(49,395)	(13,816)
Loan administration fees	-	(6,908)
Net cash used by capital and related financing activities	(855,039)	(122,602)
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Increase) decrease in investments	1,525,072	146,489
Increase in due from Community Development Agency	272,275	-
Decrease in notes receivable	-	-
Decrease in due from other funds	(742,000)	-
Interest received	53,092	8,224
Net cash provided by investing activities	1,108,439	154,713
Increase (decrease) in cash and cash equivalents	309,151	103,586
Cash and cash equivalents - beginning of the year	289,580	121,210
Cash and cash equivalents - end of the year	\$ 598,731	\$ 224,796
Composition of cash and cash equivalents:		
Cash and cash equivalents	\$ 469,684	\$ 224,796
Restricted cash and cash equivalents	129,047	-
Total cash and cash equivalents	\$ 598,731	\$ 224,796

Enterprise Funds			Internal Service Fund
Sewer Fund	Transfer Station	Total	
\$ 1,028,251	\$ 12,800	\$ 8,780,172	\$ -
-	-	-	487,377
(481,600)	(5,319)	(6,293,631)	(398,317)
(186,781)	16	(1,480,268)	-
<u>359,870</u>	<u>7,497</u>	<u>1,006,273</u>	<u>89,060</u>
-	-	(241,703)	-
203,283	-	(66,694)	-
<u>203,283</u>	<u>-</u>	<u>(308,397)</u>	<u>-</u>
(318,816)	-	(972,879)	-
-	-	4,833	-
43,657	-	82,989	-
-	(24,710)	(24,710)	-
(210,252)	-	(507,876)	-
(92,055)	-	(155,266)	-
(46,028)	-	(52,936)	-
<u>(623,494)</u>	<u>(24,710)</u>	<u>(1,625,845)</u>	<u>-</u>
203,397	-	1,874,958	91,971
-	-	272,275	-
-	-	-	5,310
-	-	(742,000)	-
7,837	7	69,160	714
<u>211,234</u>	<u>7</u>	<u>1,474,393</u>	<u>97,995</u>
150,893	(17,206)	546,424	187,055
267,606	19,160	697,556	73,796
<u>\$ 418,499</u>	<u>\$ 1,954</u>	<u>\$ 1,243,980</u>	<u>\$ 260,851</u>
\$ 418,499	\$ 1,954	\$ 1,114,933	\$ 260,851
-	-	129,047	-
<u>\$ 418,499</u>	<u>\$ 1,954</u>	<u>\$ 1,243,980</u>	<u>\$ 260,851</u>

CITY OF WAYNE, NEBRASKA

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS, Continued**

For the year ended September 30, 2014

	Enterprise Funds	
	Electric Fund	Water Fund
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (185,423)	\$ 123,163
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	480,684	184,835
Change in assets and liabilities:		
Accounts receivable	119,770	(31,693)
Prepaid expenses	-	-
Inventories	5,637	2,789
Accounts payable	(78,086)	1,185
Customer deposits	3,145	-
Accrued expenses	10,588	2,312
Net cash provided by operating activities	\$ 356,315	\$ 282,591

See notes to financial statements.

<u>Enterprise Funds</u>				<u>Internal Service Fund</u>
<u>Sewer Fund</u>	<u>Transfer Station</u>		<u>Total</u>	
\$ 231,972	\$ (10,878)		\$ 158,834	\$ 107,069
395,635	19,204		1,080,358	-
(272,386)	-		(184,309)	-
-	-		-	(8,009)
-	-		8,426	-
832	(829)		(76,898)	(10,000)
-	-		3,145	-
3,817	-		16,717	-
<u>\$ 359,870</u>	<u>\$ 7,497</u>		<u>\$ 1,006,273</u>	<u>\$ 89,060</u>

CITY OF WAYNE, NEBRASKA

STATEMENT OF NET POSITION - FIDUCIARY FUND

September 30, 2014

	<u>Agency Fund</u>
ASSETS	
Cash	\$ 58,159
Investments	109,788
Sales tax receivable	29,661
Interest receivable	279
Other receivables	675
Total assets	<u>\$ 198,562</u>
LIABILITIES	
Agency liabilities	<u>\$ 198,562</u>

See notes to financial statements.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS

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CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Wayne, Nebraska (City) are prepared in accordance with generally accepted accounting principles (GAAP). The City’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note.

1. Financial Reporting Entity

The City of Wayne, Nebraska, was incorporated in 1884. The City operates under a Mayor-Council form of government with an elected Mayor, and an elected legislative body, Council, composed of eight members. The Mayor is elected at large for a four-year term, and the eight members of the City Council are elected, two from each of four wards, on alternating four-year terms. The administration of the City government is performed under the direction of the Mayor by the City Administrator. Services provided to residents include public safety, highways and streets, planning and zoning, parks, recreation, development, electric, water, and sanitary sewer systems, transfer station, and general administrative services.

The City’s financial reporting entity comprises the following:

Primary Government:	City of Wayne
Discretely Presented Component Units:	Wayne Municipal Airport Community Development Agency

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, and has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable, and, as such, should be included within the City’s financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization’s governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

1. Financial Reporting Entity, continued

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units' funds are blended into those of the City by appropriate activity type to compose the primary government presentation. Currently, the City has no blended component units.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The following are the discretely presented component units:

Brief Description of Activities and Relationship
To The City:

Wayne Municipal Airport

Established to provide for the operation of the Wayne Airport. The five-member board is elected by the general public. The component unit information was obtained from financial statements which can be obtained by contacting the Wayne Municipal Airport.

Community Development Agency

Established to promote economic development in the City of Wayne. The City Council comprises the board of the CDA.

2. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Governmental Funds, continued

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City other than debt service payments made by enterprise funds. Ad valorem taxes are used for the payment of principal and interest on the City's general obligation bonds.

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Internal Service Funds

The Internal Service Funds account for activities that provide goods and services to other funds, departments, or agencies of the primary government and its component units on a cost-reimbursement basis.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Fiduciary Funds (not included in government-wide statements)

Agency Funds

Agency Funds account for assets held by the City in a purely custodial capacity. Since Agency Funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations.

Major and Non-major Funds

The funds are further classified as major or non-major as follows:

<u>Fund</u>	<u>Brief Description</u>
<i>Major:</i>	
Governmental:	
General	See above for description.
Street	The Street Fund is a special revenue fund that accounts for the City's share of highway allocation from the State of Nebraska.
LB840	The LB840 Fund is a special revenue fund that accounts for sales tax to be used for economic development under LB840.
Debt Service	See above for description.
Proprietary:	
Enterprise:	
Electric, Water, Sewer, and Transfer Station	See above for description.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

2. Basis of Presentation, continued

Major and Non-major Funds, continued

<u>Fund</u>	<u>Brief Description</u>
<i>Nonmajor:</i>	
Special Revenue:	
Community Development	Accounts for Federal Block Grant and Housing Loans.
Enhanced 911	Accounts for the per-line telephone surcharge for the Emergency Communications System.
Wireless 911	Accounts for the wireless telephone surcharge for the Emergency Communications System.
Sales Tax	Accounts for reserve funds raised for CAC Construction.
Internal Service:	
Insurance	Accounts for the health insurance for all governmental and business-type City operations.

3. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b, below.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Measurement Focus, continued

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. Fiduciary funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-like activities and the discretely presented component units are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and fiduciary funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Measurement Focus and Basis of Accounting, continued

Basis of Accounting, continued

All proprietary funds and discretely presented component units utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used.

4. Assets, Liabilities, and Equity

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Investments

For the purpose of the Statement of Net Position, “cash and cash equivalents” include all demand accounts and savings accounts. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all cash on hand, demand accounts, savings accounts, and equity in pooled cash which has an original maturity of three months or less. The County Treasurer’s cash represents revenues collected not yet remitted to the City.

Investments are carried at fair value. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Notes B2, C1, and D2.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Receivables

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include special assessments and property taxes. Business-type activities report utility billings and unbilled revenue as their major receivables.

In the fund financial statements, receivables in governmental funds include revenue accruals such as special assessments and property taxes, since they are usually both measurable and available. Proprietary fund receivables consist of all revenues earned at year end and not yet received. Utility accounts receivable and unbilled revenue compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Due from Other Governments

The total due from other governments consists of the following:

<u>Fund</u>	<u>Amount</u>	<u>Service</u>
General	\$ <u>120,286</u>	Sales Tax

Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method.

Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their use. The primary restricted assets are related to debt service and proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, capital assets that are purchased or acquired with an original cost of \$5,000 or more are capitalized and reported on the Statement of Net Position. Capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. The City has elected the depreciation approach for reporting infrastructure.

Depreciation of general capital assets and all proprietary capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The ranges of estimated useful lives by type of asset are as follows:

Buildings	25-50 years
Improvements	5-25 years
Machinery and Equipment	5-20 years
Utility System	10-30 years
Infrastructure	30-50 years

Prior to July 1, 1980, governmental funds' infrastructure assets were not capitalized. These assets (back to July 1, 1980) have been valued at estimated historical cost. The cost of normal maintenance, preservation, and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Capital Assets, continued

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Unavailable Revenues

Unavailable revenues consist of property taxes and special assessments expected to be collected after 60 days.

Compensated Absences

The City's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. A portion of the liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this obligation is estimated based on historical trends. In the fund financial statements, governmental funds report only the current compensated absence liability payable from expendable available financial resources, while the proprietary funds report the total liability.

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Long-term Debt, continued

Government-wide Statements

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable and accrued compensated absences.

Fund Financial Statements

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

4. Assets, Liabilities, and Equity, continued

Equity Classifications, continued

Fund Financial Statements, continued

Effective October 1, 2010, the City adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

Nonspendable—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted—Amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws or externally imposed conditions by grantors or creditors.

Committed—Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution.

Assigned—Amounts that are designated by the Mayor for a specific purpose but are not spendable until a budget ordinance is passed by the City Council.

Unassigned—All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 26). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the City Council or the Assignment has been changed by the Mayor. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses

Sales and Use Tax

The City presently levies a one-cent sales tax on taxable sales within the City. The sales tax is collected by the Nebraska Department of Revenue and remitted to the City in the month following receipt. The Nebraska Department of Revenue receives the sales tax approximately one month after collection by vendors. Prior to July 1, 2009, the sales tax was recorded in the Sales Tax Fund and used for the Community Activity Center bond principal and interest. Effective July 1, 2009, 60 percent of the sales tax is recorded in the General Fund to be used for capital projects and 40 percent is recorded in the LB840 Fund to be used for economic development.

Sales taxes collected by the State in September (which represent sales for August) and received by the City in October have been accrued and are included under the caption “Due from other governments.”

Property Taxes

The City has the power to levy taxes each year sufficient to pay any judgment existing against the City, the interest on bonded debt, and the principal on bonded debt maturing during the fiscal year or within six months thereafter, as well as taxes authorized by state law.

The tax levies for all political subdivisions in Wayne County are certified by the County Board on or before October 15. Real estate taxes are due on December 31 and attach as an enforceable lien and become delinquent in two equal installments on May 1 and September 1. Personal property taxes are due in the same manner as real estate taxes. Delinquent taxes bear 14 percent interest.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

Property Taxes, continued

Property taxes levied for 2013-2014 are recorded as revenue when expected to be collected within 60 days after September 30, 2014. Prior-year levies were recorded using these same principles, and remaining receivables are re-evaluated annually. Property taxes expected to be collected after 60 days are recorded as deferred revenue on the fund balance sheets.

The City-owned electric, water, and sewer utilities make payments in lieu of taxes (8.5 percent of gross revenues for electric and 7 percent of gross revenues for water and sewer).

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. They also include all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – by Character and Function

Proprietary Fund – by Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Revenues, Expenditures, and Expenses, continued

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity is classified as transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the City and its component units are subject to various federal, state, and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over City resources follows:

1. Fund Accounting Requirements

The City complies with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the City include: Special Revenue, Capital Projects, Debt Service, and Agency Funds.

2. Deposit Laws and Regulations

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance or with U.S. Treasury and U.S. agency securities having an aggregate value at least equal to the amount of the deposits. The City's demand deposits are insured up to \$250,000 and certificates of deposit/savings accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Any cash deposits or certificates of deposit in excess of the FDIC limits are insured by collateral held by the pledging institution in the City's name.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

3. Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources are described in Note A2 for the various funds.

4. Debt Restrictions and Covenants

Bonds Payable

The various bond ordinances relating to the bonds payable contain some restrictions or covenants that are financial-related. These include covenants such as debt service coverage requirements and required reserve account balances. The City is in compliance with the bond restrictions and covenants.

5. Budgetary Data

The City is required by state laws to adopt annual budgets for all fund types. Each budget is presented on the cash basis of accounting, which is consistent with the requirements of the state budget act.

The Nebraska Budget Act provides the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various expenditure and/or tax levy limitations.

The City follows these procedures in establishing the budgetary data reflected in the accompanying financial statements.

- a. On or before August 1, the City prepares a budget for the fiscal year commencing October 1. The budget includes proposed expenditures and resources available.
- b. The budget is published with subsequent public hearings to obtain taxpayer comments.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued

5. Budgetary Data, continued

- c. Prior to September 20, the City Council adopts the budget, which is then filed with the appropriate state and county officials.
- d. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end and any revisions require board approval.
- e. The County Clerk certifies a preliminary property tax levy for each fund of the City which levied property taxes in the county the previous year based on the combined valuation and amount required for the City the prior year. The preliminary levy becomes the final levy unless the governing board passes, by a majority vote, a resolution setting the levy at a different amount.
- f. The property tax requirements resulting from the budget process are utilized by the County Assessor to establish the tax levy. Taxes are levied annually on or before October 15. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.
- g. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.
- h. The City of Wayne adopts a budget by resolution for all fund types.

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

1. Cash and Investments

Deposits

The City's policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2014. The categories of collateral are defined as follows:

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

1. Cash and Investments, continued

Deposits, continued

Category 1 – Insured by FDIC or collateralized with securities held by the City (or public trust) or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name.

Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the City’s name; or collateralized with no written or approved collateral agreement.

<u>Types of Deposits</u>	<u>Total Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Carrying Value</u>
Demand deposits and money market accounts	\$ 3,383,450	\$ 658,366	\$ 2,725,084	\$ -	\$ <u>3,272,501</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –	
Unrestricted cash and cash equivalents	\$ 2,097,796
Restricted cash and cash equivalents	789,039
Component Unit –	
Unrestricted cash and cash equivalents	327,507
Agency Fund Cash (not included in government-wide statement)	<u>58,159</u>
	<u>\$ 3,272,501</u>

Investments

The City’s policies and applicable laws regarding investments are discussed in Notes A4 and B2. The table presented below is designed to disclose whether the investments are insured or registered and who holds the security at September 30, 2014. The categories of investments are defined as follows:

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

1. Cash and Investments, continued

Investments, continued

Category 1 – Insured or registered with securities held by the entity or its agent in the entity’s name.

Category 2 – Uninsured and unregistered with securities held by counterparty’s trust department or agent in the entity’s name.

Category 3 – Uninsured and unregistered with securities held by the counterparty or by its trust department or agent but not in the City’s name.

<u>Type of Investment</u>	Category <u>1</u>	Category <u>2</u>	Category <u>3</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Money Market	\$ 768,966	\$ -	\$ -	\$ 768,966	\$ 768,966
Time Deposits	7,925,317	-	-	<u>7,925,317</u>	<u>7,925,317</u>
				<u>\$ 8,694,283</u>	<u>\$ 8,694,283</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –	
Unrestricted investments	\$ 6,816,418
Restricted investments	1,768,077
Agency Funds (not included in government-wide statement)	<u>109,788</u>
	<u>\$ 8,694,283</u>

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

2. Restricted Assets

The restricted assets as of September 30, 2014, are as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit</u>
Type of Restricted Assets:				
Cash and cash equivalents	\$ 659,992	\$ 129,047	\$ 789,039	\$ -
Investments	<u>1,299,774</u>	<u>468,303</u>	<u>1,768,077</u>	<u>-</u>
	<u>\$ 1,959,766</u>	<u>\$ 597,350</u>	<u>\$ 2,557,116</u>	<u>\$ -</u>

Restricted cash for governmental activities consists of \$103,254 of General Fund cash restricted for capital projects, \$130,423 of Sales Tax cash restricted for Community Activity Center, \$208,963 of Debt Service cash restricted for debt service, \$203,942 of Community Development cash restricted for Federal programs, and \$13,410 of LB840 cash restricted for economic development. Restricted investments for governmental activities consist of \$27,494 of General Fund investments restricted to be used for parks, \$36,278 of General Fund investments restricted to be used for the golf course, \$78,600 of Sales Tax investments restricted for Community Activity Center, \$704,386 of Debt Service investments restricted for debt service, and \$453,016 of Community Development investments restricted for Federal programs.

Restricted business-type assets consist of debt service reserves of \$430,546 for the Electric Fund. The Electric Fund also has \$146,803 restricted for customer deposits and \$20,001 restricted for economic development.

3. Accounts and Notes Receivable

Accounts receivable of the business-type activities consist of utilities receivable. Accounts receivable of the governmental activities consist of Community Activity Center utilities and other minor receivables. Accounts receivable for the component units consist of minor receivables. Receivables detail at September 30, 2014, is as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total Primary Government</u>	<u>Component Units</u>
Accounts receivable	\$ 13,009	\$ 869,090	\$ 882,099	\$ 1,876
Allowance for doubtful accounts	(574)	(13,181)	(13,755)	-
Net accounts receivable	<u>\$ 12,435</u>	<u>\$ 855,909</u>	<u>\$ 868,344</u>	<u>\$ 1,876</u>

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

3. Accounts and Notes Receivable, continued

Notes receivable for the governmental funds consist of the following at September 30, 2014:

<u>Note Held By</u>	<u>Due From</u>	Note Balance at September 30, <u>2014</u>	<u>Terms</u>
Community Development Fund	Snakey Jakes	\$ 820	4.375%; monthly payments due over 84 months; matures 3/01/15
Community Development Fund	Wayne Child Care	16,809	4%; monthly payments due over 84 months; final balloon payment due 5/10/15
Community Development Fund	Sand Creek Post and Beam	110,000	0%; monthly payments due over 120 months; final balloon payment due 1/02/20
Community Development Fund	Wayne Hospitality Group	111,473	3.125%; annual payments due over 15 years; final payment due 12/1/26
Community Development Fund	Udder Delights	13,921	4.5%; monthly payments over 96 months; matures 8/25/22
Community Development Fund	Miss Molly's	45,579	2.75%; monthly payments due over 84 months; final balloon payment due May 1, 2019
Community Development Fund	10 housing loans	205,329	0%; housing loans; due when property is sold

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

3. Accounts and Notes Receivable, continued

<u>Note Held By</u>	<u>Due From</u>	Note Balance at September 30, <u>2014</u>	<u>Terms</u>
LB840 Fund	Miss Molly's	18,000	0%; forgivable at \$6,000 per year July 12, 2013, through July 12, 2017
LB840 Fund	RBDK, LLC	64,712	0%; forgivable at \$14,000 per year December 11, 2012, through December 11, 2016
LB840 Fund	Innovative Protectives	10,000	0%; annual payments of \$667 November 1, 2014, through November 1, 2028
LB840 Fund	OCC Builders, LLC	37,000	0%; annual payments of \$2,643 November 1, 2014, through November 1, 2028
LB840 Fund	Sand Creek Post & Beam, Inc.	193,900	0%; annual payments of \$12,927 November 1, 2014, through November 1, 2028
LB840 Fund	Wayne Hospitality Group	250,000	0%; forgivable when construction of a 44-room hotel is complete
LB840 Fund	DRJ LLC/INET Library	74,186	3%; annual payments of \$10,568 plus interest May 10, 2013, through May 10, 2021
LB840 Fund	Lutt Oil	50,000	3%; annual payments of \$5,862 January 1, 2015, through January 1, 2024
LB840 Fund	NAPA	50,000	0%; annual payments of \$3,333 May 1, 2015, through May 1, 2029

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

3. Accounts and Notes Receivable, continued

<u>Note Held By</u>	<u>Due From</u>	Note Balance at September 30, <u>2014</u>	<u>Terms</u>
LB840 Fund	Kory Leseberg	39,333	0%; monthly payments of \$222 June 1, 2014, through May 1, 2029
LB840 Fund	Kory Leseberg	34,536	3%; monthly payments of \$242 June 1, 2014, through May 1, 2029
LB840 Fund	Ken Jorgensen	125,000	3%; annual payments of \$10,471 September 1, 2015, through September 1, 2029
LB840 Fund	Pat Garvin	40,000	0%; annual payments of \$2,667 May 1, 2015, through May 1, 2029
LB840 Fund	Gurkan Ozenci	125,000	0%; annual payments of \$25,000 June 1, 2015, through June 1, 2019
LB840 Fund	Hefti Trucking	50,000	0%; annual payments of \$3,333 September 1, 2015, through September 1, 2029
LB840 Fund	NAPA	25,000	0%; forgivable at \$1,667 per year May 1, 2015, through May 1, 2029
LB840 Fund	Ken Jorgensen	125,000	3%; forgivable at \$10,471 per year September 1, 2015, through September 1, 2029
LB840 Fund	Brendon Pick	50,000	0%; annual payments of \$3,333 March 1, 2015, through March 1, 2029
LB840 Fund	Rainbow World	68,122	0%; monthly payments of \$313 over 120 months; 22 final balloon payment due November 17, 2022

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

3. Accounts and Notes Receivable, continued

<u>Note Held By</u>	<u>Due From</u>	Note Balance at September 30, <u>2014</u>	<u>Terms</u>
LB840 Fund	Mandy Bencoter	21,458	0%; monthly payments of \$208 April 1, 2013, through March 1, 2023
LB840 Fund	Mandy Bencoter	25,000	0%; monthly payments of \$208 February 1, 2017, through January 1, 2027
LB840 Fund	Julie Cull	33,925	3%; monthly payments of \$357 due over 120 months
LB840 Fund	Paulson Construction	37,953	3%; monthly payments due over 120 months
LB840 Fund	Allowance for Uncollectible Note	(75,000)	
Internal Service Fund	Employees of the City of Wayne	169	0%; payroll deduction for computer/electronic purchases
Total notes receivable		<u>\$ 1,977,225</u>	
Current portion		\$ 182,169	
Noncurrent portion		<u>1,795,056</u>	
		<u>\$ 1,977,225</u>	

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

4. Capital Assets

Capital asset activity for the year ended September 30, 2014, was as follows:

	<u>Balance at</u> <u>October 1, 2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	<u>Balance at</u> <u>September 30, 2014</u>
<u>Governmental Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 617,650	\$ 111,300	\$ (37,358)	\$ -	\$ 691,592
Construction in progress	288,137	316,651	-	(42,448)	562,340
Total capital assets not being depreciated	905,787	427,951	(37,358)	(42,448)	1,253,932
Other capital assets being depreciated:					
Infrastructure	14,980,352	223,599	-	42,448	15,246,399
Improvements	1,136,602	606,648	(607)	-	1,742,643
Buildings	9,528,648	19,460	(11,367)	-	9,536,741
Machinery and equipment	3,191,738	362,756	(391,929)	-	3,162,565
Total other capital assets at historical cost	28,837,340	1,212,463	(403,903)	42,448	29,688,348
Less accumulated depreciation for:					
Infrastructure	(8,155,226)	(440,209)	-	-	(8,595,435)
Improvements	(451,169)	(47,383)	607	-	(497,945)
Buildings	(3,571,226)	(222,482)	9,790	-	(3,783,918)
Machinery and equipment	(2,139,733)	(185,368)	391,929	-	(1,933,172)
Total accumulated depreciation	(14,317,354)	(895,442) *	402,326	-	(14,810,470)
Other capital assets, net	14,519,986	317,021	(1,577)	42,448	14,877,878
Governmental activities capital assets, net	<u>\$ 15,425,773</u>	<u>\$ 744,972</u>	<u>\$ (38,935)</u>	<u>\$ -</u>	<u>\$ 16,131,810</u>

* Depreciation expense was charged to governmental activities as follows:

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

4. Capital Assets, continued

Governmental Activities, continued:

General Fund:

General government/public buildings	\$ 81,914
Public safety	129,560
Public works:	
Street	505,911
Library	2,745
Senior citizens services	10,470
Recreation	70,318
Community Activity Center:	<u>94,524</u>
Total General Fund depreciation expense	\$ <u>895,442</u>

Construction in progress at September 30, 2014, consists of \$165,756 for the Hiking Trail – Phase II project, \$259,543 for the 10th Street project, \$10,038 for the Hillside Drive project, \$116,014 for the Windom Street project, and \$10,989 for the pool replacement project. See Note D3 for additional details on these projects.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

4. Capital Assets, continued

	<u>October 1, 2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	<u>September 30, 2014</u>
<u>Business-type Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 369,751	\$ -	\$ -	\$ -	\$ 369,751
Construction in progress	<u>39,150</u>	<u>262,987</u>	<u>-</u>	<u>(289,775)</u>	<u>12,362</u>
Total capital assets not being depreciated	408,901	262,987	-	(289,775)	382,113
Other capital assets being depreciated:					
Buildings	16,514,813	49,127	-	-	16,563,940
Distribution systems	13,433,630	536,810	(181,987)	289,775	14,078,228
Equipment	<u>4,905,187</u>	<u>123,954</u>	<u>(124,617)</u>	<u>-</u>	<u>4,904,524</u>
Total other capital assets at historical cost	34,853,630	709,891	(306,604)	289,775	35,546,692
Less accumulated depreciation for:					
Buildings	(5,684,630)	(608,617)	-	-	(6,293,247)
Distribution systems	(8,352,650)	(413,716)	181,987	-	(8,584,379)
Equipment	<u>(4,693,985)</u>	<u>(58,025)</u>	<u>124,617</u>	<u>-</u>	<u>(4,627,393)</u>
Total accumulated depreciation	<u>(18,731,265)</u>	<u>(1,080,358)</u> *	<u>306,604</u>	<u>-</u>	<u>(19,505,019)</u>
Other capital assets, net	<u>16,122,365</u>	<u>(370,467)</u>	<u>-</u>	<u>289,775</u>	<u>16,041,673</u>
Business-type capital assets, net	<u>\$ 16,531,266</u>	<u>\$ (107,480)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,423,786</u>

* Depreciation expense was charged to functions as follows:

Electric	\$ 480,684
Water	184,835
Sewer	395,635
Transfer Station	<u>19,204</u>
Total business-type activities depreciation expense	<u>\$ 1,080,358</u>

Construction in progress at September 30, 2014, consists of \$11,137 of costs incurred on the force main to the airport project and \$1,225 of costs incurred on the sludge system project. See Note D3 for additional detail of the construction in progress at September 30, 2014.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

4. Capital Assets, continued

	<u>October 1, 2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclass</u>	<u>September 30, 2014</u>
<u>Airport Authority:</u>					
Capital assets not being depreciated:					
Land	\$ 287,776	\$ -	\$ -	\$ -	\$ 287,776
Construction in progress	804,160	-	-	(804,160)	-
	<u>1,091,936</u>	<u>-</u>	<u>-</u>	<u>(804,160)</u>	<u>287,776</u>
Other capital assets being depreciated:					
Buildings	542,912	1,454,156	(315,786)	804,160	2,485,442
Improvements	4,992,403	248,599	(113,340)	-	5,127,662
Equipment	207,061	241,835	(203,260)	-	245,636
Total other capital assets at historical cost	5,742,376	1,944,590	(632,386)	804,160	7,858,740
Less accumulated depreciation for:					
Buildings	(251,892)	(12,150)	161,711	-	(102,331)
Improvements	(583,864)	(195,443)	84,073	-	(695,234)
Equipment	(133,904)	(16,073)	147,658	-	(2,319)
Total accumulated depreciation	<u>(969,660)</u>	<u>(223,666)</u>	<u>393,442</u>	<u>-</u>	<u>(799,884)</u>
Other capital assets, net	<u>4,772,716</u>	<u>1,720,924</u>	<u>(238,944)</u>	<u>804,160</u>	<u>7,058,856</u>
Airport Authority capital assets, net	<u>\$ 5,864,652</u>	<u>\$ 1,720,924</u>	<u>\$ (238,944)</u>	<u>\$ -</u>	<u>\$ 7,346,632</u>

	<u>Balance at September 30, 2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at September 30, 2014</u>
<u>Community Development Agency:</u>				
Capital assets not being depreciated:				
Land	\$ <u>174,277</u>	\$ <u>170,568</u>	\$ <u>(133,728)</u>	\$ <u>211,117</u>

5. Accounts Payable

Payables in the general, capital projects, other governmental, and proprietary funds are primarily composed of payables to vendors.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

6. Long-term Debt

The reporting entity’s long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2014:

<u>Type of Debt</u>	Balance October 1, 2013	<u>Additions</u>	<u>Deductions</u>	Balance September 30, 2014	Amounts Due Within One Year
Governmental Activities:					
Bonds payable	\$ 2,720,000	\$ 1,385,000	\$ (1,055,000)	\$ 3,050,000	\$ 215,000
Business-type Activities:					
Bonds payable	\$ 7,568,966	\$ -	\$ (507,877)	\$ 7,061,089	\$ 517,757
Component Units:					
Airport Authority	\$ 68,613	\$ 95,747	\$ (12,324)	\$ 152,036	\$ 25,960
Community Develop- ment Authority	1,655,265	641,646	(33,751)	2,263,160	143,262
Total component unit	<u>\$ 1,723,878</u>	<u>\$ 737,393</u>	<u>\$ (46,075)</u>	<u>\$ 2,415,196</u>	<u>\$ 169,222</u>

Governmental Activities

As of September 30, 2014, the governmental long-term liabilities consisted of the following:

Bonds payable:

Public safety bonds - series 2010, with original issue amount of \$490,000. Interest ranges from 1.00 to 3.10 percent with final maturity May 1, 2021. \$ 335,000

Public safety bonds - series 2012, with original issue amount of \$355,000. Interest ranges from 2.20 to 3.05 percent with final maturity May 1, 2028. 355,000

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

6. Long-term Debt, continued

Governmental Activities, continued

Bonds payable, continued:

Highway allocation bonds – series 2013B, with original issue amount of \$380,000 issued to provide funds for street construction. Interest ranges from 2.25 to 3.65 percent with final maturity June 15, 2026.	380,000
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Highway allocation bonds – series 2013, with original issue amount of \$620,000 issued to provide funds for street construction. Interest ranges from 0.65 to 3.00 percent with final maturity June 15, 2028.	620,000
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Various purpose refunding bonds - series 2013, with original issue amount of \$1,005,000 issued to refinance the series 2010 bond anticipation notes. Interest ranges from 0.85 to 4.00 percent with final maturity June 15, 2028.	1,005,000
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Various purpose refunding bonds - series 2011, with original issue amount of \$585,000 issued to refinance the series 2006 various purpose bonds. Interest ranges from 0.50 to 1.85 percent with final maturity September 15, 2018.	<u>355,000</u>
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Total bonds payable	\$ <u>3,050,000</u>
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Current portion	\$ 215,000
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Noncurrent portion	<u>2,835,000</u>
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Total	\$ <u>3,050,000</u>
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The Debt Service Fund is making the bond payments on all outstanding governmental activities debt.

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

6. Long-term Debt, continued

Business-type Activities

As of September 30, 2014, the long-term debt payable from proprietary fund resources consisted of the following:

Bonds and notes payable:

Electric revenue refunding bonds - series 2009, with original issue amount of \$1,535,000. Interest ranges from 1.55 to 3.05 percent with final maturity June 15, 2015.	\$ 270,000
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Electric revenue refunding bonds - series 2012, with original issue amount of \$1,680,000. Interest ranges from 0.85 to 3.00 percent with final maturity June 15, 2026.	1,680,000
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\$4,949,020 of Sewer DEQ Notes Payable. The note will be due in semi-annual principal and interest payments of \$213,189 commencing December 15, 2012, through June 15, 2032. The note bears interest of 2.0 percent. A one percent administration fee will also be due semi-annually.	4,444,802
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\$762,414 of Water DEQ Notes Payable. The note will be due in semi-annual principal and interest payments of \$23,220 commencing December 15, 2011, through June 30, 2031. The note bears interest of 2.0 percent. A one percent administration fee will also be due semi-annually.	<u>666,287</u>
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Total business-type activity bonds and notes payable	\$ <u>7,061,089</u>
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Current portion	\$ 517,757
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Noncurrent portion	<u>6,543,332</u>
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Total	\$ <u>7,061,089</u>
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CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

6. Long-term Debt, continued

Component Unit

Airport notes payable:

Nebraska Department of Aeronautics series 2000 Shop Hangar Airport loan, due in monthly installments through June 1, 2015, bearing no interest.	\$ 10,230
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Nebraska Department of Aeronautics series 2013 Hangar/Terminal loan, advanced \$95,747 of the \$262,001 maximum during the year ended September 30, 2014, due in 120 monthly installments of \$1,986, bearing no interest.	<u>141,806</u>
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Total Airport notes payable	152,036
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Community Development Agency Bond Payable:

Tax increment revenue bond series 2009, with original amount of \$325,000. Interest of 3 percent is due semi-annually commencing June 1, 2011. The bond is held by the City of Wayne’s Electric Fund. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds.	255,065
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Tax increment revenue bond series 2011, with original amount of \$84,700. Interest of 6.75 percent is due semi-annually commencing July 1, 2013. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds.	84,700
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Tax increment revenue bond series 2009, with original amount of \$75,000 principal and interest of 7 percent is due annually commencing December 31, 2010. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds.	61,749
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Tax increment revenue bond series 2012, with original amount of \$135,000. Interest of 6 percent is due semi-annually commencing December 1, 2013. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds.	135,000
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CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

6. Long-term Debt, continued

Component Unit, continued

Community Development Agency Bond Payable, continued:

Tax increment revenue bond series 2012, with original amount of \$467,000. Interest of 6 percent is due semi-annually commencing June 30, 2013. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 467,000

Tax increment revenue bond series 2012, with original amount of \$190,000 principal and interest of 6 percent is due semi-annually commencing June 30, 2013. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 190,000

Tax increment revenue bond series 2013, with original amount of \$210,000. Interest of 6 percent is due semi-annually commencing June 1, 2015. Semi-annual principal payments commence December 30, 2016 through December 30, 2029. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 210,000

Tax increment revenue bond series 2013, with original amount of \$50,000 interest of 6.75 percent is due semi-annually commencing June 30, 2014. Semi-annual principal payments commence June 30, 2015 through December 30, 2028. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 50,000

Tax increment revenue bond series 2012, with original amount of \$38,000. Interest of 6 percent is due semi-annually commencing December 1, 2013. Semi-annual principal payments commence July 31, 2014 through December 31, 2027. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 38,000

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

6. Long-term Debt, continued

Component Unit, continued

Community Development Agency Bond Payable, continued:

Tax increment revenue bond series 2013, with original amount of \$130,000. Interest of 5 percent is due semi-annually commencing June 30, 2015. Semi-annual principal payments commence December 30, 2016 through December 30, 2028. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 130,000

Tax increment revenue bond series 2013, with original amount of \$150,000. Interest of 6 percent is due semi-annually commencing June 1, 2015. Semi-annual principal payments commence December 1, 2016 through June 1, 2026. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 150,000

Tax increment revenue bond series 2013, with original amount of \$93,000. Interest of 5 percent is due semi-annually commencing June 30, 2015. Semi-annual principal payments commence June 30, 2015 through December 30, 2028. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 93,000

Tax increment revenue bond series 2013, with original amount of \$40,000 principal and interest of 5 percent is due annually commencing June 30, 2015. Semi-annual principal payments commence December 30, 2015 through December 30, 2028. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 40,000

Tax increment revenue bond series 2013, with original amount of \$108,646. Interest of 5 percent is due semi-annually commencing December 31, 2015. Semi-annual principal payments commence June 30, 2015 through December 31, 2028. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds. 108,646

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

6. Long-term Debt, continued

Component Unit, continued

Community Development Agency Bond Payable, continued:

Tax increment revenue bond series 2014, with original amount of \$250,000. Interest of 6 percent is due semi-annually commencing June 1, 2016. Semi-annual principal payments commence December 31, 2017 through December 31, 2028. The bond is a limited obligation of the CDA payable exclusively from TIF proceeds.

	<u>250,000</u>
Total Community Development Agency bonds payable	<u>2,263,160</u>
Total component unit notes and bond payable	<u>\$ 2,415,196</u>
Current portion	\$ 169,222
Noncurrent portion	<u>2,245,974</u>
Total	<u>\$ 2,415,196</u>

Annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2014, are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities			Component Unit	
	Principal	Interest	Principal	Interest	Fees	Principal	Interest
2015	\$ 215,000	\$ 74,663	\$ 517,757	\$ 143,229	\$ 50,495	\$ 169,222	\$ 81,483
2016	235,000	72,277	402,737	130,014	48,005	115,059	136,874
2017	280,000	69,225	407,817	123,659	45,464	138,952	144,562
2018	285,000	64,668	413,000	116,902	42,874	168,516	104,749
2019	185,000	59,352	418,286	109,591	40,230	177,051	96,425
2020-2024	1,030,000	225,905	2,184,519	422,040	159,608	942,689	342,625
2025-2029	820,000	65,780	1,893,555	184,259	85,089	695,207	89,982
2030-2034	-	-	823,418	24,393	12,196	8,500	349
	<u>\$3,050,000</u>	<u>\$631,870</u>	<u>\$ 7,061,089</u>	<u>\$1,254,087</u>	<u>\$483,961</u>	<u>\$ 2,415,196</u>	<u>\$ 997,049</u>

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

7. Interfund Transactions and Balances

Operating transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Street Fund	\$ -	\$ 269,623
Debt Service Fund	-	38,800
Sewer Fund	-	75,000
Wireless 911	20,000	-
E911	<u>14,000</u>	<u>-</u>
Total General Fund	34,000	383,423
Street Fund:		
General Fund	269,623	-
Water Fund	<u>82,833</u>	<u>-</u>
	352,456	-
Debt Service Fund:		
Electric Fund	58,861	-
General Fund	<u>38,800</u>	<u>-</u>
Total Debt Service Fund	97,661	-
Nonmajor Governmental Funds:		
General Fund	-	34,000
Electric Fund:		
Debt Service Fund	-	58,861
Water Fund:		
Street Fund	-	82,833
Sewer Fund	<u>-</u>	<u>128,283</u>
Total Debt Service Fund	-	211,116
Sewer Fund:		
General Fund	75,000	-
Water Fund	<u>128,283</u>	<u>-</u>
	<u>203,283</u>	<u>-</u>
Total Interfund Transfers	<u>\$ 687,400</u>	<u>\$ 687,400</u>

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

7. Interfund Transactions and Balances, continued

Interfund balances:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Terms</u>
LB840	Electric	\$ 45,000	Principal of \$5,000, plus interest at 3% is due semi-annually through December 1, 2018.
LB840	Electric	150,000	Principal of \$100,000, plus interest at 3% is due annually through January 1, 2015.
LB840	Electric	20,000	Principal of \$5,000, plus interest at 3% is due semi-annually through September 30, 2016.
LB840-Tornado Relief	Electric	500,000	Principal of \$50,000 to \$100,000 is due annually, plus interest at 3% due semi-annually through March 30, 2021.
LB840-Tornado Relief	Electric	237,000	Principal of \$50,000 is due annually, plus interest at 3% due semi-annually through July 31, 2020.
LB840-Tornado Relief	Electric	125,000	Principal of \$50,000 is due annually, plus interest at 3% due semi-annually through September 15, 2018.
		<u>\$ 1,077,000</u>	

CITY OF WAYNE, NEBRASKA
NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued

7. Interfund Transactions and Balances, continued

Interfund balances, continued:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Terms</u>
Airport	General	\$ 1,582	0%; will be repaid during year ending September 30, 2014.
CDA	Electric	<u>300,000</u>	0%; on demand or upon sale of real estate.
Total		\$ <u>301,582</u>	

NOTE D – OTHER NOTES

1. Employee Pension and Other Benefit Plans

Under Nebraska statutes, the City is to maintain a retirement plan for City policemen. This plan is funded through employee and employer contributions. The total contributions under this plan are deposited under a money purchase retirement plan with Ameritas Retirement. This plan requires that covered employees and the City contribute an amount equal to 6.5 percent of the employee's monthly salary until such employee becomes eligible for regular retirement, at which time contributions shall cease. (Effective October 1, 2015, the contributions for both employee and employer will increase to 7 percent.) The eligible and covered payroll amounted to \$417,218 for the year ended September 30, 2014. Both the City and the covered employees' required contribution of \$26,744 was made for the year ended September 30, 2014. The employees also contributed \$4,551 to a deferred compensation plan in accordance with Internal Revenue Code Section 457. The employer contributions vest at the following rate: 0 to 2 years - 0 percent, 2 to 3 years - 40 percent, 4 years - 60 percent, 5 to 6 years - 80 percent, 7 years - fully vested.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE D – OTHER NOTES, continued

1. Employee Pension and Other Benefit Plans, continued

The City maintains a defined contribution plan for the City employees in accordance with Internal Revenue Code Sections 457 and 401(a). The plan is available to all full-time City employees. This plan is funded through employee and employer contributions. The total contributions under this plan are deposited with the ICMA. This plan requires that covered employees contribute at least one percent to the deferred compensation savings plan and that the City contribute six percent of the employee's salary to the plan until such employee becomes eligible for regular retirement, at which time contributions shall cease. The total payroll amounted to \$2,044,131 and the covered payroll amounted to \$1,483,043 for the year ended September 30, 2014. The City and the employees contributed \$90,727 and \$115,606, respectively, for the year ended September 30, 2014.

2. Risk Management

Insurance

The City is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The City purchases commercial insurance and administers funds for its self-insured health insurance program. Insurance is maintained for the various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; dishonest employees; injuries to employees; and natural disasters. The City has not paid any amounts in excess of the coverage provided by insurance in the last three audit periods. The City is partially self-insured for health insurance claims up to \$5,000 of individual claims. The self-insurance program is administered within the Internal Service Fund. The City maintains outside insurance coverage through an insurance policy on claim amounts over \$3,200 per individual or \$6,400 per family. The maximum out-of-pocket costs would be \$1,040 for the employee and \$2,160 for the City (based on family coverage).

Settled claims in the past three years have not exceeded the commercial coverages. The City has estimated unsubmitted claims on health insurance based on prior experience to be \$5,000; this amount represents two months of subsequent claims. This has been included as a current year expenditure. A reserve of \$260,851 is established in an internal service fund at September 30, 2014.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the City's investments at September 30, 2014, are held by the counterparties not in the name of the City. The underlying securities consist of cash, direct obligations of or guaranteed by the full faith and credit of the U.S. Government, and other similar obligations of the U.S. Government or its agencies.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates. The investment maturities are as follows:

<u>Maturities by Month</u>	<u>Amount</u>
October 2014	\$ 70,000
December 2014	944,280
January 2015	609,881
February 2015	108,762
March 2015	153,500
April 2015	1,222,146
May 2015	2,013,387
June 2015	595,184
September 2015	2,129,577
November 2015	<u>78,600</u>
	\$ <u>7,925,317</u>

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City's investments consist of certificates of deposit and money market funds, minimizing credit risk associated with the City's investment portfolio.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE D – OTHER NOTES, continued

2. Risk Management, continued

Deposits and Investments, continued

Concentration of Credit Risk. The City’s investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2014, the City’s investments in certificates of deposit consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Bank First	\$ 105,111
Farmers and Merchants Bank	2,976,797
First National Bank	105,953
State National Bank	4,667,456
Edward Jones	<u>70,000</u>
	<u>\$ 7,925,317</u>

Foreign Currency Risk. This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The City’s investments had no exposure to foreign currency risk and the City held no investments denominated in foreign currency at September 30, 2014.

3. Commitments and Contingencies

Construction

The City’s governmental funds have numerous construction projects in progress. The City intends to fund the construction through operations or long-term financing.

<u>Project</u>	<u>Contract Amount</u>	<u>Paid Through 9/30/14</u>	<u>Obligation Pending</u>	<u>Expected Completion Date</u>
City of Wayne Projects:				
10 th Street-Construction	\$ 73,760	\$ 36,242	\$ 37,518	October 2014
Hillside Drive-Construction	194,468	-	194,468	Summer 2015
Roof Sealing	25,464	-	25,464	October 2014

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE D – OTHER NOTES, continued

3. Commitments and Contingencies, continued

TIF Commitment

On January 28, 2014, the Community Development Agency (CDA) entered into a redevelopment contract with Mid Plains Grain, LLC (Redeveloper). The Redeveloper intends to create additional taxable real property valuation on the project of \$1,000,000 no later than January 1, 2015. The Redeveloper shall pay all project costs related to the construction of the improvements. Under terms of the agreement, the CDA will issue \$200,000 of Redeveloper TIF indebtedness.

Lease Commitments

<u>Lessor</u>	<u>Leased Property</u>	<u>Term</u>	<u>Amount</u>
Pitney Bowes	Envelope Stuffer	12/19/09 – 12/19/14	\$ 390/month
Eakes Office Plus	Copier	5/06/14 – 5/06/19	260/month
De Lage Landen	Copier-Senior Center	1/20/10 – 1/20/15	77/month
Dakota Business Systems	Copier-Library	2/04/10 – 2/04/15	77/month
Eakes Office Plus	Copier-Police	5/22/13 – 5/22/18	74/month

The City paid rent of \$11,468 under these lease agreements during the year ended September 30, 2014.

Lease commitments as of September 30, 2014, are as follows:

<u>Year ending September 30,</u>	<u>Commitment</u>
2015	\$ 5,788
2016	4,002
2017	4,002
2018	3,487
2019	<u>1,820</u>
	<u>\$ 19,099</u>

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE D – OTHER NOTES, continued

3. Commitments and Contingencies, continued

Electric Department

The City has an agreement that expires in 2022 with Nebraska Public Power District (NPPD) to sell to them the City's generating capacity of the City's generating facilities.

Concurrent with the execution of the capacity lease described above, the City entered into a wholesale power contract with NPPD. Under the terms of the agreement, the City is required to purchase all the electric power and energy in excess of power and energy supplied by NPPD needed in the operation of the City distribution system. Beginning in the year 2011, the City can start reducing power and energy purchases from NPPD and purchase these from other sources. Lease payments for the power plant from NPPD would reduce in the same ratio as power and energy purchases from NPPD. Power purchased under this agreement totaled \$4,141,119 for the year ended September 30, 2014.

The City also receives an allocation of electric energy from the United States Department of Energy Western Area Power Administration.

4. Related-Party Transactions

The Electric Fund remits 8.5 percent of gross revenues and the Water and Sewer Funds remit seven percent of gross revenues to the General Fund annually as payments in lieu of taxes. The Electric Fund made payments in the amount of \$539,745, the Water Fund made payments of \$45,399, and the Sewer Fund made payments of \$75,083, for the year ended September 30, 2014.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE D – OTHER NOTES, continued

5. Interlocal Agreements

The City has the following interlocal agreements in effect as of September 30, 2014:

Parties to Agreement	Agreement Period	Descriptions
Wayne State College, Village of Carroll, and Village of Winside	12/15/98	Dispatch services/911 Service Center
Wayne County Agricultural Society	3/13/01	Agreement to waive water/sewer and electrical charges incurred during the fair
Wayne Community Schools	7/09/02	Use of softball fields, associated parking and restroom facilities, and program equipment
Northeast Nebraska Public Power District	10/26/04	Commitment to provide assistance to restore power after storm damage
Wayne County	8/19/14	Jointly provide dispatch service for public safety in Wayne County
Wayne State College	6/04/14	Campus Security and law enforcement services
Wayne County and Wayne County Library Association	2/22/05	Provide all library services and materials currently available through the public libraries to all residents of the county
Providence Medical Center	2007	Provide funds to defray a part of the cost of the operation of the ambulance
Rural Enterprise Assistance Project	5/10/05	Use of the services of REAP to be available for start-up and existing entrepreneurs
ONELibrary Consortium	5/10/05	The mission of the consortium of public funded libraries in the northeastern part of the State of Nebraska is to enrich the collections, share the resources, enhance the services, and strengthen the support for its member libraries

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE D – OTHER NOTES, continued

5. Interlocal Agreements, continued

Parties to Agreement	Agreement Period	Descriptions
Northeast Nebraska Mutual Aid Assn. and Elkhorn Valley	4/02/13	Insuring the safety of the lives and property of our citizens from fire loss, medical emergencies, and natural disasters
Nebraska Public Power District	8/30/05	A firm power contract for 20 years for purchase of wholesale power from NPPD
Wayne State College	7/28/03	Share wireless telecommunication resources
Lower Elkhorn Natural Resource District	5/10/05	Wayne Pedestrian Trail – Phase II
Nebraska Emergency Management Agency	9/27/05	Training requirements for the national incident emergency management system
Northeast Nebraska Economic Development District	10/10/06	A means by which member entities work jointly and cooperatively for community and economic development
Wayne State College	5/08/07	Contribution to Wayne Volunteer Fire Department in lieu of fine assessment for false alarms
Northeast Nebraska Public Power District	10/26/04	Service area extensions
Wayne County and Golf Club of Wayne		Golf courses maintenance agreement
Northeast Nebraska Economic Development District	12/18/12	CDBF reuse administration
Rural Fire Board		Sharing equipment and facilities
Nebraska Expressways for Economic Development	6/21/09	Nebraska State Highway Expressway System
Wayne State College	7/15/08	Rugby field usage
Community Development Agency	02/17/09	Authorization for City to purchase TIF bonds

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE D – OTHER NOTES, continued

5. Interlocal Agreements, continued

Parties to Agreement	Agreement Period	Descriptions
City of Norfolk	2/17/09	Interlocal agreement with City of Norfolk for building inspection services 2009
Northeast Nebraska Red Cross	6/18/13	Red Cross to provide physical facilities to support personnel who are providing services to individuals affected by disasters
Village of Carroll	5/05/09	Interlocal agreement for municipal water system for Carroll, NE
Wayne Public Schools, Wayne County, Wayne Area Economic Development	5/16/09	Collaboration for the creation of a joint web site
City of Laurel	2/16/10	Responsible Charge (RC) Services
City of Wisner, Village of Winside, City of Ponca, Ponca Rural Fire District	6/15/10	Mutual Fire Organization
Wayne County	10/5/10	Responsible Charge (RC) Services
League of Nebraska Municipalities	10/19/10	Federal Transportation Funding
Wayne Community Schools	3/15/11	Share Facilities & Equipment Hank Overin Field
Municipal Electric Interest Groups	10/16/12	Forum for common interests and advocacy relating to rate setting policy decisions made by NPPD
Wayne County	3/19/13	Adoption of the Local Emergency Operation Plan
Homeland Security Federal Emergency Management Agency	5/7/13	Assistance with installation of Emergency Civil Defense Sirens
Electric Transportation Partners - Nebraska	8/20/13	Participation in advancement of compressed natural gas and electric vehicle infrastructure
Wakefield, South Sioux City, Northeast Nebraska Public Power District & Southwest Renewable resources	3/04/14	Work together through the use of green energy and cogeneration to create electricity for Public Entities.
South Sioux City and Pollina Corporate Real Estate, Inc.	3/04/14	Have the exclusive right to provide the Cities with services for the purpose of soliciting investors for the development of a bio mass renewable energy and power generation facility.

CITY OF WAYNE, NEBRASKA

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2014

NOTE D – OTHER NOTES, continued

5. Interlocal Agreements, continued

Parties to Agreement	Agreement Period	Descriptions
Wayne Area Economic Development	3/18/14	Provide for annual funding for WAED for undertaking the efforts to fulfill its mission of enhancing the economic wellbeing and quality of life in the Wayne area.
Nebraska Community Energy Alliance	6/17/14	Interlocal Cooperation Agreement for the Advancement of Compressed Natural Gas and Electric Vehicle Infrastructure & Compressed Natural Gas and Electric Vehicle Use.
Wayne Volunteer Fire Department & Elkhorn Valley Mutual Aid Association	9/16/14	Mutual Aid Agreement.

6. Union Contracts

The City is subject to the following union contract:

- Wayne Police Employees Fraternal Order of Police #54. This agreement commenced on January 1, 2012, and terminates on June 30, 2014.

7. Subsequent Events

Management has evaluated subsequent events through January 14, 2015, the date on which the financial statements were available for issue.

On November 4, 2014, voters approved an additional sales and use tax of 0.50 percent for the purpose of paying the principal and interest on \$2.9 million of bonds that will be issued to construct and equip an outdoor swimming pool and related improvements connected to the Wayne Community Activity Center.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WAYNE, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND**

Year ended September 30, 2014

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
RESOURCES (INFLOWS)			
Taxes:			
Property	\$ 648,000	\$ 659,477	\$ 11,477
Payments in lieu of taxes	906,826	724,813	(182,013)
Sales tax	384,420	445,735	61,315
Franchise	-	188,809	188,809
Intergovernmental	1,036,675	711,696	(324,979)
Charges for services	453,720	519,250	65,530
Interest income	6,000	7,064	1,064
Contributions	-	127,827	127,827
Sale of property	-	53,011	53,011
Insurance proceeds	-	452,151	452,151
Other	31,208	17,555	(13,653)
	<hr/>	<hr/>	<hr/>
Total resources	3,466,849	3,907,388	440,539
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government	249,975	204,268	(45,707)
Public buildings	79,330	77,382	(1,948)
Public safety	892,260	1,111,566	219,306
Senior citizens services	280,234	277,794	(2,440)
Library	285,760	272,315	(13,445)
Recreation	314,600	321,790	7,190
Community Activity Center	247,618	245,983	(1,635)
Capital outlay	2,158,629	867,462	(1,291,167)
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	4,508,406	3,378,560	(1,129,846)
Resources over (under) charges to appropriations	(1,041,557)	528,828	1,570,385
OTHER FINANCING SOURCES (USES)			
Transfers in	353,700	34,000	(319,700)
Transfers out	(725,954)	(383,423)	342,531
Net transfers	<hr/>	<hr/>	<hr/>
	(372,254)	(349,423)	22,831
RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS			
	<hr/>	<hr/>	<hr/>
	\$ (1,413,811)	\$ 179,405	\$ 1,593,216

CITY OF WAYNE, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
STREET FUND**

Year ended September 30, 2014

	Budget (Original and <u>Final</u>)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Taxes:			
Property	\$ -	\$ 1,427	\$ 1,427
Motor vehicle	-	74,232	74,232
Intergovernmental	1,383,165	505,094	(878,071)
Charges for services	2,700	6,492	3,792
Interest income	100	816	716
Bond proceeds	-	380,000	380,000
Sale of property	-	608	608
	<hr/>	<hr/>	<hr/>
Total resources	1,385,965	968,669	(417,296)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Public works	499,778	445,700	(54,078)
Capital projects	1,655,022	760,533	(894,489)
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	2,154,800	1,206,233	(948,567)
Resources over (under) charges to appropriations	(768,835)	(237,564)	531,271
OTHER FINANCING SOURCES (USES)			
Transfers in	565,000	352,456	(212,544)
	<hr/>	<hr/>	<hr/>
RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS	<u>\$ (203,835)</u>	<u>\$ 114,892</u>	<u>\$ 318,727</u>

CITY OF WAYNE, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
LB840 FUND**

Year ended September 30, 2014

	Budget (Original and Final)	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Sales tax	\$ 216,280	\$ 236,648	\$ 20,368
Interest income	25	7,675	7,650
Other income	41,740	-	(41,740)
	<hr/>	<hr/>	<hr/>
Total resources	258,045	244,323	(13,722)
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
General government	149,577	71,877	(77,700)
Interest on long-term debt	118,325	14,300	(104,025)
	<hr/>	<hr/>	<hr/>
Total charges to appropriations	267,902	86,177	(181,725)
	<hr/>	<hr/>	<hr/>
RESOURCES OVER (UNDER) CHARGES TO APPROPRIATIONS	\$ (9,857)	\$ 158,146	\$ 168,003
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF WAYNE, NEBRASKA

**BUDGETARY COMPARISON SCHEDULE -
DEBT SERVICE FUND**

Year ended September 30, 2014

	Budget (Original and (Final))	<u>Actual</u>	Variances - Actual Over (Under) Final <u>Budget</u>
RESOURCES (INFLOWS)			
Property tax	\$ 80,000	\$ 82,118	\$ 2,118
Payments in lieu of taxes	300	134	(166)
Special assessments	68,600	155,298	86,698
Bond proceeds	-	1,005,000	1,005,000
Interest income	<u>1,500</u>	<u>3,937</u>	<u>2,437</u>
Total resources	150,400	1,246,487	1,096,087
CHARGES TO APPROPRIATIONS (OUTFLOWS)			
Principal payments	921,604	1,055,000	133,396
Interest expense	58,593	67,780	9,187
Bond fees	<u>-</u>	<u>14,070</u>	<u>14,070</u>
Total charges to appropriations	<u>980,197</u>	<u>1,136,850</u>	<u>156,653</u>
Resources over (under) charges to appropriations	(829,797)	109,637	939,434
OTHER FINANCING SOURCES (USES)			
Transfer in	<u>97,661</u>	<u>97,661</u>	<u>-</u>
RESOURCES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) CHARGES TO APPROPRIATIONS	<u>\$ (732,136)</u>	<u>\$ 207,298</u>	<u>\$ 939,434</u>

CITY OF WAYNE, NEBRASKA

**BUDGETARY COMPARISON SCHEDULES -
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

Year ended September 30, 2014

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenue and Expenditures**

	<u>General Fund</u>	<u>Street Fund</u>	<u>LB840 Fund</u>	<u>Debt Service Fund</u>
Sources/inflows of resources:				
Actual amounts of resources (budgetary basis) from the budgetary comparison schedules	\$ 3,907,388	\$ 968,669	\$ 244,323	\$ 1,246,487
Differences - budget to GAAP:				
Cash to accrual adjustments	<u>(50,131)</u>	<u>7,405</u>	<u>-</u>	<u>(45,664)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 3,857,257</u></u>	<u><u>\$ 976,074</u></u>	<u><u>\$ 244,323</u></u>	<u><u>\$ 1,200,823</u></u>
Uses/outflows of resources:				
Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedules	\$ 3,378,560	\$ 1,206,233	\$ 86,177	\$ 1,136,850
Differences - budget to GAAP:				
Cash to accrual adjustments	<u>97,654</u>	<u>(20,234)</u>	<u>2,916</u>	<u>6,539</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 3,476,214</u></u>	<u><u>\$ 1,185,999</u></u>	<u><u>\$ 89,093</u></u>	<u><u>\$ 1,143,389</u></u>

SUPPLEMENTARY INFORMATION

CITY OF WAYNE, NEBRASKA

**COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS**

September 30, 2014

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Community Development	Sales Tax	Wireless 911	E911	
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 35,625	\$ 15,603	\$ 51,228
Investments	-	-	60,505	20,169	80,674
Notes receivable	503,931	-	-	-	503,931
Interest receivable	135	65	4	1	205
Restricted assets:					
Cash and cash equivalents	203,942	130,423	-	-	334,365
Investments	453,016	78,600	-	-	531,616
Total assets	\$ 1,161,024	\$ 209,088	\$ 96,134	\$ 35,773	\$ 1,502,019
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other fund	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued interest payable	-	-	-	-	-
Total liabilities	-	-	-	-	-
Fund balances:					
Restricted for:					
Federal programs	1,161,024	-	-	-	1,161,024
Community Activity Center	-	209,088	-	-	209,088
Assigned for:					
Other purposes	-	-	96,134	35,773	131,907
Total fund balances	1,161,024	209,088	96,134	35,773	1,502,019
Total liabilities and fund balances	\$ 1,161,024	\$ 209,088	\$ 96,134	\$ 35,773	\$ 1,502,019

CITY OF WAYNE, NEBRASKA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

For the year ended September 30, 2014

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Community Development	Sales Tax	Wireless 911	E911	
REVENUES					
Intergovernmental	\$ 8,957	\$ -	\$ -	\$ -	\$ 8,957
Charges for services	3,000	-	51,507	26,179	80,686
Interest income	13,478	546	428	154	14,606
Total revenues	25,435	546	51,935	26,333	104,249
EXPENDITURES					
General government	11,859	-	-	-	11,859
Public safety	-	-	11,626	6,017	17,643
Total expenditures	11,859	-	11,626	6,017	29,502
Excess of revenues over expenditures	13,576	546	40,309	20,316	74,747
OTHER FINANCING SOURCES (USES)					
Transfers out	-	-	(20,000)	(14,000)	(34,000)
Net change in fund balance	13,576	546	20,309	6,316	40,747
Fund balances - September 30, 2013	1,147,448	208,542	75,825	29,457	1,461,272
Fund balances - September 30, 2014	\$ 1,161,024	\$ 209,088	\$ 96,134	\$ 35,773	\$ 1,502,019

CITY OF WAYNE, NEBRASKA

**COMBINING STATEMENT OF NET POSITION -
COMPONENT UNITS**

September 30, 2014

	<u>Wayne Municipal Airport</u>	<u>Community Development Agency</u>	<u>Total Component Units</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 128,936	\$ 198,571	\$ 327,507
County treasurer cash	3,431	-	3,431
Receivables:			
Property tax	4,457	-	4,457
Accounts receivable	1,876	-	1,876
Grants receivable	76,969	-	76,969
TIF receivable-current portion	-	143,262	143,262
Fuel inventory	22,123	-	22,123
Prepaid insurance	4,048	-	4,048
Total current assets	<u>241,840</u>	<u>341,833</u>	<u>583,673</u>
Noncurrent assets:			
TIF receivable-noncurrent portion	-	2,119,898	2,119,898
Note receivable-noncurrent portion	-	180,000	180,000
Capital assets:			
Land	287,776	211,117	498,893
Other capital assets, net of depreciation	7,058,856	-	7,058,856
Net capital assets	<u>7,346,632</u>	<u>211,117</u>	<u>7,557,749</u>
Total noncurrent assets	<u>7,346,632</u>	<u>2,511,015</u>	<u>9,857,647</u>
Total assets	7,588,472	2,852,848	10,441,320
LIABILITIES			
Current liabilities:			
Due to the City of Wayne	1,582	300,000	301,582
Accounts payable	240,979	-	240,979
Accrued interest payable	-	95,211	95,211
Unavailable property tax	3,031	-	3,031
Current portion of long-term debt	25,960	143,262	169,222
Total current liabilities	<u>271,552</u>	<u>538,473</u>	<u>810,025</u>
Noncurrent liabilities:			
Noncurrent portion of long-term debt	126,076	2,119,898	2,245,974
Total liabilities	<u>397,628</u>	<u>2,658,371</u>	<u>3,055,999</u>
NET POSITION			
Net investment in capital assets	7,194,596	211,117	7,405,713
Unrestricted	(3,752)	(16,640)	(20,392)
Total net position	<u>\$ 7,190,844</u>	<u>\$ 194,477</u>	<u>\$ 7,385,321</u>

CITY OF WAYNE, NEBRASKA

**COMBINING STATEMENT OF ACTIVITIES -
COMPONENT UNITS**

For the year ended September 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>
Wayne Municipal Airport:			
Airport	\$ 513,670	\$ 131,938	\$ -
Community Development Agency:			
Economic development	128,943	-	-
Total component units	\$ 642,613	\$ 131,938	\$ -

<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Airport Authority</u>	<u>Community Development Agency</u>	<u>Total Component Units</u>
\$ 1,939,110	\$ 1,557,378	\$ -	\$ 1,557,378
-	-	(128,943)	(128,943)
<u>\$ 1,939,110</u>	<u>1,557,378</u>	<u>(128,943)</u>	<u>1,428,435</u>
General revenues:			
Taxes:			
Property	101,020	-	101,020
TIF proceeds	-	105,341	105,341
Interest income	363	6	369
Gain (loss) on disposal of assets	(214,975)	111,237	(103,738)
Transfer from City of Wayne	-	211,703	211,703
Total general revenues	<u>(113,592)</u>	<u>428,287</u>	<u>314,695</u>
Change in net position	1,443,786	299,344	1,743,130
Net position - beginning of year	<u>5,747,058</u>	<u>(104,867)</u>	<u>5,642,191</u>
Net position - end of year	<u>\$ 7,190,844</u>	<u>\$ 194,477</u>	<u>\$ 7,385,321</u>

SINGLE AUDIT REPORTS

CITY OF WAYNE, NEBRASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended September 30, 2014

<u>Federal Grantor and Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>Department of Transportation:</u>		
Passed Through Nebraska Department of Roads		
Formula Grants for Other than Urbanized Areas	20.509	\$ 41,882
Passed Through Nebraska Department of Highway Safety		
Alcohol Impaired Driving Countermeasures Grant	20.601	7,000
Passed Through Nebraska Department of Aeronautics		
Airport Improvement Program	20.106	<u>150,000</u>
Total Department of Transportation		198,882
<u>Department of Homeland Security:</u>		
Passed Through Nebraska Emergency Management Agency:		
Disaster Grants - Public Assistance	97.036	386,335 *
Hazard Mitigation Grant	97.039	<u>82,991</u>
Total Department of Homeland Security		469,326
<u>Housing and Urban Development:</u>		
Passed Through Nebraska Department of Economic Development:		
Community Development Block Grants	14.228	6,902
<u>Department of Health and Human Services:</u>		
Passed Through Northeast Nebraska Area Agency on Aging:		
Programs for the Aging Cluster:		
Special Programs for the Aging Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	6,613
Nutrition Services Incentive Programs	93.053	10,955
Title III, Part C - Nutrition Services	93.045	<u>21,573</u>
Total Department of Health and Human Services		<u>39,141</u>
Total Federal Awards		<u>\$ 714,251</u>

* Major Program

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Wayne, Nebraska, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

SHAREHOLDERS

Robert D. Almquist
Phillip D. Maltzahn
Terry T. Galloway
Marcy J. Luth
Heidi A. Ashby
Christine R. Shenk
Michael E. Hoback
Joseph P. Stump

To the Honorable Mayor and Members of the City Council
City of Wayne, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the fiduciary fund of the City of Wayne, Nebraska, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated January 14, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Wayne's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2014-1 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Wayne's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Wayne's Response to Findings

The City of Wayne's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Amquist, Malthahn.
Galloway: Luth. P.C.

Grand Island, Nebraska
January 14, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

To the Honorable Mayor and Members of the City Council
City of Wayne, Nebraska

Report on Compliance for Each Major Federal Program

We have audited the City of Wayne, Nebraska's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2014. The City of Wayne, Nebraska's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Wayne, Nebraska's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Wayne, Nebraska's compliance.

SHAREHOLDERS

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Opinion on Each Major Federal Program

In our opinion, the City of Wayne, Nebraska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

Report on Internal Control over Compliance

Management of the City of Wayne, Nebraska is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Amquist, Malthalm,
Galloway & Luth, P.C.*

Grand Island, Nebraska
January 14, 2015

CITY OF WAYNE, NEBRASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended September 30, 2014

1. A summary of auditors' results:
 - (i) An unmodified opinion was issued on the financial statements of the City of Wayne, Nebraska, as of September 30, 2014.
 - (ii) One significant deficiency disclosed during the audit of the financial statements is reported in the "Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*." The significant deficiency is not reported as a material weakness.
 - (iii) The audit did not disclose any noncompliance which is material to the financial statements of the City of Wayne, Nebraska.
 - (iv) The audit did not disclose any significant deficiencies in the internal control over major programs for the City of Wayne, Nebraska.
 - (v) An unmodified opinion was issued on compliance for major programs.
 - (vi) The audit did not disclose any audit findings which we are required to report under §____.510(a).
 - (vii) Major Programs: CFDA #97.036 – Disaster Grants-Public Assistance.
 - (viii) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
 - (ix) The City of Wayne, Nebraska qualified as a low-risk auditee under §____.530.

2. Findings relating to the financial statements which are required to be reported in accordance with GAGAS.

2014-1 Due to a limited number of personnel, there is not adequate segregation of duties to ensure internal control over cash receipts, disbursements, and recording of transactions.

Management's Response – It is impractical to further segregate duties due to the limited number of accounting personnel.

3. Findings and questioned costs for Federal awards which shall include audit findings as defined in §____.510(a).

None

CITY OF WAYNE, NEBRASKA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended September 30, 2014

Program

Findings for the year ended September 30, 2013

None noted.

City of Wayne
September 30,

	Reference	Best Practice	2014	2013	2012	2011*	2010	2009	2008	2007	2006	2005
1) Unrestricted Net Assets/Total Net Assets												
Government Wide	Page 24	30%	30.73%	31.25%	29.69%	30.80%	31.30%	37.82%	33.70%	35.67%	34.82%	35.57%
Governmental Activities	Page 24	30%	10.14%	8.97%	5.44%	10.13%	8.66%	12.42%	7.68%	11.42%	12.05%	15.91%
Business-Type Activities	Page 24	30%	49.67%	50.75%	50.79%	49.14%	53.12%	62.78%	58.76%	58.41%	57.29%	55.10%
2) Unassigned Fund Balance/General Fund Expenditures	Page 26	40%	0.00%	3.10%	19.64%	18.38%	74.14%	70.00%	52.58%	42.30%	48.45%	49.47%
3) Outstanding GO Debt/Valuation	Page 15	< 5%-Good < 3%-Excellent	1.64%	1.50%	1.24%	1.16%	0.74%	0.85%	1.55%	2.10%	2.50%	2.82%
4) Debt Coverage Ratio												
Electric	Pages 31-32	1.50	0.95	0.74	1.03	1.20	1.74	2.37	2.71	3.65	3.57	2.16
Water		1.50	5.79	3.79	5.34	4.04	8.01	19.29	1.31	1.48	1.32	1.25
Sewer		1.50	1.81	1.39	0.81	n/a	n/a	11.69	5.32	1.58	1.55	0.23
5) Top 6 Sources of Revenues - Governmental Activities												
Sales Tax	Page 10	\$185 per Capita	\$ 121	\$ 107	\$ 107	\$ 89	\$ 94	\$ 90	\$ 88	\$ 87	\$ 85	\$ 86
Property Taxes		\$210 per Capita	131	131	128	125	125	124	131	124	116	117
In Lieu of Tax Payments		\$120 per Capita	128	120	104	98	96	97	113	79	68	81
State Allocation		\$100 per Capita	162	151	142	143	133	145	138	132	121	85
Charges for Services		\$95 per Capita	98	100	92	94	80	79	79	73	70	148
Grants		\$160 per Capita	156	40	51	58	47	131	85	23	55	225
6) Cash, Investments & Treasurer Cash												
Governmental Activities:	Page 26/28/61											
Operating		1,305,000										
Replacement		-										
		<u>1,305,000</u>	-	78,381	616,269	1,856,527	1,574,663	1,758,569	1,338,985	2,932,575	1,342,324	2,058,017
Business-type Activities (Excluding Depreciation/Amortization)	Page 30/31/63											
Operating		3,865,000										
Restricted		600,000										
Replacement		<u>1,735,000</u>										
		<u>6,200,000</u>	7,376,111	6,689,731	8,908,933	8,441,668	8,446,677	9,930,837	8,931,988	8,525,256	7,336,338	6,743,295

* Implementation of GASB 54

City of Wayne
September 30,

	Reference	Best Practice	2014	2013	2012	2011*	2010	2009	2008	2007	2006	2005
7) Net Depreciable Capital Assets/Original Cost												
Governmental Activities	Page 61	> 30%	50.11%	50.35%	51.24%	52.15%	52.01%	52.41%	59.23%	54.93%	60.75%	62.05%
Business-type Activities	Page 63	> 35%	45.13%	46.26%	30.99%	32.40%	31.08%	32.53%	35.05%	34.21%	37.65%	39.37%
Component Unit	Page 64	> 35%	89.62%	83.11%	87.03%	19.11%	18.70%	20.56%	28.70%	19.23%	29.39%	0.00%
8) Operating Income/Total Operating Revenue												
Electric Fund	Page 31	15.00%	-2.69%	-1.66%	-0.24%	-0.24%	1.81%	4.55%	9.00%	14.32%	14.49%	6.25%
Water Fund		15.00%	16.23%	1.72%	12.96%	8.05%	9.48%	17.27%	20.35%	26.40%	21.96%	16.15%
Sewer Fund		15.00%	17.84%	31.00%	19.85%	48.39%	31.94%	5.14%	14.17%	-14.63%	-16.02%	-1.29%
Transfer Station		15.00%	-84.98%	-283.61%	-106.95%	-31.20%	-4.49%	-2.65%	-10.15%	-19.86%	-6.88%	15.54%
Internal Service Fund		15.00%	21.97%	10.54%	11.12%	-11.89%	7.56%	11.45%	-12.63%	5.08%	10.95%	-8.22%
9) Months Expense in Street Cash Reserve	Pages 26 & 28	12.0	1.1	8.5	1.9	-	-	-	5.5	2.8	3.8	3.8
10) Levy Rates												
General		0.35	0.358051	0.360590	0.389185	0.388606	0.357757	0.394176	0.401309	0.390437	0.384366	0.405750
Debt Service		\$160/Capita	\$ 117	\$ 115	\$ 123	\$ 121	\$ 112	\$ 122	\$ 112	\$ 106	\$ 102	\$ 106
Total Levy		\$35/Capita	\$ 0.402255	\$ 0.411612	\$ 0.434914	\$ 0.440843	\$ 0.408985	\$ 0.446307	\$ 0.458773	\$ 0.461120	\$ 0.453373	\$ 0.476254
11) State Allocations												
Highway Allocation		\$90 Per Capita	\$ 78	\$ 71	\$ 69	\$ 64	\$ 59	\$ 62	\$ 65	\$ 60	\$ 55	-
Municipal Equalization		\$30 Per Capita	77	73	66	64	54	61	58	57	51	-
12) Governmental Expenses (Excludes capital outlay)												
Administration	Page 84	\$80 Per Capita	\$ 36	\$ 49	\$ 36	\$ 23	\$ 28	\$ 30	\$ 26	\$ 27	\$ 24	5
Community Center		\$40 Per Capita	43	41	38	43	37	28	28	30	31	71
Public Building		\$10 Per Capita	14	12	11	12	16	17	24	28	26	24
Recreation		\$50 Per Capita	57	48	47	47	35	51	55	29	20	20
Library		\$45 Per Capita	48	45	40	40	38	35	35	27	24	19
Public Works		\$100 Per Capita	79	76	83	83	73	71	59	65	141	51
Public Safety		\$200 Per Capita	196	183	227	209	177	171	157	146	121	121

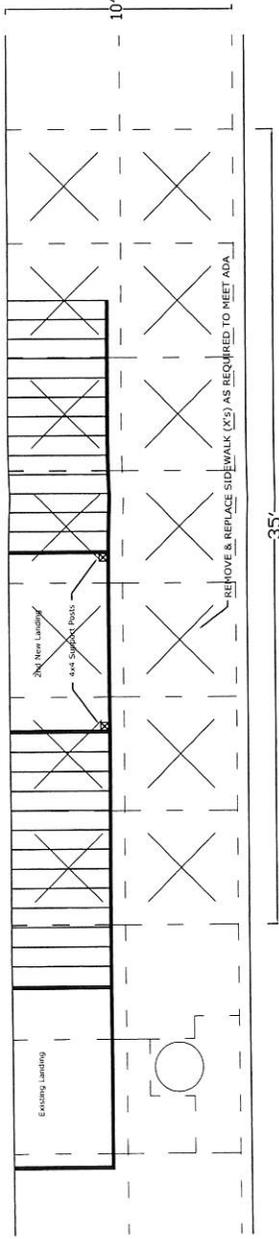
Project Name and Address
1st Realty Sales
201 N. Main Street
Wayne, NE 68787

General Notes

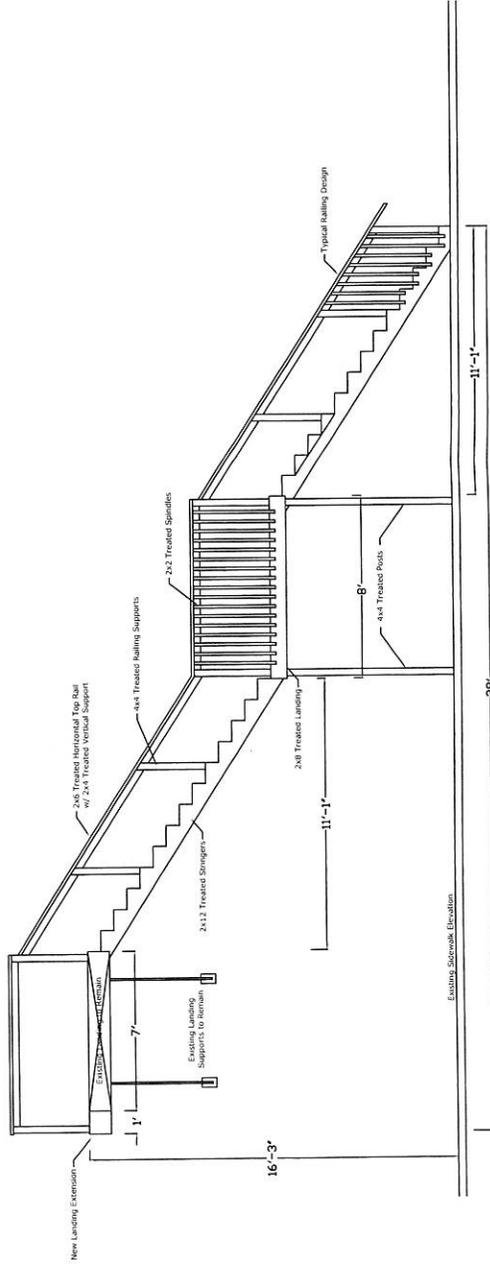
No.	Revision/Issue	Date



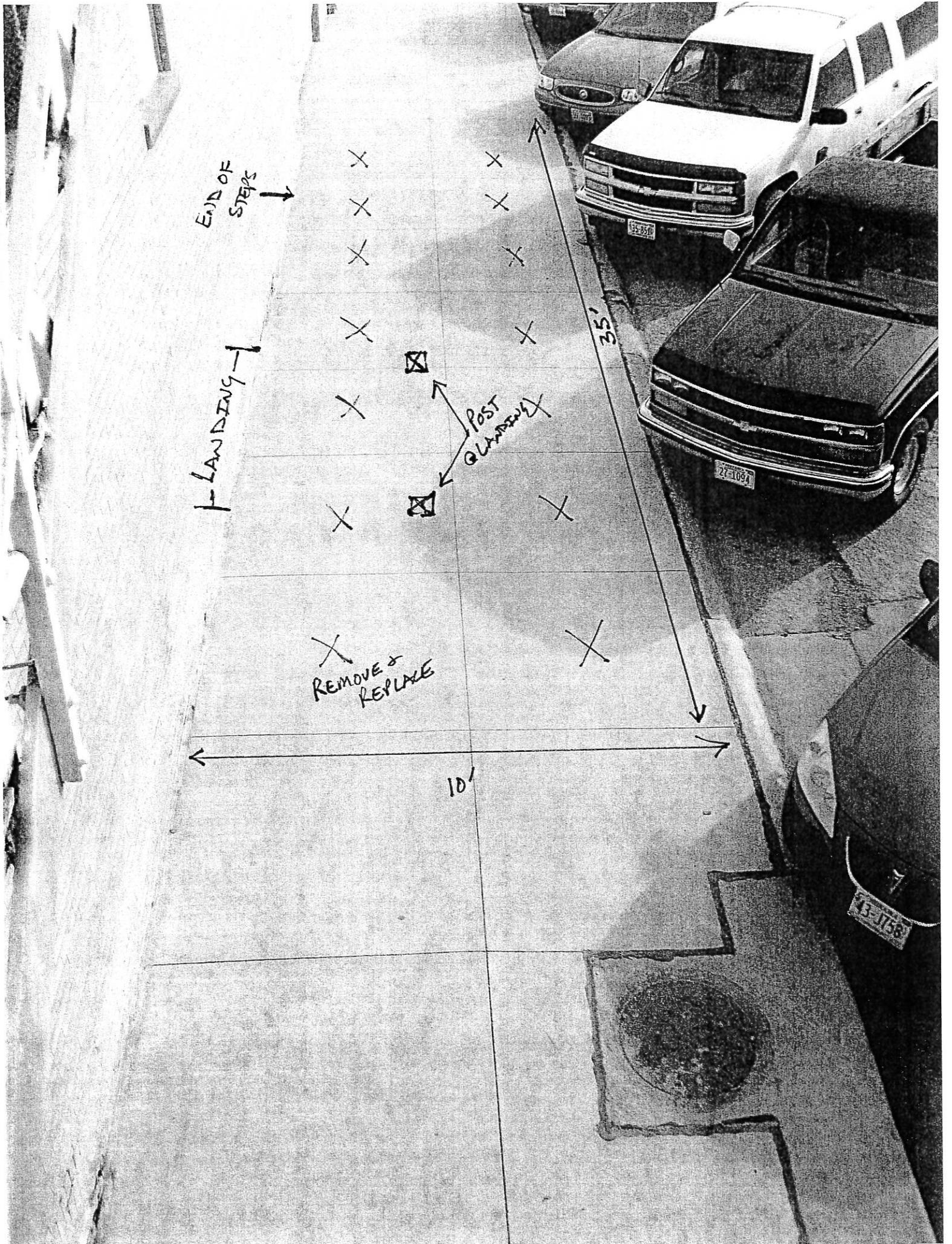
Project: Street Stair Redesign
 Date: 1/28/15
 Scale: No Scale
 Sheet: 1



PLAN VIEW



ELEVATION VIEW



END OF STEPS ↓

LANDING ← →

X
REMOVE & REPLACE

POST @ LANDING

35'

10'

3-1758

27-1094

35-850

**CITY OF WAYNE
INTEROFFICE MEMORANDUM**

DATE: February 3, 2015

TO: Mayor Chamberlain
Wayne City Council

FROM: Wayne Planning Commission
Joel Hansen, Staff Liaison



At their meeting held on February 2, 2015 the Wayne Planning Commission made a recommendation on the following public hearings; the result of those recommendation is as follows:

Public Hearing: Rezoning Request from B-1 Highway Business District to R-4 Residential District, Lot 4 of Benscoter Addition PUD Replat 2, to allow for a Senior Housing Project; Applicant being Windom Ridge

The Planning Commission took evidence and testimony from the public and thereafter reviewed the information and evidence presented. After deliberation and discussion, motion was made by Commissioner Sweetland and seconded by Commissioner Sorenson to approve and forward a recommendation of approval to the City Council to rezone the area described as Lot 4 of Benscoter Addition PUD Replat 2, from B-1 Highway Business to R-4 Residential to allow for a senior housing project, with the findings of fact being consistency with the Comprehensive Plan, the current and future land use maps, and staff's recommendation. Chair Melena stated the motion and second. All were in favor; motion carried unanimously.

Public Hearing: Use by Exception Request for A-1 Agricultural District, Section 90-114 Exceptions, Specifically (21) Auto Sales and Services, at 57706 – 855th Road; Applicant being Brent Pick

The Planning Commission took evidence and testimony from the public and thereafter reviewed the information and evidence presented. After deliberation and discussion, motion was made by Commissioner Sorenson and seconded by Commissioner Braun to approve and forward a recommendation of approval to the City Council for the Use by Exception, for Brent Pick, under Section 90-114 Exceptions of the A-1 Agricultural District, specifically (21) to allow for auto sales and services to be conducted at 57706 – 855th Road, with the findings of fact being consistency with the Comprehensive Plan, the current and future land use maps, and staff's recommendation. Chair Melena stated the motion and second. All were in favor; motion carried unanimously.

JJH:cb
Attachement

February 2, 2015

RE: Use by Exception request A-1 Agricultural District, Section 90-114 Exceptions, specifically (21)
Auto Sales and Service at 57706-855th Road

Dear Planning Commission:

As owners of the property impacted, we are writing to express our concerns to the change of use in the matter referenced above.

Environmental studies have shown that used oil, antifreeze, old decaying parts, stored tires, etc. leach contaminates into soil. The chemicals used to clean cars and bays are also contaminates. Our land is directly north (and we might add, below the hill of the referenced property) and any of those contaminates leached into the 57706 855th Road property will wash down onto our land that is used to grow crops. This will have an adverse effect on the value of our land.

At least 15 related auto sales and services businesses are located in Wayne and several more in the surrounding area. The chances of success for another business of the same type in close proximity to a town the size of Wayne are slim, especially since it is located 1 ½ miles from town. Two miles of country roads and a bridge will need to be maintained to support additional traffic. The business will need to generate enough money to pay for the maintenance of the roads and bridge. As tax payers we would not approve of tax dollars being used for a business not generating enough revenue to maintain those roads, and we believe other tax payers would be of the same mind.

Tax payer money will also be needed to provide additional police and fire protection because the location is separate from other businesses and people. Autos and business enterprises encourage vandalism and theft where perpetrators are not likely to be observed.. There are no neighbors within viewing distance of the property for observation. And, because neighbors are farther apart that same opportunity for vandalism and theft puts people living in the area at increased risk.

After doing a little research, it appears that Mr. Pick has a more viable property available at 1614 Chiefs Way. That property is already owned by his corporation and would not require an exception for auto sales and services. It seems a better choice would be to use that property for auto sales and services. It is zoned light commercial and is close to main thoroughfares already being maintained for that type of business.

Thank you for your consideration

Sincerely,



Merlin Preston, Owner
802 Eastview Dr
Wayne NE 68787

Della Mae Preston Revocable Trust
Linda McFarland, Trustee for the Trust
310 E 119th St Apt 2
New York NY 10035

Janet Crippen, Trustee
Tracy Preston, Trustee
Ann Brogen, Trustee (Abstention)

ORDINANCE NO. 2015-8

AN ORDINANCE AMENDING THE ZONING MAP AND CHANGING THE ZONING OF LOT 4 OF BENSCOTER ADDITION PUD REPLAT 2, CITY OF WAYNE, WAYNE COUNTY, NEBRASKA, FROM B-1 HIGHWAY BUSINESS DISTRICT TO R-4 RESIDENTIAL DISTRICT.

BE IT ORDAINED by the Mayor and Council of the City of Wayne, Nebraska.

Section 1. That the real estate area shown on the attached map be changed and rezoned from B-1 (Highway Business) to R-4 (Residential). The area being rezoned is described as:

Lot 4 of Benscoter Addition PUD Replat 2, City of Wayne, Wayne County, Nebraska.

Section 2. That the Planning Commission held a public hearing on February 2, 2015, regarding this rezoning request, and have recommended approval thereof subject to the following "Findings of Fact:"

1. Staff's recommendation; and
2. Consistency with the Comprehensive Plan and the current and future land use maps.

Section 3. The official zoning map shall be forthwith changed by the zoning officials to properly show the real estate hereinabove described as now in an R-4 (Residential District) zone.

Section 4. All ordinances or parts of ordinances in conflict herewith are hereby amended and repealed.

Section 5. This ordinance shall take effect and be in full force from and after its passage, approval, and publication or posting as required by law.

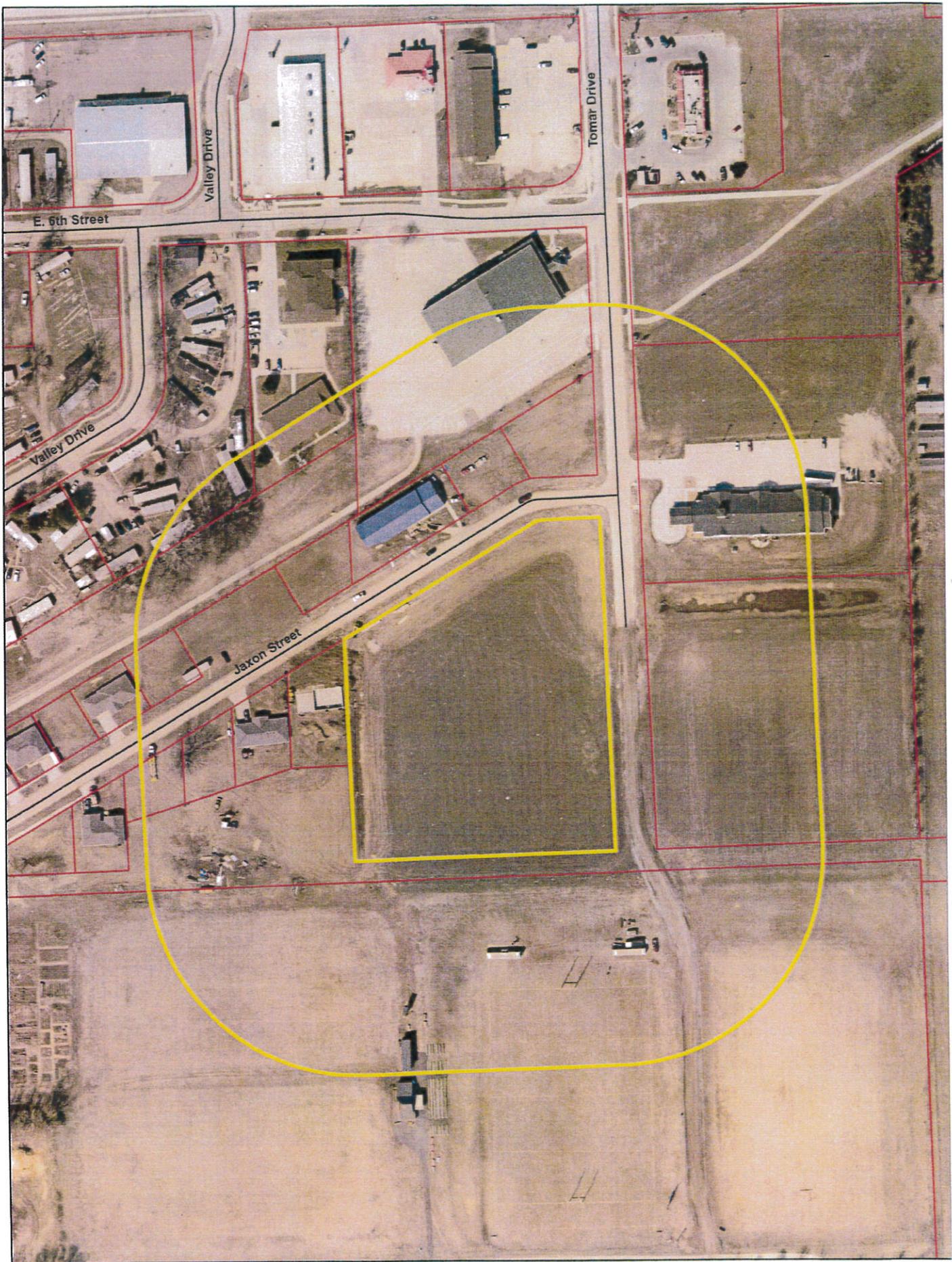
PASSED AND APPROVED this _____ day of _____, 2015.

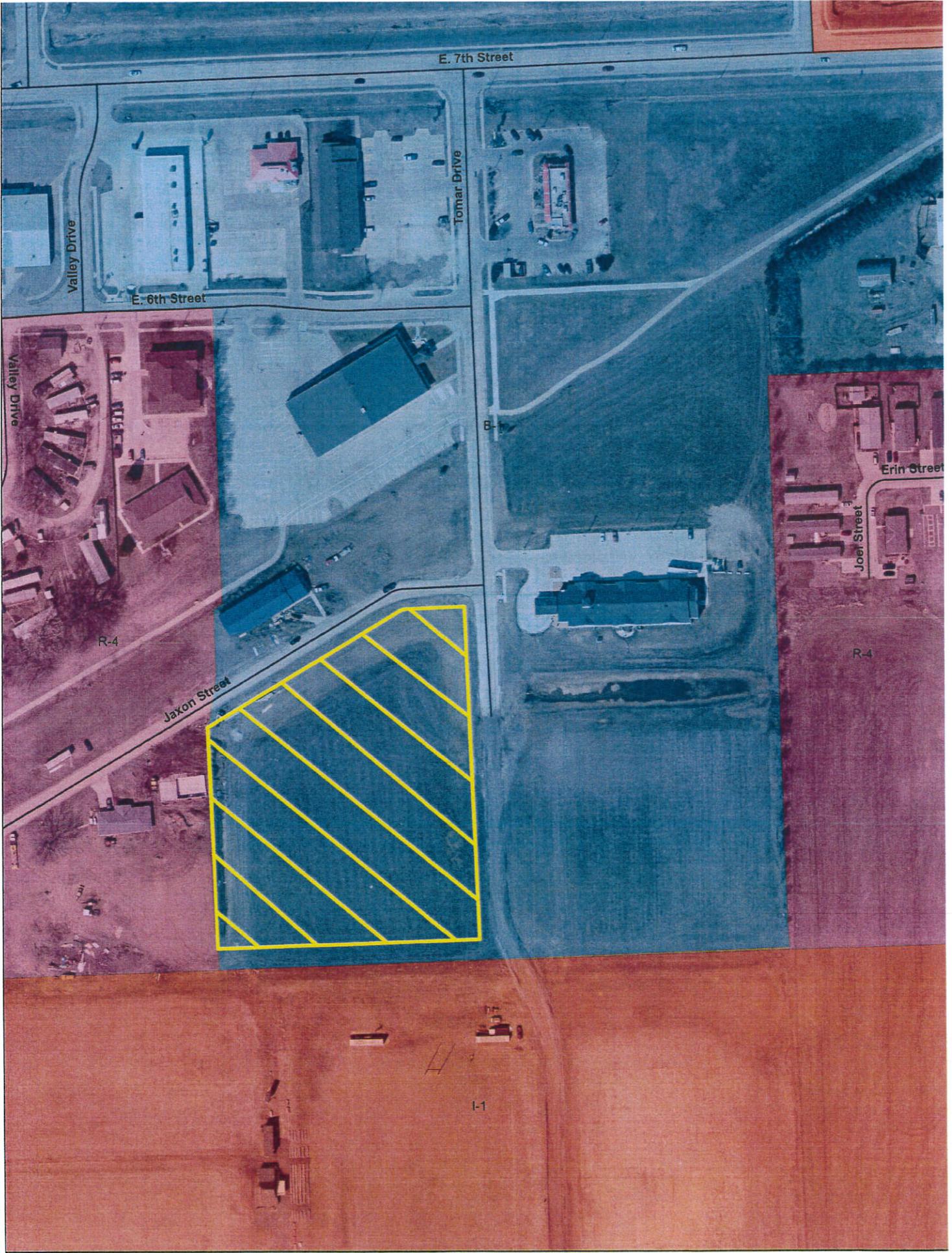
THE CITY OF WAYNE, NEBRASKA,

By _____
Mayor

ATTEST:

City Clerk





E. 7th Street

E. 6th Street

Valley Drive

Tomar Drive

Valley Drive

R-4

Jaxon Street

B

Erin Street

Joel Street

R-4

I-1

RESOLUTION NO. 2015-16

A RESOLUTION APPROVING THE APPLICATION OF BRENT PICK FOR A ZONING USE BY EXCEPTION PERMIT TO ALLOW FOR AUTO SALES AND SERVICES TO BE CONDUCTED ON HIS PROPERTY AT 57706 – 855TH ROAD, WAYNE, WAYNE COUNTY, NEBRASKA.

WHEREAS, the Planning Commission has considered an application for a zoning use by exception permit submitted by Brent Pick to allow for auto sales and services to be conducted on his property at 57706 – 855th Road, Wayne, Wayne County, Nebraska; and

WHEREAS, the Planning Commission, subsequent to a public hearing held February 2, 2015, recommended approval of the use by exception permit request under Section 90-114 Exceptions, specifically (21) Auto Sales and Services of the Wayne Municipal Code to allow him to conduct auto sales and services on his property at 57706 – 855th Road, Wayne, Wayne County, Nebraska, subject to the following “Findings of Fact”:

- Staff’s recommendation; and
- Consistency with the Comprehensive Plan and the current and future land use maps; and

WHEREAS, the City Council considered the aforesaid application to allow for auto sales and services to be conducted in an A-1 Agricultural Zoning District subsequent to a public hearing held on February 17, 2015.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Wayne, Nebraska, that the Council accepts the recommendation of the Planning Commission and approves the application, subject to the above-stated “Findings of Fact.”

PASSED AND APPROVED this 17th day of February, 2015.

THE CITY OF WAYNE, NEBRASKA,

By _____
Mayor

ATTEST:

City Clerk



E. 7th Street

Highway 35

E. 8th Street

CHIEFS WAY

Valley Drive

Tamar Drive

Jaxen Street

Joel Street

Truman Street

CENTENNIAL RD

855TH RD

577TH AVE

Sec. 90-114. Exceptions.

In accordance with article XI of this chapter, the following exceptions are allowed in an A-1 district:

- (1) Airports and heliports, including crop dusting strips.
- (2) Agricultural service establishments primarily engaged in performing agricultural, animal husbandry or horticultural services.
- (3) Public utility and public service structures, including electric transmission lines and the distribution substations, gas regulator stations, communications equipment buildings, public service pumping stations, and reservoirs.
- (4) Public and/or private schools.
- (5) Places of worship such as churches, synagogues and temples.
- (6) Publicly owned open recreational facilities, operated for profit or otherwise, including golf courses, golf driving ranges, archery ranges, swimming pools, riding academies, parks and community centers, but not including enclosed uses such as a bowling alley.
- (7) Libraries, police and fire stations.
- (8) Sewage treatment plants.
- (9) Gas and oil wells.
- (10) Exploration and extraction of mineral resources.
- (11) Cemeteries, crematories, mausoleums and columbaria.
- (12) Child care centers.
- (13) Radio and television towers and transmitters.
- (14) Campgrounds.
- (15) Wind generating systems.
- (16) Auto wrecking yards, salvage yards, and junkyards in conformance with section 90-835.
- (17) Kennels, in conformance with section 90-835, and stables.
- (18) Public and private charitable institutions.
- (19) Sanitary landfill operations and refuse deposit areas.
- (20) Development and/or expansion of first, second, third and fourth class feedlots.
- (21) Auto sales and services, including open air display of new or used vehicles.
- (22) Repair garages, automobile service stations, and major body repair.

ORDINANCE NO. 2015-3

AN ORDINANCE AMENDING WAYNE MUNICIPAL CODE CHAPTER 90, ARTICLE IV RESIDENTIAL DISTRICTS, DIVISION 6 – R-5 RESIDENTIAL DISTRICT, SECTION 90-311 INTENT; TO PROVIDE FOR THE REPEAL OF CONFLICTING ORDINANCES OR SECTIONS; AND TO PROVIDE FOR AN EFFECTIVE DATE.

BE IT ORDAINED by the Mayor and Council of the City of Wayne, Nebraska;

Section 1. The Planning Commission held a public hearing on January 5, 2015, and recommended amending Section 90-311 Intent of the Wayne Municipal Code, with the “Findings of Fact” being:

1. Staff’s recommendation; and
2. Consistency with the Comprehensive Plan and the current and future land use maps.

Section 2. That Chapter 90, Article IV, Section 90-311 of the Wayne Municipal Code is hereby amended as follows:

Sec. 90-311 Intent

The R-5 District is designed to ~~permit and encourage creative design in new housing subdivisions to provide for development of affordable housing by allowing flexibility in the design of buildings, open space infrastructure and subdivision design.~~ **provide high density living areas that promote multiple family dwellings. would be multiple in type and density while promoting quality housing in or near educational centers.**

Section 3. All Ordinances or parts of Ordinances in conflict herewith are repealed.

Section 4. This Ordinance shall be in full force and effect after its passage, approval, and publication as provided by law

PASSED AND APPROVED this 17th day of February, 2015.

THE CITY OF WAYNE, NEBRASKA

By _____
Mayor

ATTEST:

City Clerk

ORDINANCE NO. 2015-4

AN ORDINANCE AMENDING WAYNE MUNICIPAL CODE CHAPTER 90, ARTICLE IV RESIDENTIAL DISTRICTS, DIVISION 6 – R-5 RESIDENTIAL DISTRICT, SECTION 90-312 PERMITTED PRINCIPAL USES AND STRUCTURES; TO PROVIDE FOR THE REPEAL OF CONFLICTING ORDINANCES OR SECTIONS; AND TO PROVIDE FOR AN EFFECTIVE DATE.

BE IT ORDAINED by the Mayor and Council of the City of Wayne, Nebraska;

Section 1. The Planning Commission held a public hearing on January 5, 2015, and recommended amending Section 90-312 Permitted Principal Uses and Structures of the Wayne Municipal Code, with the “Findings of Fact” being:

1. Staff’s recommendation; and
2. Consistency with the Comprehensive Plan and the current and future land use maps.

Section 2. That Chapter 90, Article IV, Section 90-312 of the Wayne Municipal Code is hereby amended as follows:

Sec. 90-312 Permitted Principal Uses and Structures

The following shall be permitted as uses by right in an R-5 district:

~~1. Single-family dwellings;~~

1. Two-family dwellings;
2. Child care **homes center**;
3. Public and private schools;
4. Public or private parks, buildings and grounds;
5. Community buildings owned and/or occupied by public agencies; and
- 6. Multi-Family dwellings.**

Section 3. All Ordinances or parts of Ordinances in conflict herewith are repealed.

Section 4. This Ordinance shall be in full force and effect after its passage, approval, and publication as provided by law

PASSED AND APPROVED this 17th day of February, 2015.

THE CITY OF WAYNE, NEBRASKA

By _____
Mayor

ATTEST:

City Clerk

ORDINANCE NO. 2015-5

AN ORDINANCE AMENDING WAYNE MUNICIPAL CODE CHAPTER 90, ARTICLE IV RESIDENTIAL DISTRICTS, DIVISION 6 – R-5 RESIDENTIAL DISTRICT, SECTION 90-317 GENERAL PROVISIONS; TO PROVIDE FOR THE REPEAL OF CONFLICTING ORDINANCES OR SECTIONS; AND TO PROVIDE FOR AN EFFECTIVE DATE.

BE IT ORDAINED by the Mayor and Council of the City of Wayne, Nebraska;

Section 1. The Planning Commission held a public hearing on January 5, 2015, and recommended amending Section 90-317 General Provisions of the Wayne Municipal Code, with the “Findings of Fact” being:

1. Staff’s recommendation; and
2. Consistency with the Comprehensive Plan and the current and future land use maps.

Section 2. That Chapter 90, Article IV, Section 90-317 of the Wayne Municipal Code is hereby amended as follows:

Sec. 90-317 General Provisions Parking Regulations

~~The minimum requirements and standards established in this division apply only to R-5 districts. The minimum size for the zoned area to be developed shall be seven acres.~~
Parking in an R-5 district shall be in conformance with the provisions of Section 90-710.

Section 3. All Ordinances or parts of Ordinances in conflict herewith are repealed.

Section 4. This Ordinance shall be in full force and effect after its passage, approval, and publication as provided by law

PASSED AND APPROVED this 17th day of February, 2015.

THE CITY OF WAYNE, NEBRASKA

By _____
Mayor

ATTEST:

City Clerk

ORDINANCE NO. 2015-6

AN ORDINANCE AMENDING WAYNE MUNICIPAL CODE CHAPTER 90, ARTICLE IV RESIDENTIAL DISTRICTS, DIVISION 6 – R-5 RESIDENTIAL DISTRICT, SECTION 90-318 HEIGHT AND AREA REGULATIONS; TO PROVIDE FOR THE REPEAL OF CONFLICTING ORDINANCES OR SECTIONS; AND TO PROVIDE FOR AN EFFECTIVE DATE.

BE IT ORDAINED by the Mayor and Council of the City of Wayne, Nebraska;

Section 1. The Planning Commission held a public hearing on January 5, 2015, and recommended amending Section 90-318 Height and Area Regulations of the Wayne Municipal Code, with the “Findings of Fact” being:

1. Staff’s recommendation; and
2. Consistency with the Comprehensive Plan and the current and future land use maps.

Section 2. That Chapter 90, Article IV, Section 90-318 of the Wayne Municipal Code is hereby amended as follows:

Sec. 90-318 Height and Area Regulations

The maximum height and minimum area regulations for an R-5 district shall be as follows:

1. General requirements:

Area Regulations	Dwelling, Multiple Single-Family	Dwelling, Two-Family	Other Permitted Uses
Lot Area (in sq. feet)	5,000 500 375 per sleeping room	2,500 000 per family	5,000
Lot Width (in feet)	40	40 20 per family	40
Required Front Yard (in feet)	15	15	15
Required Side Yard (in feet)	5	5 if party wall	5
Required Rear Yard (in feet)	Smaller of 20' or 20% of lot	Smaller of 20' or 20% of lot	Smaller of 20' or 20% of lot
Height (in feet)	35	35	35

2. The height of all structures shall be in conformance with the airport zoning regulations.
3. There shall be a minimum lot width of 50 feet for all corner lots.
4. Adjustments to the front yard may be made in accordance with the provisions of section 90-709.

Section 3. All Ordinances or parts of Ordinances in conflict herewith are repealed.

Section 4. This Ordinance shall be in full force and effect after its passage, approval, and publication as provided by law

PASSED AND APPROVED this 17th day of February, 2015.

THE CITY OF WAYNE, NEBRASKA

By _____
Mayor

ATTEST:

City Clerk

ORDINANCE NO. 2015-7

AN ORDINANCE AMENDING WAYNE MUNICIPAL CODE CHAPTER 90, ARTICLE IV RESIDENTIAL DISTRICTS, DIVISION 6 – R-5 RESIDENTIAL DISTRICT, SECTION 90-319 DESIGN STANDARDS AND REQUIREMENTS; TO PROVIDE FOR THE REPEAL OF CONFLICTING ORDINANCES OR SECTIONS; AND TO PROVIDE FOR AN EFFECTIVE DATE.

BE IT ORDAINED by the Mayor and Council of the City of Wayne, Nebraska;

Section 1. The Planning Commission held a public hearing on January 5, 2015, and recommended amending Section 90-319 Design Standards and Requirements of the Wayne Municipal Code, with the “Findings of Fact” being:

1. Staff’s recommendation; and
2. Consistency with the Comprehensive Plan and the current and future land use maps.

Section 2. That Chapter 90, Article IV, Section 90-319 of the Wayne Municipal Code is hereby amended as follows:

Sec. 90-319 Design Standards and Requirements Sign Regulations

~~The following minimum design standards shall be required in an R-5 district:~~

- ~~1. For streets:
 - ~~a. A right of way width of 50 feet unless a collector or arterial street.~~
 - ~~b. A pavement width of 27 feet, which allows parking on one side only; pavement located within the right of way so as to provide a minimum of 14 feet between the curb and property line on the sidewalk side of the street.~~
 - ~~c. All streets shall be looped, curvilinear or end in a cul-de-sac street, or combination, to discourage through traffic.~~
 - ~~d. Curbs and gutters are required.~~
 - ~~e. Curbs may be designed to allow access onto lots without the necessity of curb cuts. The curb design must be in conformance with standards adopted by the city.~~~~
- ~~2. Two off street parking stalls shall be provided for each dwelling unit.~~
- ~~3. Sidewalks:
 - ~~a. Shall be provided with a width of at least four feet.~~
 - ~~b. Should be a function of the site design and their location decided upon on a case-by-case basis. They may be located on an easement at the rear of property lines or on only one side of a street. On arterial and collector streets, sidewalks shall be provided on both sides of the street.~~~~
- ~~4. Utility, drainage, sidewalks and zero lot line easements shall be provided as required.~~
- ~~5. Required open recreational areas are required as follows:
 - ~~a. Every R-5 development shall provide an area to be used as a permanent usable open space recreation area, exclusive of lots, parking areas and streets. The size of the open space area shall be a total of 500 square feet per lot for all lots within the development. The minimum size, however, shall be no less than one-half acre.~~~~

~~b. For the purposes of this section, usable open space recreation area shall mean an area that:~~

~~1. Is developed, vegetated and landscaped for open areas, ball fields, picnic areas, trails, or similar facilities;~~

~~2. Is legally accessible to all residents of the development or to the public if dedication is required or accepted by the city.~~

~~c. Within three years following the approval of the zoning, all of the recreational facilities shown on the approved development concept plan shall be installed by the developer.~~

~~d. All open space recreational areas exceeding five acres in size may be dedicated to the city. Unless dedicated to and accepted by the city, all required open space recreational areas shall remain under the ownership and control of the developer or a homeowners' association.~~

~~e. The entity exercising ownership and control of the open space recreational area shall be responsible for the continuing upkeep and proper maintenance of the area.~~

~~6. a. In reference to this section, a homeowners' association, who shall be responsible for the maintenance and control of the open space recreational areas, shall be established. Provisions for the establishment of the association shall be made and recorded or required by law prior to the sale of any lot in the development. These provisions shall establish that the association has the clear legal authority and duty to maintain and exercise control over the recreational areas, including all facilities placed upon this area.~~

~~b. These provisions shall show that the association has the power to compel contributions from residents in the development to cover their proportionate shares in the cost of maintenance and upkeep of the open space recreational areas.~~

All signs in an R-5 district shall be in conformance with the regulations provided in this division and with the provisions of section 90-713.

Section 3. All Ordinances or parts of Ordinances in conflict herewith are repealed.

Section 4. This Ordinance shall be in full force and effect after its passage, approval, and publication as provided by law

PASSED AND APPROVED this 17th day of February, 2015.

THE CITY OF WAYNE, NEBRASKA

By _____
Mayor

ATTEST:

City Clerk

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Betty McGuire - Parking item for council agenda

From: Brian Kesting
To: Betty McGuire
Date: 2/9/2015 9:56 AM
Subject: Parking item for council agenda

This is the request that I would like to make on behalf of Grace Lutheran Church for a parking restriction along 9th Street. Joel's changes are in bold:

Brian

>>> Joel Hansen 2/2/2015 11:52 AM >>>

Brain has told me the church would like to pursue the parking restriction. I have suggested this section as I know Cale has concerns about starting at Midnight due to college student's schedules:

Sec. 78-135. Restricted parking from 3:00 a.m. to 5:30 a.m. on certain streets

(a) No person shall, at any time, park a vehicle between the hours of 3:00 a.m. and 5:30 a.m. upon any of the following streets or parts of streets:

1. Main Street from the north line of Clark Street north to the south line of Fifth Street.
2. First Street from the east line of Pearl Street east to the west line of Main Street.
3. Second Street from the east line of Pearl Street east to the west line of Logan Street.
4. Third Street from the east line of Pearl Street east to the west line of Logan Street.
5. Fourth Street from the east line of Main Street east 150', to include terrace parking.
6. The north side of the centerline of East 10th Street from the east line of Logan Street **east** to the west line of Windom Street.

7. The north side of the centerline of East 9th Street from the east line of Main Street east to the west line of Logan Street, to include terrace parking.

(Code 1974, § 5-442; Ord. No. 2006-23, §, 12-12-2006; Ord. No. 2013-41, §, 8-20-2013)

My proposed changes are in red. Thoughts?
 Joel

Joel J. Hansen,
 Inspector/Planner/Street Supt.
 City of Wayne
 306 Pearl Street
 Wayne, NE 68787
 Phone (402) 375-1733
 Fax (402) 375-1619

>>> "Pieper & Miller" <waynelaw@abbnebraska.com> 1/16/2015 3:08 PM >>>

I agree with you gentlemen. Obviously it's a council decision, but a recommendation from you should do the trick. Let me know if you'd like me to draw up any new language.

ORDINANCE NO. 2015-9

AN ORDINANCE TO AMEND WAYNE MUNICIPAL CODE SECTION 78-135 RESTRICTED PARKING FROM 3:00 A.M. TO 5:30 A.M. ON CERTAIN STREETS; TO PROVIDE FOR THE REPEAL OF CONFLICTING ORDINANCES AND SECTIONS; AND TO PROVIDE FOR AN EFFECTIVE DATE.

BE IT ORDAINED by the Mayor and Council of the City of Wayne, Nebraska:

Section 1. That Section 78-135 of the Wayne Municipal Code be amended as follows:

(a) No person shall, at any time, park a vehicle between the hours of 3:00 a.m. and 5:30 a.m. upon any of the following streets or parts of streets:

- (1) Main Street from the north line of Clark Street north to the south line of 5th Street.
- (2) 1st Street from the east line of Pearl Street east to the west line of Main Street.
- (3) 2nd Street from the east line of Pearl Street east to the west line of Logan Street.
- (4) 3rd Street from the east line of Pearl Street to the west line of Logan Street.
- (5) 4th Street from the east line of Main Street east 150', to include terrace parking.
- (6) The north side of the centerline of East 10th Street from the east line of Logan Street to the west line of Windom Street.
- (7) The north side of the centerline of East 9th Street from the east line of Main Street to the west line of Logan Street, to include terrace parking.**

Section 2. Any other ordinances or parts of ordinances in conflict herewith are repealed.

Section 3. This ordinance shall take effect and be in full force after its passage, approval, and publication as provided by law.

PASSED AND APPROVED this _____ day of _____, 2015.

THE CITY OF WAYNE, NEBRASKA,

By _____
Mayor

ATTEST:

City Clerk

ORDINANCE NO. 2015-10

AN ORDINANCE AUTHORIZING THE ISSUANCE OF A COMBINED UTILITY REVENUE BOND, 2015 SERIES, OF THE CITY OF WAYNE, NEBRASKA, IN THE PRINCIPAL AMOUNT OF ONE MILLION NINE HUNDRED EIGHTY-THREE THOUSAND SIX HUNDRED FIFTY DOLLARS (\$1,983,650), IN THE FORM OF A PROMISSORY NOTE ISSUED TO EVIDENCE INDEBTEDNESS TO THE NEBRASKA DEPARTMENT OF ENVIRONMENTAL QUALITY; APPROVING THE FORM OF SAID BOND (ISSUED AS A SINGLE PROMISSORY NOTE) AND RELATED LOAN AGREEMENT; PLEDGING AND HYPOTHECATING THE REVENUES AND EARNINGS OF THE WATERWORKS PLANT AND WATER SYSTEM AND THE SEWAGE DISPOSAL PLANT AND SANITARY SEWER SYSTEM OWNED BY THE CITY FOR THE PAYMENT OF SAID BOND; PROVIDING FOR THE ISSUANCE AND SALE OF SAID BOND; AUTHORIZING THE DELIVERY OF SAID BOND TO THE NEBRASKA DEPARTMENT OF ENVIRONMENTAL QUALITY; DETERMINING THAT INTEREST ON SAID BOND SHALL NOT BE EXCLUDABLE FROM GROSS INCOME FOR PURPOSES OF FEDERAL INCOME TAXATION; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF SAID BOND AND ORDERING THE ORDINANCE PUBLISHED IN PAMPHLET FORM.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF WAYNE, NEBRASKA, AS FOLLOWS:

Section 1. The Mayor and Council of the City of Wayne, Nebraska (the "City") hereby find and determine as follows:

- A. The City owns and operates its own waterworks plant and water system, which represents a "revenue-producing facility" of the City under the provisions of Sections 18-1803 to 18-1805, R.R.S. Neb. 2007; said plant and system as now existing together with all additional and improvements thereto hereafter acquired or constructed is herein referred to as the "Water System";
- B. the City owns and operates its own sewage disposal plant and sanitary sewer system, which represents a "revenue-producing facility" of the City under the provisions of Sections 18-1803 to 18-1805, R.R.S. Neb. 2007; said plant and system as now existing together with all additions and improvements thereto hereafter acquired or constructed are herein referred to as the "Sewer System";
- C. the Water System and the Sewer System, as combined (the "Combined Utility") further represent a revenue-producing undertaking and facility of the City under the provisions of Sections 18-1803 to 18-1805, R.R.S. Neb. 2007, for which the City is authorized to issue revenue bonds;
- D. the City currently has outstanding no revenue bonds for which the revenues of the Combined Utility have been pledged;
- E. the City currently has outstanding the following revenue bonds for which the revenues of the Combined Utility have been pledged:

Combined Utility Revenue Bond, Series 2010, Date of Issue – December 1, 2009, pursuant to Ordinance No. 2010-2 (the "2010 Ordinance"), in the stated original principal amount of \$1,050,000 (the "Series 2010 Bond") (issued as a

single promissory note to the Nebraska Department of Environmental Quality (“NDEQ”)); and

Combined Utility Revenue Bond, Series 2010, Date of Issue – October 25, 2010, pursuant to Ordinance No. 2010-22 (the “2010 Ordinance”), in the stated original principal amount of \$7,000,000 (the “Series 2010A Bond”) (issued as a single promissory note to the NDEQ).

Other than the Series 2010 Bond and the Series 2010A Bond, there are no other bonds, notes or other indebtedness for which the revenues of the Combined Utilities have been pledged or made security.

- F. The NDEQ has approved a project of the City for its Sewer System consisting of construction of a Biosolids Treatment and Dewatering Facility at the City’s Wastewater Treatment Works, together with related appurtenant sewer system facilities and improvements, which has been designated as Project No. C317032 (the “2015 NDEQ Contract” or the “2015 NDEQ Project”), which project is more fully described in the 2015 NDEQ Contract and has agreed to lend from monies in NDEQ’s Construction Loan Fund or from other sources in the total principal amount of not to exceed \$1,938,650, the 2015 NDEQ Project being hereinafter sometimes referred to as the “2015 NDEQ Contract”, and in connection with such loan has agreed to accept one or more bonds payable from the revenues of the Combined Utility, and the Mayor and Council do hereby confirm, ratify and approve all prior actions of the City relative to approval and execution of the said 2015 NDEQ Contract;
- G. Any ordinance hereinafter enacted authorizing issuance of combined revenue bonds shall provide that the issuance of such bonds will be on a parity with the issuance of the Combined Utility Revenue Bond, Series 2015, issued to the NDEQ, and that the City shall issue no bonds superior to the lien of the NDEQ as set out in this Ordinance, and shall further provide for the issuance of “Additional Bonds” which may be payable on a parity with the Combined Utility Revenue Bond, Series 2015 and equally and ratably secured therewith under the terms of any ordinance authorizing bonds, provided that:

Such Additional Bonds shall be issued only pursuant to an ordinance which shall provide for monthly credits into a bond payment account in amounts sufficient to pay, when due, the principal of and interest on the Combined Utility Revenue Bond, Series 2015 and equally and ratably secured therewith and the City covenants and agrees that it will take all steps required to allow it to issue and sell its revenue bonds payable from the revenues of the Combined Utility System or other bonds. The average annual bond requirements for all such parity bonds determined in accordance with the requirements of this Ordinance will not be greater than an amount which will be covered by the revenues of the Combined Utility after deduction of operation and maintenance expenses in the amount of 1.25 times such annual bond requirements, or for any bond issued to the NDEQ, such lesser coverage amount as shall be agreed to by the NDEQ.

Section 2. Unless the context shall clearly indicate otherwise, the following terms

(in addition to any terms herein defined by parentheses) shall have the following meanings when used in this Ordinance:

- (a) the term “Additional Bonds” shall mean any and all bonds including refunding bonds and notes, hereafter authorized and issued by the City pursuant to the terms of this Ordinance which are equal to lien to the Combined Utility Revenue Bond, Series 2015 and equally and ratably secured therewith including any such bonds issued pursuant to Section 11 of this Ordinance.
- (b) the term “Combined Utility” shall mean the Water System and the Sewer System of the City of Wayne.
- (c) the term “revenues” shall mean all the rates, rentals, fees, charges, earnings and other monies from any source whatever derived by the City of Wayne through its ownership and operation of the Combined Utility (including, without limitation, fees and charges for hook ups, taps and capital facilities charges).

Section 3. To provide for the payment of the costs of the Project, there shall be and there is hereby ordered issued the 2015 Bond, in the form of and evidenced by a single promissory note (sometimes referred to in this Ordinance, according to the context, as the “2015 NDEQ Note” and sometimes as the “2015 Bond”) in the principal amount of not to exceed One Million Nine Hundred Thirty-eight Thousand Six Hundred Fifty Dollars (\$1,938,650), with such 2015 NDEQ Note to be substantially in such form and to have such payment terms as are set forth in Exhibit A to this Ordinance, which exhibit is by such reference incorporated herein as if fully set forth. In connection with the issuance of the 2015 NDEQ Note, the City shall also enter into an agreement with NDEQ previously described herein and entitled Loan Contract Between Nebraska Department of Environmental Quality and the City of Wayne, Nebraska, NDEQ Project No. C317032 in substantially the form set forth in Exhibit B to this Ordinance, which exhibit is by such reference incorporated herein as if fully set forth. The terms and conditions of the 2015 NDEQ Note and 2015 NDEQ Project are hereby approved and the Mayor and the City Clerk are hereby authorized to execute and deliver the 2015 NDEQ Note and the NDEQ Contract for and on behalf of the City in substantially the form approved but with such changes from the forms presented and attached hereto as such officers shall deem appropriate for and on behalf of the City.

Section 4. The City hereby pledges and hypothecates the entire revenue and earnings of the Combined Utility (subject only to the payment of reasonable operating expenses of said Combined Utility) to the payment of the 2010 Bond, the Series 2010 Bond, the Series 2010A Bond, and any Additional Bonds issued hereunder.

Section 5. The City will maintain and collect rates and charges for all Combined Utility service furnished from the Combined Utility adequate to produce revenue and earnings sufficient at all times:

- (a) to provide for the payment of interest on and principal of the 2015 Bond, the 2010 Bond, the 2010A Bond, and any Additional Bonds as such interest and principal become due;
- (b) to pay all reasonable costs of operation and maintenance of the Combined Utility, including adequate insurance as provided by this Ordinance and to pay for the necessary and reasonable repairs, replacements and extensions of said Combined Utility.
- (c) To establish and maintain a Combined Utility Bond Reserve Account as hereinafter set forth.

Section 6. The application and handling of all revenues collected, derived and to be derived by the City from the operation of the Combined Utility shall be governed by the terms of this Ordinance. There has been, and shall be, established a separate fund held by the City Treasurer, designated as the "Wayne Combined Utility Fund" (herein referred to as the "Combined Utility Fund"), into which all of the revenues of the Combined Utility are required to be deposited as and when received. Said Combined Utility are required to be deposited as and when reviewed. Said Combined Utility Fund shall be maintained so long as any of the 2010 Bond, 2010A Bond, 2015 Bond and any Additional Bonds remain outstanding. Within the Combined Utility Fund, in accordance with the requirements of this Ordinance, the accounts and sub-accounts shall be as follows:

- I. OPERATION AND MAINTENANCE ACCOUNT: The City shall set aside in this account each month an amount sufficient for the operation and maintenance of it s Combined Utility and the expenses of maintenance and operation of said utilities shall be paid out of this account.
- II. COMBINED UTILITY REVENUE BOND ACCOUNT: Out of the Combined Utility Fund, the City shall pay into the Combined Utility Revenue Bond Account on or before the first day of each calendar month an amount sufficient to meet the payment requirements for each sub-account established therein. Upon the issuance of the 2015 Bond there is hereby ordered established the 2015 Bond Sub-account for purposes of providing the payments on the 2015 Bond as the same falls due. Beginning with the first day of the month which immediately follows the "Initiation of Operation" (as defined in the NDEQ Contracts; and as established in this 2015 Ordinance (hereafter referred to as the "Initiation of Operation")) of the Project, and continuing until and including that June 1 or December 1 (as the case may be with respect to the earliest occurring of such dates) an amount such that if the same amount were credited on the first day of each calendar month from such date of credit until the next payment date upon which any amount falls due on the NDEQ Note, provided, however, that such credits shall be required only as and to the extent that such payments are not

provided from other sources including amounts advanced by NDEQ pursuant to the NDEQ Contracts and the 2015 NDEQ Note and during the period from and including that June 1 or December 1 (as the case may be with respect to the earliest occurring of such dates) which immediately follows the Initiation of Operation until the 2015 NDEQ Note has been paid in full an amount equal to one-sixth of the installment amount (principal and interest) due on the next installment payment date for the 2015 NDEQ Note. In any ordinance authorizing Additional Bonds a separate sub-account in the Combined Utility Revenue Bond Account shall be established for such Additional Bonds. Credits to the sub-accounts in the Combined Utility Revenue Bond Account shall be made at such times and in such amounts to provide sufficient funds in each sub-accounts within the Combined Utility Revenue Bond Account shall be made without preference or priority as between sub-accounts and if amounts available are insufficient to make all credits as required the available funds shall be allocated among the sub-accounts for the 2010 Bond, the 2010A Bond, 2015 Bond, and the various issues of Additional Bonds pro rata in accordance with the respective unpaid principal amounts then outstanding for each issue. Each sub-account in the Combined Utility Revenue Bond Account shall constitute a separate account held in trust by the City Treasurer for the separate benefit of the issue of bonds for which it is established.

- III. COMBINED UTILITY BOND RESERVE ACCOUNT: The Series 2015 Bonds, under the terms of the NDEQ Contract provided no requirement for establishment of a debt service reserve account. The City may determine and this Ordinance permits that there may be established a separate sub-account for any Additional Bonds issued on a parity with the Series 2015 Bond in such amount as shall be established as allowed by law and the terms of such Additional Bonds. In the event that at any time the amounts credited to such Sub-account are insufficient to make the payments due on Additional Bonds as the same fall due, the City shall apply the monies in the Reserve Account to pay such principal and interest and to prevent any default in payment with respect to such Additional Bonds. If the City shall use any of the monies in any sub-account for such purpose and such use shall reduce the balance of said sub-account below the required balance, the City shall transfer funds next available in each month from the revenues in the Combined Utility Fund, after making all required deposits in each such month to the Operation and Maintenance Account and the Combined Utility Revenue Bond Account until the required balance in the Reserve Sub-account has been restored. In issuing Additional Bonds other separate sub-accounts may be established by the Mayor and City Council. In no event shall the required balance for any such additional sub-account established for Additional Bonds in the Combined Utility Bond Reserve Account exceed an amount the lesser of (a) 1.25 times the average annual bond debt service payment requirement (b) the maximum annual debt service requirement or (c) ten percent of the principal amount of bonds issued, for the issue of Additional Bonds for which such reserve is established, or such lesser amount as may then be allowed under current tax law. The balance in any such additional sub-account may be funded from moneys on hand or from periodic deposits from revenues in the Combined Utilities Fund or from the proceeds of such Additional Bonds. Each sub-account in the Combined Utility Bond Reserve Account shall be of equal standing with each other sub-account in the Combined Utility Bond Reserve Account and available moneys from the Combined Utilities Fund required to be credited to each such sub-account at any time shall be allocated on a pro rata basis between sub-accounts then requiring credits in accordance with the respective unpaid principal amounts then outstanding for each such issue for which there is a

sub-account requiring credits. Each sub-account in the Combined Utility Bond Reserve Account shall constitute a separate account held in trust by the City Treasurer for the separate benefit of the issue of bonds for which it is established.

IV. SURPLUS ACCOUNT: After providing for the Operation and Maintenance Account and after making the payments as hereinabove required to be made into the Combined Utility Revenue Bond Account, and the Combined Utility Bond Reserve Account, all remaining funds in the Combined Utility Fund shall be deposited into the Surplus Account to be used as follows:

- 1) To fill any deficiency in the foregoing accounts.
- 2) For the purpose of calling under their option provisions the 2015 Bond or for purchasing on the open market Additional Bonds.
- 3) For improvements, replacements, extensions and enlargements to the Combined Utility.
- 4) For any other legal municipal purpose provided that money expended for other municipal purposes does not exceed 50% of the amount on hand in the Surplus account as of the time of such expenditure.

Any ordinance authorizing Additional Bonds may provide for the creation of additional accounts, including a debt service reserve account, and sub-accounts in the Surplus Account or other accounts as may be established for such a reserve or other purposes as the Mayor and Council shall deem appropriate. In the event that there is a deficiency in any of the accounts described in the foregoing subsections I and II, all moneys in the Surplus Account shall be applied for the purpose described in (1) above prior to any application to the purposes described in (2), (3) or (4) above.

Moneys on deposit in the Combined Utility Fund shall be invested in such obligations as are permitted by law for cities of the class to which the City belongs, maturing at such times not later than ten years from the date of such investment and in such amounts as shall be determined by the City. Earnings from the investment of such moneys shall not be credited to the particular fund, account or sub-account from which the investment was made, but shall be treated as earnings of the Combined Utility and shall be treated as any other revenues of such Combined Utilities. All investments held for the credit of any Fund or Account or sub-account may be sold when required to make the payment to be made from such Fund or Account or sub-account. Any moneys credited to the Combined Utility Fund or any Account or sub-account therein which are not invested shall be secured in the manner provided by law for the security of funds of cities of the class to which the City of Wayne belongs.

It is understood that the revenues of the Combined Utility are to be credited to the various accounts and sub-accounts hereinabove described and as set out in this Ordinance, the 2010 Ordinance and the 2010A Ordinance in the order in which said account have been listed in this Ordinance, the 2010 Ordinance and the 2010A Ordinance, and if within any period the revenues are insufficient to credit the required amounts in any of the said accounts or sub-accounts, the deficiencies shall be made up the following period or periods after payment into all accounts enjoying a prior claim on the revenues have been made in full.

Section 7. The City of Wayne shall keep proper books of record and account, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Combined Utility and the holder or holders of the 2015 Bond, and any Additional Bonds or any duly authorized agent or agents of such holders shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect said Combined Utility and all properties comprising the same. Within sixty days following the close of each fiscal year the City shall cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements for account of the Combined Utility and such audit will be available for inspection by the holders of any of the aforesaid bonds. Each such audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall include the following:

1. A statement in detail of the income and expenditures of each component of the Combined Utility for such fiscal year.
2. A balance sheet as of the end of such fiscal year.
3. A list of the insurance policies in force at the end of the fiscal year, setting out as to each policy the amount of the policy and risks covered, the name of the insurer and the expiration date of the policy.
4. The number of properties connected with the systems composing the Combined Utility at the end of the year and the number of Combined Utility customers at the end of the year.

All expenses incurred in the making of the audits required by this section shall be regarded and paid as a maintenance and operation expense. The City of Wayne shall furnish a copy of each such audit to the

original purchaser of the 2015 Bond herein authorized and any series of Additional Bonds, and to the holder of at least twenty-five percent (25%) of any issue of bonds outstanding, upon request, after the close of each fiscal year, and said purchaser or any such holder shall have the right to discuss with the accountant making the audit the contents of the audit and to ask for such additional information as each may require.

Section 8. The City Treasurer and the City Clerk shall be bonded, in addition to their official bond, by an insurance company licensed to do business in Nebraska, in amounts sufficient to cover at all times all the revenues and earnings of the Combined Utility placed in their hands. Any other person employed by the City in the collection or handling of monies derived from the operation of the Combined Utility shall also be bonded in an amount sufficient to cover all monies which may at any time be placed in such person's hands. The amount of such bonds shall be fixed by the Council and the cost thereof shall be paid from the earnings of said Combined Utility, and they shall secure the faithful accounting of all monies.

Section 9. The City will carry adequate insurance on the Combined Utility in such amounts as are normally carried by private companies engaged in similar operations, including, without limiting the generality of the foregoing, fire and windstorm insurance, public liability insurance any insurance covering such risks as shall be recommended by a consulting engineer. The cost of all such insurance shall be regarded and paid as an operation and maintenance expense. All such insurance proceeds except from public liability insurance shall be used in making good the loss or damage in respect of which they were paid either by repairing the property damaged or replacing the property destroyed, and expenditures from said monies shall be made only upon a certificate issued by a consulting engineer and filed with the City Clerk stating that such proceeds, together with any other monies available for such purposes, are sufficient for the repair or replacement of any such properties, and when the City shall have been furnished with a certificate of a consulting engineer stating that the property damaged or destroyed has been fully paid for, the residue if any, of such insurance monies shall be transferred from the Surplus Account to the Combined Utility Revenue Bond Account to make up any deficiency in said Account, if any such deficiency exists. If the proceeds of any insurance shall be insufficient to repair or replace the

property damaged or destroyed, the City may use and shall pay out for such purpose, to the extent of such deficiency, any money remaining in the Surplus Account. If in the opinion of a consulting engineer the proceeds of any insurance, together with any amount then available for that purpose in the Surplus Account shall be insufficient to fully complete and pay for such repairs or replacements and if the City shall fail to supply such deficiency from other sources within a period of six months after receipt by the City of such insurance monies, or if in the opinion of a consulting engineer it is in the best interest of the City not to repair or replace all or any part of the damaged properties and that failure to repair or replace the damaged properties shall not affect the sufficiency of the income and revenue from the remaining properties to properly maintain and operate the same and provide funds for the funds for the Combined Utility Revenue Bond Account, as herein provided for, then such insurance monies to the extent not applied to repair or replace the damaged properties shall be deposited to the Surplus Account. If the holders of sixty per cent (60%) or more in principal amount of the 2015 Bond herein authorized and any Additional Bonds at the time outstanding shall at any time direct the City in writing to do so, then any insurance monies then in the hands of the City may be used for extensions and betterments of said Combined Utility or applied to the pro rata payment of the principal of and accrued interest on all said bonds then outstanding. The proceeds of any and all policies for public liability shall be paid to and be held by the City Treasurer and used in paying the claims on account of which they were received.

Section 10. The City will maintain the Combined Utility in good condition and operate the same in an efficient manner and at a reasonable cost. The City agrees with the holder or holders from time to time of the 2015 Bond that the City will continue to own, free from all liens and encumbrances, except the liens and pledges provided for in this Ordinance and will adequately maintain and efficiently operate said Combined Utility; provided, however, the City may dispose of property which is recommended for disposal by the manager or superintendent of the utilities, or an independent Consulting Engineer and which is determined as a matter of record by the Council to have become obsolete, non-productive or otherwise unusable to the advantage of the City.

Section 11. Nothing in this Ordinance shall be construed in such a manner as to prevent the issuance by the City of Wayne of Additional Bonds payable from the revenues of the Combined Utility,

which Additional Bonds shall be on a parity with the lien of the 2015 Bond, and equally and ratably secured therewith and entitled to the security and benefits of this Ordinance; provided however, that before any such Additional Bonds are actually issued, the revenues of the Combined Utility, for the fiscal year next preceding the date of the authorization of such Additional Bonds, after deducting therefrom all costs of operation and maintenance of said Combined Utility for such fiscal year and before deduction of depreciation or interest as based on a certified public accountant's report shall have been equal to 1.25 times the average annual bond requirements of the 2015 Bond herein authorized and any Additional Bonds then outstanding and the Additional Bonds proposed to be issued, which average annual bond requirements shall be determined by adding all of the principal and interest which will become due when computed to the absolute maturity of the 2015 Bond herein authorized and Additional Bonds, if any, then outstanding and all of the principal and interest of the additional Bonds to be issued, and dividing such total by the number of years remaining that the longest bond of any such issue of bonds (including the Additional Bonds to be issued) has to run to maturity; provided, however, that in the event that the Mayor and Council determine it necessary and advisable for the City to issue Additional Bonds payable from the revenues of the Combined Utility, which bonds are on a parity with the lien of the 2015 Bond herein authorized and equally and ratably secured therewith, and the audit for the fiscal year next preceding the date of authorization of such Additional Bonds is not yet available, the City may issue such Additional Bonds if the audit for the fiscal year immediately preceding such next preceding fiscal year shows that the revenues of the Combined Utility for such fiscal year (so immediately preceding such next fiscal year), after deducting therefrom all costs of operation and maintenance but before deduction of depreciation or interest, shall have been equal to 1.25 times the average annual bond requirements of the 2015 Bond herein authorized, any Additional Bonds then outstanding and any Additional Bonds to be issued, and if the City Treasurer certifies that the unaudited books and records of the Combined Utility for the fiscal year next preceding the date of authorization of such Additional Bonds do not show any variance in operating results which would be sufficient to evidence a reduction in debt service coverage below 1.25 times the average annual bond requirements of the 2015 Bond herein authorized, any Additional Bonds then outstanding and the Additional Bonds proposed to be issued.

In the event any change in the rates, rentals and charges for the use and service of the Combined Utility or any part thereof has been made during the preceding fiscal year or during the interval between the end of such fiscal year and the issuance of such Additional Bonds, or in the event the City shall covenant in the ordinance or resolution authorizing the issuance of such Additional Bonds to impose, effective upon the issuance of such Additional Bonds, higher rates, rentals and charges for such use and service, compliance with the provisions of this Section 11 of this Ordinance may be evidenced by a certificate of an independent Consulting Engineer or firm of engineers or Certified Public Accountant or firm of independent Certified Public Accountants to be filed with the City Clerk prior to the issuance of any such Additional Bonds. Such certificate shall state fully the facts upon which such certificate is based, and if it is a certificate of the Consulting Engineer or firm of Consulting Engineers shall have attached thereto the certified financial statement for the fiscal year next preceding the date of authorization of such Additional Bonds used by the Engineer or firm of Engineers in arriving at the conclusion stated in said certificate. The Consulting Engineer or independent Certified Public Accountant of the City shall, in determining the earnings for such fiscal year, adjust the collections to reflect the result as if such changed rates, rentals and charges, or such higher rates, rentals and charges had been in existence for such entire preceding fiscal year period, and the amount of such net collections and adjusted earnings as aforesaid shall be conclusive evidence and the only evidence required to show compliance with the provisions and requirements of this Section 11 of this Ordinance. A certificate of an independent Consulting Engineer or firm of engineers or Certified Public Accountant or firm of independent Certified Public Accountants contemplated herein shall not be required to evidence compliance with the provisions of this Section 11 if the City Council shall determine the revenues of the Combined Utility for the fiscal year next preceding the date of the authorization of such Additional Bonds, based upon a certified public accountant's report (in accordance with the terms of the paragraph immediately preceding), comply without adjustment with the requirements of this Section 11.

If the City shall find it desirable, it shall also have the right when issuing Additional Bonds to combine with its electric, gas, water and sewer systems any other utilities of the City authorized to be combined under Sections 18-1803 through 18-1805, R.R.S. Neb. 2012, including, but not limited to, a

solid waste disposal system or such other system as may constitute a revenue producing facility or undertaking, and to cause all of the revenues of such Combined Utility systems to be paid into the Combined Utility Fund, which Fund may be appropriately redesignated, and to provide that the 2015 Bond herein authorized and any Additional Bonds previously issued, all as then outstanding, and the proposed issue of Additional Bonds shall be payable from the revenues of such Combined Utility and shall stand on a parity and in equality as to security and payment, provided, however, no such utility shall be combined with the electric, gas, water and sewer systems as contemplated in this paragraph unless the City is current with all the payments required to be made into the accounts set out in this Ordinance and the revenues of the Combined Utility shall satisfy one or the other of the requirements for Additional Bonds provided above in this Section 11. For purposes of meeting such requirement, the definition of revenues shall be altered to include the gross revenues of the additional utility or utilities and there shall be deducted from such revenues the ordinary expenses of operating and maintaining the additional utility or utilities (not including any deduction for depreciation or interest) and for such purposes any engineer or accountant furnishing projections may take into consideration the factors similar to those described above with respect to such additional utility or utilities. Revenues of the additional utility or utilities shall be based upon the report or reports of independent certified public accountants in the same manner as is required above.

For purposes of this ordinance, refunding bonds, which are issued to take up and pay off any or all of the 2015 Bond herein authorized or Additional Bonds then outstanding, may be issued and shall themselves qualify as Additional Bonds having equal lien and priority as to the revenues of the Combined Utility with any of the 2015 Bond herein authorized or Additional Bonds which are to remain outstanding after the completion of such refunding provided that the following conditions are met:

- (1) if the proceeds of such refunding bonds are not to be applied immediately to the taking up and paying off of the bonds to be refunded from their proceeds, then such refunding bonds must provide by their terms that they shall be junior in lien to the 2015 Bond herein authorized or Additional Bonds, as shall be then outstanding, until the time of application of the proceeds of such refunding bonds to the taking up and paying off of the bonds to be refunded by deposit with the designated paying agent pursuant to Section 10-126, R.R.S. Neb. 2012 (or any successor statutory provision thereto) or until the bonds to be refunded under the terms of their authorizing ordinance or ordinances are no longer deemed to be outstanding,

whichever occurs sooner;

(2) such refunding bonds shall qualify as Additional Bonds under the revenues test described above in this Section, provided that in computing average annual bond requirements, all payments of principal and interest due on such refunding bonds from the time of the issuance to the time of application of the proceeds thereof by deposit with the designated paying agent pursuant to Section 10-126, R.R.S. Neb. 2012 (or any successor statutory provision thereto) or until the bonds to be refunded under the terms of their authorizing ordinance or ordinances are no longer deemed to be outstanding, whichever occurs sooner, shall be excluded from such computation to the extent that such principal or interest are payable from other sources (such as bond proceeds or investment earnings thereon) or from moneys in the Surplus Account, and all payments of principal and interest due on the bonds to be refunded, from and after the time of the deposit with the designated paying agent pursuant to Section 10-126 R.R.S. Neb. 2012 (or any successor statutory provision thereto) or the time when such bonds to be refunded under the terms of their authorizing ordinance or ordinances are no longer deemed to be outstanding, whichever occurs sooner, shall also be excluded from such computation.

Section 12. Nothing herein contained shall prevent the City from issuing bonds, revenue notes, or other forms of indebtedness, the payment of principal and interest of which is a charge upon all or a portion of the revenues of the Combined Utility, junior or inferior to the 2015 Bond herein authorized and to the payments to be made into the Operation and Maintenance Account, Combined Utility Revenue Bond Account described in Section 6 hereof and the City shall have the right to pay interest thereon and the principal thereof as long as no deficiency exists in the payments into such Accounts, from funds available for improvements and enlargements to the Combined Utility or from other funds which are available for such debt service.

Section 13. The City will not hereafter grant any franchise or right to any person, firm or corporation to own or operate a water or sewer plant or system in competition with those owned by the City.

Section 14. While the 2015 Bond is outstanding, the City will render bills to all customers for its Combined Utility services. If bills are not paid within sixty days after due, such portion of the Combined Utility service for which payment for services is delinquent, will be discontinued subject to state and federal laws governing the termination of utility service. The City agrees that it will order that portion of such Combined Utility service shut off on all properties served by the Combined Utility System where there are delinquent Combined Utility use charges and will make appropriate charge for use of all

properties of the City connected to the Combined Utility systems, all as and to the extent permitted by law.

Section 15. Except for amendments which are required for the correction of language to cure any ambiguity or defective or inconsistent provisions, omission or mistake or manifest error contained herein, no changes additions or alterations of any kind shall be made by the City in the provisions of this Ordinance in any manner; provided, however, that from time to time the holder of the 2015 Bond by an instrument in writing signed by such holder and filed with the City Clerk shall have power to assent to and authorize any modification of the rights and obligations of the City and of the holder of the 2015 Bond and interest thereon and the provisions of this Ordinance that shall be proposed by the City, and any action authorized to be taken with the assent and authority given as aforesaid of the holder of said bond shall be binding upon such holder and upon the City as fully as though such action were specifically and expressly authorized by the terms of this Ordinance. Any modification of the provisions of this Ordinance made as aforesaid shall be set forth in a supplemental ordinance to be adopted by the Mayor and Council of said City.

Section 16. So long as the 2015 Bond is outstanding, each of the obligations, duties, limitations and restraints imposed upon the City by this Ordinance shall be deemed to be a covenant between the City and the holder of said bond, and this Ordinance and every provision and covenant hereof shall constitute a contract of the City with every holder from time to time of said bond. Any holder of the 2015 Bond may by mandamus or other appropriate action or proceeding at law or in equity in any court of competent jurisdiction enforce and compel performance of this Ordinance and every provision and covenant thereof including, without limiting the generality of the foregoing, the enforcement of the performance of all duties required by the City by this Ordinance and the applicable laws of the State of Nebraska, including in such duties the making and collecting of sufficient rates, rentals, fees or charges for the use and service of the Combined Utility, the segregation of the revenues of the Combined Utility and the application thereof to the respective Fund, Accounts and sub-accounts referred to and described in Section 6 of this Ordinance. Any holder of the 2015 Bond herein authorized or Additional Bonds shall, after default in payment, have the right to request the appointment of a receiver for the Combined Utility.

Section 17. The City's obligations under this Ordinance and the liens, pledges, covenants and agreements of the City herein made or provided for with respect to the 2015 Bond, shall be fully discharged and satisfied and such bond shall no longer be deemed outstanding hereunder if such bond shall have been purchased and cancelled by the City or when payment of the principal of and interest thereon to the respective date of maturity or redemption (a) shall have been made or caused to be made in accordance with the terms thereof, or (b) shall have been provided for by depositing with a national or state bank having trust powers or trust company, in trust solely for such payment, (i) sufficient money to make such payment and/or (ii) direct general obligations of the United States government or obligations guaranteed by the United States government ("Deposit Securities") in such amount and bearing interest payable and maturing or redeemable at stated fixed prices at the option of the holder as to principal, at such time or times, as will ensure the availability of sufficient money to make such payment; provided, however, that, with respect to the 2015 Bond if it is to be paid prior to maturity, the City shall have duly given notice of redemption of such bond as provided by law or made irrevocable provisions for the giving of such notice. Any such money so deposited with a bank or trust company may be invested and reinvested in Deposit Securities and all interest and income from such Deposit Securities in the hands of such bank or trust company, in excess of the amount required to pay principal of and interest on the bond for which such monies were deposited, shall be paid over to the City as and when collected. With respect to any deposit made for purposes of satisfying the 2015 Bond under this Section 17, there shall be furnished to NDEQ and the Nebraska Investment Finance Authority ("NIFA") an opinion of nationally recognized bond counsel that such deposit for payment of the 2015 Bond will not adversely affect the exclusion for interest from gross income for federal tax purposes on any bonds issued by NIFA to provide funds for deposit into the Nebraska Wastewater Facilities Construction Loan Fund and the furnishing of such opinion shall be a condition required to be satisfied prior to the making of any such deposit in trust for payment and satisfaction with respect to the 2015 Bond unless the 2015 Bond is to be prepaid and

redeemed within 60 days from the time of such deposit.

Section 18. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

Section 19. The Mayor and Council hereby expressly declare the intent and understanding that interest on the 2015 Bond shall not be excludable from gross income under the terms of Section 103 of the Internal Revenue Code of 1986, as amended, and the City as issuer shall not file any information report with respect to the issuance of the 2015 Bond pursuant to Section 149(e) of said Code.

Section 20. All ordinances, resolutions or orders or parts thereof in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed.

Section 21. This Ordinance shall be published in pamphlet form and take effect as provided by law.

PASSED AND APPROVED this 17th day of February, 2015.

Mayor

ATTEST:

City Clerk

[SEAL]

Exhibit "A"

NDEQ Note

Exhibit "B"

NDEQ Loan Contract

RESOLUTION NO. 2015-10

A RESOLUTION ACCEPTING PROPOSAL AND APPROVING THE SHORT FORM OF AGREEMENT BETWEEN THE CITY OF WAYNE AND ADVANCED CONSULTING ENGINEERING SERVICES FOR THE "THORMAN STREET SANITARY SEWER EXTENSION PROJECT."

WHEREAS, a proposal has been received from Advanced Consulting Engineering Services regarding the "Thorman Street Sanitary Sewer Extension Project" for a lump sum not to exceed amount of \$ _____; and

WHEREAS, said proposal has been reviewed by city staff; and

WHEREAS, city staff is recommending that the proposal of Advanced Consulting Engineering Services for a lump sum not to exceed amount of \$ _____ be accepted.

NOW THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Wayne, Nebraska, that the Agreement for the "Thorman Street Sanitary Sewer Extension Project" be accepted as recommended, and the Mayor be, and he hereby is instructed and authorized to execute the agreement for said services on behalf of the City.

PASSED AND APPROVED this 17th day of February, 2015.

THE CITY OF WAYNE, NEBRASKA,

By _____
Mayor

ATTEST:

City Clerk

RESOLUTION NO. 2015-17

A RESOLUTION APPROVING DGR ENGINEERING FOR PROFESSIONAL ENGINEERING SERVICES TO CONDUCT A COMPREHENSIVE ELECTRIC DISTRIBUTION SYSTEM STUDY FOR THE CITY OF WAYNE.

WHEREAS, undertaking a Comprehensive Electric Distribution System Study was identified as a project in the FY2014-2015 budget; and

WHEREAS, the Electric Distribution Department has requested a proposal from its consulting engineer, DGR Engineering, to conduct a Comprehensive Electric Distribution System Study; and

WHEREAS, the Electric Distribution Foreman and the City Administrator have evaluated the submitted proposal and are recommending the engagement of DGR Engineering for a lump sum fee of \$18,000 for said study.

NOW, THEREFORE BE IT RESOLVED, by the Mayor and City Council of the City of Wayne, Nebraska, that the proposal of DGR Engineering, be accepted, as recommended, and the Mayor and/or City Administrator is authorized and directed to execute an agreement for the professional services on behalf of the City.

PASSED AND APPROVED this 17th day of February, 2015.

THE CITY OF WAYNE, NEBRASKA,

By _____
Mayor

ATTEST:

City Clerk

Memo



TO: Tim Sutton, Electric Distribution Foreman

FROM: Paul A. Davis, P.E.

DATE: February 2, 2015

RE: Electric System Study
DGR Project No: 412300

The City of Wayne wishes to perform an electric system study. This study will be conducted in light of developments that have taken place on the system since the 2000 electric system study.

Changes have been made to the system since the previous study performed in 2000. The Municipal has made steps towards placing the electric system underground as well as some voltage conversions. The study will help determine which areas need to be converted first due to system age, load, or voltage drop problems. One of the critical needs will be to develop an estimated load level around which planning can be done. This will involve review of past load history, coupled with input from Wayne's staff on any proposed loads.

In summary, the electric system study will have very useful information that will help guide the city in making future decisions and planning. We plan to use modeling software (Milsoft, Windmil) to gain the necessary information to evaluate Wayne's Electric System and determine the areas that need to be addressed. The study further provides the City with a useful budgeting tool to help plan for certain phases.

DGR ENGINEERING
Agreement for Professional Services

THIS AGREEMENT is entered into on the 29th day of November, 2015, by and between City of Wayne, Wayne, NE, hereinafter referred to as "Client" and **DeWild Grant Reckert and Associates Company, d/b/a DGR Engineering**, hereinafter referred to as "Consultant".

WHEREAS, Client requires professional services on occasion; and,

WHEREAS, Consultant is willing to provide such services upon the terms and conditions hereinafter set forth,

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties agree to the following general terms and conditions:

1. BASIC AGREEMENT:

- 1.1. SCOPE OF WORK:** The Scope of Work for this Project shall be documented in a manner consistent with the format of Exhibit A to this Agreement and shall be considered an integral part of this Agreement.
- 1.2. GENERAL:** This Agreement sets forth the general terms and conditions which will apply to all services rendered. Consultant shall provide or cause to be provided the services set forth in this Agreement and any subsequent amendments; and Client shall pay Consultant for such services as set forth in Paragraph 3.3.
- 1.3. TERM:** This Agreement shall be effective on the date shown above, until terminated as provided in paragraph 4.2 below.

2. CONSULTANT'S RESPONSIBILITIES:

- 2.1. SERVICES PROVIDED:** Exhibit A will describe services to be performed and deliverables, if any, to be provided. Consultant shall not be obligated to perform any services unless and until Client and Consultant agree as to the scope of Consultant's services, time for performance, Consultant's compensation, and Client's responsibilities. All services shall be subject to the terms and conditions of this Agreement.
- 2.2. STANDARD OF CARE:** The standard of care for all professional engineering and related services performed or furnished by Engineer under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality. Engineer makes no warranties, express or implied, under this Agreement or otherwise, in connection with Engineer's services.
- 2.3. INDEPENDENT CONTRACTOR:** All labor, material and equipment necessary to complete the Services shall be provided by Consultant as an independent contractor. Consultant shall be solely responsible for the means and methods used to complete its Services. Consultant is not an employee of or in a joint venture with Client.

2.4. **TIMELINESS OF PERFORMANCE:** The Consultant will perform its Services with reasonable diligence and expediency consistent with sound professional practices.

3. **CLIENT'S RESPONSIBILITY:**

3.1. **DUTY TO PROVIDE INFORMATION:** Client agrees to provide Consultant with any and all documents, including but not limited to, structural documents, geotechnical reports and other technical information regarding the location where Services are to be performed (the "Site"), if any, which are available to Client and which relate to the Services. Client shall be responsible for, and Consultant may rely upon, the accuracy and completeness of all requirements, programs, instructions, reports, data, documents and other information furnished by Client to Consultant under the Agreement. Consultant may use such requirements, reports, data, documents and information in performing or furnishing Services under the Agreement. Client shall make decisions and carry out its other responsibilities in a timely manner under the Agreement so as not to delay Consultant's Services.

3.2. **PERMITS AND LICENSES:** Client agrees to timely obtain and provide all licenses, permits, registrations, certificates and government or agency approvals that may be required to commence and/or complete Client's Project.

3.3. **PAYMENT AND TERMS:** Consultant shall prepare invoices in accordance with its standard invoicing practices and Exhibit A. Consultant shall submit its invoices to Client on a monthly basis. Invoices are due and payable within 30 days of receipt. If Client fails to make any payment due Consultant for services and expenses within 30 days after receipt of Consultant's invoice, then Client will be considered in breach of the payment terms of this Agreement, and the compounded amount due Consultant will be increased at the rate of 1.0% per month (or the maximum rate of interest permitted by law, if less) from said thirtieth day.

If Client disputes an invoice, Client may withhold until resolution of the disputed portion only that portion so disputed, and must pay the undisputed portion.

Client shall pay all governmental taxes and fees applicable to Engineer's services. If after the Effective Date of this Agreement any governmental entity takes a legislative action that imposes sales or use taxes, fees, or charges on Consultant's services or compensation different than as described by Exhibit A, then the Consultant may invoice such new taxes, fees, or charges as a Reimbursable Expense to which a factor of 1.0 shall be applied. Client shall reimburse Consultant for the cost of such invoiced new taxes, fees, and charges; such reimbursement shall be in addition to the compensation to which Consultant is entitled under the terms of this Agreement.

4. **GENERAL CONSIDERATIONS:**

4.1. **OWNERSHIP OF DOCUMENTS:** All data, reports, drawings, specifications, record drawings, work-product, and other deliverables (whether in printed or electronic format) provided by or furnished by Consultant pursuant to the Agreement (the "Documents") are instruments of service in respect to this Project, and Consultant shall retain an ownership and property interest therein (including the right of reuse at the discretion of Consultant) whether or not the Project is completed. Notwithstanding the foregoing, upon completion of the project or termination of the services and payment of all monies due the Consultant, Consultant hereby grants to Client a royalty-free, non-exclusive unlimited

If Client requires greater assurance as to probable Construction Cost, Client must employ an independent cost estimator.

- 4.5. STATUS DURING CONSTRUCTION:** If Construction Observation is included in the scope of services, the Consultant shall visit the Project site at intervals appropriate to the stage of construction, or as otherwise agreed to in writing by the Client and the Consultant, in order to observe the progress and quality of the Work completed by the Contractor. Such visits and observation are not intended to be an exhaustive check or a detailed inspection of the Contractor's work but rather are to allow the Consultant, as an experienced professional, to become generally familiar with the Work in progress and to determine, in general, if the Work is proceeding in accordance with the Construction Contract Documents.

Based on this general observation, the Consultant shall keep the Client informed about the progress of the Work and shall endeavor to inform the Client of observed deficiencies in the Work. If the Client desires more extensive project observation or full-time project representation, the Client shall request that such services be provided by the Consultant as Additional Services.

The Consultant shall not supervise, direct or have control over the Contractor's work nor have any responsibility for the construction means, methods, techniques, sequences or procedures selected by the Contractor nor for the Contractor's safety precautions or programs in connection with the Work. These rights and responsibilities are solely those of the Contractor in accordance with the Construction Contract Documents.

The Consultant shall not be responsible for any acts or omissions of the Contractor, subcontractor, any entity performing any portions of the Work, or any agents or employees of any of them. The Consultant does not guarantee the performance of the Contractor and shall not be responsible for the Contractor's failure to perform its Work in accordance with the Construction Contract Documents or any applicable laws, codes, rules or regulations.

5. MISCELLANEOUS PROVISIONS:

- 5.1. MUTUAL WAIVERS:** To the fullest extent permitted by law, Client and Consultant (1) waive against each other, and the other's employees, officers, directors, agents, insurers, partners, and consultants, any and all claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to the Project, and (2) agree that Consultant's total liability to Client and to all construction contractors and subcontractors on construction related to any services provided, due to Consultant's negligent acts, errors, or omissions, shall be limited to \$50,000 or the total amount of compensation received by Consultant, whichever is greater.
- 5.2. CODE COMPLIANCE:** The Consultant shall exercise usual and customary professional care in its efforts to comply with applicable laws, codes and regulations in effect as of the date of this Agreement issued by Client to Consultant. Design changes made necessary by newly enacted laws, codes and regulations after the Agreement date shall entitle the Consultant to a reasonable adjustment in the schedule and additional compensation based upon Consultant's Standard Fee Schedule in effect when the work is completed. In the event of a conflict between laws, codes and regulations of various governmental entities having jurisdiction over a Project under this Agreement, the

Consultant shall notify the Client of the nature and impact of such conflict. The Client agrees to cooperate and work with the Consultant in an effort to resolve this conflict.

- 5.3. **DISPUTE RESOLUTION:** The Parties agree to submit all disputes between them to formal non-binding mediation prior to exercising their rights under the Agreement or under law.
- 5.4. **SEVERABILITY:** Any term or provision of this Agreement found to be invalid or unenforceable under any applicable statute or rule of law shall be deemed omitted and the remainder of this Agreement shall remain in full force and effect.
- 5.5. **ASSIGNMENT:** Neither Client nor Consultant may assign, sublet, or transfer any rights under or interest (including, but without limitation, monies that are due or may become due) under the Agreement without the written consent of the other, except to the extent that any assignment, subletting, or transfer is mandated by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Agreement.
- 5.6. **GOVERNING LAW and JURISDICTION:** Client and Consultant agree that the Contract Documents and any legal actions concerning their validity, interpretation and performance shall be governed by the laws of the State in which the project is located.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement for Professional Services as of the date first above written.

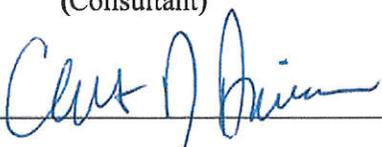
<u>City of Wayne, NE</u> (Client)	<u>DeWild Grant Reckert and Associates Company</u> <u>d/b/a DGR Engineering</u> (Consultant)
By: _____	By:  _____
Title: _____ (Authorized signature and Title)	Title: <u>Vice President</u> (Authorized signature and Title)
Address: _____	Address: <u>1302 South Union Street</u>
City: _____	City: <u>Rock Rapids, IA 51246</u>
Phone: _____	Phone: <u>712-472-2531</u>

EXHIBIT A

Scope of Work

DGR Engineering (Consultant) agrees to provide to: City of Wayne, Wayne, NE (Client) the professional services described below for the Project identified below.

PROJECT NAME: Electric System Study

PROJECT DESCRIPTION: Provide professional services for the conceptual planning of Wayne's electric system.

DGR CONTACT PERSON: Paul Davis

CLIENT CONTACT PERSON: Tim Sutton, Electric Distribution Foreman

1. SCOPE OF SERVICES:

1.1 Long Range Plan:

We propose to undertake the following activities in the Long Range Planning portion of the study:

- Collect historical data for the electric system. Receive annual peak data for the past ten years, along with collection of local load data from City of Wayne staff. Such activities as identification of normal-open points and other system operating configurations will be determined.
- Update the existing computer model for the primary electric system on our "Milsoft Windmil" analysis software.
- Complete load flow computer runs to determine voltage and thermal conditions under normal and emergency operating scenarios.
- Identify potential load growth areas with staff, and apply to the system model.
- Develop, in conjunction with City of Wayne staff, a projection of future total system load requirements.

- Analyze the ability of the system to handle expected load growth, under normal and emergency operating scenarios.
- Develop a list of system deficiencies, based on the computer model results, City of Wayne Staff concerns, and our observations and analysis.
- Develop criteria to use as a basis for system planning, including the desirability of backup sources of power in the event of outages.
- Develop a proposed system plan that address the deficiencies discovered, while meeting the system design criteria determined.
- Determine a 10 year plan for capital improvements, with suggested timing of projects.
- Develop budgetary cost estimates for all work proposed in the capital improvements plan.
- Receive input from City of Wayne staff and review the findings and proposed plan. Provide five (5) draft copies of the report for review.
- Finalize a written report summarizing all findings and deliver up to twenty (20) copies to City of Wayne.
- Presentation of final report at a regular City Council meeting.

3. FEE ARRANGEMENT:

We propose to complete the above Scope of Services as follows below.

Segment	Fee Type	Fee amount
Long range plan & report	Lump Sum	\$18,000

Items outside the scope of work, will be charged at the hourly fee schedule. Any map updates will be completed before the study takes place and will be completed at the hourly rate.

FEE ARRANGEMENT: All Hourly tasks will be billed at the Hourly Fee Schedule then in effect. A copy of the current Hourly Fee Schedule is attached as Exhibit B.

EXHIBIT B

DGR ENGINEERING

Rock Rapids, IA – Sioux Falls, SD – Sioux City, IA – Ankeny, IA

JANUARY 2015

HOURLY FEE SCHEDULE A

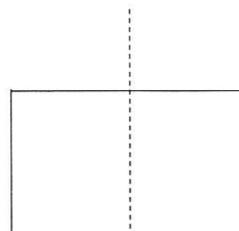
Personnel Grade	Engineer Hourly Rate	Technician Hourly Rate	Administrative Hourly Rate
01	\$78	\$46	\$42
02	\$83	\$49	\$44
03	\$88	\$54	\$46
04	\$94	\$58	\$48
05	\$102	\$62	\$52
06	\$111	\$66	\$56
07	\$120	\$70	\$60
08	\$130	\$75	\$64
09	\$140	\$79	\$69
10	\$150	\$83	\$75
11	\$159	\$87	\$81
12	\$171	\$92	\$90
13	\$184	\$99	\$107
14	\$191	\$106	\$133
15	\$196	\$114	\$174

Reimbursable Expenses:

1. Company vehicles, all at the IRS standard mileage rate in effect at the time.
2. Other travel, subsistence, lodging at actual out-of-pocket cost.
3. GPS Survey Equipment (when used) at \$31.25 per hour.
4. ATV and UTV Equipment (when applicable) at \$12.50 per hour.

City Council Retreat January 2015

1. City Hall Billing Office
 - Evaluate current building and alternative options before updating 40 year old HVAC, elevator , windows, etc. 2015
 - Increase paperless operations 2015
 - 1912 Old City Hall Building option?
 - Children's Museum
 - Storage
 - ADA accessibility updates will be required for all building options
2. Council Chambers
 - Tablets/Laptops for paperless options 2015
 - Council members choice/ possible stipend \$250
 - Date to end printing council packets? 2015
 - Sound system 2015? cost ?
 - Flat screen to replace projector for room display device 2015
 - Live stream meeting and feed into YouTube or Google Hangout
 - What do other towns use for recording systems? cost?
3. Golf Course
 - Front 9 was donated to group who then donated it to the city for WPA construction
 - \$6,000 approx. what Country Club pays for property tax per year
 - List of revenues and expenses to council 2015
 - Develop city terms for future operation options 2015
 - Place property under one owner? 2016 or later
4. Street Repairs
 - 1st Ave and Maple Street 2015
 - 3rd and Sherman Street – shallower dips 2015
 - 2015 street repair list- Prioritize over the next 5 years 2015-2020
 - Relocate gravel road between rugby fields?
 - Street signage for parks 2015
 - 1&6 year plan for Nebraska Department of Roads will contain these
5. Sidewalks & Accessibility
 - Finish ADA accessibility for parks and public areas 2015
 - Prioritize neighborhoods with elderly and kids
 - 5 year schedule for intersection approaches 2015-2020
 - Cost/Intersection \$6,000-\$10,000
 - Bike friendly curbs and streets
 - Windom- Bike lane instead of parking?
 - South Logan- Bike lane instead of parking?
 - West Hwy 35 sidewalk
 - South or North side of Highway or both? 2016
 - City code requires sidewalks as property is annexed and developed
 - \$/running foot \$20
6. Lagoon Options for Use After Decommissioning in 2016
 - Recreation event Parking
 - RV Parking



- Another rugby or soccer field?
- T-ball field/ 4 field complex?
- Floor elevation of lagoon - relative to flood plain?
- Should a small lake be retained?
- Appoint a community committee 2015
- Any Industrial Zoning area reserved?



7. Group Health

- Find best affordable group plan that keeps coverage in place annually
- Treatments Coverage?
- Pharmacy coverage?

8. Pool Property keep or sell 2016

- Keep R-1?
- Green space
- Apartments?
- Buffer area?
- Fill in the old swimming pool tank with dirt or gravel and keep the building for recreation?
 - Ice Skating
 - Roller skating
 - Warming house
 - "20 Below" location for teens
- Sell off North part of area north of 13th?
- Extend 13th Street through?
- Community survey for lagoon and old pool location future use?
- Planning commission recommendation?

9. Park System

- Shingle public restroom roofs 2015
- Bressler bathrooms and exterior lights 2015
- Renovate/paint Bressler stage 2015
- Playground equipment- Sunnyview and Sports Complex install in 2015
- Bressler high slide safety? 2015
- Accessible sidewalks in 2015

10. Phase II Trail Bid out and Construct in 2015

11. Transfer Station Rebid out contract in 2015

- Minimum lease rate \$24,000 per year?
- Still require city garbage collected to be dumped in Wayne?
- Allocate a portion of \$24,000 for recycling

12. Wood Chipping

- Relocate burn pile and trees in 2015
- Require log cut size limit?
- Adequate warning signs re public cutting fire wood: chainsaw use
- Event parking to replace Rugby burn site in 2015
- RV parking?

13. Composting-Community Pile? Trial operation 2015
 - Grass Pile
 - Problem with garbage dumping?
 - Junk and plastic problem?

14. AMI Meter Reading on residences and businesses? Select AMI system and contract to install 2016/2017
 - We have most of the funds accumulated in reserve to install all new water and electric meters
 - Water- Cost?
 - Electric- Cost?
 -

15. City budget control and Department Net Costs annually
 - Reduce cleaning service- costs
 - 24/7 Fitness w/PD surveillance at CAC for members
 - Fill CAC Director and CAC and Rec Program management positions 2015
 - Review all Dept personnel costs before budget approval
 - Overtime Costs review?

16. Economic Development Plan
 - Stay the course?
 - Mkt PCF property
 - Find next available land for new industries 2015?
 - Options?
 - Purchase?
 - Dilapidated Housing enforcement 2015 PRT as needed
 - Make property complaint forms available on website-submit button
 -

17. City Employee Comp Time Buyout 2015
 - Evaluate the \$ cost at current time
 - New Comp Time, Sick Leave and Vacation Time Caps?

RESOLUTION NO. 2015-19

A RESOLUTION REAFFIRMING THE PROJECT ENGINEER AND APPROVING THE PLANS, SPECIFICATIONS AND ESTIMATE OF COST FOR THE EAST PARK BATHROOM/STORM SHELTER PROJECT AND AUTHORIZING THE CITY CLERK TO ADVERTISE FOR BIDS.

BE IT RESOLVED by the Mayor and Council of the City of Wayne, Nebraska, that the hiring of JEO Consulting Group, Inc., as engineers for the "East Park Bathroom/Storm Shelter Project" is hereby reaffirmed, and that the plans, specifications and estimate of cost of \$135,000.00 as prepared by the City's engineer and filed in the office of the City Clerk for the said project, are hereby approved, and the City Clerk is directed to advertise for bids in the form of the notice prepared by the City's Engineer.

PASSED AND APPROVED this 17th day of February, 2015.

THE CITY OF WAYNE, NEBRASKA,

By _____
Mayor

ATTEST:

City Clerk

City of Wayne Police Department
 Comptime leaving max of 48 hrs on books
 168 max 48 hr

	Hourly Rate	Comptime Hours On books	Comptime Hours On books	Due to employee	FICA/Medicare	Retirement
officer	\$ 36.04	1.13	-	\$ -	\$ -	\$ -
officer	\$ 25.95	134.25	86.25	\$ 2,238.19	\$ 171.22	\$ 145.48
officer	\$ 20.57	-	-	\$ -	\$ -	\$ -
officer	\$ 25.22	168.00	120.00	\$ 3,026.40	\$ 231.52	\$ 196.72
officer	\$ 21.88	55.50	7.50	\$ 164.10	\$ 12.55	\$ 10.67
officer	\$ 17.07	-	-	\$ -	\$ -	\$ -
officer	\$ 17.07	-	-	\$ -	\$ -	\$ -
dispatch	\$ 18.52	32.38	-	\$ -	\$ -	\$ -
dispatch	\$ 14.70	-	-	\$ -	\$ -	\$ -
dispatch	\$ 16.50	-	-	\$ -	\$ -	\$ -
dispatch	\$ 15.13	-	-	\$ -	\$ -	\$ -
		391.26		\$ 5,428.69	\$ 415.29	\$ 352.86

521-01 \$ 5,428.69
 521-04 \$ 352.86
 521-05 \$ 415.29
\$ 6,196.85

Total Budget Impact

As of 1/26/15

280 max Vacation Hours on books	Hourly Rate	Total
officer	258.15	\$ 5,428.69
officer	280.00	\$ 352.86
officer	280.00	\$ 415.29
officer	267.18	\$ 6,196.85
dispatch	280.00	
officer	280.00	
dispatch	186.70	
dispatch	107.47	
dispatch	53.33	
officer	50.71	
officer	50.71	
	<u>2,094.25</u>	

City of Wayne Police Department
Comptime paid out 100%

168 max		Comptime Hours						
	Hourly Rate	On books	Due to employee	FICA/Medicare	Retirement			
officer	\$ 36.04	1.13	\$ 40.73	\$ 3.12	\$ 2.65			
officer	\$ 25.95	134.25	\$ 3,483.79	\$ 266.51	\$ 226.45			
officer	\$ 20.57	-	-	-	-			
officer	\$ 25.22	168.00	\$ 4,236.96	\$ 324.13	\$ 275.40			
officer	\$ 21.88	55.50	\$ 1,214.34	\$ 92.90	\$ 78.93			
officer	\$ 17.07	-	-	-	-			
officer	\$ 17.07	-	-	-	-			
dispatch	\$ 18.52	32.38	\$ 599.68	\$ 45.88	\$ 38.98			
dispatch	\$ 14.70	-	-	-	-			
dispatch	\$ 16.50	-	-	-	-			
dispatch	\$ 15.13	-	-	-	-			
		<u>391.26</u>	<u>\$ 9,575.49</u>	<u>\$ 732.53</u>	<u>\$ 622.41</u>			

521-01	\$ 9,575.49
521-04	\$ 622.41
521-05	\$ 732.53
Total Budget Impact	<u>\$ 10,930.42</u>

As of 1/26/15

280 max	
Vacation Hours on books	
officer	258.15
officer	280.00
officer	280.00
officer	267.18
dispatch	280.00
officer	280.00
dispatch	186.70
dispatch	107.47
dispatch	53.33
officer	50.71
officer	50.71
	<u>2,094.25</u>

WAYNE MUNICIPAL AIRPORT AUTHORITY
December 8, 2014
7:00 P.M.

The regular meeting of the Airport Authority of the City of Wayne was called to order at the Nancy Braden Terminal Building on the above date and time by Chairman Mitchell Nissen. The following members were present: Mitchell Nissen, Carl Rump, Jerome Conradt and David Ley. Also, attending the meeting were Kenneth Chamberlin Wayne Mayor, Nancy Braden Airport Authority Treasurer, Kyle Dahl Airport Authority Attorney, Tom Becker FBO & Airport Manager, Karma Schulte, Jim Hoffman, Sandra Hoffman, Dawn Navrkal, Tom Schmitz, Cynthia Schmitz, and Rod Tompkins.

After Nancy Braden reading a letter of resignation from Todd Luedeke, Ley moved and Conradt 2nd that we accept the resignation with regrets. Todd had worked very hard for the airport and made the airport a better facility during his membership on the Airport Authority. Roll was called with the following results: Yeas: Rump, Nissen, Conradt and Ley. Nays: None. The Chairman declared the motion carried.

Conradt moved and Rump 2nd to accept the minutes of the November 10, 2014 meeting. Roll was called with the following results: Yeas: Conradt, Rump, Nissen and Ley. Nays: None. The Chairman declared the motion carried.

Ley moved and Rump 2nd to accept all the claims presented as of December 8, 2014. Roll was called with the following results: Yeas: Rump, Nissen and Ley. Nays: None. Conradt abstained. The Chairman declared the motion carried.

Conradt moved and Ley 2nd that we adjourn Sine Die to swear in our new Airport Authority Member Tomas Schmitz. Kyle Dahl, Airport Authority Attorney preformed the swearing in ceremony.

At that time Mayor of the City of Wayne Ken Chamberlin Recognized outgoing Chairman and 35 year member of the Authority Mitchell Nissen for his service and guidance thru the years.

Rump moved and Schmitz 2nd that we reconvene. Roll was called with the following results: Yeas: Rump, Conradt, Schmitz and Ley. Nays: None. The motion carried.

Ley moved and Rump 2nd that the officers for the next year be: Jerome Conradt, Chairman, Carl Rump, Vice Chairman, David Ley Secretary and Nancy Braden, Treasurer. Roll was called with the following results: Yeas: Rump, Conradt, Schmitz and Ley. Nays: None. The Chairman declared the motion carried.

Ley moved and Schmitz 2nd that we pass Resolution 2014-3 a Resolution of the Wayne Municipal Airport Authority approve Signatures for First Nebraska Bank of Nebraska. Roll was called with the following results: Yeas: Schmitz, Rump, Conradt and Ley. : Nays: None. The Chairman declared the motion carried.

Ley moved and Rump 2nd that we approve the hanger lease forms as presented for 2015. Roll was called with the following results: Yeas: Schmitz, Rump, Conradt and Ley. Nays: None. The Chairman declared the motion carried.

Ley moved and Rump 2nd that we accept the bid from Beiermann Electric for \$2,100.00 to do electrical work in the house basement. Roll was called with the following results: Yeas: Schmitz, Rump, Conradt and Ley. Nays: None. The Chairman declared the motion carried.

Ley moved and Rump 2nd that we accept the EMC proposal for insurance coverage settlement as presented. Roll was called with the following results: Yeas: Schmitz, Rump, Conradt and Ley. Nays: None. The Chairman declared the motion carried.

Ley moved and Schmitz 2nd that we ask EMC to replace the damaged concrete pads in front of the 100X100 building. Roll was called with the following results: Yeas: Schmitz, Rump, Conradt and Ley. Nays: None. The Chairman declared the motion carried.

Other matters requiring the attention of the Authority were discussed and it was determined that no further formal actions on these matters were needed.

There being no further business Ley moved and Schmitz 2nd that the meeting be adjourned. The Chairman adjourned the meeting.

David R. Ley
Secretary

WAYNE MUNICIPAL AIRPORT AUTHORITY

January 12, 2015

7:00 P.M.

The regular meeting of the Airport Authority of the City of Wayne was called to order at the Nancy Braden Terminal Building on the above date and time by Vice Chairman Carl Rump. The following members were present: Carl Rump, Tom Schmitz and David Ley. Also, attending the meeting were Nancy Braden Airport Authority Treasurer, Kyle Dahl Airport Authority Attorney, Tom Becker FBO & Airport Manager, Jim Hoffman, Dawn Navrkal, David Zach and Rod Tompkins.

Ley moved and Schmitz 2nd that we adjourn Sine Die to swear in our Airport Authority Member Rodney Tompkins. Roll was called with the following results: Yeas: Schmitz, Rump and Ley. Nays: None. The Vice chairman declared the motion carried. Kyle Dahl, Airport Authority Attorney preformed the swearing in ceremony.

Schmitz moved and Ley 2nd that we reconvene. Roll was called with the following results: Yeas: Schmitz, Tompkins, Rump and Ley. Nays: None. The Vice Chairman declared the motion carried.

Thompkins moved and Schmitz 2nd to accept the minutes of the December 8, 2014 meeting. Roll was called with the following results: Yeas: Schmitz, Tompkins, Rump, and Ley. Nays: None. The Vice Chairman declared the motion carried.

Ley moved and Tompkins 2nd to accept all the claims presented as of January 12, 2015. Roll was called with the following results: Yeas: Schmitz, Tompkins, Rump and Ley. Nays: None. The Vice Chairman declared the motion carried.

Ley moved and Schmitz 2nd that we approve the eight hanger leases presented for 2015. Roll was called with the following results: Yeas: Schmitz, Tompkins, Rump and Ley. Nays: None. The Vice Chairman declared the motion carried.

Tompkins moved and Ley 2nd that we accept the bid from Grossenburg Imp. This would cover our John Deere tractor 5115M for 60 months while under 2000 hours with a \$250 deductible for the cost of \$1,649.00. Roll was called with the following results: Yeas: Schmitz, Tompkins, Rump, and Ley. Nays: None. The Vice Chairman declared the motion carried.

There being no further business, Vice Chairman Rump adjourned the meeting.

David R. Ley
Secretary

**Wayne Planning Commission Meeting Minutes
Monday, January 5, 2015**

Chair Pat Melena called the regular meeting of the Wayne Planning Commission to order at 7:00 P.M., January 5, 2015, in the Council Chambers of the Municipal Building. Roll call was taken with the following members present: Melanie Loggins, Mark Sorenson, Jeff Carstens, Breck Giese, Jessie Piper, Rachelle Rogers-Spann, Jill Sweetland, Chair Pat Melena, and Building Inspector/Planner Joel Hansen. Absent: Sharon Braun.

Motion was made by Commissioner Carstens and seconded by Commissioner Sweetland to approve the minutes for December 1, 2014 as presented. Chair Melena stated the motion and second. All were in favor; motion carried unanimously.

Chair Melena read the Open Meetings Act and advised that anyone desiring to speak should limit themselves to three minutes and wait until being recognized by the Chair.

The Planning Commission took evidence and testimony from the public and thereafter reviewed the information and evidence presented. After deliberation and discussion, motion was made by Commissioner Carstens and seconded by Commissioner Sorenson to approve and forward a recommendation of approval to the City Council to rezone from R-2 Residential to A-2 Agricultural Residential, an area approximately 9.7 acres in size and more particularly described as part of the SW1/4 of the NW1/4 of Section 13, Township 26 North, Range 3 East in Wayne County, Nebraska described as Tax Lots 40 and 58, with the findings of fact being consistency with the Comprehensive Plan, the current and future land use maps, and staff's recommendation. Chair Melena stated the motion and second. All were in favor; motion carried unanimously.

The Planning Commission took evidence and testimony from the public and thereafter reviewed the information and evidence presented. After deliberation and discussion, motion was made by Commissioner Sweetland and seconded by Commissioner Rogers-Spann to approve and forward a recommendation of approval to the City Council to amend the Wayne Municipal Code, Chapter 90 Zoning, Section 90-311 Intent of the R-5 Residential District, as attached, with the findings of fact being consistency with the Comprehensive Plan, the current and future land use maps, and staff's recommendation. Chair Melena state the motion and second. All were in favor; motion carried unanimously.

The Planning Commission took evidence and testimony from the public and thereafter reviewed the information and evidence presented. After deliberation and discussion, motion was made by Commissioner Carstens and seconded by Commissioner Giese to approve and forward a recommendation of approval to the City Council to amend the Wayne Municipal Code, Chapter 90, Section 90-312 Permitted Principal Uses and Structures, by adding the term Multi-Family Dwellings, as attached, with the findings of fact being consistency with the Comprehensive Plan, the current and future land use

Planning Commission Meeting Minutes
Monday, January 5, 2015
Page Two

maps, and staff's recommendation. Chair Melena stated the motion and second. All were in favor; motion carried unanimously.

The Planning Commission took evidence and testimony from the public and thereafter reviewed the information and evidence presented. After deliberation and discussion, motion was made by Commissioner Sweetland and seconded by Commissioner Carstens to approve and forward a recommendation of approval to the City Council to amend the Wayne Municipal Code, Chapter 90, Section 90-317 General Provisions in the R-5 Residential District, by deleting the present section and adding Parking Regulations, with the findings of fact being consistency with the Comprehensive Plan, the current and future land use map, and staff's recommendation. Chair Melena stated the motion and second. All were in favor; motion carried unanimously.

The Planning Commission took evidence and testimony from the public and thereafter reviewed the information and evidence presented. After deliberation and discussion, motion was made by Commissioner Sorenson and seconded by Commissioner Carstens to approve and forward a recommendation of approval to the City Council to amend the Wayne Municipal Code, Chapter 90 Zoning, Section 90-319 Design Standards and Requirements by deleting the present section and adding Sign Regulations, with the findings of fact being consistency with the Comprehensive Plan, the current and future land use maps, and staff's recommendation. Chair Melena stated the motion and second. All were in favor, with the exception of Melanie Loggins who voted nay; motion carried seven ayes and one nay.

There being no further discussion, motion was made by Commissioner Braun and seconded by Commissioner Carstens to adjourn the meeting. All were in favor; motion carried unanimously; meeting was adjourned.