

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 21<sup>st</sup> day of October, 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, Roger Bailey, Tim Polson, Phil Rogge, Ed Friesen, Rick Carmichael and Kelly Davis. Absent: Brad Kuzelka.

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 October 7, 2014.
2. Approval of claims.
3. Approval of the September 2014 Reconciliation Report.
4. Approval of the resignation of Jolie Parker from the Historic Preservation Committee and the Museum Board effective immediately.
5. Approval of the appointment of Thomas Osienger to the Volunteer Fire Department.

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

Mayor Ward opened the Public Hearing to discuss the preliminary Engineering Report and Potential impact to existing water rates. Larry Naiman was present and spoke on behalf of the light and water department. He explained what the hearing is for and proceeded to give six points of interest. First he stated that currently our water complies with the most recent EPA mandates and is within all NHHS parameters, so the hearing is not for the purpose of consideration or seeking approval for the construction of a nitrate plant. Rather, it is a component necessary to complete a loan application process which will lock in a funding option with a 20% grant affixed which may not be out there in the future if we should need it. He stated that after this public hearing these minutes and accompanying documentation will be forwarded to NDEQ and following that a finding of non significant impact (FANSI) will be issued. The SRF will make a commitment to the City of Fairbury through June 2017 which will guarantee this funding option including the 20% grant if we are issued an administrative order by NHHS or if it becomes the will of the people to complete a nitrate mitigation project. The state revolving fund will be committed to Fairbury to provide the funds. We will not be committed to use the funds if a better option becomes available. He continued on to explain that if we approach June

2017 and desire to renew this funding option, a similar process will be required and we would again be guaranteed the 20% grant if available. Naiman then introduced Craig Reinsch with Olsson Associates to speak in regards to the preliminary engineering report findings and the potential impact to existing water raters. Craig explained that in 2012 Olsson Associates completed a study as requested by the city to look at the different options for the treatment of nitrates as a preemptive action. He referred the council to a fact sheet he presented briefly summarizing the findings of the report and explaining what has been done to date, to prepare for this public hearing. He reviewed the design report findings, noted the need to match the existing design flows, explained the treatment technologies, stating that they will be looking at Ion exchange or reverse osmosis due to cost and summarized the sampling results. He explained the potential project improvements consisted of placing a treatment facility near the power plant reservoir or installing a new raw water main from the east well field to blend with crystal water and the possibility of other components that could be added once the scope is defined. He again explained the purpose of the hearing is to discuss the environmental review along with potential project scope and the impact to user rates. He stated that in July environmental review letters were sent out and they did receive some response letters that were forwarded to NDHHS and will be included in the FNSI and posted on DEQ's website for public review and comment during a 30 day wait period before it becomes a part of the project record. He notes that it is anticipated that the FNSI will be completed January of 2015. Currently the City of Fairbury is eligible for 20% loan forgiveness however, until a loan document is signed and agreed upon the interest rate and availability of the 20% forgiveness is up in the air. He confirms that in July of 2014 an application was submitted to DWSRF with an approximate project cost estimate of 5.5 million. He is also aware that a grant from the NRD is available for 80,000 towards this project however, it is not clear if that is for construction, study or other things but it is available. He referred the council to the maps in the report and discussed the proposed pipe alignment from the east well field and the proposed treatment plant location and discharge to the river. He explained that the reason for the location is to take advantage of the existing transmission lines. He referred the council to the Anticipated Impact to Users report and he explained that the anticipated impact to users is based on the average calculations and reiterated that this is only anticipated. He reviewed the process for calculating the final value per user connection for construction which is 17.48 or 13.73 with the 20% loan forgiveness and 80,000 NRD grant in addition to the current user rate. He explained that the next step is for the city to make a decision on whether to proceed with the project or investigation of funding. He reiterated that currently there is no administrative order or requirement to do so. Once the FNSI is completed then the DWSRF needs to be completed and a design memorandum will need to be completed to define the scope. Then there would be the procurement process and design which would be competitively bid for the project. Once design is completed it will be submitted to NDHHS for a construction permit and bidding and construction would follow. He anticipates the project time frame to be 2-3 years. Council member Bailey questioned Craig about the anticipated cost and it was explained that there are anticipated operating cost as well that would be added to the 13.73 making the total 24.21 per month per user connection to cover the construction and operating cost. City Attorney David Barga asked how the project gets prioritized within the revolving loan fund. Craig stated that currently this project is on a list called the 'intended use plan' and once the city decides to move forward by submitting the pre-application and getting the report done they get bumped up in the priority from the project list to the

funding list. Again, Craig clarified the Anticipated Impact to Users and how they arrived at the anticipated additional total monthly fee per user connection for Council member Rogge. No one else addressed the Council during the public hearing. Mayor Ward declared the hearing closed.

Mayor Ward opened the Public Hearing regarding territory to be annexed into the city limits of the City of Fairbury, Jefferson County, Nebraska. Proposed area 2412 Industrial Drive, legally described as: a tract of land beginning at a point 712.12 feet South and 108.4 feet East of the Northwest corner of the Northeast quarter of section 11-2-2, Jefferson County, Nebraska, thence continuing East 450.0 feet; thence North 200.0 feet; thence West 450.0 feet thence South 200.0 feet to the point of beginning. Zoning Administrator Laura Bedlan stated that this property is owned by McBattas and referred the council to the information in their packets containing a map of the area and a letter recommending for the annexation from the planning and zoning commission. She further explained that the property owners have been notified and there has been no contest from the property owners in regards to this annexation. No one else addressed the Council during the public hearing. Mayor Ward declared the hearing closed.

Mayor Ward opened the Public Hearing regarding territory to be annexed into the city limits of the City of Fairbury, Jefferson County, Nebraska. Proposed area 2630 Industrial Drive, legally described as: Lot 1 of Prairie Dog Subdivision being part of the Northwest quarter of the Northeast quarter of the section 11-2-2, Jefferson County, Nebraska. Zoning Administrator Laura Bedlan stated that this property is owned by Runza and referred the council to the information in their packets containing a map of the area, and e-mail from Runza stating they are not contesting the annexation and a letter recommending for the annexation from the planning and zoning commission. Council Member Rogge stated for the record that it speaks real well of both Runza and McBattas to not have contested this annexation. No one else addressed the Council during the public hearing. Mayor Ward declared the hearing closed.

Brown moved to not allow the move of George Keilwitz, a first class lineman, from the electric department to the power plant. Motion seconded by Friesen. Brown stated that the Personnel Committee recommended for George Keilwitz to move to the Plant Maintenance department and since then he has been reminded that they are short a first class lineman so he questions why they should allow an experienced lineman to move to the power plant. Glen Tedrow, Personnel Committee member, approached the podium and called a point of order. He stated that the Personnel Committee met and approved this recommendation and he is questioning why that has now changed from the original vote during the committee process. Brown reiterated that he has been reminded that they are short a first class lineman and again questioned why they should allow this move to take place. Tedrow stated that there is another section in which Brown stated that they would place the additional lineman on abeyance until such time as Keilwitz can move to the plant. Brown stated that they said that they were still short. Tedrow stated that is correct however, it was the determination of the Personnel Committee that they would not seek an additional lineman at this time. Council Member Rogge stated that his understanding was that they were not going to replace the lineman however they were going to move Keilwitz up. The lineman's position would not be short because it was a position that was not going to be filled. Brown stated that Jim Morehead the electric

department superintendant told him that the last two linemen hired will be good however they are not yet ready to handle the service calls themselves. Morehead was present and spoke in regards to this. He stated that it is correct that the new linemen are not yet able to handle calls themselves however in a few months they will be, he anticipates a year from their hire date. He stated that he has had them in a bucket, they have had rubber gloves on and they have touched the line he just has to supervise them currently. He also hopes that the council understands that if Keilwitz gets moved to the power plant he is just one door away and the electric department can use him in an emergency just like they do for other departments like the street and alley. And, he is a 1<sup>st</sup> class lineman with 20 years experience so useful to have available in an emergency. Pam Schroeder questioned if Brown contacted any other personnel committee members prior to making this recommendation or if it was something he decided on his own. Brown stated that this is his motion currently before the public and that he did not contact the other personnel committee members prior to making it. Schroeder does not believe that is proper conduct. Carmichael asked for clarification on this from the Attorney. Bargaen stated that as with any council committee they are only making recommendations, they have no authority to make a decision and any council person can make a motion against that committee's recommendation. Committee recommendations are not binding. On roll call, Polson, Bailey, Brown, Friesen and Davis voted "yes." Rogge and Carmichael voted "no." Kuzelka absent. Motion carried.

Brown moved to approve the recommendation from the Personnel Committee to hire Shawn Knothe as the storekeeper. Motion seconded by Carmichael. On roll call, Polson, Bailey, Brown, Rogge, Friesen, Carmichael and Davis voted "yes." Kuzelka absent. Motion carried.

Brown moved to approve the recommendation from the Personnel Committee to hire Derrick DeBoer as the Street employee. Motion seconded by Carmichael. On roll call, Polson, Bailey, Brown, Rogge, Friesen, Carmichael and Davis voted "yes." Kuzelka absent. Motion carried.

Davis moved to approve the recommendation from the Public Works Committee to approve the request from the Chamber of Commerce to block off the downtown square on October 31, 2014 from 4:30 p.m. – 7:15 p.m. for "Trunk or Treat". Motion seconded by Rogge. On roll call, Polson, Bailey, Brown, Rogge, Friesen, Carmichael and Davis voted "yes." Kuzelka absent. Motion carried.

Bailey moved to approve the authorization for the Mayor to sign the contract between the State of Nebraska Department of Economic Development and the City of Fairbury for the CDBG Owner Occupied Property Rehabilitation Contract No. 14-HO-3S061. Motion seconded by Rogge. On roll call, Polson, Bailey, Brown, Rogge, Friesen, Carmichael and Davis voted "yes." Kuzelka absent. Motion carried.

Rogge moved to approve the authorization for the Mayor to sign the Professional Services/Consultant Agreement between Southeast Nebraska Development District (SEND) and the City of Fairbury for Administrative Assistance in the amount of \$15,000.00 for the 2014 CDBG Tourism Development Grant Contract No. 14-TD-001.

Motion seconded by Friesen. On roll call, Polson, Bailey, Brown, Rogge, Friesen, Carmichael and Davis voted "yes." Kuzelka absent. Motion carried.

Polson moved to approve the Special Designated Liquor License application for Michael Murman, Glacial Till Vineyard & Winery, LLC for a Wine Sampling/Tasting, on/off sale event to be held at Stagecoach Mall Antiques and Tasting Room located at 508 E Street, Fairbury, Nebraska on November 7, 2014 from 5:00 p.m. to 10:00 p.m. Motion seconded by Carmichael. On roll call, Polson, Bailey, Brown, Rogge, Friesen, Carmichael and Davis voted "yes." Kuzelka absent. Motion carried.

Rogge moved to adopt Resolution No. 962 requesting a Deed of Reconveyance be executed for the purpose of releasing lien and encumbrance of Deed of Trust executed by Brian and Linda Hildebrandt for the real estate located at 915 A Street and authorizing the Mayor to sign the Beneficiary's Request on said Deed of Reconveyance. Motion seconded by Friesen. On roll call, Polson, Bailey, Brown, Rogge, Friesen, Carmichael and Davis voted "yes." Kuzelka absent. Motion carried.

Mayor Ward read by title Ordinance No. 3043: AN ORDINANCE REPEALING MUNICIPAL CODE SECTIONS 150.10 TO 150.25 AS CURRENTLY CODIFIED, AND REAPPROVING THE ESTABLISHMENT OF A CERTIFICATE OF OCCUPANCY REQUIREMENT AND INSPECTION PROGRAM FOR RENTAL PROPERTIES WITHIN THE CITY OF FAIRBURY, WITH AMENDMENTS. Friesen moved to give 3<sup>rd</sup> reading to Ordinance No. 3043. Motion seconded by Carmichael. On roll call, Polson, Bailey, Brown, Rogge, Friesen, and Carmichael voted "yes." Davis "abstain." Kuzelka absent. Motion carried. Rogge moved for the final passage of Ordinance No. 3043. Motion seconded by Friesen. On roll call, Polson, Bailey, Brown, Rogge, Friesen, and Carmichael voted "yes." Davis "abstain." Kuzelka absent. Motion carried

Mayor Ward read by title Ordinance No. 3045: AN ORDINANCE OF THE CITY OF FAIRBURY, NEBRASKA TO EXTEND THE BOUNDARIES OF THE CITY AND INCLUDE WITHIN THE CORPORATE LIMITS OF, AND TO ANNEX INTO THE CITY OF FAIRBURY, NEBRASKA A TRACT OF LAND THAT IS CONTIGUOUS AND ADJACENT TO THE CURRENT MUNICIPAL LIMITS AS MORE FULLY DESCRIBED HEREIN; DIRECTING THE SAME TO BE RECORDED BY THE JEFFERSON COUNTY REGISTER OF DEEDS; TO PROVIDE FOR THE REPEAL OF CONFLICTING ORDINANCES OR SECTIONS; TO PROVIDE FOR THE EFFECTIVE DATE THEREOF; AND ORDER THE PUBLICATION OF THE ORDINANCE IN PAMPHLET FORM. Friesen moved to introduce and give 1<sup>st</sup> reading to Ordinance No. 3045. Motion seconded by Rogge. On roll call, Polson, Bailey, Brown, Rogge, Friesen, Carmichael and Davis voted "yes." Kuzelka absent. Motion carried.

Within the Mayor's report, Mayor Ward stated that they are having a hearing regarding the 1/2% sales tax on Thursday October 23 in the Union Bank basement at 12:00 p.m. & 5:30 p.m.

Bailey moved to adjourn the meeting. Motion seconded by Carmichael. On roll call, Polson, Bailey, Brown, Rogge, Friesen, Carmichael and Davis voted "yes." Kuzelka absent. Motion carried. Meeting adjourned at 8:12 p.m.

Homer L. Ward, Mayor

Laura Bedlan, Assistant Street Superintendent

(note - Sean Knothe moved from meter reader to storekeeper and Derrick DeBoer moved from Sanitation Department to Street Department)