

**MINUTES
CITY COUNCIL MEETING
March 30, 2021**

The Wayne City Council met in special session at the Wayne Fire Hall on Tuesday, March 30, 2021, at 5:30 o'clock P.M.

Mayor Cale Giese called the meeting to order with the following in attendance: Councilmembers Dwaine Spieker, Terri Buck, Nick Muir, Yasuko Taoka, Chris Woehler, Jason Karsky, and Matt Eischeid; Attorney Amy Miller; City Administrator Wes Blecke; and City Clerk Betty McGuire. Absent: Councilmember Jill Brodersen.

Notice of the convening meeting was given in advance by posting in three places on March 25, 2021, 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 Giese advised the public that a copy of the Open Meetings Act was located on the southwest wall of the Wayne Fire Hall, as well as on the City of Wayne website at cityofwayne.org/8/Government, and was available for public inspection. In addition, he advised the public that the Council may go into closed session to discuss certain agenda items to protect the public interest or to prevent the needless injury to the reputation of an individual and if such individual has not requested a public hearing.

Luke Virgil, Director of Wayne Area Economic Development, presented the semi-annual report of the LB 840 activity. There is \$324,000 available in the LB 840 account at this time. Discussion took place on plans for when the sales tax for this program sunsets, which is in 2024. The City imposed a 1% sales tax, of which 40% goes towards LB 840 functions and 60% goes towards capital improvements.

The LB 840 sales tax amount was capped at \$3.2 million. When that \$3.2 million is reached, that money no longer goes into LB 840 fund; it will go into the City's General Fund. Staff believes that amount could hit in 2022, so the City would have 18-24 months of LB 840 money going into the City's General

Fund that cannot be used for LB 840. Staff is estimating, if sales tax numbers stay consistent, there should be approximately \$500,000 for that 18-24 month time period.

Discussion also took place on pursuing an additional half-cent sales tax. It was noted that the City cannot advocate or spend money to promote the passage of a sales tax. Mr. Virgil stated his organization would be willing to support the City in this effort, because they see the value in having that sales tax in place.

One project identified to promote the passage of a sales tax was a water park feature/camping area at the lagoon site. Councilmember Eischeid thought an estimate of cost and design was needed before going to the public for support. We are at a point now where we need to figure out the design.

Councilmember Taoko suggested getting a quote with options (e.g. Cadillac, Buick and Chevy versions). Then, Council can look at options of things we want to add, etc.

Joel Hansen, Street & Planning Director, stated if Council is going to spend money with an engineering firm, they need to be ready to tell them exactly what they want (lake or no lake, camping stalls – how many, bathrooms, shower rooms, fields, etc.).

Consensus was to take the next steps to turn the concept into design. Mayor Giese asked for council volunteers to be on a steering committee for this project, where they meet separately and try to get some of the details hammered out. Councilmembers Muir, Karsky and Buck volunteered to be a part of that steering committee.

The Council then discussed the following retreat items:

➤ **Daycare (Community-Run)**

Luke Virgil, WAED Executive Director, stated that prior to COVID, a childcare shortage had been identified in Nebraska, especially in rural areas and including Wayne. The pandemic has only made the need for additional childcare more acute. Rainbow World has been exploring their options to add capacity, and WAED has made childcare a top priority. However, a myriad of barriers still exist that will limit or outright prohibit childcare development. For any incoming family, the first thing they think about is daycare. Keeping the costs reasonable, but also still paying the staff adequate salaries and benefits gets tough. There is legislation in Lincoln (LB531) which would provide tax credits for individuals and businesses that contribute to childcare facilities. That would give the general public a chance to get a tax write-off, but it would also help those facilities improve their wages and benefits and maybe increase their staffing. He has seen in some districts where school districts step up and play an important role in the childcare picture.

Councilmember Buck, President of Rainbow World, went over some of the proposed State regulations that, if passed, would have an effect on their classroom size.

After further discussion, Mayor Giese thought this was a conversation that needed to take place with the School Board. He did not feel, however, the City should be taking the lead on it, but that the Council would be open to helping in any way.

➤ **Housing**

Luke Virgil, WAED Executive Director, stated prior to COVID, a housing shortage had been identified in Nebraska, especially in rural areas, including Wayne. Over the past year, Wayne businesses, WAED stakeholders, and the community in general have repeatedly cited housing development (all levels: SF, MF, LMI, etc.) as a top priority in Wayne.

Who should be the lead on housing development in the community? There are willing builders who want to buy lots. The question is where is the next development going to be? Who will be in charge of paying for the infrastructure and by which means? There is a need for both high and low-to-moderate income housing.

It was noted that vacancy rates for apartment rentals is at 1% or less, which substantiates the fact that there is a shortage. At what point do we start turning the corner and get to a vacancy rate of 4-5% and eventually 8% so that we can start slacking off on some of the building?

Mr. Virgil stated there are other communities with colleges that have built a “seal of approval” program in partnership with their campus. A program like that could start building momentum in a positive way to identify which houses/apartments/landlords do well.

Councilmember Karsky stated the college is worried about new hires and housing. They have heard a couple of cases where people are taking jobs at Wayne State, but are living in Laurel, Wakefield and other places around. That integration into the community in regard to buying into this town, living here, serving the community and making those roots here is important.

Mayor Giese stated from what he was hearing, Council had an appetite for putting forth some funds for something to look at like a new “Western Ridge,” but they would need to discuss the matter further to make an educated decision.

➤ **Downtown Activity Report**

Luke Virgil, WAED Executive Director, provided an update on some of the business or ownership transitions that have occurred downtown.

➤ **Former Riley’s and Surrounding Area Property Development**

Councilmember Spieker made a motion, which was seconded by Councilmember Muir, to enter into executive session to protect the public interest for the purpose of discussing property acquisition, and to allow the following persons to be in attendance: City Administrator Blecke, City Clerk McGuire, City Attorney Miller, Finance Director Beth Porter, Police Chief Marlen Chinn, Street and Planning Director

Joel Hansen, Park and Recreation Director Lowell Heggemeyer, Electric Distribution Superintendent Tim Sutton, Electric Production Superintendent Jeff Triggs, and Luke Virgil, Director of Wayne Area Economic Development District. Mayor Giese stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried, and executive session began at 7:28 p.m.

Mayor Giese again stated that the matter to be discussed in execution session pertains to property acquisition.

Councilmember Spieker made a motion, which was seconded by Councilmember Eischeid, to resume open session. Mayor Giese stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried, and open session resumed at 7:51 p.m.

➤ **Electricity (Q & A)**

Mayor Giese wanted this discussion on “Electricity” to be more a Q&A session than a formal presentation by staff. A question to be answered is how does the City plan to pay for the \$819k increase in our electricity invoice from Big Rivers (BREC) and the power plant costs (fuel, labor, and misc.) due to Winter Storm Uri. Does the City pass the entire cost on to the customers over a certain time, does it take from the reserves, or does it do a combination of the two? Information was sent to MEAN (Municipal Energy Agency of Nebraska) to have them calculate what type of loss we experienced and how to best recoup/recover. He encouraged us not to rush into anything as the power players determine overall costs and how or if the Feds might step in to mitigate the outcome. We have a 90-day deferral from BREC to pay for the \$819k increase. By the end of that time, staff hopes to have final numbers.

This was a million dollar event when you take everything into consideration. Big Rivers calculated that we saved approximately \$1.8 million by running the City’s power plant 98 hours during that time.

➤ **Victor Park Improvements**

This park was built on an old dump site. We have been told this is the reason why there is so much settling in the area with concrete/asphalt breaking up, along with the cracking and settling of the restroom.

If Council decides to make camper improvements at the lagoon, a decision has to be made on whether money should be spent to refurbish the road and/or restroom in this area. Should staff mill off the asphalt and put rock back (except the accessible areas)?

The bathroom building is settling. Staff received a quote from Thrasher Basement to jack up the footings – those costs were \$7,000 per side, for a total of \$14,000. The fire pits are also settling.

This area is part of the trail system. It was noted that the restrooms are used frequently.

Staff was directed to get prices/quotes on improvements needed at this park.

➤ **Parking (East side of Hank Overin Field)**

Councilmember Karsky stated he had a concerned citizen contact him about curbside parking, child safety, kids chasing baseballs, additional paved parking and suggested that during baseball games the street be blocked off. Additional parking in grassy areas is not the greatest for those with mobility issues.

Roger Protzman, Engineer with JEO Consulting Group, Inc., looked at filling the pond south of Hank Overin Field. He estimated it would be very expensive for the work that would need to be done to allow people to park over that pond.

It was noted that the wall by the former Girl Scout cabin is hindering improvements of a recreation area that is in dire need of one certain thing and that is parking.

Mayor Giese stated he is willing to let that area be graveled but not paved.

➤ **Old Pool House**

City staff has gutted much of the pool house interior. Jan Merrill with Northeast Nebraska Economic Development District, plans to write a grant for us to assist with the rest of this project. Administrator Blecke did not know if we could take the baby pool out at this time. It is now full of dirty water. They plugged the drain in the filter room, so now the baby pool has nowhere to drain when it rains. They are pumping the water out now.

It was noted that the project would include finishing the interior into a community space of some kind, including an exterior access to a restroom to serve park and trail users. The overall project could include connection points to the trail system, outdoor park amenities, including reusing or demolishing the old baby pool, additional equipment, etc. Jan Merrill with the Northeast Nebraska Economic Development District has directed us to a public works grant (the same one that the City received for Pine Heights) that in the past has been a maximum of \$400,000. The City would have to commit to \$100,000 of its own funds in order to receive the full grant. This is a competitive grant, so there are no guarantees. The grant deadline is not until August. If this grant is secured, this would make for a nice fall/winter interior project for contract work. It is the same public works grant we had for the Pine Heights project.

Staff was directed to ask Jan Merrill if the Victor Park and the Old Pool House projects could be combined into one project for the public works grant. A suggestion was to maybe add ADA accessibility to the Victor Park improvements to enhance the chances of combining the two projects and receiving the grant.

➤ **Property at the Northeast Corner of 7th and Main Streets**

The Community Redevelopment Authority (CRA) has discussed this property many times at previous meetings. Jimmy Johns (JJ) made a formal presentation a couple of years ago to the CRA, as they wanted that location for a new restaurant. At that time, JJ could not come to terms with the property owner. Since then, the CRA has continued to discuss this property, toured the property, and has made a formal offer to the owner (for this property and the house directly to the north). As an “empty” property for the past 10+ years on the most prominent corner in Wayne, the CRA wants to see this property developed. The property owner has made a counteroffer for the CRA to consider.

➤ **CRA Funding**

Administrator Blecke stated the Community Redevelopment Authority has become more aggressive in the past few years. They have talked about requesting a line of credit from the City.

The CRA has received funds over the years from the City to do certain work. Some of that development includes Western Ridge (WR), down payment assistance for new construction, obtaining certain properties, and more. The CRA makes money off of lot sales in WR. To date, there is a \$300,000 loan from the City on the books for down payment assistance. It was 12-year loan (2024) at 0% interest. The loan, in 2024, could be renegotiated. Administrator Blecke wanted the \$300,000 loan off the books. He would like the CRA to either pay it back or ask that it be forgiven.

The rest of any financial obligation to the City has been forgiven. The CRA also receives the audited balance every year of the excess funds from the 1.85% electric “surcharge” for economic development. This amount has averaged around \$30,000 these last few years. Another option the CRA has for revenue generation is to levy a property tax, which it has never done. The CRA’s taxing authority is much like the airports, as it would need to set a levy each year and have it approved by Council.

The CRA has discussed at recent meetings to become more aggressive in truly “redeveloping” the community with property acquisitions and planned redevelopment opportunities. If this is to take place, the CRA will need funding to do so.

Mayor Giese stated right now, we want the CRA to improve the community, but we also don’t have any money for them to do so. They have approximately \$428,000 in their account. They owe the City \$300,000. They own a few pieces of property - some lots in Western Ridge and the old armory property at the corner of 13th and Main Streets.

There was concern about too much money coming out of the Electric Fund and not getting paid back.

Tim Sutton, Electric Distribution Superintendent, stated the power plant has proven its worth in what it actually saved the City last month, but it is aging out, just like our substation and infrastructure. You can’t have community growth if you don’t have a reliable electric supply. Staff would just like direction — what is the long-term plan?

Administrator Blecke stated if Council would like to move towards a new substation, that would be a good move in his opinion.

Councilmember Woehler stated he would like to see the City take the next step forward and try to secure a piece of land (3 acres) for a new substation.

After discussion, staff was directed to reach out to the property owners again.

➤ **Annexation**

Council set a date last spring to hold a town hall meeting to discuss with the public the reason to pursue annexation of certain areas adjacent to city limits. That meeting had to be postponed due to COVID.

Previous areas the City has talked about annexing include the “Pierson Property” (a doughnut hole in the southwest part of the City) and industrial property both north and south of Hwy 35. There are other areas surrounding the City that could be considered, but an infrastructure plan would need to be in place to make certain those properties have City services after annexation.

If all of the properties were annexed in, it would bring in an additional \$80,000 in property taxes. Sewer hook-up fees would also be collected in the industrial park. City services are provided to all properties.

After discussion, Council will set a date for a town hall meeting at an upcoming Council meeting.

➤ **Water Quality**

The Water Department shut the new transmission main off on Monday (March 22) and sampled on Tuesday. All six of those samples failed again. Casey Junck, Water/Wastewater Superintendent, is reaching out to the State and our engineer to determine the next step(s). We likely need to have that conversation about full-time disinfecting. However, we need to know where we are failing, so we don't simply mask the problem with disinfectant.

Staff took samples from some fire hydrants, because we are trying to isolate whether or not it is the air release valves we are having problems with. If those tests come back positive on the fire hydrants, we will know it could be something more than just the air release valves. If those tests come back negative, we know the issue is with the air release valves. Roger Protzman, Engineer with JEO Consulting Group, Inc., reminded staff of the fact that they could get the original specified air release valves at the start of the project, because of COVID issues. So, they ordered the next best thing. Mr. Protzman didn't have any hesitation with that that decision. However, he is going to check to see if those original air release valves are available. If the tests come back negative, the recommendation would be to order one if they are available. If that test would come back with a zero reading or a negative reading, then we will know it was the air release valve causing the problems.

There being no further business to come before the meeting, Mayor Giese declared the meeting adjourned at 9:34 p.m.