

**ASHLAND CITY COUNCIL  
REGULAR MEETING  
December 3, 2015**

A regular meeting of the Ashland City Council was held at the Ashland City Hall Council Chambers on the 3rd day of December, 2015 at 7:00 p.m.

Present: Mayor Richard Grauerholz  
City Council President Kyle Vest  
City Council Member James Anderson  
City Council Member Russell DeVries  
City Council Member Janece Mollhoff  
City Administrator Jessica Quady  
City Clerk Kathleen Sliva  
City Attorney Mark Fahleson

Others Present: Staci Hubert, James A. Garman, Kathleen Newman, Bob Luebbe, Chuck Niemeyer, Suzi Nelson and Dane Simonsen

Notice of meeting was advertised in the Ashland Gazette on November 26, 2015. 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 that is posted on the south wall of the Council Chambers.

Motion by DeVries, seconded by Anderson to adopt the regular agenda.

Roll Call: Ayes: All Motion Carried

Bob Luebbe, owner Linoma Software and board member of the Ashland Chamber of Commerce gave public comment regarding utility rates. He thanked the Council for reviewing utility rates as it is an important topic to him. He said he was just representing his company and that the water and sewer rates do not affect his company as much as smaller ones where utilities make a big impact on their bottom line. He said some of the businesses in town could be considered more a hobby than a profit center as they are making such a small margin. He expressed his appreciation

for any consideration given to making the rates more reasonable. He added that he thinks rates will have an impact on drawing new businesses to the community. He said last year he did research and found that Ashland's rates are two times Lincoln's and three times Omaha's. He said he thinks what bothers most businesses and himself is that there is not equality in the rates between the business community and residential community, especially since a lot of smaller businesses use less water than a residence. He asked for consideration of an equalization of rates between the business and residential and said they are happy to pay what they can as long as it is fair.

Stacy Hubert owner of Ashland Pharmacy and Silver Street Compounding Pharmacy addressed the Council regarding utility rates. She said that as owner of both businesses she pays \$240 a month for utilities, paying the same amount at Ashland Pharmacy as Silver Street Compounding. She said she has a renter in the Silver Street Compounding building that she splits the utilities with and that this is the highest utility bill she has. She said she is glad the Council is considering utility rates as this is a hardship. She added kudos for continuing on with studying the curb cut issue.

Motion by DeVries, seconded by Mollhoff to approve third and final reading of Ordinance 1125 – AN ORDINANCE TO AMEND THE FOLLOWING PORTIONS OF THE ZONING ORDINANCES OF THE CITY OF ASHLAND: SUBSECTION 3 OF SECTION 5.05; SUBSECTION 3 OF SECTION 5.06; SUBSECTION 3 OF SECTION 5.07; SECTION 7.06 OF THE ZONING ORDINANCES OF THE CITY OF ASHLAND, AS PROVIDED IN THE CITY OF ASHLAND MUNICIPAL ZONING ORDINANCE; TO PROVIDE FOR THE EFFECTIVE DATE THEREOF; TO ORDER THE PUBLICATION OF THE ORDINANCE IN PAMPHLET FORM.

City Attorney Fahleson read the Title of Ordinance 1125.

Roll Call:                      Ayes: All                      Motion Carried

City Administrator Quady presented pictures of nuisance property 1909 Boyd Street for the Council's review. She said the pictures were taken today at about 11:30 a.m. James Garman, owner of 1909 Boyd Street, addressed the Council regarding his property stating that he had been working on the property all day. He said that he would be working on the roof on Saturday so all the items in the north quadrant would be moved back out into the yard where they belong. He said that he is going to continue working with the City to get the alley vacated. He said that someone at City Hall had given him permission to put items along the wall as long as it looked nice; that he tries to keep that area stacked up properly and that all the trailers were gone. He noted that some items belong to his neighbor and that he has removed all his items from his neighbor's property. He reiterated that he is getting the property

cleaned up. He said the trailers are in the Snodgrass' storage lot and he wanted to tear stuff apart in his storage unit. He said he has to have his dumpster to put anything that is not recyclable in, the metal will go into his one trailer and the aluminum and copper will go into his garage. Quady told the Council that under zoning this is not recycling but a salvage business and that he cannot do it a residential area. City Attorney Fahleson stated that Garman would need to check with the Zoning Official to see if it would be a special permitted use in the storage area. Garman said if he can't do it in the storage area he will quit doing it completely.

Motion by Vest, seconded by DeVries to grant an extension for the nuisance property at 1909 Boyd Street to December 17, if it is not completed to standards, the City will move to abate.

Roll Call:                   Ayes: All                   Motion Carried

Motion by Vest, seconded by Mollhoff to approve pay request from JEO Consulting Group Inc. for Highway 66 Water Main Improvements in the amount of \$880.00.

Roll Call:                   Ayes: All                   Motion Carried

Motion by Anderson, seconded by DeVries to approve pay request from JEO Consulting Group Inc. for New Well 2015 in the amount of \$11,043.75.

Roll Call:                   Ayes: All                   Motion Carried

Dane Simonsen of JEO Consulting spoke regarding the 2015 Utility Rate Study. He passed out a handout containing excerpts from the full study. He said about two months ago he met with a group of City officials and employees to discuss what the utility system was, the goals for the rate study and what they would like the system to be. He stated he is proposing new rates at this time. He said the first issue to be addressed is the imbalance between the water and sewer. He said that he is projecting in 2015 the water system will lose about \$50,000, so the rates bring in less money than what it costs to run the utility and the wastewater side is operating at a very high profit. He continued stating the two utilities are treated as a single 'bucket' as there is a single account; however, water and sewer are tracked separately. He said this essentially causes the wastewater system to subsidize the water system. He said the other issue was concern over residential versus commercial rates and that currently the flat fee is two times higher for commercial over residential.

Simonsen addressed the water system first saying that the City has two water bonds, that the Iron Horse/Oxbow bond will be paid off in 2016, that there are several capital improvement projects including the 2016 Well and a Silver Street Water Main Improvement in 2019 and that the new rates were set expecting these projects to happen. He said the current rates have been in effect for eight years. He explained

the tables on the handouts including expected cash flows with the new rates. He stated that the goal for any future capital improvements is to pay for them in cash.

Simonsen spoke about the wastewater side noting the tables with the current and proposed fee structures. He said that the City is currently paying off three bonds with final payments in 2017, 2030, and 2031 and budgeted into the rates is sewer lining projects every year and a large sludge handling project in 2019. He explained the flow of funds table for wastewater.

He said the final page of the handout is a table showing the impact of a combined water/sewer bill for an average user in each classification. He said the rates correct the deficiency in water to a point where it is paying for itself and simultaneously lowers the sewer rates in way that the sewer system has enough to pay for its own projects but not so much that money is thrown over to the water side. He said the overall change will result in a less than 1% increase for most users. He added that for the average residential user the increase will be two dollars over five years. He said that the ratio of the commercial flat fee over residential will be brought down to one and half times the residential flat fee.

He addressed why commercial user rates are typically higher than residential user rates stating commercial users are profit centers, zoning and infrastructure is built for a profit center, the uses and discharges into the wastewater system may be different and fire flow is different in an area where buildings are closer together such as a downtown. He added commercial buildings often have dual purposes within them.

He said that there is not a difference in the residential versus commercial commodity fee only a difference on the flat fee.

Simonsen answered questions of the Council and discussion ensued. He said that the proposed rates include a one and half times rate for consumers outside of the city limits. Council Member Vest requested information on the amount of additional income this change would bring in. Discussion was held regarding multiunit buildings rates which are currently charged at the commercial rate. Quady said there are five or six apartment buildings and two trailer parks. Vest asked Quady to provide the number of multi-units the City provides water too. Quady noted that in the past fee structures, the owner of a multi unit building was charged a residential minimum for each unit along with the usage fee. Vest asked for a breakdown of usage per business for possibly setting a tiered rate for small commercial users. Simonsen expressed the importance of knowing the cash balance prior to starting any capital project and to have six months to one year of operating and bond payments in cash on hand which is \$400,000 for water and \$500,000 for sewer. Discussion was held regarding the commercial classification.

Motion by DeVries, seconded by Vest to approve the consent agenda which included approval of the November 19, 2015 City Council meeting minutes and approval of Patrick Liewer, Kama McAdams, Julie Wrich, Luke Baldwin and Jesse Baldwin as new members of the Ashland Rescue Squad.

Roll Call:                   Ayes: All                   Motion Carried

Motion by Vest, seconded by DeVries to approve the second half of November 2015 Claims.

Roll Call:                   Ayes: All                   Motion Carried

Mayor Grauerholz reported on an article in Nebraskaland Magazine that mentioned shopping in Ashland.

City Administrator Quady reported on the progress meeting on the Highway 66 road project. She also reported on the website and notification sign up.

Motion by Mollhoff, seconded by Anderson to adjourn sine die at 8:10 p.m.

Roll Call:                   Ayes: All                   Motion Carried

Mayor Grauerholz opened the Annual Organizational Meeting at 8:10 p.m.

Motion by Vest, seconded by Anderson nominating Council Member DeVries as the 2016 Council President.

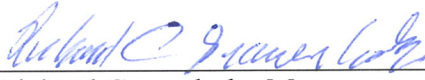
Roll Call:                   Ayes: All                   Motion Carried


Motion by Anderson, seconded by Vest to approve 2016 Mayoral Appointments.

Roll Call:                   Ayes: All                   Motion Carried

Motion by Vest, seconded by DeVries to adjourn the meeting at 8:14 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 December 3, 2015 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.