

CITY OF MILFORD
SPECIAL MEETING
MAY 19, 2016

A special meeting of the Mayor and City Council of the City of Milford, Nebraska was held at the Milford Fire Station, 612 First Street in said City on the 19th day of May 2016 at 5:30 pm. Present were: Mayor Dean Bruha; Council members: Jeff Baker, Rick Fortune, Jeff Heckman; Building Inspector Kendall Hoggins, Maintenance Supt. Gary TeSelle, Chief of Police Forrest Siebken and City Clerk Jeanne Hoggins. Absent: Council member Dan Kral. Also present: Trenton Volkmer, Joe Schluckebier, Sean Kremer, Dave Henke, Dane Simonsen, Troy Johnston, Aaron Thompson, Bob Schutz, Delton Stauffer and Emily Hemphill with the press.

Notice of the meeting was given in advance thereof by posting in three public places; a designated method for giving notice, as shown by the Certification of Posting attached to these minutes. Notice of this meeting was given to the Mayor and all members of the Council and a copy of their acknowledgement of receipt of notice and the agenda is attached to the minutes. Availability of the agenda was communicated in the advance notice and in the notice to the Mayor and Council of this meeting. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public.

CALL TO ORDER: Mayor Bruha called the meeting to order at 5:35 pm. Mayor Bruha publicly stated to all in attendance that a current copy of the Nebraska Open Meetings Act is available for review and is posted on the south wall of the meeting room at the Fire Station.

Discuss/Action – Water & Sewer Extensions to the new developments: Mayor Bruha opened the agenda item up for discussion. Dave Henke with JEO asked for introductions. Dave then asked if the REGA plat was all we had right now and if they are still planning on doing the subdivision in phases. Joe Schluckebier stated yes that the plat was done just to give them an idea prior to the land auction. They are open to slight changes but would like to keep the larger lots around the perimeter. Proceeding in phases is what they had in mind. Troy Johnston opened the discussion by reading the City of Milford Improvement Procedure of the Subdivision Regulations, Article 7. Section 7.01: Improvements Financing, General In order to provide consistent information concerning the financing of required subdivision improvements; establish and equitable division of costs between the developer and City; and to insure orderly, cost effective growth in Milford, the City shall require that the developer pay for the following services and improvements indicated as part of the subdivision process. 7.01.01: All costs associated with the preparation and revisions to the

preliminary plat including but not limited to survey, preliminary grading, drawings and related services. 7.01.02: Unless otherwise agreed to by the City in a Subdivision Agreement, the developer shall pay for all preparation of all items related to the final plat and those improvements and related costs contained in Article 5. Troy asked the developers (dba) Thrive 405, LLC if there has been any discussion about what their expectations are of the city, in terms of financial. They stated, I think they know what we want or need. Mayor Bruha noted that a small informal meeting had been held previously and that discussion was held regarding getting water and sewer out to the development site. Initially Thrive 405 thought that they could develop a portion of the ground without the lift station. The information that JEO provided at the May 3rd meeting reflected differently. Only 2 lots out of the possible 80 lots can utilize the gravity flow method for sewer. The lift station will need to be installed right away. Options were discussed and the bottom line is the lift station will need to be constructed. Other areas of discussion: capacity of the lift station, would the lift station service a potential development to the west, running sewer services along the ROW of Welch Park Rd. Baker questioned, what is the group asking or wanting to know? Joe Schluckebier, based on what Dane presented the other night; they are asking the City to pay for the water and sewer so it's readily available when they start to develop. They would like to have the infrastructure in place so it will service the entire subdivision. Fortune asked if the city would pay for the project would Thrive 405 be willing to reimburse the city for half the lift station thru lot sales. The group didn't think it was there. Fortune mentioned for the record that we are talking over a million dollars' worth of infrastructure. He also stated that this time next year we will have to ask the taxpayers of Milford to allow us to build a new City Building which will probably be another million dollars or there about. In looking at our bond indebtedness it may not make good fiscal sense for us to add another bond. We need to talk to our bonding agent to see where we are with that; over and above that we really have to decide, being caretakers of city tax money, whether or not we are making the right decision by spending a million plus dollars on infrastructure for this north project. This is something we are going to have to discuss and decide the best course of action for the city. I think we all want to see this project go thru; it's just a ton of money. Joe stated the city stands to make a return on this as well. Fortune said, I understand that, I get it! Whatever we decide we cannot do anything until our next fiscal year, nothing is budgeted this year. Dave Henke asked if Thrive 405 was just asking for water and sewer, and if they would take care of the streets and the lighting. Sean Kremer stated unless you want to throw that in, it's not off the table. Heckman reiterated that typically the city's requirement is to get the water and sewer to the

development area. He contacted Lincoln and normally the developer pays for all the streets, water, everything, plus the lift station. He's not saying this is the route we are going to go but this is the developer's responsibility. Heckman agrees with Fortune, we have a lot of big projects that we need to do. We want this to be successful but we need to come to mutual agreement. Joe Schluckebier stated that we cannot afford to sit on this type of ground at \$10,700 an acre; you can't make money farming it. We have a financial accountability and we have incentive to move forward regardless of what we paid for it. Joe's had 7 soft commitments on the first 11 lots and those are \$80,000.00 lots. Joe also mentioned that they would like to get to phase 2, which will be more of regular size lots. The option of grading the land was also discussed. It would be way too costly to move that amount of dirt. Dave Henke mentioned there are a lot of options on how to pay for this. Troy Johnston explain how an Improvement District would work. The City would still have to make the commitment and would also basically act as the banker. All improvements are funneled through the City in terms of construction and then when everything is in place there is an assessment for each lot. Before you can sell or turn over the deed to the lot you have to pay off the assessment. The assessment is basically that proportional cost of the infrastructure. Every year Thrive 405 would have to pay the interest on that bond. This would show more of a financial state in which Thrive 405 would have to ensure the lots sales. If they fail on payments then the City would own the lots. The reality is sometimes the developer can't handle it and it goes back to the City. Troy mentioned maybe the City do this with just the water and sewer, there are a lot of different combinations. Kremer stated the whole expansion of this town, at this point, pivots on one lift station. Baker agreed with Mr. Kremer. We have a development that will allow the community to grow; this is the only direction we can go. This whole project is based around this lift station. We can use revenue bonds or user fee bonds, it will reflect an increase in water/sewer bills but they will see a decrease because valuations will go up. As homes go up our valuation will increase. The last time we annexed property our levy amount went down. The community will see a benefit, granted we need figure out a way to fund it. His concern is needing Thrive 405 to fund a portion of it. We need an obligation from them to secure selling these lots. If you look at user fees for the whole project it would add \$11.74 to the water and sewer bills. Fortune asked if he added the new well onto that figure. That would add another \$7.00 for the well. Baker, we've got to do something! The entire community is facing the possibility of some big choices. Baker feels that this is probably one of the more important choices that we have to make because this is the reality. We've been talking about community growth for the last 5 years. This is the one thing we have to do to make it happen. The

Improvement District/Assessment scenario was discussed again and Heckman questioned if this could be done in phases. Troy Johnston noted, absolutely. Discussion was also held regarding getting the most out of the lift station. Heckman asked if Thrive 405 has put together a plat or gathered estimates on the total project? They have some very rough numbers. Fortune asked the guys if they had read thru the Comprehensive Plan Subdivision Regulations. They stated that Kendall had already provided them with a copy. Fortune encouraged them to read it as it is their guide. Fortune mentioned again that we need to communicate with our bond counsel and if we are going to proceed with this project that we can hopefully use a general obligation bond and not burden the people with a monthly increase of \$20.00 on water and sewer billings. We need to start crunching some numbers and contact bond counsel to see what they say. We've got big projects coming up and all of this hit us at one time. It was stressed to Thrive 405 that they read and pay special attention to the drainage section of the regulations. Fortune – we need to keep the ball rolling and come to terms with this one way or the other, shortly. We are getting close to budget time again and this will all need to be reflected in next year's budget. We will schedule the next meeting to discuss this item after gathering the information needed.

ADJOURNMENT: A motion was made by Fortune and seconded by Heckman to adjourn the meeting. Roll call vote: Fortune yes, Heckman yes, Baker yes, Kral absent. Motion carried and meeting adjourned at 6:35 pm.

Jeanne Hoggins, City Clerk

Dean A. Bruha, Mayor

CERTIFICATION

I, the undersigned, City Clerk of the City of Milford, Nebraska, hereby certify that the foregoing is a true and correct copy of proceedings had and done by the Mayor and Council of May 19, 2016 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 at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members of the public; that the said minutes from which the foregoing proceedings have been extracted were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news

media requesting notification concerning meetings of said body were provided advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

(SEAL)

Jeanne Hoggins, City Clerk