

MINUTES
CITY COUNCIL MEETING
August 18, 2009

The Wayne City Council met in regular session at City Hall on Tuesday, August 18, 2009, at 5:30 o'clock P.M. Mayor Lois Shelton called the meeting to order with the following in attendance: Councilmembers Brian Frevert, 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. Absent: Councilmember Verdel Lutt.

Notice of the convening meeting was given in advance by advertising in the Wayne Herald on August 6, 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.

Mayor Shelton stated she had received Councilmember Verdel Lutt's resignation. He is not making any statements about his decision to resign.

Councilmember Alexander made a motion and seconded by Councilmember Chamberlain accepting the resignation of Councilmember Verdel Lutt. Mayor Shelton stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who voted Nay, the Mayor declared the motion carried.

Councilmember Sturm made a motion and seconded by Councilmember Ley, whereas the Clerk has prepared copies of the Minutes of the meetings of August 4, 2009, and August 11, 2009, 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 & CORRECTIONS TO CLAIMS LIST OF AUGUST 4, 2009:

DELETE HYDRAULIC SALES & SERVICE \$99.09

VARIOUS FUNDS: ALIGNMENT TECHNOLOGIES, RE, 5239.15; AMERITAS, RE, 2044.32; ARNIE'S FORD-MERCURY, RE, 500.00; BACON & VINTON, SE, 150.00; BANK FIRST, FE, 195.00; BROWNELL'S, SU, 130.49; CARHART LUMBER COMPANY, SU, 673.78; CITY OF WAYNE, RE, 1250.00; CITY OF WAYNE, RE, 112.28; CITY OF WAYNE, RE, 1000.00; CITY OF WAYNE, RE, 1001.88; CITY OF WAYNE, PY, 61749.69; CITY OF WAYNE, RE, 185.54; CITY OF WAYNE, RE, 1219.58; COPY WRITE, SU, 165.53; DAVE'S DRY CLEANING, SE, 138.00; ELECTRIC FIXTURE, SU, 95.00; ELECTRONIC ENGINEERING, SU, 1178.09; ELLIS PLUMBING & HEATING, SU, 690.00; FLOOR MAINTENANCE, SU, 79.69; FREDRICKSON OIL, SU, 1898.33; GALE GROUP, SU, 495.68; GERHOLD CONCRETE, SU, 8071.75; GREAT PLAINS ONE-CALL, SE, 79.79; HAUFF MID-AMERICAN SPORTS, SU, 106.00; HAWKINS, INC, SU, 1335.08; HD SUPPLY WATERWORKS, SU, 25.60; HEIKES AUTOMOTIVE, SE, 69.23; HIRERIGHT SOLUTIONS, SE, 20.00; HYDRAULIC EQUIPMENT, SU, 99.09; HYDRO CONDUIT CORPORATION, SE, 1488.00; ICMA, RE, 5477.01; INGRAM BOOK COMPANY, SU, 31.74; INTERSTATE ALL BATTERY, SU, 179.65; IRS, TX, 18705.98; JASON CAROLLO, SE, 210.00; KIM SCHULZ, RE, 1732.50; MATTHEW BENDER & CO, SU, 193.10; MERCY MEDICAL CLINICS, SE, 106.00; MIDLAND EQUIPMENT, SU, 47.38; MIDWEST LABORATORIES, SE, 759.95; MIDWEST OFFICE, SE, 967.50; MIDWEST TAPE, SU, 22.99; MILO MEYER CONSTRUCTION, SE, 3826.75; NE DEPT OF REVENUE, TX, 2701.57; NORTHEAST EQUIPMENT, SE, 1761.57; NE NEBRASKA AMERICAN RED CROSS, RE, 59.24; NNPPD, SE, 10698.54; ORIENTAL TRADING CO, SU, 71.91; PAC N SAVE, SU, 51.06; PAMIDA, SU, 158.67; PEPSI-COLA, SU, 235.86; PRESTO X COMPANY, SE, 74.95; PROVIDENCE MEDICAL CENTER, SE, 103.00; QWEST, SE, 1332.97; REHAB SYSTEMS, SE, 17153.90; ROBERTSON IMPLEMENT, SU, 158.43; RON'S RADIO, SU, 72.80; ROY GRAMLICH, RE, 30.00; S & S WILLERS, SU, 5500.12; SAND CREEK POST & BEAM, RE, 23924.00; SIEMENS WATER TECHNOLOGIES, SU, 350.00; SIOUX CITY WINTRONIC, SU, 32.69; STATE NATIONAL BANK, SE, 52.78; STATE NATIONAL BANK, RE, 182.91; STEVE HARRIS CONSTRUCTION, SE, 68059.17; TOM'S BODY & PAINT SHOP, SU, 24.00; UNITED WAY, RE, 26.98; US BANK, SU, 5094.27; UTILITIES SECTION, FE, 2230.00; WAYNE AREA CHAMBER, RE, 1000.00; WAED, RE, 10000.00; WAED, RE, 10000.00; WAED, RE, 278.00; WAED, RE, 6383.33; WAYNE AUTO PARTS, SU, 425.93; WAYNE COUNTY CLERK, SE, 91.75; WAYNE HERALD, SE, 2766.74; WAYNE STATE COLLEGE, RE, 400.00; WAPA, SE, 28789.12; ZACH OIL COMPANY, SU, 4558.37; ZEE MEDICAL SERVICE, SU, 90.86; ALLTEL, SE, 250.13; ARDENT LIGHTING, SU, 42.32; BAKER & TAYLOR, SU, 879.81; BILL REEG, RE, 500.00; CASEY JUNCK, RE, 700.00; CITY

OF NORFOLK, SE, 526.70; CITY OF WAYNE, RE, 39.59; CITY OF WAYNE, RE, 847.23; CLAUSSEN & SONS, SE, 395.75; COVENTRY HEALTH, SE, 15458.16; CULLIGAN WATER, SE, 42.25; DE LAGE LANDEN FINANCIAL, SE, 471.00; ECHO GROUP, SE, 25.48; ED M FELD, SE, 8.50; ELECTRONIC ENGINEERING, SE, 1646.67; FARMERS AND MERCHANTS, RE, 180000.00; FLOOR MAINTENANCE, SU, 450.84; GERHOLD CONCRETE, SU, 1427.75; GP GFOA, FE, 85.00; JACK'S UNIFORMS, SU, 399.95; KAREN BODLAK, RE, 10400.00; KRIZ-DAVIS, SU, 408.27; KTCH, SE, 605.00; LEAGUE OF NEBRASKA MUN., SE, 5352.00; MERCY MEDICAL CLINIC, SE, 26.00; MIDWEST OFFICE, SU, 1096.83; NE HARVESTORE, RE, 476.01; NE LIBRARY ASSOCIATION, FE, 276.00; NPPD, SE, 269597.71; OLSSON ASSOCIATES, SE, 9692.62; PAPER 101, SU, 1844.25; PIEPER, WIEBELHAUS & DAHL, SE, 3235.50; PITNEY BOWES, SE, 637.00; PURCHASE POWER, SU, 500.00; PUSH-PEDAL-PULL, SE, 570.25; QUILL, SU, 706.25; RANDOM HOUSE, SU, 80.00; STATE NATIONAL BANK, RE, 1789.94; WAYNE STATE COLLEGE, RE, 400.00; WINNING FINISH, SE, 115.00

Councilmember Chamberlain made a motion and seconded by Councilmember Ley 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.

Steve Shear of Project Extra Mile and Jill Belt, Counselor with Providence Medical Center, gave a presentation on the Wayne County Juvenile Diversion Program. This is a program designed to help juveniles (age 21 and under) who are first-time offenders to have a "second chance" by allowing misdemeanor offenses to stay off their record if they successfully complete the program. The program has been approved by the Wayne County Commissioners. The cost of this program is similar to that which would

be incurred for a first offense minor in possession charge. Ms. Belt, Diversion Coordinator for the program, stated the program will start this fall and will involve both the kids and their parents. They are very hopeful not to use tax dollars to run the program.

Maureen Carrigg, who works for Wayne State College, spoke in support of the Wayne County Juvenile Diversion Program.

Council consensus was to schedule their annual retreat for the weekend of February 6, 2010.

Administrator Johnson stated the following ordinance would implement a hotel occupation tax at the rate of 5%. Under the current motel use rate in Wayne, staff estimates this would generate about \$48,000 annually for city operations.

Councilmember Sturm introduced Ordinance 2009-20, and moved for approval thereof; Councilmember Chamberlain seconded.

ORDINANCE NO. 2009-20

AN ORDINANCE AMENDING WAYNE MUNICIPAL CODE, CHAPTER 22, ARTICLE II. OCCUPATION TAX BY ADDING SECTION 22-38 HOTEL OCCUPATION TAX; AND TO PROVIDE FOR AN EFFECTIVE DATE.

Mayor Shelton stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried. The second reading will take place at the next Council meeting.

Roger Protzman of JEO Consulting Group advised the Council that on August 12th, four bids were received on the Well House and Municipal Well 2009 Project. Recommendation is to award the contract to the low bidder – Layne Christensen Co. of Valley, Nebraska, in the amount of \$363,651. JEO has requested that Layne provide

documentation of their effort to comply with DBE requirements for review. These are requirements for using the stimulus funding. At this time, he does not have any of this documentation. Therefore, Mr. Protzman requested that the motion for approval should be contingent upon the State's final approval of all of the contract documents.

Councilmember Sturm introduced Resolution No. 2009-78 and moved for its approval contingent upon Layne Christensen providing documentation of their effort to comply with DBE requirements and contingent upon the State's final approval of all of the contract documents; Councilmember Chamberlain seconded.

RESOLUTION NO. 2009-78

A RESOLUTION ACCEPTING BID AND AWARDING CONTRACT ON THE WELL HOUSE AND MUNICIPAL WELL 2009-1 PROJECT.

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

Lucas Billesbach of JEO Consulting Group advised the Council that two proposals were received for subsurface exploration and geotechnical engineering services related to the Wayne Wastewater Treatment Facility Improvement Project. They asked both firms to present a proposal and price to take soil borings at both site locations and at each lift station as well and provide a geotech report. In addition, they asked for an estimate as to what the charges would be for construction testing services. Terracon did provide an alternate scope that would utilize cone penetrometer testing at both sites. The recommendation of JEO is to accept the proposal of Terracon for a fee of \$4,570 for the subsurface exploration and geotechnical services utilizing the cone penetrometer testing, with an estimated budget of \$8,506 for construction testing services.

Councilmember Ley introduced Resolution No. 2009-79 and moved for its approval; Councilmember Frevert seconded.

RESOLUTION NO. 2009-79

A RESOLUTION ACCEPTING PROPOSAL AND APPROVING AGREEMENT FOR GEOTECHNICAL ENGINEERING SERVICES ON THE WASTEWATER TREATMENT FACILITY IMPROVEMENT PROJECT.

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 make a request to the Nebraska Department of Roads to reclassify South Centennial Road as a “Rural Major Collector.”

Councilmember Ley introduced Resolution 2009-80, and moved for its approval; Councilmember Alexander seconded.

RESOLUTION NO. 2009-80

A RESOLUTION FOR NATIONAL FUNCTIONAL CLASSIFICATION REVISION.

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

Discussion took place regarding the investment policy. This is pursuant to a request made by Councilmember Alexander during the budget work session. Three representatives of the local banks were present: Dave Ley, State National Bank & Trust Company; Tim Keller, Farmers & Merchants State Bank; and Bill Dickey, First National Bank.

Mr. Ley stated since the inception of the investment policy, SNB has increased its loans by more than \$6,000,000. He explained some of the differences between banks and

brokers. He noted that banks are under what is called the “Community Reinvestment Act.” They are regulated by the Department of the U.S. Treasury. He advised the Council that he has bid on every one of the city’s investments and has aggressively bid more than what the Wall Street US Government Bond rates are for those periods of time. Investing in your own community is positive. That is what they have done, and that is what they would like to see the city do.

Councilmember Sturm asked why the City doesn’t get the same interest rate on its CD’s as someone would walking in off the street as advertised in the paper. Mr. Dickey responded there are two different markets you are looking at. When he goes to bid, he looks at core deposits and non-core deposits, which is money coming in from any municipality or various agencies.

Mr. Keller stated his bank has generated \$4,000,000 in new loans from the city deposits. Using the multiplier effect (7x), that is \$28,000,000 generated in Wayne. When you broker a deposit out, they don’t pledge anything to the City. They don’t have that cost. They only have the \$250,000 issue to deal with. That is what is covered by the FDIC insurance.

Mr. Keller noted that one thing that concerns him on the report that is distributed after bids are taken is that it shows only the unrealized revenue. It does not reflect the realized revenue. There is value to all of the donations that the local banks make in this community that brokers don’t make or people that don’t live here make. There is value in all the time and effort that is put into committees that help keep this community moving forward. There is a tremendous amount of hours that bankers put in on those things because they know growing a community is really important.

Administrator Johnson stated that in regard to the unrealized revenue, staff was asked not to compare the bank's bids with the broker's bids, but was asked to report the lost revenue if we did not accept the high bid. If the high bid is taken, staff did not report it as a plus or a minus, because we took the high bid.

Mr. Ley stated his rate on his bids to the city follow the national market. That is what he was requested to do and that is what he is doing.

Councilmember Alexander stated this is a more complicated issue than what it seems. He suggested putting a finance or investment committee together so the Council can make a better and more informed decision on the investment policy. He not only wanted the bankers involved, but also the brokers and some lay people. Alexander also stated that if the intent is to have the bankers speak to the Council at the retreat, then it needs to be equal time for the brokers, too.

No further discussion took place on the matter.

Councilmember Chamberlain 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 6:58 p.m.