

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

The Wayne City Council met in regular session at City Hall on Tuesday, October 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, Dale Alexander, Doug Sturm, Kaki Ley, Kathy Berry and Ken Chamberlain; City Attorney Mike Pieper; 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 7, 2010, 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 Chamberlain made a motion and seconded by Councilmember Haase, whereas the Clerk has prepared copies of the Minutes of the meeting of October 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: AMAZON, SU, 319.71; AMERICAN LIBRARY ASSOC, FE, 180.00; AMERITAS, RE, 2237.51; APPEARA, SE, 145.40; BANK FIRST, FE, 195.00; BARONE SECURITY SYSTEMS, SE, 142.50; CITY EMPLOYEE, RE, 165.34; BIG T ENTERPRISES, SU, 122.93; BLUE DEVIL BOOSTER CLUB, SE, 85.00; CITY EMPLOYEE, RE, 137.58; CINDY MILLIGAN, RE, 342.00; CITY OF WAYNE, RE, 20.00; CITY OF WAYNE, PY, 59405.07; CITY OF WAYNE, RE, 216.42; COMMUNITY HEALTH, RE, 4.00; DAKOTA BUSINESS SYSTEMS, SE, 101.50; CITY EMPLOYEE, RE, 115.20; DUTTON-LAINSON, SU, 232.34; EDM

PUBLISHERS, SU, 98.78; ELECTRONIC ENGINEERING, SE, 28.75; ELLIS PLUMBING & HEATING, SE, 63.36; ENGINEERED CONTROLS, SE, 450.00; FIRST SOURCE TITLE&ESCROW, SE, 76.25; FLOOR MAINTENANCE, SU, 316.02; CITY EMPLOYEE, RE, 118.22; GALE GROUP, SU, 92.93; GALE RESEARCH, SU, 1404.00; GILL HAULING, SE, 133.00; GLEN'S AUTO BODY, SE, 75.00; HD SUPPLY WATERWORKS, SU, 2049.36; HDR ENGINEERING, SE, 6056.74; CITY EMPLOYEE, RE, 4.06; HHS REGULATION & LICENSURE, FE, 31.00; HIRERIGHT SOLUTIONS, SE, 51.90; ICMA, RE, 5535.91; IRS, TX, 19089.70; JANIS MYERS, RE, 500.00; JASON CAROLLO, SE, 175.00; JOHN'S WELDING AND TOOL, SE, 82.98; JOHNSON, LOWELL, RE, 131.96; KTCH, SE, 1155.00; M.E. COLLINS, SE, 126964.71; CITY EMPLOYEE, RE, 388.67; MICROFILM IMAGING SYSTEMS, SE, 495.33; MIDWEST LABORATORIES, SE, 424.35; MUNICIPAL SUPPLY, SU, 548.18; NE CODE OFFICIAL ASSOC, FE, 200.00; NE DEPT OF REVENUE, TX, 2829.63; NE LIBRARY COMMISSION, SU, 529.60; NE SAFETY COUNCIL, FE, 365.00; NE STATE PATROL, SE, 120.00; NPPD, SE, 284176.60; NIAGARA CONSERVATION, SU, 1214.18; NORFOLK PRINTING, SU, 676.00; OSMOSE UTILITIES SERVICES, SE, 5058.67; PAC N SAVE, SE, 258.49; CITY EMPLOYEE, RE, 49.01; PEPSI-COLA, SU, 592.91; PRESTO X, SE, 77.20; QUALITY FOODS, SU, 21.01; QWEST, SE, 1319.08; RANDOM HOUSE, SU, 171.92; CITY OF WAYNE, RE, 37.35; RICHARD A BROWN, RE, 500.00; ROBERT WOEHLE & SONS, SE, 20212.24; SECRETARY OF STATE, FE, 30.00; CITY EMPLOYEE, RE, 680.00; CITY OF WAYNE, RE, 245.00; SOCIETY FOR HUMAN MGMT, FE, 160.00; STADIUM SPORTING GOODS, SU, 611.50; STATE NATIONAL BANK, SE, 48.30; TAYLOR RACELY, SE, 50.00; TAYMARK, SU, 39.83; TOP HEALTH, SU, 139.92; UNITED STATES PLASTIC, SU, 88.16; WASTE CONNECTIONS, SE, 46.70; WATERLINK, SE, 1053.42; WAED, RE, 6383.33; WAYNE STATE COLLEGE, RE, 2460.00; CITY EMPLOYEE, RE, 160.21; WESCO, SU, 892.00; WAPA, SE, 25731.62; ZEE MEDICAL SERVICE, SU, 45.64; BEHLEN MFG, SU, 2097.00; CITY EMPLOYEE, RE, 22.38; BOMGAARS, SU, 79.98; BROWN SUPPLY, SU, 119.99; CITY OF WAYNE, RE, 300.00; CITY OF WAYNE, RE, 500.00; CITY OF WAYNE, RE, 498.81; COVENTRY HEALTH, SE, 18695.11; CULLIGAN, SE, 43.95; CURRY FLOOR & ACOUSTICS, SU, 87.00; DE LAGE LANDEN FINANCIAL, SE, 394.00; DUTTON-LAINSON, SU, 202.24; ELECTRIC FIXTURE, SU, 1789.50; FLOOR MAINTENANCE, SU, 309.23; GEMPLER'S, SU, 34.88; GERHOLD CONCRETE, SU, 20.25; GRAPHIC CONTROLS, SU, 339.90; HD SUPPLY WATERWORKS, SU, 1862.58; CITY EMPLOYEE, RE, 484.01; CITY EMPLOYEE, RE, 640.90; CITY EMPLOYEE, RE, 30.00; MSC INDUSTRIAL, SU, 76.87; NATE SIMMS, RE, 500.00; NE DEPT OF ENVIRONMENTAL, FE, 150.00; NE LAW ENFORCEMENT, SE, 180.00; NE NEB INS AGENCY, SE, 105.00; NE NEB INS AGENCY, RE, 270.00; NE RURAL WATER, FE, 50.00; NMC, INC., SU, 1524.62; PITNEY BOWES, SE, 648.00; POLLARD PUMPING, SE, 408.00; CITY EMPLOYEE, RE, 26.18; QUALITY 1 GRAPHICS, SU, 20.00; SHAWN STORY, SE, 100.00; SPARKLING KLEAN, SE, 1597.95; STADIUM SPORTING GOODS, SU, 28.00; TYLER TECHNOLOGIES, SE, 2825.55; VOSS LIGHTING, SU, 296.50; CITY EMPLOYEE, RE, 164.66; WESCO, SU, 13288.98; ZEE MEDICAL SERVICE, SU, 13.79

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.

Administrator Johnson stated a request has been received from M.E. Collins Construction Company to extend their contract end date of November 1, 2010, to April 15, 2011. A copy of a letter from Jerry Kabourek, Vice President of M.E. Collins, to JEO Consulting Group was received today and distributed to Council for their review.

Terry Mead of JEO Consulting Group addressed the change order for the ramp design. He did not have the exact dollar amount of the change order, because he assumed the focus of the discussion this evening would be on the request to extend the contract end date. However, he thought there would be a \$10,000 to \$11,000 increase in costs due to the fact that they added a ramp at Godfather's, which was not part of the original plan. They will change that wooden ramp to concrete, etc. They also altered the ramp design at First Source and Title Escrow and eliminated the ramps at both the Job Site and Harder & Ankeny due to the property owners' request. They will also do some reconfiguration with the sidewalk at Mine's Jewelers.

It was noted that there will be no additional costs to the City; however, some of the grant funds will be allocated to different places.

Jerry Kabourek, Vice President of M.E. Collins Construction Company, was present to address the request to extend the contract end date from November 1, 2010, to April 15, 2011, for the 2010 Downtown Sidewalk Project. The reason for this request is that they did not get started on time with this project because of weather delays and the additional work they had lined up. They hesitated to bring in other or extra crews, because they wanted consistency in the work. They will continue on the path they are on now whether they get the extension or not. The schedule they have laid out in the letter is realistic. They have completed the hardest and slowest part of the project, so the remainder of the project will go relatively quickly. Their goal is to have all of the linear sidewalk completed, excluding ramps, by Thanksgiving.

Councilmember Sturm did not understand why projects are not completed in the timeframe provided in the bid documents. He felt the City is always granting extensions for projects. When this happens, he is concerned as to how this affects the other companies that bid on these projects.

Administrator Johnson advised the Council that the grant deadline is April 1, 2011. Because of the uncertainty of the weather in March, they wanted to get this project done by November 1st.

Mr. Kabourek advised the Council that if they would approve the extension, and if for some reason, M.E. Collins would not meet the grant deadline which then caused the City consequences, they should be on the hook or accountable for whatever that might be. In regard to liquidated damages being factored into their bid, he stated that they intended

on negotiating until a December 1st timeframe which they thought was reasonable. He also stated he felt there were a number of factors that would justify 2 to 2.5 weeks in a time extension (e.g. utilities and footings have been in the way, and the Mayor wanted to see more bricks on the street).

Mr. Kabourek again stated that should there be consequences for running past the grant deadline of April 1st, they should be monetarily accountable. They just need to gather that information and see what that is.

Administrator Johnson stated typically on the grant approval process for other grants, it typically doesn't show up as a dollar amount; it shows up as points you don't receive because of issues in the past.

Mr. Kabourek stated because the Council just received the letter this evening, he wasn't looking for a time extension tonight. He thought the Council should table the matter until the next meeting. It will not affect the way they are working – they are not leaving.

Councilmember Sturm stated he thought that M.E. Collins was doing a good job on this project.

Councilmember Haase did not have a problem with granting the extension.

Councilmember Sturm made a motion and seconded by Councilmember Frevert to table action until the next meeting on the request of M.E. Collins Construction to extend the contract end date on the 2010 Downtown Sidewalk Improvement Project, knowing that there could be liquidated damages if the extension is not granted at that time.

Administrator Johnson also agreed there have been some delays which they would get credit for.

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

Dave Tietgen of Renais Energy LLC, was present to discuss the proposed Power Purchase Agreement with Renewable Energy Development LLC, and to update the Council on what has been happening over the past couple of weeks. They are in the process of obtaining a use by exception permit for the turbines which will be located on Brian Bowers' property. The lease agreement with Mr. Bowers cannot take place until the Power Purchase Agreement is accepted by the City.

Mike Garvin of Renais Energy was also present. He noted they will have more of an ownership and equitable stake with the land owner than they have ever seen in Iowa. The Iowa model is not particularly conducive for treating the land owner very well, but they are changing that. The Power Purchase Agreement is moving along nicely. Over the course of just a couple of weeks, we have come to terms with the major issues of identifying what energy sells for. We identified this afternoon a price point that is an average -- we will have a summer and winter rate. They addressed in the document who pays and how is it paid. On page 10, No. 7 (which was just changed a few hours ago), they identified that the average rate of .0559 per kWh was agreed upon by all parties. They will break that out into a winter and summer rate in the final document. Two other changes that were made in No. 7 were that we agreed we would reduce the minimum base to 4% annually, and that we would eliminate the two points below NPPD's annual

inflation. It was his misguided vision that we could control some of the inflationary factors going forward with 2 points below NPPD's rate, but it was hard to calculate and difficult to maintain. They expect to generate 5,100 megawatt hours every year for the City of Wayne. The City can claim that much energy is green and carbon-free and market that to companies that want to manufacture in a carbon-reduced or carbon-free environment. They have met with the Superintendent of the Wayne Public Schools. They would like to donate the proceeds of the renewable energy credits to the Wayne Public Schools to establish a new curriculum around renewable energy studies involving all levels of science from K-12 and the industrial arts program. They promised they will create this project and generate this energy at no more cost or no differential increased cost to what Wayne is getting coal-fired energy for right now. They have, in their negotiations, committed to that. They are going to be very cognizant of what NPPD's real increases are, and they will never go over those.

Administrator Johnson replied that without the hourly time of production, it will not be exact, because half of our bill from NPPD that we receive in the summer is the demand charge, and if the turbine is not running on the hottest hour of the hottest day of the month, then we would not have deferred that, so we will still have to pay for that peak demand for the day which will be averaged in for the next four years. This will not be exact.

Mr. Garvin also noted that every five year period, the parties will evaluate the escalation factors tied with NPPD's rate. They will look at them and their costs and the City's purchasing practices and adjust accordingly.

Administrator Johnson also clarified that the price the City pays NPPD is a blend price for coal, nuclear, water and gas, and coal is the cheapest of all. We can never get to there with a turbine, so we are trying to do the equivalent of the blend cost which is relatively cheap in the United States.

Wayne is the only town in Nebraska that Renais is working with at this time. They are also working with Webster City and Fairfield, both located in Iowa. He feels renewable energy will take off when jobs are being created.

Mayor Shelton declared the time was at hand for the public hearing on the Wayne Revolving Loan Fund (WRLF) application of Wayne Hospitality Group, LLC, for \$150,000 which will be used to purchase tax increment financing bonds for the Cobblestone Hotel Project.

Administrator Johnson advised the Council that this project is changing daily, and when the notice was published, it was published as a \$150,000 WRLF application to be used to purchase tax increment financing bonds for the Cobblestone Hotel Project. Since the publication of the notice, the amount has changed to \$125,000 and will be used for the construction of the Cobblestone Hotel Project.

Wes Blecke, Executive Director of WAED, stated the Business and Industry Committee met and reviewed the WRLF application for Wayne Hospitality Group, LLC, to construct a 44-room hotel in Wayne. The Committee voted to forward the WRLF application to the City Council without recommendation, but that the Committee continues to support the project. Last week, WHG was informed by the USDA that their loan would not be guaranteed as is, and that is what started the ball rolling with these changes to the financial package.

It was noted that there is \$250,000 in the Wayne Revolving Loan Fund at this time.

This would be a zero percent loan, with a 20-year amortization and a seven year balloon payment.

Kent Franzen, representing Wayne Hospitality Group, LLC, was present to answer questions.

City Clerk McGuire had not received any comments for or against this public hearing.

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

Councilmember Sturm introduced Resolution No. 2010-81 and moved for its approval; Councilmember Chamberlain seconded.

RESOLUTION NO. 2010-81

A RESOLUTION CONFIRMING THE APPLICATION FOR AND APPROVING THE USE OF NOT TO EXCEED \$125,000 FROM THE WAYNE REVOLVING LOAN FUND.

Mayor Shelton stated the motion, and the result of roll call being all Yeas, with the exception of Councilmembers Haase and Ley who abstained, the Mayor declared the motion carried.

Wes Blecke, Executive Director of WAED, was present and advised the Council that the Sales Tax Advisory Committee met and reviewed an application to Wayne's Economic Development Program Fund. The Committee recommended approving the request to modify the previous terms by Wayne Hospitality Group, LLC, for \$250,000 to be used to assist with obtaining bank financing for a \$2.8 million hotel. The

recommended modification of terms includes granting the money to the entity instead of the previously approved terms of a 0% loan paid back over 15 years. This grant status is needed for WHG, LLC, to secure bank financing for the project. WHG, LLC, has every intention to honor the Council's previous agreement to pay the money back over 15 years; however, the grant designation needs to occur for the financing package to work.

Mr. Blecke explained that the USDA has a program where they will guarantee 80% of a bank loan. Right now, WHG is working through F & M Bank in Wayne. It is a speculative enough process that a bank is probably not going to lend \$1.6 or \$1.8 million dollars without that guarantee, and with the lending practices and the current economic environment, it is going to be very tough. The guarantee is critical. Without the guarantee, the project likely will not move forward as is. This group has been very adamant about doing everything locally as possible. Three of the four banks in Wayne are represented in the investment club, so it is natural to look at F & M because they do not have anybody within the bank who is a member of Northeast Nebraska Investors, LLC.

Kent Franzen advised the Council because of the conflicts of interest with the officers, and some officers in each bank being members, the other banks aren't really in a position to be able to be involved. The USDA guarantee is essential to this project, and it has been from the start. It is essential to make this thing run, and because we have over 30 investors now, and because no one investor owns 20% of the project, personal guarantees are not part of the picture. They were not aware that the USDA considered the TIF as equity until they actually turned in their application. This was common practice with WHG from Wisconsin. The USDA changed their classification and is not only claiming the TIF as debt, but also the \$250,000 LB 840 as debt which drops their

equity to 12.8%, and 20% is what is needed. If they can get the \$250,000 reclassified as a grant, that will raise their equity back to 22.1%. Their cash flow still works even with the payment of the grant money as they planned. This project is expected to generate approximately \$43,000 a year in tax income for the City.

Mr. Blecke stated the “no vote” at the LB840 committee was from a committee member that would prefer to see a little bit of money go to multiple projects. This committee member has never been in favor of large projects.

Mr. Franzen, in response to Councilmember Sturm’s question, stated that right now in the State of Nebraska, TIF bonds are not tied to the real estate which is why he believes they are not selling, and in order to make TIF bonds a viable financing tool going into the future, the Legislature is going to have to address that. Should the original entity fail, those TIF bonds are unsecured debt. If they can get the guarantee, the project will buy its own TIF bonds.

Councilmember Alexander stated the concern he has with giving a grant is that if the project does fail, then the City is out \$250,000. Mr. Franzen responded that with the original proposal and under that scenario, the subordinate financing that was already committed to would already be out anyway. The risk does not increase as much as one might think between the grant and the loan.

Administrator Johnson stated the loan would be in a third position behind other lenders.

Councilmember Frevert stated he thought this was a good project and didn’t think it would fail.

Mayor Shelton stated there is \$442,000 in TIF bonds on this project. The City is buying \$125,000; they will take the rest of it.

Mr. Franzen stated if the City declines this request, they will have to seek another lender, and they will have to try to raise more money in the community. Mr. Blecke stated if both of these requests are approved this evening, it doesn't mean that this project is automatically a go, because there are a couple of other hurdles they have to meet. If the Council does not approve this, it will probably delay the project at least a year.

Councilmember Alexander had a problem with this. He thought the City is floating a lot of money to this group (private investors) and he understands the City might benefit on the tail end, but the City might not also.

Mr. Franzen responded that the benefits for the City, as a whole, will start as soon as the hotel is open for business.

Mayor Shelton clarified to the Council that this is technically not city money. It is money that has been allocated by the taxpayers, in this case, to be used to invest in the community for economic development and to help the community go forward.

Councilmember Alexander had concerns about tying the money all up in one place, instead of using the money in several different places.

Mr. Franzen stated he knows this is a big project and a big investment, but how many requests have been made for smaller projects that are going to generate the kind of tax money that we're talking about here. If those rooms will generate more activity at the college, at the high school, and in town, what are the intangible results? This facility will be a force multiplier when it comes to the economic engine of the town.

Mr. Blecke stated his job here is to give the Council facts and advise them what the Committee has said, not to lobby one way or the other. When he receives a request for funds, most of the requests are for \$5,000 or 10,000. He does not push them towards LB 840 or the revolving loan funds. WAED has an internal revolving loan fund which the Council supported. They have made 21 loans to small businesses in Wayne. When people come to them for small projects, that is the loan he tailors them to. That loan has 0% interest over 10 years. He does not direct them to the LB 840 area, because it's much simpler to go the economic development revolving loan fund route.

Councilmember Chamberlain made a motion and seconded by Councilmember Frevert approving the request of Wayne Hospitality Group, LLC, to convert the \$250,000 LB 840 0% interest loan to a grant. Mayor Shelton stated the motion, and the result of roll call being all Yeas, with the exception of Councilmembers Haase and Ley who abstained due to a conflict of interest, and Councilmember Alexander who voted Nay, the Mayor declared the motion carried.

Councilmember Alexander left the meeting.

Rod Hansen with Olsson Associates advised the Council that the plans and specifications have been prepared for the Kardell Sanitary Sewer/Lift Station Improvement Project, and Council needs to pass the Resolution and authorize the City Clerk to advertise for bids in the form of notice prepared by them. This phase will be for a 4" force main that will tie into an existing manhole near the storage units on Centennial Road. This will open up the whole Kardell Subdivision area and the area north of Great Dane. It will also allow Pacific Coast and the other industries to tie into the system. The

future phase will allow the property south of Highway 35 along Chief's Way to attach to sewer.

Councilmember Ley introduced Resolution No. 2010-86 and moved for its approval; Councilmember Chamberlain seconded.

RESOLUTION NO. 2010-86

A RESOLUTION APPROVING THE PLANS, SPECIFICATIONS, AND ESTIMATE OF COST FOR THE KARDELL LIFT STATION PROJECT AS PREPARED BY THE CITY'S ENGINEER. AND DIRECTING ADVERTISEMENT FOR BIDS.

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

Rod Hansen with Olsson Associates advised the Council that the work has been completed on the Kardell Subdivision, Paving, Drainage and Water Improvement Project. His recommendation is to accept the work and authorize final payment to Steve Harris Construction, Inc., in the amount of \$5,097.61.

Councilmember Sturm introduced Resolution No. 2010-85 and moved for its approval; Councilmember Ley seconded.

RESOLUTION NO. 2010-85

A RESOLUTION ACCEPTING WORK ON THE KARDELL SUBDIVISION, PAVING, DRAINAGE AND WATER IMPROVEMENT PROJECT, AND AUTHORIZING FINAL PAYMENT THERETO.

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

Joel Hansen, Building Inspector/Planner, stated the following Ordinance would amend the Wayne Municipal Code to include Vehicle Towing Service as a use by

exception in the B-3 Neighborhood Commercial District. This was inadvertently overlooked at the last meeting when the special conditions were adopted in the B-3 Neighborhood Commercial District.

Councilmember Sturm introduced Ordinance 2010-28, and moved for its approval; Councilmember Ley seconded.

ORDINANCE NO. 2010-28

AN ORDINANCE AMENDING WAYNE MUNICIPAL CODE CHAPTER 90, ARTICLE V, BY AMENDING SECTION 90-424 EXCEPTIONS IN THE B-3 NEIGHBORHOOD COMMERCIAL DISTRICT.

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

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 Chamberlain made a motion and Councilmember Sturm seconded to move for final approval of Ordinance No. 2010-28. 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 Resolution would direct the City Clerk to file a lien against 102 Douglas Street 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 Sturm introduced Resolution No. 2010-82 and moved for its approval; Councilmember Ley seconded.

RESOLUTION NO. 2010-82

A RESOLUTION DIRECTING THE CITY CLERK TO CERTIFY MOWING COSTS TO THE WAYNE COUNTY CLERK AND THE WAYNE COUNTY TREASURER TO BECOME A LIEN ON LOT SEVEN, BLOCK TWENTY-FOUR, ORIGINAL TOWN OF WAYNE, WAYNE COUNTY, NEBRASKA, MORE COMMONLY DESCRIBED AS 102 DOUGLAS 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 the following Resolution would direct the City Clerk to file a lien against 904 Walnut Street 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 Sturm introduced Resolution No. 2010-83 and moved for its approval; Councilmember Ley seconded.

RESOLUTION NO. 2010-83

A RESOLUTION DIRECTING THE CITY CLERK TO CERTIFY MOWING COSTS TO THE WAYNE COUNTY CLERK AND THE WAYNE COUNTY TREASURER TO BECOME A LIEN ON THE SOUTH TWENTY-ONE FEET OF LOT TWENTY-SIX AND PART OF LOT TWENTY-SEVEN, MCPHERRAN'S ADDITION TO THE CITY OF WAYNE, WAYNE COUNTY, NEBRASKA, MORE COMMONLY DESCRIBED AS 904 WALNUT STREET, WAYNE, NEBRASKA.

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

Joel Hansen, Building Inspector/Planner, stated that the Department of Roads, over the last few years, has always shared a portion of the Federal money with First Class Cities so we can do Federal Transportation Projects with STP funding. They have now had problems the last few years of not expending the money, and part of that is due to the changes regarding the Responsible Charge, etc. Because of all of the Federal rules and

regulations that have been passed, they now have to make sure that the State is making sure that the local communities follow those rules and regulations. Part of that has held up some of the projects, and they are not getting the money expended. This year, they had to take some of that money and allocate it towards a State project in order to expend the funds. If they don't expend those funds every year, they lose them. In the past, they have always done each community separately, and the money accumulated until they had a project ready to go. That has not always worked out for the State to be able to expend all of those Federal funds in that way, and so what they are trying to do is get all of the First Class Cities together in a pool to essentially try to prorate the allotment to everybody. They want scheduled projects so there are enough projects going through every year so the Federal money gets spent every year. This is a process that the League of Nebraska Municipalities came up with so the State does not lose federal funds.

Councilmember Chamberlain introduced Resolution No. 2010-84 and moved for its approval; Councilmember Ley seconded.

RESOLUTION NO. 2010-84

A RESOLUTION ACCEPTING AND AUTHORIZING THE EXECUTION OF A FEDERAL TRANSPORTATION FUNDING INTERLOCAL AGREEMENT.

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

Councilmember Chamberlain made a motion and seconded by Councilmember Ley approving Contractor's Pay Estimate No. 4 (Final) submitted by Gana Trucking & Excavating, Inc., in the amount of \$2,295.07 for the "Former Kardell Landfill - Stream Restoration Project." 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 seconded by Councilmember Frevert adopting the LB 840 Capital Projects portion of the budget. 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 seconded by Councilmember Ley to recess as Council and convene as the Community Development Agency. Mayor Shelton stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Chair Chamberlain called the meeting of the Community Development Agency to order. Those in attendance were: Members Brian Frevert, Jim Van Delden, Jon Haase, Lois Shelton, Doug Sturm, Kaki Ley, and Kathy Berry; City Attorney Mike Pieper; City Administrator Lowell Johnson; and City Clerk Betty McGuire. Absent: Member Dale Alexander.

Chair 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.

The next item on the CDA agenda was to approve the minutes of the September 21, 2010, meeting.

Member Sturm made a motion and seconded by Member Ley approving the minutes of the September 21, 2010, meeting. Chair Chamberlain stated the motion, and the result of roll call being all Yeas, the Chair declared the motion carried.

The next item on the agenda was to approve lot sale incentives for Western Ridge. Those incentives are as follows:

1. The period of this incentive offer will be from the time of approval to December 31, 2011;

2. The required completion date for homes to be built on the lots will be extended from the current policy of 12 months from the date of closing on the lot to a longer period that ends on the December 15th after the second construction season following the date of the sale by the CDA. The late penalty will still be \$5,000 filed as a performance lien on the lot when it is sold by the CDA to be released upon receipt of Certificate of Occupancy;
3. A \$1,500 rebate on the lot price will be made to the developer of the lot if the house has a "Certificate of Occupancy" within 12 months from the date of sale; and
4. The CDA will carry the cost of the lot at 0% interest from the date of closing until the sale of the lot and house.

Member Shelton introduced CDA Resolution No. 2010-3 and moved for its approval; Member Sturm seconded.

CDA RESOLUTION NO. 2010-3

A RESOLUTION APPROVING LOT SALE INCENTIVES FOR WESTERN RIDGE SUBDIVISION.

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

Member Ley made a motion and seconded by Member Shelton to adjourn as the Community Development Agency and reconvene as Council. Chair Chamberlain stated the motion, and the result of roll call being all Yeas, the Chair declared the motion carried.

Councilmember Chamberlain made a motion and seconded by Councilmember Sturm 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 7:16 p.m.