

**MINUTES
CITY COUNCIL MEETING
January 19, 2016**

The Wayne City Council met in regular session at City Hall on Tuesday, January 19, 2016, at 5:30 o'clock P.M. Mayor Ken Chamberlain called the meeting to order with the following in attendance: Councilmembers Cale Giese, Rod Greve, Jon Haase, Jennifer Sievers, Nick Muir, Jason Karsky, Matt Eischeid, and Jill Brodersen; City Attorney Amy Miller; City Administrator Lowell Johnson; and City Clerk Betty McGuire.

Notice of the convening meeting was given in advance by advertising in the Wayne Herald on January 7, 2016, 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 Haase made a motion, which was seconded by Councilmember Sievers, whereas, the Clerk has prepared copies of the Minutes of the meeting of January 5, 2016, 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, the Mayor declared the motion carried and the Minutes approved.

The following claims were presented to Council for their approval:

CORRECTIONS TO CLAIMS LIST OF 1/5/16: DELETE BAKER & TAYLOR – BOOKS
491.32

VARIOUS FUNDS: ADVANCED CONSULTING, SE, 2030.00; AMERITAS, SE, 2994.55; APPEARA, SE, 109.77; ARBOR DAY FOUNDATION, FE, 100.00; ARNIE'S FORD-MERCURY, SU, 160.97; AWE ACQUISITION, SU, 3773.00; CITY EMPLOYEE, RE, 246.70; BIG T ENTERPRISES, SU, 95.95; BOMGAARS, SU, 2336.56; CITY EMPLOYEE, RE, 141.10; CITY EMPLOYEE, RE, 2388.80; BROWN SUPPLY, SU, 222.50; CARHART LUMBER, SU, 359.95; CERTIFIED TESTING SERVICE, SE, 884.00; CHARTWELLS, SE, 5589.00; CHRISTIANSEN CONSTRUCTION, SE, 204054.74; CITY OF WAYNE, RE, 350.00; CITY OF WAYNE, RE, 350.00; CITY EMPLOYEE, RE, 409.45; CITY OF WAYNE, PY, 70331.46; CITY OF WAYNE, RE, 1155.83; COMMUNITY HEALTH, RE, 4.00; COPY WRITE, SE, 423.66; CITY EMPLOYEE, RE, 156.58; DAVE'S DRY CLEANING, SE, 78.00; EASYPERMIT POSTAGE, SU, 825.60; ECHO GROUP, SU, 1072.51; CITY EMPLOYEE, RE, 8.00; EMPLOYERS MUTUAL CASUALTY, RE, 500.00; ERIKSEN CONSTRUCTION, SE, 197746.21; FLOOR MAINTENANCE, SU, 219.00; FRANK SHEDA, SE, 243.75; GAMBLE

LANDSCAPING, SE, 160.00; GAMBLE, BRIAN, RE, 106.10; ICMA, SE, 6360.30; IPMA, SE, 159.00; IRS, TX, 26798.64; JORGENSEN CONCRETE & CONS, SU, 500.00; K & S DOOR CO, SE, 271.50; KELLY SUPPLY, SU, 108.43; KRIZ-DAVIS, SU, 374.35; KTCH, SE, 641.00; LINPEPCO, SU, 297.60; LUTT OIL, SU, 4180.82; MAGGIE GUBBELS, RE, 500.00; MATTHEW BENDER & CO, SU, 349.81; MIDSTATES ERECTORS, SU, 1636.92; MIDWEST LABORATORIES, SE, 76.50; MUNICIPAL SUPPLY, SU, 115.98; NE COLORADO CELLULAR, SE, 132.63; NE DEPT OF REVENUE, TX, 4054.53; NE EMERGENCY SERVICE, FE, 60.00; NE NEB INS AGENCY, SE, 270.00; NE STATE TREASURER, RE, 1239.52; NPPD, SE, 267126.71; ONE OFFICE SOLUTION, SU, 120.00; CITY EMPLOYEE, RE, 159.17; POSTMASTER, FE, 144.00; PROVIDENCE MEDICAL CENTER, SE, 83.00; RON'S RADIO, SU, 37.20; SHOPKO, SU, 40.43; SPARKLING KLEAN, SE, 3240.12; STAPLES ADVANTAGE, SU, 85.91; STATE NEBRASKA BANK, SE, 68.48; TYLER TECHNOLOGIES, SE, 5816.25; US BANK, SU, 4441.96; UTILITIES SECTION, FE, 250.00; VESSCO, SU, 616.83; WAYNE AUTO PARTS, SU, 443.12; WAYNE COUNTY TREASURER, FE, 1004.00; WAYNE FIRE DEPARTMENT, RE, 40.00; WAYNE HERALD, SE, 2584.79; WESCO, SE, 936.79; WIGMAN COMPANY, SU, 681.45; WISNER WEST, SU, 43.75; Y & Y LAWN CARE, SE, 380.00; AIR-SIDE CONCEPTS, SU, 118.00; ALTEC INDUSTRIES, SU, 483.42; APPEARA, SE, 68.66; BAKER & TAYLOR BOOKS, SU, 127.38; BLUE DEVIL BOOSTER CLUB, FE, 50.00; BOARD OF EXAMINERS, FE, 10.00; CAPSTONE PRESS, SU, 164.43; CITY EMPLOYEE, SU, 30.66; CITY OF WAYNE, RE, 200.00; CITY OF WAYNE, RE, 975.00; DEMCO, SU, 162.76; DGR & ASSOCIATES, SE, 138.00; EZRA BRODERSEN, SE, 150.00; GLEN'S AUTO BODY, SU, 97.43; HACH COMPANY, SU, 48.63; JACK'S UNIFORMS, SU, 228.60; JESSICA OLSON, SE, 2112.22; CITY EMPLOYEE, RE, 279.93; NE RURAL WATER, FE, 750.00; NORFOLK DAILY NEWS, SU, 153.00; NORFOLK GM AUTO CENTER, SE, 330.67; OVERDRIVE, SU, 379.31; PAC N SAVE, SE, 1202.63; PEERLESS WIPING CLOTH, SU, 240.00; STAPLES ADVANTAGE, SU, 113.10; STATE NEBRASKA BANK, FE, 40.00; TEI LANDMARK AUDIO, SU, 47.25; TYLER TECHNOLOGIES, SE, 1485.00; WAYNE COMMUNITY SCHOOLS, RE, 7988.18

Councilmember Haase made a motion, which was seconded by Councilmember Sievers, to approve the claims. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, 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.

Phil Monahan, Fire Chief, introduced Brock Hunter and requested Council consideration to approving his membership application to the Wayne Volunteer Fire Department.

Councilmember Giese made a motion, which was seconded by Councilmember Greve approving the membership application of Brock Hunter to the Wayne Volunteer Fire Department. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Wes Blecke, Executive Director of WAED, was present and advised the Council that the LB840 Sales Tax Advisory Committee met and reviewed an application to Wayne's Economic Development Program Fund. The applicant, Beck Ag, Inc., requested a \$50,000 low-interest loan to be amortized for no more than 5 years. These funds will be used to relocate to a larger office in Wayne (from Mineshaft Mall to College Plaza) and to prepare for future growth. The Committee met, and the terms the Committee agreed to include a \$50,000 loan at 3% interest, amortized for 3 years, with the proceeds being utilized to relocate to a larger office in Wayne and to prepare for future growth.

Nick Lipp, representing Beck Ag, Inc., (on behalf of Stephanie Liska) was present to answer questions.

Councilmember Giese made a motion, which was seconded by Councilmember Sievers, approving the recommendation of the LB840 Sales Tax Advisory Committee for a \$50,000 loan, amortized for 3 years at 3% interest to Beck Ag, Inc., contingent upon securities (real property) negotiated at Stephanie Liska's discretion. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Wes Blecke, Executive Director of WAED, was present and advised the Council that the LB840 Sales Tax Advisory Committee met and reviewed a second application to Wayne's Economic Development Program Fund. The applicant, Adam Manoucheri/Crossroads-Atoll Productions, LLC, requested a \$40,000 loan to purchase and remodel/finish the properties at 200 and 202 Main Street. The Committee met, and the terms the Committee agreed to include a \$40,000 loan at 3% interest, amortized for 15 years, with the proceeds being utilized to purchase and remodel/finish the properties at 200 and 202 Main Street. In addition, the Committee

recommended that the Council establish a timetable for the completion of the repairs and improvements to the exterior.

The existing LB840 loan on this property will be paid off in full with the purchase of the building.

Adam Manoucheri was present to answer questions. Mr. Manoucheri stated his intention was to complete the outside improvements within one year.

Corby Schweers, representing Elkhorn Valley Bank, was also present to answer questions.

Council had concerns about the timelines for making the improvements, etc. on the building.

Councilmember Giese stated he would like the façade completed within nine months with a design that is approved by the Design Committee, and the interior being ready to be rented, meeting building and fire codes, in one and one-half years. This insures some measure of accountability on Mr. Manoucheri's behalf and on the City's behalf.

Councilmember Eischeid stated if, for some reason, he was unable to complete the remodeling in the south half by that time, he requested that Mr. Manoucheri report back to the Council and explain why and what his intentions are from there on out.

Councilmember Giese made a motion, which was seconded by Councilmember Eischeid, approving the recommendation of the LB840 Sales Tax Advisory Committee for a \$40,000 loan, amortized for 15 years at 3% interest to Adam Manoucheri/Crossroads-Atoll Productions, LLC, to purchase and remodel/finish the properties at 200 and 202 Main Street, with the repairs and improvements to the façade completed within nine months and approved by the City's Design Committee, and the inside of the building, meeting building and fire codes, within one and one-half years. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Wes Blecke, Executive Director of Wayne Area Economic Development, provided the Council with the six-month LB 840 activity update.

Terry Galloway of Almquist, Maltzahn, Galloway, & Luth, P.C., presented the FY 14-15 Audit. He provided Council with a spreadsheet that identifies “benchmarks” of how Wayne compares with other communities its size.

The business type activities (electric, water and sewer) are excellent. Wayne is about 46.42%; anything above 30% is considered excellent. Governmental Activities is at 22.51%, which is low and indicates the need to increase the cash reserves. The recommended is 30%.

The outstanding general obligation debt/valuation is used a lot in the bonding world to see how much taxpayer pressure is going to be needed to meet obligations as you go forward. Wayne is at 3%, which is very good. Anything less than 3% is excellent in Nebraska.

In regard to debt coverage ratio (water, sewer and electric), it shows that consideration should be given to increasing the electric rates.

In regard to the City’s top six revenue sources, it shows in the past two years that Wayne has had nice increases. Sales tax runs at \$190 per capita or per person, and Wayne is at \$147. \$190 generally represents a 1.5% sales tax. Wayne has a 1.5% sales tax. Property taxes are good for the taxpayers in Wayne. The per capita basis is \$210 per person. Wayne is asking \$136 per person. Wayne is way under what they call best practice for a City its size.

In lieu of tax payments (franchise fees) is \$120 per capita; Wayne is at \$147. State Allocation is at \$160 per capita; Wayne is at \$166. Charges for services are \$120 per capita and Wayne is at \$109. The per capita for grants is \$110; Wayne is at \$106.

For the last couple of years, under the business type activities, Wayne was at or above \$8 million of cash. That amount decreased last year, as well as this year. Best practice is \$6.9 million; Wayne has \$7 million.

Under operating income, the Electric Fund is at -.12%; best practice is 15%. Consideration should be given to increasing those rates. The water rates were just increased as of

10/1/15, which should help the Water Fund. However, the Sewer Fund is at 5.24%; best practice is 15%. Consideration should also be given to increase the sewer rates.

In regard to the tax levy rates, Wayne is, again, under what the recommended or statewide average is. This is very good for the taxpayers in Wayne. In the general fund, the per capita is \$170 per person; Wayne is at \$120 per person. In debt service, Wayne is about half of what it would be in another city Wayne's size.

In regard to the State Allocations, the Highway Allocation went up from \$78 per capita to \$81 per capita, and Municipal Equalization went up from \$77 per capita to \$78 per capita. Normally, cities Wayne's size get \$100 per capita and \$30 per capita respectively. Wayne is getting state revenue back to help the taxpayers of Wayne.

Mr. Galloway then reviewed the per capita costs of departments compared to the statewide average. The administrative costs to run the City of Wayne are very low compared to the other cities. The per capita cost is \$80; Wayne is at \$35.

In Public Buildings, Wayne is about \$14 per capita; the average is \$10. In Public Safety, Wayne is at about \$196 per capita; the average is \$200. Public Works is \$85 per capita; the average is \$100. The Library is about \$47 per capita, with the average being \$45 per capita. Recreation is at \$66 per capita; the average is \$60. The Community Activity Center is at \$47 per capita, with the average being \$45 per capita. Overall, Wayne has done an excellent job in keeping the costs and expenses down in the various departments and still being able to continue the level of service that everyone is used to.

In regard to operating income, he again advised that the electric fund, as well as the water, sewer and transfer station funds are below best practices. It is time to look at those rates in the very near future, and you will probably need to increase the cash reserves in the general fund.

Mr. Galloway noted that his firm did not encounter any difficulties in performing the audit. He ended his presentation by stating the City has done a very good job at being good stewards with the money that is here and commended City staff on a job well done.

Administrator Johnson advised the Council that, as requested, he obtained two more engineering proposals to design the paving, storm drain system, and water and sewer main improvements for the 4th Street Project. This was requested so that Council could see how other proposals would compare to the McLaury Engineering, Inc. (MEI) proposal. Those proposals are:

- Olsson Associates - \$74,700
- ACES - \$75,000.00
- MEI - \$106,076

Discussion took place in regard to accepting a bid or proposal by a new local engineering firm, McLaury Engineering, Inc., which was \$37,000 over the other two proposals. It was noted that these costs would be assessed to the property owners in the improvement districts. MEI is a new firm locating in Wayne. Administrator Johnson wanted to add this firm to the mix of other engineering firms the City utilizes. In addition, they had already started on some of the project (about \$6,000). The reason for this is that the developer that wants to start building houses on Lot 4 at the corner of Tomar Drive and 4th Street, which does not exist yet, is now ready to start building single-family rental homes.

McLaury was given the opportunity to change or alter their proposal since the other firms had seen their proposal, but they declined, because they felt it represented the quality or value of their work.

While the ACES and Olsson proposals were lump sum fees, the MEI proposal is based on an hourly estimated fee.

Steve Rames and Kim McLaury, representatives of McLaury Engineering, Inc., were present, as well as John Zwingman of ACES.

After further discussion, Councilmember Muir introduced Resolution No. 2016-2 and moved for its approval; Councilmember Haase seconded.

RESOLUTION NO. 2016-2

A RESOLUTION ACCEPTING PROPOSAL AND APPROVING AN AGREEMENT BETWEEN THE CITY OF WAYNE AND MCLAURY ENGINEERING, INC., FOR ENGINEERING SERVICES FOR THE “4TH STREET PAVING PROJECT (JAXON STREET TO SOUTH CENTENNIAL ROAD).”

Mayor Chamberlain stated the motion, and the result of roll call being four Yeas (Greve, Haase, Muir and Karsky) and four Nays (Giese, Sievers, Eischeid and Brodersen), the Mayor declared the motion tied. The Mayor then cast his vote as a Yea, and declared the motion carried.

The following Resolution would amend the CIS CDBG budget. The City had requested \$215,000 in Community Development Block Grant Funds for 2013 Phase II Comprehensive Investment & Stabilization activities, which included \$30,000 for clearance/demolition, \$80,000 for public facilities, \$75,000 for single family housing rehabilitation, \$6,000 for housing management, \$4,500 for risk/assessment testing, and \$19,500 for general administration of the grant. The City agreed to provide \$65,200 in water main improvements and \$65,200 in street improvements to East 4th Street, Dearborn Street, and Valley Drive. The total project cost was estimated to be \$345,400.

We then amended that request so that \$30,000 would be for demolition/clearance, \$165,500 would be for public facilities, and \$19,500 would be for general administration of the grant.

We are amending the request a third time so that \$25,665 will be for demolition/clearance, \$178,160 will be for public facilities, and \$11,175 will be for general administration of the grant. The City will provide \$195,500 in water/sewer improvements, with the total project cost being \$410,500.

Councilmember Sievers introduced Resolution No. 2016-3 and moved for its approval; Councilmember Greve seconded.

RESOLUTION NO. 2016-3

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WAYNE, NEBRASKA, TO APPROVE COMMUNITY DEVELOPMENT BLOCK GRANT CONTRACT AMENDMENT (A3) 13-CIS-106 BETWEEN THE CITY OF WAYNE AND THE NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Councilmember Giese made a motion, which was seconded by Councilmember Sievers, to adjourn the meeting. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried and the meeting adjourned at 7:38 p.m.