

**MINUTES  
CITY COUNCIL MEETING  
January 19, 2010**

The Wayne City Council met in regular session at City Hall on Tuesday, January 19, 2010, at 5:30 o'clock P.M. Mayor Lois Shelton called the meeting to order with the following in attendance: Councilmembers Brian Frevert, Jim Van Delden, Jon Haase, Doug Sturm, and Ken Chamberlain; City Attorney Mike Pieper; City Administrator Lowell Johnson; and City Clerk Betty McGuire. Absent: Councilmembers Dale Alexander, Kaki Ley, and Kathy Berry.

Notice of the convening meeting was given in advance by advertising in the Wayne Herald on January 7, 2009, 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 Sturm made a motion and seconded by Councilmember Van Delden, whereas the Clerk has prepared copies of the Minutes of the meeting of January 5, 2010, 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 Shelton 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:

**VARIOUS FUNDS:** AMERITAS, RE, 2201.42; APPEARA, SE, 69.68; AWWA, FE, 295.00; BAKER & TAYLOR BOOKS, SU, 17.11; BANK FIRST, FE, 210.00; BRETT KRAMER, RE, 500.00; CABLEONE ADVERTISING, SE, 300.00; CARRIE WALTON, RE, 450.00; CINDY MILLIGAN, RE, 500.00; CLAYTON BRATCHER, RE, 200.00; CITY OF WAYNE, RE, 150.00; CITY OF WAYNE, RE, 500.00; CITY OF WAYNE, RE, 20.00; CITY OF WAYNE, RE, 1144.85; CITY OF WAYNE, RE, 1053.10; CITY OF WAYNE, PY, 57274.93; CITY OF WAYNE, RE, 25.25; COMMUNITY HEALTH, RE, 4.00; DAVE'S DRY CLEANING, SE, 138.00; DEMCO,

SU, 1004.77; ELECTRIC FIXTURE, SU, 270.70; ENVIROTECH SERVICES, SU, 4498.00; FIRST CONCORD, FE, 400.00; FLOOR MAINTENANCE, SU, 207.24; FRANCES POEHLMAN, RE, 500.00; FREDRICKSON OIL, RE, 50.00; GENE FLETCHER, RE, 500.00; GLEN'S AUTO BODY, SE, 85.14; GREAT PLAINS ONE-CALL, SE, 29.94; HARPER BRUSH CENTRAL, SU, 190.60; HIRERIGHT SOLUTIONS, SE, 51.90; HYDRAULIC EQUIPMENT, SE, 2942.43; ICMA, RE, 5362.96; INGERSOLL-RAND, SU, 1505.00; INGRAM BOOK COMPANY, SU, 499.04; IRS, TX, 19277.72; JOHN'S WELDING AND TOOL, SU, 290.10; JOYCE SCHNECK, RE, 51.23; KTCH, SE, 160.00; LAYNE CHRISTENSEN, SE, 17137.99; MAIN STREET AUTO CARE, SE, 110.00; MARK EVETOVICH, RE, 189.00; MATT FRIEND TRUCKING, SU, 374.00; MICHAEL TODD & CO, SU, 997.30; MID-CONTINENT SALES, SE, 1012.44; MID-STATES ORGANIZED, FE, 100.00; MIDWEST LABORATORIES, SE, 230.85; MUNICIPAL SERVICE, SU, 5885.81; NE DEPT OF REVENUE, TX, 2916.02; NE DEPT OF REVENUE, TX, 33.30; NE EMERGENCY SERVICE, FE, 75.00; NORTHEAST EQUIPMENT, SU, 314.12; NWOD, FE, 10.00; OLSSON ASSOCIATES, SE, 1922.33; PAMIDA, SU, 14.17; PARTS ENGINEERING, SU, 472.74; PEPSI-COLA, SU, 403.10; POSTMASTER, FE, 110.00; PRESTO X, SE, 77.20; PROVIDENCE MEDICAL CENTER, SE, 206.00; PURCHASE POWER, SU, 500.00; QWEST, SE, 1194.22; ROBERT CARHART, RE, 376.67; ROBERT KRUGMAN, RE, 500.00; ROBERT WOehler & SONS, SE, 38526.37; SIOUX CONTRACTORS, SU, 1968.00; STATE NATIONAL BANK, FE, 40.00; STATE NATIONAL BANK, RE, 470.93; THE WAKEFIELD REPUBLICAN, SU, 25.00; US BANK, SE, 5217.89; WAYNE COMMUNITY SCHOOLS, RE, 6732.50; WAYNE COUNTY CLERK, SE, 5.50; WAYNE GRAIN & FEED, SE, 68.00; WAYNE HERALD, SE, 541.50; WAYNE STATE COLLEGE, RE, 1200.00; WAYNE VETERINARY CLINIC, SE, 238.00; WAYNE WESSEL, RE, 500.00; WAPA, SE, 30441.78; WOOD PLUMBING & HEATING, SU, 80.75; BAKER & TAYLOR BOOKS, SU, 378.65; CITY EMPLOYEES, RE, 398.70; CITY EMPLOYEE, RE, 100.00; CULLIGAN, SE, 42.25; DAKOTA BUSINESS SYSTEMS, SE, 110.67; DALE VITITO, SU, 447.30; DE LAGE LANDEN FINANCIAL, SE, 471.00; ECHO GROUP, SU, 1576.67; FIREFIGHTER & POLICE APPR, SU, 200.00; FLOOR MAINTENANCE, SU, 69.94; HANSEN REPAIR, RE, 2676.98; HEWLETT-PACKARD, SU, 18210.00; HIRZ, JAKE, SE, 70.00; KEVIN FINKEY, SE, 70.00; BENSCOTER TIF, RE, 75000.00; M.E. SHARPE, SU, 299.00; MATT FRIEND TRUCKING, SU, 99.50; MILO MEYER CONSTRUCTION, SE, 1181.25; CEDAR CO SHERIFF, SU, 45.00; MOONLIGHT TOWING, SE, 58.58; NE PLANNING & ZONING, FE, 50.00; NPPD, SE, 204714.03; NNPPD, SE, 10698.54; PITNEY BOWES, SE, 637.00; QWEST, SE, 118.01; RANDOM HOUSE, SU, 384.00; ROURKE PUBLISHING, SU, 19.71; VERIZON, SE, 208.16; WAYNE COUNTY COURT, RE, 300.00; WAYNE HERALD, SE, 230.64; WAYNE STATE COLLEGE, RE, 1190.00; WRIEDT, RON DBA/RONS RADIO REPAIRS, SU, 178.40; YOUNG, BILL, SU, 508.25

Councilmember Sturm made a motion and seconded by Councilmember Chamberlain to approve the claims. Mayor Shelton stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Mayor Shelton 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, she 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.

Justin Stark of Olsson Associates presented an agreement to the Council for engineering services for the City's portion of the Benscoter Subdivision Project (intersections and street paving that front city-owned property). Services include additional topographical survey, design of construction documents, client meetings, bid services, and construction services for the City's portion of that project.

Councilmember Chamberlain introduced Resolution No. 2010-2 and moved for its approval; Councilmember Frevert seconded.

#### RESOLUTION NO. 2010-2

A RESOLUTION APPROVING LETTER AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE CITY OF WAYNE AND OLSSON ASSOCIATES FOR THE CITY OF WAYNE IMPROVEMENTS, BENSCOTER ADDITION PROJECT.

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

Randy Hellbusch with Nebraska Rural Water Association presented several sewer rate proposals that will be needed to finance the new wastewater treatment plant. He presented three different rate proposals:

- Rate that would cover the entire cost of the project;
  - Rate using a \$150,000 transfer from the water fund; and
  - Rate using a \$150,000 transfer from the water fund and \$100,000 from the city sales tax, totaling \$250,000.
1. The rate without any transfers would be: \$26.75 monthly service charge, and \$3.35 per 1000 gallons used.
  2. The rate using the \$150,000 transfer would be: \$19.25 monthly service charge and \$3.35 per 1000 gallons used.
  3. The rate using the \$250,000 amount would be: \$14.50 monthly service charge and \$3.35 per 1000 gallons used.

The minimum charge (service charge) generates enough revenue to pay for the debt. The rates are based on the residential winter average (usage in December, January and February), with commercial customers being charged actual usage throughout the entire year.

In addition, Mr. Hellbusch also provided rates with the monthly service charge being based on the size of meter you have, which is similar to the water rates. This is derived from and based on the percentage of flow through that size of line. They are not arbitrary numbers. By doing that, it lowered the average residential bill by about \$1.50 per month on the service charge for ¾” meter with the \$250,000 subsidy; by \$1.70 per month on the service charge with no subsidy; and \$2.25 on the service charge with the \$150,000 subsidy.

Current sewer rates are: \$6.50 monthly service charge and \$2.90 per 1000 gallons used. If the monthly service charge was kept the same as it is now at \$6.50, the per 1000 gallon rate would have to be around \$4.50.

Administrator Johnson explained the transfers. For 20 years, the City has been paying debt service (\$180,000 each year) on the wells located north of Wayne and the transmission line. Those payments ended last year. Phil Lorenzen, our Bonding Agent, has suggested that we use \$150,000 of that amount to help pay for this project. This is the transfer or subsidy referred to above. The other \$100,000 transfer mentioned is from the local option sales tax. Council needs to decide whether or not they want to subsidize or share in the cost of this project and if so, then with how much. The sales tax would only be for 14 out of the 20 years of the loan, but will certainly help the rates.

The engineer's estimate of the total cost to build the wastewater plant is \$8.5 million. The EPA grant will cover \$500,000 of that cost, and the intent is to use \$1 million in accumulated cash reserves from the sewer and water utility operations. That leaves \$7 million remaining to be financed through the Nebraska State Revolving Loan Fund over 20 years at 3% interest. The debt service required to repay this over 20 years will be about \$471,000 per year.

Councilmember Chamberlain asked why we would not collect double sewer rates on those customers who have city sewer but are located outside city limits. He wanted to know how much revenue could be gained by charging those customers double sewer rates.

Nancy Braden, Finance Director, stated that when the sales tax committee was meeting, they wanted to see \$100,000 go towards helping pay for the new treatment

plant. Mayor Shelton stated her concern about using the \$100,000 from the sales tax is that it does dilute the sales tax so that there is not much there to do other things with.

A public hearing on the sewer rates will be held at the next Council meeting.

Councilmember Chamberlain made a motion, which was seconded by Councilmember Sturm to table action on Resolution 2010-3 Establishing Sewer Rates until the next meeting. Mayor Shelton stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Councilmember Berry arrived at 5:50 p.m.

Administrator Johnson stated that the City of Laurel has asked if Wayne would consider entering into an Interlocal Agreement to utilize our certified RC (Responsible Charge), Joel Hansen, on their trail project for which they have NDOR cost-share funding. The Responsible Charge is a new position that has been created by the NDOR. The requirements for projects are so complex that they are requiring communities to establish a full-time employee as a trained, certified, RC to handle the environmental requirements and the easement acquisition requirements for projects. Laurel will be charged our actual costs, plus expenses if it is approved.

Councilmember Chamberlain made a motion, which was seconded by Councilmember Sturm approving an Interlocal Agreement with the City of Laurel for Responsible Charge Services for their Trail Project. Mayor Shelton stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Nancy Braden, Finance Director, stated the following Ordinance, which has been prepared by Bond Counsel, would authorize the issuance of combined utility revenue

bones in the amount of \$1,050,000 in the form of a promissory note issued to evidence indebtedness to the Nebraska Department of Environmental Quality.

Administrator Johnson stated the wordage required by NDEQ says that this \$1,050,000 shall have forever priority over any other debt. No other debt can be applied, which shuts us out from the \$7,000,000 we are going after also. That has been the complicated part of rewriting this so that it meets the Federal requirements and still gives us another shot at financing other projects. Within 20 years, there will be other water and sewer projects that we will have to finance and this makes sure we can do that if necessary.

It was noted that we must have the sewer rates in place at the time the loan paperwork is approved.

Councilmember Sturm introduced Ordinance 2010-2, and moved for its approval; Councilmember Frevert seconded.

#### ORDINANCE NO. 2010-2

AN ORDINANCE AUTHORIZING THE ISSUANCE OF A COMBINED UTILITIES REVENUE BOND, SERIES 2010, OF THE CITY OF WAYNE, NEBRASKA, IN THE PRINCIPAL AMOUNT OF ONE MILLION FIFTY THOUSAND DOLLARS (\$1,050,000), 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; DETERMINING THIS ORDINANCE TO BE A MEASURE NECESSARY TO

CARRY OUT THE CITY'S CONTRACTUAL OBLIGATIONS; DECLARING AN EMERGENCY AND ORDERING THE ORDINANCE PUBLISHED IN PAMPHLET FORM AND TO TAKE EFFECT IMMEDIATELY UPON PROCLAMATION BY THE MAYOR AND POSTING OF SUCH PAMPHLET.

Councilmember Chamberlain made a motion and Councilmember Sturm seconded to suspend the statutory rules requiring ordinances to be read by title on three different days. Mayor Shelton stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Councilmember Sturm made a motion and Councilmember Chamberlain seconded to move for final approval of Ordinance No. 2010-2. Mayor Shelton stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Administrator Johnson stated the following Resolutions would direct the City Clerk to file liens against the properties described thereon for the cost of work hired by the City to abate a violation of City Code after proper notice was given to the property owner.

Councilmember Frevert introduced Resolution No. 2010-4 and moved for its approval; Councilmember Chamberlain seconded.

#### RESOLUTION NO. 2010-4

A RESOLUTION DIRECTING CITY CLERK TO CERTIFY UNPAID SNOW REMOVAL COSTS TO THE WAYNE COUNTY CLERK AND THE WAYNE COUNTY TREASURER TO BECOME A LIEN ON THE EAST 50' OF LOTS 21, 22, 23, 24, 25 AND 26, AND ALL OF LOTS 27 AND 28, BLOCK 22, COLLEGE HILL FIRST ADDITION TO WAYNE, WAYNE COUNTY, NEBRASKA, MORE COMMONLY DESCRIBED AS 204 W. 10<sup>TH</sup> STREET, WAYNE, NEBRASKA.

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

Councilmember Frevert introduced Resolution No. 2010-5 and moved for its approval; Councilmember Chamberlain seconded.

RESOLUTION NO. 2010-5

A RESOLUTION DIRECTING CITY CLERK TO CERTIFY UNPAID SNOW REMOVAL COSTS TO THE WAYNE COUNTY CLERK AND THE WAYNE COUNTY TREASURER TO BECOME A LIEN ON THE WEST 75' OF LOT 3, EXCEPT THE NORTH 10', BLOCK 7, BRITTON & BRESSLER'S ADDITION TO WAYNE, WAYNE COUNTY, NEBRASKA, MORE COMMONLY DESCRIBED AS 120 WEST 8<sup>TH</sup> STREET, WAYNE, NEBRASKA.

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

Councilmember Chamberlain introduced Resolution No. 2010-6 and moved for its approval; Councilmember Frevert seconded.

RESOLUTION NO. 2010-6

A RESOLUTION DIRECTING CITY CLERK TO CERTIFY UNPAID SNOW REMOVAL COSTS TO THE WAYNE COUNTY CLERK AND THE WAYNE COUNTY TREASURER TO BECOME A LIEN ON THE E 72 1/2' OF LOT 1 AND THE E 72 1/2' OF THE N1/2 OF LOT 2, BLOCK 11, ORIGINAL TOWN OF WAYNE, WAYNE COUNTY, NEBRASKA, MORE COMMONLY DESCRIBED AS 215 W. 3<sup>RD</sup> STREET, WAYNE, NEBRASKA.

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

Administrator Johnson stated Wayne Community Housing and the City of Wayne have been successful for a number of years in securing CDBG Funds and Housing Trust Funds from the Nebraska Department of Economic Development (NDED) for housing development. Much of our housing stock is 80 years old or older and has not been maintained. These homes are starting to show up as Property Maintenance Code issues for the Wayne Problem Resolution Team (PRT). Are these homes built to make it 120

years old? What is the long-range outlook for our older neighborhoods? As the PRT considers options for maintenance code enforcement on complaints received, the only current options are for the owners to fix the properties at their own cost or demolish them and clear the lot. For some structures, demolition is the best choice. Most are worth repairing.

There is \$200,000 in new “Owner Occupied Housing Rehab” grant funding available in 2010 through NDED if we submit a pre-application in February. That is grant funding that could provide loans of up to \$15,000 to home owners for repairs and energy reduction. However, Wayne is not eligible to apply until we have spent down more of the \$100,000 in unspent grant funds for down payment loans from the \$380,000 New Housing Construction Grant for Western Ridge. The Western Ridge down payment loans are dependent on future families buying homes at Western Ridge. Northeast Nebraska Economic Development District suggests that Wayne County is eligible to apply for an “Owner Occupied Housing Rehab” grant and those funds could then be available county-wide and not just in Wayne. Wayne Community Housing can administer this program for the County just as it does in their partnership with the City of Wayne.

The PRT would like to approach the Wayne County Commissioners about submitting an application in February, but because the PRT is appointed by the Mayor and Council, they want your input and approval before doing so.

Councilmember Sturm made a motion, which was seconded by Councilmember Chamberlain authorizing staff to meet with the Wayne County Commissioners to submit a joint application to apply for owner-occupied rehab funds through the Community

Development Block Grant Program. Mayor Shelton stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Nancy Braden, Finance Director, and Lance Webster, Police Chief, gave reports on the recent snow storms.

Councilmember Sturm made a motion and seconded by Councilmember Haase to adjourn the meeting. Mayor Shelton stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried and the meeting adjourned at 6:28 p.m.