

**MINUTES
CITY COUNCIL MEETING
June 3, 2008**

The Wayne City Council met in regular session at City Hall on Tuesday, June 3, 2008, at 5:30 o'clock P.M. Mayor Lois Shelton called the meeting to order with the following in attendance: Councilmembers Brian Frevert, Don Buryanek, Doug Sturm, Kaki Ley, Darrel Fuelberth, and Ken Chamberlain; City Attorney Mike Pieper; City Administrator Lowell Johnson; and City Clerk Betty McGuire. Absent: Councilmember Verdel Lutt and Dale Alexander.

Notice of the convening meeting was given in advance by advertising in the Wayne Herald on May 22, 2008, 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 Fuelberth made a motion and seconded by Councilmember Sturm, whereas the Clerk has prepared copies of the Minutes of the meeting of May 20, 2008, 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:

ADDITIONS AND CORRECTIONS TO CLAIMS LIST OF MAY 20, 2008:

DELETE CITY OF WAYNE - CAC DEPOSIT REFUND \$150.00

VARIOUS FUNDS: ALLTEL, SE, 404.49; AMERITAS, RE, 1956.65; AQUILA, SE, 2018.26; ARDENT LIGHTING GROUP, SE, 24403.00; AS COMMUNICATIONS, SE, 448.00; BANK FIRST, SE, 195.00; BROWN SUPPLY, RE, 666.88; CITY OF WAYNE, RE, 250.00; CITY OF WAYNE, RE, 100.00; CITY OF WAYNE, FE, 87.00; CITY OF WAYNE, RE, 1262.77; CITY OF WAYNE, PY, 62501.55; CITY OF WAYNE, RE, 185.54; CITY OF WAYNE, SU, 57.49; CITY OF WAYNE, RE, 278.74; CITY OF

WAYNE, RE, 820.89; CITY OF WAYNE, SU, 111.96; DE LAGE LANDEN FINANCIAL, TX, 298.85; DUTTON-LAINSON COMPANY, SU, 549.81; ECHO GROUP, SU, 36.40; ELECTRIC FIXTURE, SU, 188.10; FORT DEARBORN LIFE, SE, 127.28; FREMONT NATIONAL BANK, SE, 13897.50; FULL COMPASS SYSTEMS, SU, 18.47; GERHOLD CONCRETE, SU, 7310.96; HAWKINS, RE, 466.37; HUNTEL, SE, 30.00; ICMA, RE, 5390.66; INTERSTATE INDUSTRIAL, RE, 183.24; IRS, TX, 20251.00; K & C GRAIN, SU, 2238.89; KRIZ-DAVIS, SU, 766.80; L.G. EVERIST, SU, 162.53; LAKEVIEW BASEBALL, FE, 160.00; LEAGUE OF NEBRASKA, FE, 25.00; LEAGUE OF NEBRASKA, FE, 45.00; MALLOY ELECTRIC, SU, 349.04; MIDWEST OFFICE AUTOMATION, SU, 73.15; NE DEPT OF LABOR, SE, 144.00; NE DEPT OF REVENUE, TX, 2649.96; NE HARVESTORE, RE, 1157.56; NORFOLK VFW YOUTH BASEBALL, FE, 25.00; N.E. NE RED CROSS, SE, 59.24; NNPPD, SE, 1651.75; PEERLESS WIPING CLOTH, SU, 270.00; POSTMASTER, SU, 625.58; QWEST, SE, 421.00; REHAB SYSTEMS, SE, 16888.85; SHERMAN NURSERY, SU, 915.25; SKARSHAUG TESTING LAB, SE, 212.00; STADIUM SPORTING GOODS, SU, 296.50; STATE NATIONAL BANK, RE, 92398.75; STATE NATIONAL BANK, RE, 1746.40; STATE NATIONAL BANK, RE, 409.82; STATE NATIONAL BANK, RE, 100.00; THE DIAMOND CENTER/FLOWER, SE, 4.05; THE KIPLINGER LETTER, SU, 48.00; THOMPSON PUBLISHING GROUP, SU, 29.50; TOM'S BODY & PAINT SHOP, RE, 392.66; TOM'S BODY & PAINT SHOP, RE, 1724.27; TOM'S BODY & PAINT SHOP, RE, 144.66; UNITED WAY, RE, 45.35; VAN DIEST SUPPLY, SU, 1856.80; WAEDI, RE, 6383.33; WAYNE GRAIN & FEED, SE, 274.00; WAYNE JAYCEES, RE, 1500.00; WHITE HORSE, SU, 7.00; ZEE MEDICAL SERVICE, SU, 77.64; CITY OF WAYNE, RE, 150.00; CITY OF WAYNE, RE, 20.00; CITY OF WAYNE, RE, 47.97; CITY OF WAYNE, SU, 42.79; CITY OF WAYNE, RE, 2119.32; CITY OF WAYNE, RE, 3666.21; CITY OF WAYNE, RE, 3277.97; CITY OF WAYNE, RE, 131.94; CLASSY CLEANING LADIES, SE, 193.00; DOESCHER APPLIANCE, RE, 55.00; FIRST SOURCE TITLE & ESCROW, SE, 203.00; FLETCHER FARM SERVICE, SU, 80.00; GERHOLD CONCRETE, SU, 879.50; GILL HAULING, SE, 2369.40; HAWKINS, SU, 1068.47; HEIKES AUTOMOTIVE SERVICE, SE, 47.93; HOLIDAY INN OF KEARNEY, SE, 480.53; HTM SALES, SU, 113.90; LP GILL, SE, 6719.26; MERCY MEDICAL CLINICS, SE, 22.00; NE DEPT OF ENVIRONMENTAL, FE, 1836.54; NE EXPRESSWAYS, SE, 581.04; NHHS, FE, 1138.00; OLDS PIEPER & CONNOLLY, SE, 3368.95; OLSSON ASSOCIATES, SE, 303.63; QUILL, SU, 74.18; QWEST, SE, 188.40; SUPER 8 MOTEL, SE, 1083.00; TEAM MANAGEMENT, SU, 109.00; TURFWERKS, SU, 113.70; VIAERO, SE, 71.91; WAEDI, SE, 6383.33; WAYNE COUNTY CLERK, SE, 62.50; WAYNE VETERINARY CLINIC, SE, 436.00; WEST PAYMENT CENTER, SU, 168.00; WHITE DOG LAWN SERVICE, SE, 150.00

Councilmember Buryanek made a motion and seconded by Councilmember Frevert 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.

Councilmember Alexander arrived at 5:33 p.m.

Mayor Shelton presented to the Council the Nebraska Home Developer's Association -- 2008 Groundbreaker Award which was given to Lance Webster, George Ellyson and the Problem Resolution Team.

Gary Boehle, representing the LB840 Committee, updated the Council on the proposed sales tax initiative efforts.

Mayor Shelton declared the time was at hand for the public hearing on the Wayne Revolving Loan Fund Application of the City of Wayne Community Development Agency for \$27,825 to purchase land from Felix Industries to facilitate better street alignment with Industrial Drive in the existing Industrial Park.

Administrator Johnson stated the Community Development Agency has already approved purchasing the property from Felix Industries. This will allow the Council to use the Revolving Loan Funds to make the purchase.

City Clerk McGuire did not receive any comments for or against this public hearing.

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

Councilmember Sturm introduced Resolution 2008-43, and moved for its approval; Councilmember Fuelberth seconded.

RESOLUTION NO. 2008-43

A RESOLUTION CONFIRMING THE APPLICATION FOR AND APPROVING THE USE OF NOT TO EXCEED \$27,825 FROM THE WAYNE REVOLVING LOAN FUND.

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

Councilmember Sturm introduced Resolution 2008-44, and moved for its approval; Councilmember Ley seconded.

RESOLUTION NO. 2008-44

A RESOLUTION APPROVING REIMBURSEMENT OF FUNDS TEMPORARILY ADVANCED TO PAY FOR THE KARDELL LANDFILL IMPROVEMENT PROJECT.

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

Councilmember Sturm introduced Resolution 2008-45, and moved for its approval; Councilmember Buryanek seconded.

RESOLUTION NO. 2008-45

A RESOLUTION APPROVING REIMBURSEMENT OF FUNDS TEMPORARILY ADVANCED TO PAY FOR WATER SYSTEM IMPROVEMENTS.

Administrator Johnson stated this Resolution will provide the financing for the West Wayne Water Pressure System and the Muh's Acre Water Line Project. All of the "Reimbursement" Resolutions state that the City will finance the projects with municipal bonds. That market right now is between 1.5% and 3.5%. The City will reimburse itself

with future revenue from either the water, wastewater, or street funds, etc., to pay the bonds off. Most bond issues are 10 years, depending upon the project.

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

Councilmember Buryanek introduced Resolution 2008-46, and moved for its approval; Councilmember Chamberlain seconded.

RESOLUTION NO. 2008-46

A RESOLUTION APPROVING REIMBURSEMENT OF FUNDS TEMPORARILY ADVANCED TO PAY FOR INFRASTRUCTURE IMPROVEMENTS FOR THE KARDELL INDUSTRIAL PARK.

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

Councilmember Chamberlain introduced Resolution 2008-47, and moved for its approval; Councilmember Fuelberth seconded.

RESOLUTION NO. 2008-47

A RESOLUTION APPROVING REIMBURSEMENT OF FUNDS TEMPORARILY ADVANCED TO PAY FOR INFRASTRUCTURE IMPROVEMENTS FOR THE WESTERN RIDGE II SUBDIVISION.

Administrator Johnson stated that this project originally was only going to be for 17 lots. Then the Council decided to grade the whole area and install water and sewer, and we then went from 17 to 58 lots. That expanded the project and costs. The grant for this project is \$380,000, of which \$100,000 will be used for down-payment assistance loans. We have approximately \$250-260,000 net cash to help underwrite the costs of the first 17 lots. Johnson averaged the lot prices at \$8,000 each, which would be about \$456,000. Johnson also was recommending that since the City was putting so much into

that bottom end for the detention pond, etc., that some of that cost should be recovered from future projects up the hill that benefit, which he estimated to be \$45,000. The City's out-of-pocket costs will be about \$500,000 over the long run unless we underwrite it with Tax Increment Financing to help buy that back down from the taxes on the houses. That discussion will take place during the CDA meeting.

Councilmember Sturm stated he preferred to wait on this Resolution until after discussions take place during the CDA meeting. Johnson stated if Council passes this Resolution, it does not mean the Council has to do it – it just authorizes the Council to finance the project in this way.

Councilmember Buryanek stated it would be easy to set it up to recoup all of our costs from the sale of the lots, but then the sale of the lots would go way high. One of things the Council has always talked about and discussed with this project has been that to get the lots at a lower price to get the LMI and market rate homes in there, that we might have to eat some of that cost. If we have to eat the cost, then we look at that hopefully as an investment we are making to the future, so it is a way of changing the way we have always done business. What we are really looking at is if we need to have more bodies and homes, how would we produce those homes, and is that good for the future of Wayne? Is it better to spend this money and maybe not recoup it all or just to have an open field? That has to be part of what we think about it as we look at how much of this do we recoup. What is the cost of doing it and what is the cost of not doing it?

Councilmember Sturm stated we also have to ask ourselves how many times are we going to be able to afford to eat the costs. He doesn't think this project is going to

just take off -- it's going to be a slow process. He is just looking at dollars and sense here.

Councilmember Buryanek stated he understood Sturm's concerns in all of those areas, but this one, in particular, is one that shouldn't be a surprise to the Council because we have been talking about it for three to four years.

Councilmember Ley asked if the City has to eat a half million dollars, what is the cost benefit in the long run? The Council is sort of nervous about it.

Councilmember Sturm stated if the City does tax increment financing, that means the City doesn't actually see any taxes for several years.

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 amend the sewer rates pursuant to the recommendation of the Rural Water Association. The Rural Water Association was originally asked to come up with rates to provide 50% more in revenues so we could build a cash reserve for a future wastewater plant. At that time, we went to \$2.65 per thousand gallons of sewer water, plus a service charge of \$6.50 per month. Previously, if someone watered their lawn and used about 90,000 gallons of water during the summer, that was the break even point where it was worthwhile having a second irrigation meter and metering that off separately. You do not pay sewer fees on the irrigation meters. A lot of the irrigation meters that don't run more than three months out of the year are creating a lot of service problems in the spring after they have set over the winter. It takes the Water Department employees a lot of time to go out and find out why those meters aren't working and get them fixed. We do not want to put in more irrigation

meters. We have a discount sewer rate in the summer for those customers who do not have an irrigation meter. The question was whether or not that rate was discounted enough so people won't have too big a shock if they irrigate. We asked the Rural Water Association if they could come up with a new set of rates so that those customers who irrigate in the summer won't get hit so hard on the sewer. For somebody that does not irrigate at all, their sewer bill for 12 months will be the same. However, it gives a break to those that are watering. The break even point for those that water their lawn, etc., would be somewhere around 80,000 gallons a year to warrant a separate irrigation meter. For those that irrigate, if they use 80,000 or less, it is about the equivalent of having a separate meter. This Resolution also states that we will not be issuing any more irrigation meters. The net result will still be the same – a 50% increase in revenues to build cash reserves for a wastewater plant. These rates would become effective June 15th.

Councilmember Buryanek introduced Resolution 2008-48, and moved for its approval; Councilmember Sturm seconded.

RESOLUTION NO. 2008-48

A RESOLUTION TO ESTABLISH SEWER SERVICE AND USE RATES.

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

Mayor Shelton stated the following Resolution would adopt the City Administrator's Employment Agreement.

Councilmember Ley introduced Resolution 2008-49, and moved for its approval; Councilmember Fuelberth seconded.

RESOLUTION NO. 2008-49

A RESOLUTION TO ADOPT EMPLOYMENT AGREEMENT.

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 amend the Health Insurance Benefit portion of the personnel manual as follows:

Health and Major Medical Insurance:

PPO program with a maximum major medical expense benefit of \$2,000,000. Deductibles are **\$350 for single and \$700 for family** coverage in the PPO. The employer is self-insuring (80/20) a \$5,000 deductible for single and a \$10,000 deductible for family after meeting either one or two \$350 deductibles. An eligible employee qualifies on the first day of the month following 30 days of continuous employment. The City pays 97.5% of the premium for single employee; 90% for family coverage. The employee pays 2.5% of the premium for single coverage; 10% for family coverage.

As an incentive for the employee and family to reduce the deductible to \$250 for single and \$500 for family coverage in the PPO, the following must be met:

- **Employee must be a non-tobacco user. The City reserves the right to verify this by nicotine blood test; and**
- **Employee and spouse must have annual physical as provided in the plan.**

The policy we have now pays for the cost of a normal annual physical. We have a number of employees that don't take advantage of this. \$100 is not a big deal and \$200 certainly is not, but it will make us think about it a little bit. Some will quit smoking and some won't. This is a bit of an incentive to quit. This would take effect January 1, 2009. We need to give the employees from now until the end of the year to stop tobacco use if they are going to and the chance to get a physical.

An additional amendment is to allow the police officers to be fully vested in their retirement plan upon completion of two years of employment with the City.

Councilmember Sturm introduced Resolution 2008-50, and moved for its approval; Councilmember Ley seconded.

RESOLUTION NO. 2008-50

A RESOLUTION AMENDING SECTION 14.100 EMPLOYEE BENEFITS OF THE CITY OF WAYNE PERSONNEL MANUAL.

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

Administrator Johnson stated proposals were received for the ultraviolet wastewater disinfection system. This is a requirement by May, 2009. Staff reviewed the proposals, and the recommendation is to award the contract to JEO Consulting Group at a project cost of \$16,500 for design services and \$4,000 for construction oversight services.

Councilmember Ley introduced Resolution 2008-51, and moved for its approval; Councilmember Sturm seconded.

RESOLUTION NO. 2008-51

A RESOLUTION APPROVING AGREEMENT FOR PROFESSIONAL ENGINEERING CONSULTING SERVICES BETWEEN THE CITY OF WAYNE AND JEO CONSULTING GROUP FOR THE DESIGN AND CONSTRUCTION OF AN ULTRAVIOLET WASTEWATER DISINFECTION SYSTEM.

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 support the City's membership in the Nebraska Expressways for Economic Development. Cities are putting together coalitions co-sponsored by the League of Nebraska Municipalities to lobby the Department of Roads to get funding in out-state Nebraska for new construction. The cost to the City is \$581.04.

Mayor Shelton stated it is going to take a unified coalition out-State to get their attention in Lincoln.

Councilmember Ley introduced Resolution 2008-52, and moved for its approval; Councilmember Buryanek seconded.

RESOLUTION NO. 2008-52

A RESOLUTION OF SUPPORT FOR MEMBERSHIP IN THE NEBRASKA EXPRESSWAYS FOR ECONOMIC DEVELOPMENT.

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

Administrator Johnson stated that the following Resolution would authorize the City to accept the funds from the Northeast Nebraska Area Agency on Aging for the Fiscal Year 2009 Title III-B Operating Grant for the Senior Center.

Councilmember Sturm introduced Resolution 2008-53, and moved for its approval; Councilmember Alexander seconded.

RESOLUTION NO. 2008-53

A RESOLUTION AUTHORIZING ACCEPTANCE OF NORTHEAST NEBRASKA AREA AGENCY ON AGING (NNAAG) FISCAL YEAR 2009 TITLE III-B OPERATING GRANT.

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 Ordinance would establish an alley improvement district on the alleys from Pearl and Main Streets from 1st to 4th Street and the alley between Logan and Main Streets from 1st to 7th Streets. Aquila is planning on starting in June. Staff is recommending that Council create the improvement district, and then notices will be sent to the abutting property owners.

Councilmember Ley questioned the need to do this project. She took pictures of the alleys and distributed them to Council. She does not think the alleys are that bad. Administrator Johnson stated we can get by, and that this project is not urgent. However, eventually the alleys will have to be fixed. This was a timing issue with Aquila's project.

Garry Poutre, Supt. of Public Works and Utilities, noted that the property owners in an alley (block) can get together at any time and petition the city to redo an alley. The City would then pay for one-half and the other half would be paid for by the property owners.

Ordinance No. 2008-7 which would have created Alley Improvement District No. 2008-01 died for lack of a motion.

Garry Poutre, Supt. of Public Works and Utilities, and Gene Hansen, Supt. of Electric Production, gave a report on the recent electrical outage in Wayne.

Layne Beza, representing the Wayne County Veterans Memorial Committee, requested Council consideration to supporting a proposed site for their memorial and agreeing to assume the long-term grounds maintenance of said site. They are looking at two sites: Wayne County Courthouse and at the corner of Providence Road and Highway 35. It would be difficult for them, as a non-profit organization, to forecast funds to maintain the grounds for the memorial site. The State of Nebraska is willing to grant the land (.16 acres) needed for the memorial site at the corner of Providence Road and Highway 35. The Committee is asking if the City would assume the ground and turn it into a community park or Veterans Memorial Park and be responsible for long-term grounds maintenance. The Committee was also requesting approval to place angle parking (6-8 stalls) on the city right-of-way running along the west side of Providence

Road. They were requesting support on those two issues before determining which site the memorial would be located.

Councilmember Buryanek made a motion and seconded by Councilmember Frevert approving the request of the Wayne County Veterans Memorial Committee for the City to assume the grounds maintenance at the memorial site and approve the angle parking on Providence Road.

George Ellyson, Chief Inspector/Planner, stated the concern he had with this project is the traffic speed coming down Providence Road.

Councilmember Fuelberth thought records should be checked to see if putting in angle parking stalls was allowable in light of the fact that Providence Road is for emergency vehicles going to the hospital.

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

Mayor Shelton introduced Brent Clark, a Wayne State College Intern, who is working with Administrator Johnson this summer.

Councilmember Fuelberth made a motion and seconded by Councilmember Chamberlain to recess as Council. Mayor Shelton stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Councilmember Shelton made a motion and seconded by Councilmember Frevert to reconvene 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 Don Buryanek called the meeting of the Community Development Agency to order. Those in attendance: Members Brian Frevert, Dale Alexander, Doug Sturm,

Kaki Ley, Darrel Fuelberth, and Ken Chamberlain; City Attorney Mike Pieper; City Administrator Lowell Johnson; and City Clerk Betty McGuire. Absent: Member Verdel Lutt.

Chair Buryanek 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 May 20, 2008, meeting.

Member Ley made a motion and seconded by Member Sturm approving the minutes of the May 20, 2008, meeting. Chair Buryanek stated the motion, and the result of roll call being all Yeas, the Chair declared the motion carried.

Administrator Johnson stated Rich Robinson of Kirkham Michael was here this evening to work through Amendment No. 1 in detail.

Rich Robinson of Kirkham Michael explained the additional professional engineering services (Amendment No. 1) that were requested by the CDA.

- KM did not include any professional survey services within the original agreement as the owner was providing both a topographic survey and a boundary survey. A new total boundary survey was necessary.
- The preliminary plat was totally revised based upon the new correct boundary survey after the original preliminary plat was completed.
- The original final plat included only Phase One. The current requested final plat includes the total preliminary plat, which is all phases.
- Lot staking will be necessary for the total subdivision compared to the original agreement of only Phase One.
- The NDOR required a deceleration lane along Highway 35 which was not anticipated and within the original agreement.
- The infrastructure contract documents are being bid for Phase 1, Phase 2 and Phase 3 (except paving). The intent of the original engineering agreement was bidding only Phase One.

The total additional engineering fees will be \$24,900.

Member Fuelberth made a motion and seconded by Member Shelton approving Amendment No. 1 – Agreement for Additional Professional Civil Engineering Services with Kirkham Michael. Chair Buryanek stated the motion, and the result of roll call being all Yeas, the Chair declared the motion carried.

The next item on the CDA agenda was to approve the Proposal of Work and Costs submitted by Mid-State Engineering & Testing, Inc., – Construction Quality Control Testing for the Western Ridge Grading Project. Mr. Robinson stated this is for quality control testing services for overlot grading in the Western Ridge II Subdivision. The cost of the project will be \$4,470 - \$4,870.

Member Shelton made a motion and seconded by Member Ley approving the Proposal of Work and Costs submitted by Mid-State Engineering & Testing, Inc., – Construction Quality Control Testing for the Western Ridge Grading Project. Chair Buryanek stated the motion, and the result of roll call being all Yeas, the Chair declared the motion carried.

Administrator Johnson presented the design and cost estimates for the Western Ridge Water, Sewer, Paving and Storm Sewer Runoff System. The total cost of the project for all three phases is estimated to be \$1,302,500. The grant of \$250,000, estimated lot sales at an average of \$8,000 per lot, and \$45,000 for the recovery of costs of the detention pond reduces that amount to \$551,000. If we would decide to TIF the project, the amount of TIF on 17 lots is estimated to be \$160,000, which then reduces the amount to \$391,000. The potential TIF on Phase II would cause an additional reduction of \$200,000. Therefore, the total net cost on 58 lots is \$191,000. If you would choose not to do TIF on Phase I, about \$60,000 is the estimated out-of-pocket costs that the grant

will not pay for the streets and storm sewer. We will either pay that out of the Street Department's Budget or we will bond it and will set up a small property tax increase over a period of years to pay the bonds off. The same would be true for the water and sewer of \$50,000 each.

If there were no TIF or grant to do this project, the average lot cost for Phase I would be about \$34,000. The average lot cost for both Phase II and Phase III would be \$26,000.

Administrator Johnson then presented the proposed estimates that would be derived from using Tax Increment Financing.

Member Buryanek stated while there is risk involved in doing this project, there is also risk involved if we don't do it. This is just one small piece of the pie. While we are assuming a lot of risk, that is what developers do. We are looking at the future of Wayne. This is one of the major things in the eight years he has been on the Council that they have really looked at and is proactive as far as having a positive impact on the City's tax base, the school system, and the future of the community.

Member Shelton stated she saw this as coming at a very opportune time with gas prices the way they are. A lot of people, if they are going to continue to work in Wayne, are not going to be able to commute.

Administrator Johnson, in response to Member Chamberlain's questions, stated that if we use TIF on this project, it would not rule out using it on future projects.

Member Chamberlain made a motion and seconded by Member Shelton approving the Tax Increment Financing proposal and directing staff to submit the same to the City of Wayne for paving, water and sewer infrastructure in Phase I and II of the

Western Ridge II Subdivision. Chair Buryanek stated the motion, and the result of roll call being all Yeas, the Chair declared the motion carried.

Administrator Johnson reviewed the proposed lot prices for Western Ridge II Subdivision.

Member Sturm had concerns about setting the lot prices and then reducing the price if the lots aren't selling. How firm will we be with the lot prices? At one time, we had a person willing to buy two lots for \$24,000, and then we turned around and sold one lot to a person for \$5,000 and another lot for \$3,500.

Member Frevert thought the lot prices need to be set and then you stay with that. \$5,000 is affordable.

After discussion, staff was directed to separate the lots into three groups/tiers based on the square footage of the lots for future discussion and action, with the low-to-moderate income lots being priced at \$5,000.

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

Councilmember Sturm made a motion and seconded by Councilmember Buryanek approving the Tax Increment Financing option as a way to help finance the infrastructure costs on Phase I and II of the Western Ridge II Subdivision. 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 to receive a TIF Agreement request from the Community Development Agency and direct staff to submit the same to the Planning Commission for their review, to mail notices to the required governmental entities and to set a public hearing date for July 1, 2008, at 5:30 p.m. for review and action on the agreement. Mayor Shelton stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Mayor Shelton requested Council approval of the following appointments to the Recreation-Leisure Services Commission: Bob Keating (reappointment), Byron Heier, (reappointment), and Rod Hunke.

Councilmember Sturm made a motion and seconded by Councilmember Chamberlain approving the reappointment of Bob Keating and Byron Heier and appointment of Rod Hunke to the Recreation-Leisure Services Commission. Mayor Shelton stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Lowell Johnson, City Administrator, gave a report on the NPPD Rate Review Committee meeting he recently attended. In addition, Mayor Shelton gave a report on her trip to Seattle, Washington, to meet with representatives of Pacific Coast Feather Company.

The Council then met as a Committee-of-the-Whole to continue the outcome based budgeting process. Discussion took place on the following topics:

- Wayne is a Safe Community
 - Community Activity Center – move fitness room
 - Consider being open 24-7; have Brian Kesting research camera/security system, keyed entrance, etc.
 - Take the cost of the security system and air handling unit out of the construction budget.

Connect sidewalk from Elementary School to High School in the fall.

Police Department will implement after school programs at the CAC
(more leisure type activities)

- Wayne is a Fun and Healthy Community
Emergency Planning exercise next year
Discussions are taking place in regard to dispatching for Wayne State
College.

Councilmember Sturm made a motion and seconded by Councilmember Alexander 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 8:35 p.m.