

**ASHLAND CITY COUNCIL
REGULAR MEETING
February 3, 2022**

A regular meeting of the Ashland City Council was held at the Ashland City Hall Council Chambers on the 3rd day of February, 2022 at 7:00 p.m.

Present: Mayor Richard Grauerholz
City Council Member Jake Crnkovich
City Council Member Chuck Niemeyer
City Council Member Bruce Wischmann
City Administrator Jessica Quady
City Clerk Kathleen Sliva
City Attorney Mark Fahleson

Absent: City Council President James Anderson

Others: Jay Spearman, Jeff Ray, Ezekiel Pruitt, Ted Pruitt, Ron Styskal, Dave Yard, Jerry Lofberg, Susan Cerny, Dan Linke, Caleb Fjone, Deena Styskal, Dean Spilker, Bill Krejci and others

Notice of meeting was advertised in the Ashland Gazette on January 27, 2022. The Mayor and all Council Members received advance notice of the meeting and a copy of the agenda as shown by the Acknowledgment of Receipt of Notice. All proceedings hereafter shown were taken while the convened meeting was open to the public.

Mayor Grauerholz called the meeting to order at 7:00 p.m. The Pledge of Allegiance was recited. Roll call was taken and a quorum was declared. Mayor Grauerholz noted the Open Meetings Act located on the south wall of the room.

Motion by Niemeyer, second by Crnkovich to adopt the regular agenda.

Roll Call: Ayes: All Motion Carried

Motion by Niemeyer, second by Wischmann to amend agenda by moving Items E2, F1 and F2 to be heard at this time.

Roll Call: Ayes: All Motion Carried.

Jay Spearman, representing Piper Sandler, spoke to the Council about a resolution to propose necessity and to set a hearing for Sewer Improvement District No. 1. He said this is a two part process with consideration of Resolution 2022-3 proposing the necessity and setting the hearing at this meeting and with the holding of the hearing and consideration of an ordinance for creation of Street Improvement Districts and an ordinance setting the

parameters for Street, Water and Sewer Bond Anticipation notes at a future meeting. City Administrator Quady said the hearing could be held on March 3rd. She said these items are in conjunction with the school project including the City's portion of Blue Jay Way and water and sewer infrastructure.

Motion by Niemeyer, second by Wischmann to consider Resolution 2022-3 – To Propose Necessity and Setting Hearing for Sewer Improvement District No. 1.

Roll Call: Ayes: All Motion Carried

Motion by Niemeyer, second by Wischmann to approve Resolution 2022-3 – To Propose Necessity and Setting Hearing for Sewer Improvement District No. 1.

Spearman said with these sanitary sewer improvements, there is a need to do the project and to issue the bonds without the vote of the people. He said this resolution will set a hearing so the Council can hear objections from the community on the creation of the Sanitary Sewer District. He said this is being done in conjunction with the new school that is being built north of town. He said the sanitary sewer will extend from Bill's Drive to Blue Jay Way.

Roll Call: Ayes: All Motion Carried

Motion by Wischmann, second by Niemeyer to introduce and approve first reading of Ordinance 1202 – Creation of Street Improvement District No. 2022-1 and District No. 2022-2.

City Attorney Fahleson read the Title of Ordinance 1202.

Motion by Niemeyer, second by Wischmann to suspend the rules and waive the rule requiring reading on three different days.

Spearman said the rates will be locked in after the public hearing. He said the bond anticipation notes will have a two-year maturity. He said if construction is completed the bonds can be called early. Mayor Grauerholz said he generally does not like to waive the readings but it is probably in the best interest of the public to do so with this ordinance.

Roll Call: Ayes: All Motion Carried

Mayor Grauerholz called for the vote to pass and adopt Ordinance 1202 on third and final reading.

Roll Call: Ayes: All Motion Carried

Motion by Wischmann, second by Crnkovich to introduce and approve Ordinance 1203 – Parameters for Street, Water and Sewer Bond Anticipation Notes in the amount not to exceed \$1,100,000.00.

City Attorney Fahleson read the Title of Ordinance 1203.

Spearman said Bond Anticipation Notes are done on an estimate of construction costs which for this project is now at about \$995,000. He said the Bond Counsel set the amount at not to exceed \$1,100,000 to cover any additional costs that may come up.

Motion by Niemeyer, second by Wischmann to suspend the rules and waive the rule requiring reading on three separate days.

Roll Call: Ayes: All Motion Carried

Mayor Grauerholz called for the vote to pass and adopt Ordinance 1203 on third and final reading.

Roll Call: Ayes: All Motion Carried

Mayor Grauerholz opened a Public Hearing to review the Draft Blight Study for Approval-Properties to be included are along the Highway 6 Corridor at 7:15 p.m. Jeff Ray, of JEO Consulting Group, gave a presentation on the City of Ashland's Highway 6 Blight Study and answered questions regarding the study. He noted that under Nebraska State Statute and the Nebraska Community Development Law the City has the authority to declare an area blighted and substandard as an economic development tool. He said there are currently two districts in the City that are already declared as blighted and substandard. He reviewed pictures taken in the study area and shared how the pictured structures and lots met the criteria for substandard and blighted conditions. He showed layered maps of the Blight Study area with spots marked indicating where one or more of the blight and/or substandard criteria was met. He concluded by saying the Highway 6 Blight Study Area had 10 out of 12 blight conditions and three out of the four substandard conditions that are required to warrant the blighted and substandard designation. In response to a question, he said that the study boundary can be changed but the findings would need to be recalculated and a new conclusion reported. Council Member Niemeyer said he was concerned about including the large parcel of land that borders the railroad at the north east end of the study area. He said access to the parcel for development is limited and it is suited well for what it is being used for now and he doesn't see it as developable. Ron Styskal, 409 N. 25th Street, said he owns the property in the picture of the culvert and bank at 8th and Dale. He said that homes throughout Ashland would meet the condition of being over 40 years old. He said that there is work that needs to be done in the area. He said that property owner Gene Hull was unable to attend the hearing and that he had been requested by Hull to express that he is upset due to his place being blighted as it only meets one criterion; that being there is only one way in and out. Styskal said that he would love to see paving and something done with the banks and the underground infrastructure in the streets needs to be done first. He said the structure on his property was built to Lincoln's standards and it is not blighted and substandard. Deena Styskal, 843 Dale Street, asked if there is information on what the development will be on the blighted properties. City Administrator Quady said there is nothing proposed. City Attorney Fahleson reviewed the steps of the

study and noted that development is not a part of it. Ray said that at a later time if a developer wants to come with a specific project into a blighted and substandard area, the developer could then request tax increment financing. Niemeyer said that this does not allow for someone to come in and develop her land. Council Member Wischmann reiterated that this doesn't allow a developer to shove her off her property for their project. Dave Yard, owner of the shop at 172 Highway 6, said he has been part of town for 40 years and loves the people here. He expressed his appreciation for the members of the Council. He said 95% of Nebraska could fit the conditions of the study and that he does want the City to grow but he does not want it to hurt his business or other businesses in the area or the people who live in the area. He asked that the Council take care of the people and to assure that this is not just done in the interest of developers making money. He said if things are done it needs to be done compassionately and asked to be included in the process. Quady said the Blight Study went to the Planning Commission for a Public Hearing and it is now in front of the Council with this hearing. She said a resolution will be considered tonight, and if passed it would approve the blight study. She said any future TIF project would have to go through the same process. Fahleson told Yard that he could even propose a project for his own property. Council Member Wischmann said he was not in favor of using TIF for residential and that he is still up in the air but leaning towards TIF's use for commercial and industrial development because these would bring sales tax to the City and it helps business owners offset the cost of infrastructure. Quady noted the Highway Overlay District is already on the corridor and that is completely separate from this blight process. Shirley Niemeyer, 1302 Dawes Street, said that only 50% of a town can be blighted. She questioned if the blighting of the railroad property could lead toward money for fencing or for the repair of the underpass. She also wondered if a grant request could be made to an organization like the Arbor Day Foundation to purchase trees and bushes to place along the highway to act as a screen or buffer from noise. She noted she had read there is association between crime and neighborhoods that need improvement and studies related to health. Ray said the studies are referred to in the planning world as 'the broken window theory' where by fixing up houses in urban areas, crime rates have gone down. He said the eligible expenses under TIF are land acquisition, land preparation and public infrastructure. He noted it cannot be used for the developer's buildings. He said if a developer comes in to do a project and does not use all the available TIF, the Council could capture the remainder to be used for another eligible project in the TIF district. He said it could be used for the eligible design overlay expenses that are in the public right-of-way. He said benefits of this economic tool include the addition of new jobs and the in-fill of areas. He said this is the first proactive step. Council Member Niemeyer commented that east Ashland has been neglected for a long time and this would be a tool to put money back into east Ashland to improve sewers, lift stations, streets and sidewalks. Dean Spilker, 935 East Highway 6, said his concern is why two parcels, his property and the one next to his, are included in the blight study. He said it is probably because it has a single access but that the land is agriculture. He said there is opposition and concern about this designation and at the beginning of the process there should have been outreach to and communication with the property owners involved. He suggested the Council table action on the blight study for

now and do some open houses or outreach. Niemeyer said the Council is concerned about the highway corridor and that Spilker's property was included because of the limited access to the landlocked property as it is bordered by Iron Horse, Salt Creek and a deep ravine. He added that he can't see it being developed. Ray said he doesn't think the property is in the flood plain and the property has topography and access issues. Council Member Crnkovich said the Council had specific discussions about these parcels and the reason they were included was because of their entrance off of the Highway 6 corridor. He said it shouldn't be a negative to be included in the study area. Spilker stated that more outreach was needed to eliminate suspicions. Wischmann said there were two open houses on TIF and Quady said all of the discussions on this have been in open meetings. Spilker agreed the City met the minimum legal requirements but reaching out to the property owners earlier could have relieved some of the questions and concerns being brought up. Crnkovich said he is in agreement about the need for better ways to reach the public. He said the City has a website and an app but people don't have time to keep up on things and usually it is after the fact that people realize something has happened. Niemeyer said a lot of the communication occurs person to person. He added this is being done for the benefit of the citizens of east Ashland. Crnkovich said he is leaning toward this as he doesn't see this as a negative. Wischmann said he doesn't like the verbiage of 'blight'. Susan Cerny, 103 South Lakeview Way, asked that people who are present tonight spread the correct information. Yard said the intentions and spirit of the council is to use this in the correct way and that the citizens rely on the Council. Niemeyer said there are limitations on how this financing can be used. Ray said that when a developer comes forward and asks for TIF, they will have to do an economic analysis that shows the project isn't feasible without TIF. Zoning Official Krejci said if there is a potential zoning change on some of these properties and there will be signs placed on the area. He said the last zoning change that was done involved the whole community so no single notification went out. With no further comment, Mayor Grauerholz closed the Public Hearing at 8:23 p.m.

Motion by Niemeyer, second by Wischmann to approve Resolution 2022-2 – Declaring Portions of the City to be Blighted and Substandard.

Council Member Crnkovich said the Council needs to consider if this an important first step in a long process of improvement for the highway corridor or if this is currently unnecessary or if there are any negative consequences to blighting a specific parcel. City Attorney Fahleson said he is not aware of any potential negative consequences. Ray said the way a potential buyer would find out if a property is blighted is by calling the City offices. He said a property can continue to be used as is without any affect from the blighting.

Roll Call: Ayes: All Motion Carried

Ezekiel Pruitt, Boy Scout with Troop 34, spoke to the Council regarding his Eagle Scout project. He said his project idea is to put a new bike repair stand on the bike trail. He said

the bike trail is really long with a repair stand at the beginning of the trail near the library. He said he would like to put a stand further out on the trail. He said the equipment and stand would range in cost from \$750 to \$1200 and he would do the fundraising for the project. Council Member Niemeyer suggested that Pruitt contact the Rotary Club for financial assistance with the project. Pruitt said he would need to pour a cement pad for the stand. City Attorney Fahleson asked Pruitt to work with City staff to coordinate the project.

Motion by Wischmann, second by Niemeyer to approve Ezekiel Pruitt's Eagle Scout bike stand project.

Roll Call: Ayes: All Motion Carried

Motion by Niemeyer, second by Wischmann to approve waiving the rent payment from the Ashland Historical Society for the Carnegie Library until it is occupiable.

Roll Call: Ayes: All Motion Carried

Motion by Wischmann, second by Crnkovich to authorize the Mayor to sign Billing Services Agreement for Fire, Extrication and Hazmat with One Billing Solutions.

Roll Call: Ayes: All Motion Carried

City Administrator Quady reviewed bids from Vermeer High Plains and DitchWitch for the lease/purchase of a heavy vac and potholing trailer. She said the first payment is included in this year's budget. She said the price has gone up since budget discussions. She said there have been staff discussions about the potential use of the equipment in the Street Department. She said the Utility Department will primarily use the trailer for pot-holing. She said a hot box was added for storm sewer work. She said the bid includes a diesel engine for more horsepower. Discussion was held on the cost return for the piece of equipment. She noted the equipment will be good to have for locating lines when Allo comes to town. She said the utility department will pay two payments and the street department will pay one on the three-year lease. She said the interest rate is 3.75% and the total purchase price is \$102,215.00. Mayor Grauerholz said he was given positive recommendation on the Vermeer and was told the staff will find more uses for it as they use it. He said he was told to be sure it has a recirculating pump on the water tank. Quady said if the equipment is well cared for it will last.

Motion by Niemeyer, second by Wischmann to approve a three-year lease to purchase the Heavy Vac/Potholing Trailer from Vermeer High Plains.

Roll Call: Ayes: All Motion Carried

Motion by Niemeyer, second by Wischmann to approve consent agenda which included approval of the January 20, 2022 City Council meeting minutes and approval of pay requests from JEO Consulting Group Inc. for General Engineering in the amount of \$335.00, for Ashland Public School Expansion in the amount of \$475.00, for Ashland Salvage Yard Topo in the amount of \$2,300.00, for Dennis Dean Road Improvements in

the amount of \$17,691.25, for Sanitary Sewer Replacements-Alleys in the amount of \$3,768.75, for Utility Rate Study in the amount of \$500.00 and for Highway 6 Blight Study in the amount of \$2,587.50.

Roll Call: Ayes: All Motion Carried

Motion by Wischmann, second by Crnkovich to approve the second half of January 2022 Claims.

Roll Call: Ayes: All Motion Carried

Mayor Grauerholz reminded the Council about the workshop on annexations scheduled for Saturday morning. He said the League's Winter Conference is coming up. He reported he had received an email from Windstream about a future project and he will be setting up a meeting with them. He said the library had received a 3-Star rating. He announced that the Saunders County Local Emergency Planning Committee meeting will be held in Ashland on February 23rd. He said voters in Saunders County will be voting on the County Wide Communications Radio System for the use of law enforcement, fire and rescue in May.

Caleb Fjone, AAEDC Director, said there are 25 days left for the flag design competition. He said he had gotten pricing for purchasing twelve flags.

Motion by Niemeyer, second by Wischmann to adjourn at 9:00 p.m.

Roll Call: Ayes: All Motion Carried



Richard Grauerholz, Mayor



Kathleen Sliva, City Clerk



I, the above signed City Clerk of Ashland, Saunders County, Nebraska hereby certify that the foregoing is a true and accurate copy of the proceedings had and done by the Council on February 3, 2022 that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and readily available for public inspection at the office of the City Clerk; that such subjects were contained in said agenda for at least twenty four hours prior to said meeting; that said minutes from which the foregoing proceedings have been extracted were in written form and available for public inspection within

ten business days or prior to the next convened meeting of said body.