

The Mayor and Council of the City of Fairbury met in regular session in the Council Chambers located at 612 D Street, Fairbury, Nebraska, on the 17th day of June, 2014, at 7:30 p.m. Mayor Homer L. Ward called the meeting to order.

Notice of meeting was given in advance thereof by publication in the Fairbury Journal News, Fairbury, Nebraska, the designated method of giving notice, as shown by affidavit of publication. The Open Meetings Act was posted in the meeting room and pointed out by Mayor Ward as required by law.

Roll call found the following Council Members present: Doug Brown, Rick Carmichael, Roger Bailey, Tim Polson, Phil Rogge, Ed Friesen, and Brad Kuzelka. Absent: Kelly Davis.

Mayor Ward called for the submittal of forms to request future agenda items. No forms were submitted during the meeting.

Mayor Ward read the Consent Agenda:

1. Approval of the minutes of the regular meeting of June 3, 2014.
2. Approval of claims.
3. Approval of the May 2014 Reconciliation Report.
4. Approval of the resignation of Jan Nance from the Library Board.
5. Approval of the appointment of Dick Leonard to the Planning Commission. Term to expire September 2015.

Polson moved to approve the consent agenda. Motion seconded by Kuzelka. On roll call, Polson, Bailey, Carmichael, Brown, Rogge, Friesen, Kuzelka voted "yes." Davis absent. Motion carried.

Mayor Ward opened the Public Hearing concerning the application to the Nebraska Department of Economic Development (NDED) for a Nebraska Affordable Housing Program (NAHP) Grant for Housing Rehabilitation requesting \$310,000.00 in CDBG funds. Jen Olds with Southeast Nebraska Development District (SEND) addressed the Council. Olds stated a couple months ago the City Council approved an application to NDED through the NAHP for a similar type of program – for an owner-occupied housing rehabilitation program with demolition. Olds stated this is an application that is the same thing, this is a backup application; there are two cycles in the NAHP – one is the annual cycle, the other is the Community Development Block Grant (CDBG) Program cycle. Olds stated the annual cycle is program funding through the Nebraska Affordable Housing Trust funds, which is state funds. Olds stated this application is program funding through the CDBG funds which is federal funds administered through the state. Olds stated it is the same program, just different funding; if one program doesn't get funded, we hope maybe the other program will. Olds stated the CDBG program will not fund the demolition; so this program budget is a little different from the previous application. Olds stated the program guidelines for the rehabilitation program are the same. Olds stated we're requesting \$310,000.00 just for the rehab program; \$250,000.00 would be for

rehabilitation construction. Olds stated the rest of the budget goes into administration and rehab management; which is the construction management and lead testing that goes along with that rehab. Council member Phil Rogge asked if this is the same program that we've done the last couple years. Olds stated we had two previous programs – one rehab program was funded in 2009 which rehabilitated ten homes; and the other rehab program, which we're just completing, was funded in 2012 which rehabilitated nine homes; so we've rehabilitated nineteen homes with the first two programs – this program proposes to do an additional ten homes. Rogge asked if we monitor those continually for the ten years that they have to live in the home. Olds stated we do not monitor the units for the rehab items – all of the construction items are under a one year warranty for construction. Olds stated a lien is placed on the home, so at the point that they were to move from the home or sell the home, the lien would come up – the note would come due – at the sale of the house the net proceeds would be provided to the City if there are any net proceeds remaining. Olds stated they are to certify on an annual basis – have the homeowners certify that they are still living in that house – they do that every January – that those home owners are still owner-occupied in those homes and that they are not renting them out or something like that. Olds stated other than that it would be word of mouth that someone would let us know and they would then have to follow up on that. Rogge asked if the City is liable for anything – the guidelines talk about safety issues; if the City got to a nitrate level to where the City had to go with bottled water (that we no longer have drinkable water); would the City be liable on that. Olds asked Rogge if he means the quality housing standards after the home is rehabilitated; if something happens afterwards. Rogge stated don't those have to stay for ten years. Olds stated no; they have to bring the unit up to a quality standard at the time; but she would have to research the water issues. Olds stated deferred maintenance is the homeowners issue; we can't control what the homeowner does to the home after the rehabilitation is complete. Olds stated if we bring the home to a quality standard at the time the home is completed; then when we leave we're done with what we said we would bring the home up to that standard. Olds stated unfortunately if the homeowner doesn't maintain the house afterwards; the homeowner is responsible for maintaining their home. No one else addressed the Council during the public hearing. Mayor Ward declared the hearing closed.

Polson moved to approve the recommendation from the Public Works Committee to allow the request from the Fairbury Elks Lodge #1203 to block off G Street between 5th and 6th Street from 3:00 p.m. – 7:30 p.m. on June 26, 2014 to conduct a Child Safety Seat Check Inspection. Motion seconded by Carmichael. On roll call, Polson, Carmichael, Brown, Rogge, Friesen, Kuzelka voted “yes.” Bailey abstained. Davis absent. Motion carried.

Rogge moved to approve the recommendation from the Public Works Committee to allow the request from Randy Fisbeck, Fairbury Alumni Association, to close F Street between 4th and 5th Street for a beer garden/dance for the 5th Annual Total Sound Reunion on July 26, 2014 from 12:00 p.m. – 1:00 a.m. Motion seconded by Polson. On roll call, Polson, Bailey, Carmichael, Brown, Rogge, Friesen, Kuzelka voted “yes.” Davis absent. Motion carried.

Friesen moved to adopt Resolution No. 947 authorizing the Mayor to sign all documents necessary for the Nebraska Affordable Housing Program funds to implement a "2014 Owner-Occupied Housing Rehabilitation Program". Motion seconded by Brown. On roll call, Polson, Bailey, Carmichael, Brown, Rogge, Friesen, Kuzelka voted "yes." Davis absent. Motion carried.

Bailey moved to adopt Resolution No. 948 adopting the Housing Rehabilitation Program Guidelines for the 2014 Citywide Housing Rehabilitation Program. Motion seconded by Polson. On roll call, Polson, Bailey, Carmichael, Brown, Rogge, Friesen, Kuzelka voted "yes." Davis absent. Motion carried.

Within the Mayor's report, Mayor Ward stated the NRD met with the BOPW this morning which was very informative regarding water issues that will need to be addressed. Council member Roger Bailey stated he also attended the meeting with the NRD and the BOPW which was very informative and feels the Council will need to consider a lot of issues; he hopes everyone will keep an open mind. Bailey stated one thing that he thinks will probably happen – we have been spoiled for so many years with having cheap water; but he thinks those days are over. Bailey stated the number one main issue is the nitrate problem, but there are a lot of other factors that go into that depending on what your mineral content is that enhance that nitrate level; so he thinks it will get rather expensive for the City. Bailey stated he doesn't think it will be as big of an expense as what a lot of other communities are looking at. Bailey stated there are a lot of other places that are in a lot worse shape than we are. Bailey stated he wants to commend Larry Naiman (Assistant Superintendent of Utilities) he has done a great job of being very proactive, he is way ahead of the curve in terms of where we are at and where we need to be compared to a lot of other communities. Bailey stated another thing that came up at the meeting was maybe a possibility of expanding the well field, which the Little Blue NRD would like to expand water to rural customers as well; which may be an option to look at. Bailey stated he was hoping we could make copies of the info that was handed out at the meeting to put in the next council packets – so the council can look over the information. Bailey stated Fred Arnold was also at the meeting this morning; hopes the local media will help get the word out to the community. Citizen Pam Schroeder thanked the three council members that attended the BOPW meeting this morning. Council members Phil Rogge and Ed Friesen also attended. Rogge stated the meeting was very informative. City Attorney David Barga stated York is facing very serious problems, the Upper Big Blue NRD is looking at solutions for York; but they are looking at some pretty serious costs to either treat the water or expand the well field. Barga stated it is a serious problem, quality and quantity, for a lot of different areas. Bailey stated another thing that will happen, not if, but when, the water filtration system which we will have to have eventually; it may arrive sooner – but it will have to happen – the nitrate levels are such that we will get to a level that will trigger an automatic from the state and federal level; that we will either have to provide bottled water for certain people, i.e. pregnant women, young children, etc. that will be a huge expense for the City. Barga asked if the City currently has a well field protection area. Bailey replied yes. Barga asked if the City exerts the fifteen mile area; there is some statutory authority that allows the City to push their authority out fifteen miles, in some instances to protect water supplies. Bailey and Friesen both stated they thought, at the meeting this morning they had mentioned, they go out five miles. Barga stated the fifteen mile cannot preempt state regulations; but if

there is nothing else conflicting then you can push that out fifteen miles to help to protect well fields. Mayor Ward stated the NRD also suggested having more joint meetings which he feels would be very beneficial to stay on top of these issues.

Rogge moved to adjourn the meeting. Motion seconded by Friesen. On roll call, Polson, Bailey, Carmichael, Brown, Rogge, Friesen, Kuzelka voted "yes." Davis absent. Motion carried. Meeting adjourned at 7:48 p.m.

Homer L. Ward, Mayor

ATTEST: Sharyl Preston, City Clerk