

**MINUTES
CITY COUNCIL MEETING
October 18, 2016**

The Wayne City Council met in regular session at City Hall on Tuesday, October 18, 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 October 6, 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 Giese, whereas, the Clerk has prepared copies of the Minutes of the meeting of October 4, 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 9-30-16: GROSSENBERG, SU, 69.61; ICMA, SE, 7830.57; SAMUEL LOWE, RE, 125.00;

VARIOUS FUNDS: ARCADIAN MARKSMANSHIP CLUB, FE, 100.00; BAKER & TAYLOR BOOKS, SU, 247.98; BINSWANGER GLASS, SE, 99.00; CHARTWELLS, SE, 5214.95; COPY WRITE PUBLISHING, SU, 508.49; DATASHIELD CORPORATION, SE, 3500.00; DAVE'S DRY CLEANING, SE, 96.00; DISPLAY SALES, SU, 831.00; ECHO GROUP, SU, 895.50; FREDRICKSON OIL, SE, 218.95; GERHOLD CONCRETE, SU, 1447.00; GLEN'S AUTO BODY, SE, 128.13; JOHNSON SERVICE, SE, 405.00; KTCH, SE, 1349.92; LEAGUE OF NEBRASKA MUNICIPALITIES, FE, 576.00; LUTT OIL, SU, 4671.69; MATHESON-LINWEL, SU, 18.00; MIDWEST LABORATORIES, SE, 1718.48; NE AIR FILTER, SU, 368.14; NE DEPT OF REVENUE, TX, 3718.62; NPPD, SE, 369493.19; NNPPD, SE, 12579.22; ONE CALL CONCEPTS, SE, 86.61; PENGUIN RANDOM HOUSE, SU, 142.50; PRECISION CONCRETE CUTTING, SE, 1447.80; PROVIDENCE MEDICAL CENTER, SE, 28.00; RON'S RADIO, SE, 60.00; SHEDA, FRANK, SE, 187.50; SHOPKO, SU, 90.90; SPARKLING KLEAN, SE, 525.00; STADIUM SPORTING GOODS, SU, 252.00; TYLER

TECHNOLOGIES, SE, 867.50; WAYNE COUNTY CLERK, SE, 32.00; WAYNE HERALD, SE, 595.00; WAYNE HERALD, SE, 610.95; WAYNE HERALD, SE, 395.00; WAYNE HERALD, SE, 992.00; WAYNE HERALD, SE, 170.00; WAYNE HERALD, SE, 408.00; WAYNE STATER, SE, 168.00; WAYNE VETERINARY CLINIC, SE, 291.00; WESCO, SU, 115.56; WAPA, SE, 20388.01; WISNER WEST, SU, 68.21; ZACH HEATING & COOLING, SE, 325.00; DGR & ASSOCIATES, SE, 16781.06; ELECTRICAL ENGINEERING & EQUIPMENT, SU, 46.90; WAYNE COMMUNITY SCHOOL, RE, 3552.97; WAYNE HERALD, SE, 1775.71

FISCAL YEAR 2016-2017: AMERITAS, SE, 2619.04; IRS, TX, 26089.17; AMAZON.COM, SU, 474.31; AMERICAN LIBRARY ASSOC, FE, 210.00; APPEARA, SE, 59.79; BROWN SUPPLY, SU, 1317.42; CDW GOVERNMENT, SE, 2073.00; CHRISTIE MURRAY, RE, 100.00; CITY EMPLOYEE, RE, 277.54; CITY EMPLOYEE, RE, 3558.74; CITY EMPLOYEE, RE, 213.29; CITY EMPLOYEE, RE, 64.20; CREATIVE DISPLAYS, SU, 146.83; ECHO GROUP, SU, 3900.38; EDM PUBLISHERS, SU, 99.49; FIRE CATT, SE, 3790.30; GROSSENBURG IMPLEMENT, SU, 155.39; GUARANTEE ROOFING, SE, 40095.00; HAWKINS, SU, 557.70; INTERSTATE BATTERY SYSTEM, SU, 113.95; JUSTIN DEWITT, RE, 121.75; LAQUINTA INNS & SUITES, SE, 91.00; LITE-FORM TECHNOLOGIES, SU, 83.34; MICHAEL TODD & CO, SU, 339.97; NE LIBRARY COM, FE, 800.00; NORFOLK DAILY NEWS, SU, 153.00; PITNEY BOWES, SE, 253.85; RESCO, SU, 148.01; SKARSHAUG TESTING LAB, SE, 292.17; ST OF NE-CHARITABLE GAMING DIVISION, TX, 896.00; STADIUM SPORTING GOODS, SE, 48.00; STAPLES, SU, 101.98; THE MIDWEST MESSENGER, SU, 35.00; VAN DIEST SUPPLY, SU, 211.60; AMY BROWN, RE, 330.00; APPEARA, SE, 67.70; ARNIE'S FORD, SE, 28.26; BLUETARP FINANCIAL, SE, 39.99; CARLSON, SARAH, RE, 113.96; CITY OF WAYNE, PY, 69813.39; ECHO GROUP, SU, 40.35; JULIE JOHNSON, RE, 150.00; NE CHAPTER IAEL, FE, 300.00; NE DEPT OF REVENUE, TX, 3718.62; SCHINSTOCK PAINTING, SE, 8325.00; STADIUM SPORTING GOODS, SU, 14.00; VERIZON, SE, 92.89; WESCO, SU, 353.10; ZEE MEDICAL SERVICE, SU, 68.06

Councilmember Haase made a motion, which was seconded by Councilmember Brodersen, 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 Corey Blum and requested Council consideration to approving his membership application to the Wayne Volunteer Fire Department.

Councilmember Brodersen made a motion, which was seconded by Councilmember Giese, approving the membership application of Corey Blum 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.

Phil Monahan, Fire Chief, introduced Autumn Breazile and requested Council consideration to approving her membership application to the Wayne Volunteer Fire Department.

Councilmember Giese made a motion, which was seconded by Councilmember Muir, approving the membership application of Autumn Breazile 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.

Roger Protzman of JEO Consulting Group, the engineer on the 2016 Lagoon Sludge Removal & Application project, was unable to attend the Council meeting. However, via letter, he advised that two bids were received on October 6, 2016, for the removal and application of sludge from the lagoon. The bids were from DRT Biosolids who has done work previously for the City and from Midwest Injection, Inc. DRT's bid was \$290,000 and Midwest Injection's bid was \$249,000. After reviewing the bids, Mr. Protzman was recommending that the project be awarded to the low bidder, Midwest Injection, Inc., for \$249,000. Three landowners have offered their land for application of the sludge. None of the landowners offered to haul the sludge, nor were they willing to pay for it. The contractor would like to start within 30 days.

Administrator Johnson stated DEQ would allow us to decommission the lagoon with up to six inches or less of sludge in the bottom. This would be the third time we have done sludge removal from the lagoon.

Councilmember Giese wanted to know why Mr. Protzman's "opinion of probable cost" was \$180,000, but the bid came in at \$249,000.

The bid was to remove 2000 dry tons of sludge. Administrator Johnson stated that NDEQ is requiring us to remove some sludge this fall; however, if the Council wanted to table

the matter for two weeks, they could do so. He noted that farmers do not want sludge applied in the spring because of the heavy equipment that goes across the fields.

Because of the concerns Council had regarding this matter and the fact that the engineer was not present, Councilmember Giese made a motion, which was seconded by Councilmember Sievers, to table action on Resolution 2016-70 accepting bid and awarding contract on the “2016 Lagoon Sludge Removal & Application Project” until the next meeting. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

JEO Consulting Group, Inc. presented Change Order No. 3 from Eriksen Construction, Co., Inc., for \$415.00 to install an electrical box riser in the “2015 Wastewater Treatment Facility Improvement – Phases 3, 4, & 5 Project.”

Councilmember Brodersen made a motion, which was seconded by Councilmember Eischeid, approving Change Order No. 3 on the “2015 Wastewater Treatment Facility Improvement – Phases 3, 4, & 5 Project” for \$415.00 to Eriksen Construction, Co., Inc. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

JEO Consulting Group, Inc. presented Application for Payment No. 14 for the “2015 Wastewater Treatment Facility Improvement – Phases 3, 4, & 5 Project” for \$20,000.00 to Eriksen Construction, Co., Inc. They have found the work to date completed in accordance with the plans and specifications, and recommend approval of the same.

Councilmember Brodersen made a motion, which was seconded by Councilmember Giese, approving Application for Payment No. 14 for \$20,000.00 to Eriksen Construction, Co., Inc., for the “2015 Wastewater Treatment Facility Improvement – Phases 3, 4, & 5 Project.” Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Wes Blecke, Director of Wayne Area Economic Development, was present representing the LB840 Sales Tax Advisory Committee, and stated that they had met on October 13th to review four applications to the LB840 Economic Development Fund.

- The Committee recommended approving the request by the *Wayne Country Club* to add onto and undertake a complete remodel of the existing clubhouse with a modified amount. The Committee recommends \$100,000 as a 3%, 5-year loan. The original request was for \$100,000 as a grant, and \$100,000 as a low-interest loan.
- The Committee recommended approving the request by the *Wayne Area Event Center* to build an event center contingent on a signed purchase agreement for the property location. The recommendation is for a \$250,000 loan at 3% interest for 10 years. The original request was for \$350,000 as a grant or low-interest loan.
- The Committee recommended approving the request by *Wayne Area Economic Development* for its role with administering the Wayne Economic Development Program as a grant for \$5,000. WAED is requesting funds to help cover the costs associated with its role in administering the WAED program, which includes reviewing the program with potential applicants, attending committee meetings, attending Council meetings for both requests and semi-annual reports, as well as preparing reports.
- The Committee tabled the request by *Wriedt Properties* to relocate mobile homes from one property to clear for a housing development to the existing mobile home court. The committee wants to see bids on the removal of each home before they make a recommendation as they felt the request was too high. The request was for a \$27,500 grant to move five mobile homes.

Rusty Parker and Kevin Peterson, representing the Wayne Country Club, were present requesting Council to reconsider their original request. The estimated cost for the remodeling is \$425,000. Their source of funding is private donations. They started this on October 3rd and they have pledged forms already of \$125,950. They cannot guarantee that this will create additional jobs, and therefore, they understand the LB840 Sales Tax Advisory Committee's decision/recommendation. While they started with a request of \$200,000, they would be happy with receiving \$150,000. They would not be opposed to Council tabling this matter tonight or amending this request and tying it to their successful completion of their private donation or fundraising capital campaign. If they can reach \$250,000 to \$275,000 by December 31st, they feel they can make this project happen. They do not expect the Council to commit, but they do not want the Council to give this money away either before they get to that date.

When asked, Mr. Parker stated they would like a \$150,000 grant, or if they could get a \$75,000 grant/\$75,000 loan, they would be happy with that. They have to raise the money to move forward. Mr. Parker did not want to lose this opportunity or his place in line because there will be or could be other entities or groups asking for that money. The fundraising campaign would go through December 31, 2016.

Mr. Peterson stated if the Council is going to go with a larger amount for a loan (in lieu of a grant), his hope is that an interest rate can be negotiated that is more feasible for them. He also advised the Council that their books are open to look at, and they could do so at any time.

Councilmember Giese had concerns about exhausting finite funds with something that will be city owned. He would not want to see an LB840 grant, if the finances could be worked out another way. He stated he thought this was a project everyone wants to see done, but he would rather see what the fundraising campaign can come up with first before approving the loan. He would like to table the matter until their fundraising is completed, but earmark the funds.

Attorney Miller advised the Council to approve something so that the funds could be earmarked.

Councilmember Eischeid had concerns with the recommendations coming from the LB840 Committee.

Nancy Braden, Finance Director, stated as of right now, the City has loaned out \$2.544 million of \$3.2 million.

Mayor Chamberlain had concerns about making grants to private businesses. However, having an 18-hole golf course is a value in a community that most do not have or recognize.

Councilmember Sievers did not mind the \$150,000 loan at 10 years or 15 years, for whatever interest rate Council comes up with.

Doug Sturm spoke and said that Councils change, so he would not table this matter too long.

After further discussion, Councilmember Sievers made a motion, which was seconded by Councilmember Brodersen, approving a \$150,000 LB840 loan for 15 years at 0% interest to the Wayne Country Club to add on to and undertake a complete remodel of the existing clubhouse. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmembers Giese and Haase who voted Nay, the Mayor declared the motion carried.

Attorney Miller left the meeting at 6:34 p.m.

Because John Zwingman of ACES had another meeting to go to, Mayor Chamberlain changed the order on the agenda.

John Zwingmen of ACES, engineer on the “Main Street Water Main Improvement Project,” presented the following Change Orders:

- Change Order No. 1 - increase of \$2,850.00 for additional dirt work.
- Change Order No. 2 - increase of \$8,375.45 for boring for the Bank. This will be paid back to the City when the bank develops.
- Change Order No. 3 - increase of \$3,605.00 for miscellaneous fittings.
- Change Order No. 4 - increase of \$5,935.50 for additions/subtractions to bring final quantities into alignment with estimated quantities.

Councilmember Brodersen made a motion, which was seconded by Councilmember Eischeid, approving Change Order No. 1 for the “Main Street Water Main Improvement Project” for \$2,850.00 to Rutjens Construction for additional dirt work. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Councilmember Muir made a motion, which was seconded by Councilmember Eischeid, approving Change Order No. 2 for the “Main Street Water Main Improvement Project” for \$8,375.45 to Rutjens Construction for boring for the Bank. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Councilmember Eischeid made a motion, which was seconded by Councilmember Muir, approving Change Order No. 3 for the “Main Street Water Main Improvement Project” for

\$3,605.00 to Rutjens Construction for miscellaneous fittings. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Councilmember Eischeid made a motion, which was seconded by Councilmember Muir, approving Change Order No. 4 for the “Main Street Water Main Improvement Project” for \$5,935.50 to Rutjens Construction for additions/subtractions to bring the final quantities into alignment with estimated quantities. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Mr. Zwingman then presented Contractor’s Application for Payment No. 1 (Final) on the “Main Street Water Main Improvement Project” for \$283,749.48 to Rutjens Construction.

Councilmember Eischeid made a motion, which was seconded by Councilmember Muir, approving Contractor’s Application for Payment No. 1 (Final) for \$283,749.48 to Rutjens Construction for the “Main Street Water Main Improvement Project.” Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Mayor Chamberlain then went back to the LB840 request of the Wayne Area Event Center.

Wes Blecke stated the reason for the reduction in this request is that the Committee has never done anything more than \$250,000, which was the cap that had been allocated to any one project. In addition, at this point, this project is outside city limits and sales tax generated would not be going to the City, but to the State.

Josie Broders, representing the Wayne Area Event Center, was present to answer questions. She requested Council to consider her initial request of \$350,000 as a 10-year loan at 3% interest. She advised the Council that the location for this event center is north of the golf course. She is not opposed to being annexed. They plan to employ 2-3 full-time employees, and as many as 15 part-time employees. They would like to start construction by April 1st, hoping to be completed by fall of 2017.

Jill Brodersen, who is the architect on the project, advised she is not an investor in this project. In addition, she asked Attorney Miller whether she had a conflict of interest in the matter, to which she was told no. When Attorney Miller asked her if this LB840 request was not approved, would she still be the architect on the project, Councilmember Brodersen said yes.

Councilmember Giese opined it would be crazy to use sales tax money that is generated in town and give it to an entity outside of town who will not be generating said sales tax. Councilmember Sievers agreed.

Some discussion took place regarding city services being extended to that area in the event of annexation. If they want to subdivide the property, they will have to request to be annexed, and a plan will have to be developed on providing city services to that area.

Councilmember Eischeid agreed with Councilmember Giese, but stated that the Council set a precedence, even though it was a little different situation, for those outside city limits that were given LB840 loans because of the tornado.

Mr. Blecke stated the LB840 plan states that these funds can be used outside city limits in the extraterritorial jurisdiction.

Councilmember Sievers made a motion to approve a \$350,000, LB840 loan, for 10 years at 3% interest for the Wayne Area Event Center.

When asked, Ms. Broders stated the difference between the \$250,000 and the \$350,000 loan would not break the project. They will have to have a bank loan regardless. However, it makes the gap between what they have from the investors and what she would like to stay at for a bank loan doable. The cost of the project is approximately \$2.7 million.

Councilmember Giese would rather see the Council look into sewer extension costs and a lift station cost before approving this. That could even be tied into the LB840 asking.

Councilmember Brodersen seconded the motion.

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

Discussion took place on the LB840 Citizens Sales Tax Advisory Committee's recommendation for a \$5,000 grant to Wayne Area Economic Development (WAED) for its role in administering the WAED program. Mr. Blecke stated they can request up to 10% of the revenues (\$27,000 or \$30,000) to help administer the program. They used to request \$10,000, but the County, approximately 5-6 years ago, starting giving WAED \$5,000 for membership, so they decreased their request.

Councilmember Giese thought this \$5,000 request should come from the 1.85% that is collected from the electric utility revenues instead of the LB840 fund. He would rather see this reallocated from the CRA fund and with that being said, Councilmember Giese made a motion, which was seconded by Councilmember Eischeid, denying the recommendation of the LB840 Sales Tax Advisory Committee for a \$5,000 grant to Wayne Area Economic Development for its role in administering the Wayne Economic Development Program Fund.

Councilmember Eischeid asked without this \$5,000, would WAED still be able to meet with potential applicants. Mr. Blecke responded that would be a board direction.

Ms. Braden stated that with what has been approved tonight, there is remaining about \$100,000 in the LB840 fund out of the \$3.2 million. Therefore, anything that we would use in the future would be from loan repayment funds. That then becomes a revolving loan, which takes a loan committee, which is different from the Sales Tax Advisory Committee. We will also have to borrow money from the Electric Fund, since there is only around \$69,000 in the LB840 cash account.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmembers Muir and Karsky who voted Nay, the Mayor declared the motion carried.

The following Resolution is a requirement by the Nebraska Department of Roads when a state highway will be closed for a celebration/parade. This Resolution pertains to the Annual Christmas on Main Celebration/Annual Parade of Lights to be held on Thursday, November 17, 2016.

Councilmember Giese introduced Resolution No. 2016-71 and moved for its approval; Councilmember Greve seconded.

RESOLUTION NO. 2016-71

A RESOLUTION ACKNOWLEDGING NEBRASKA DEPARTMENT OF ROADS REQUIREMENTS FOR THE TEMPORARY USE OF THE STATE HIGHWAY SYSTEM FOR SPECIAL EVENTS.

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

Wes Blecke, representing Wayne Area Economic Development, Inc., was requesting Council consideration to prohibit parking on Main Street in the 200 block of Main Street from 5:30 p.m. until 8:00 p.m. for the Christmas on Main Celebration/Annual Parade of Lights Event to be held on Thursday, November 17th.

Councilmember Giese made a motion, which was seconded by Councilmember Greve, approving the request of Wayne Area Economic Development to prohibit parking on Main Street in the 200 block of Main Street from 5:30 p.m. until 8:00 p.m. for the Christmas on Main Celebration/Annual Parade of Lights Event to be held on Thursday, November 17th. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Steve Rames of McLaury Engineering, Inc., was present to review Change Order No. 1 for the "Community Activity Center Parking Lot Project" for an increase of \$1,040.04 (removal of concrete - \$192; additional quantity of 7" concrete - \$1,145.04; and a decrease of 36" reinforced concrete pipe - -\$909.00) to Progressive Property Inspectors, LLC.

Councilmember Brodersen made a motion, which was seconded by Councilmember Giese, approving Change Order No. 1 for the “Community Activity Center Parking Lot Project” for \$1,040.04 (removal of concrete - \$192; additional quantity of 7” concrete - \$1,145.04; and a decrease of 36” reinforced concrete pipe – -\$909.00) to Progressive Property Inspectors, LLC. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Mr. Rames then presented Contractor’s Application for Payment No. 2 on the “Community Activity Center Parking Lot Project” for \$115,645.43 to Progressive Property Inspectors, LLC.

Councilmember Brodersen made a motion, which was seconded by Councilmember Sievers, approving Contractor’s Application for Payment No. 2 for \$115,645.43 to Progressive Property Inspectors, LLC, for the “Community Activity Center Parking Lot Project.” Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Councilmember Brodersen 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, the Mayor declared the motion carried and the meeting adjourned at 7:25 p.m.