

August 20, 2019

## ALLIANCE CITY COUNCIL

REGULAR MEETING, TUESDAY, AUGUST 20, 2019

STATE OF NEBRASKA            )  
  )  
COUNTY OF BOX BUTTE        ) §  
  )  
CITY OF ALLIANCE                )

The Alliance City Council met in a Regular Meeting, August 20, 2019, at 7:00 p.m. in the Board of Education Meeting Room 1604 Sweetwater Avenue, Alliance, Nebraska. A notice of meeting was published in the Alliance Times Herald on August 14, 2019. The notice stated the date, hour and place of the meeting, that the meeting was open to the public, and that an agenda of the meeting, kept continuously current, was available for public inspection at the office of the City Clerk in City Hall; provided the Council could modify the agenda at the meeting if it determined an emergency so required. A similar notice, together with a copy of the agenda, also had been delivered to each of the City Council Members. An agenda, kept continuously current, was available for public inspection at the office of the City Clerk during regular business hours from the publication of the notice to the time of the meeting.

Mayor Dafney opened the August 20, 2019 regular meeting of the Alliance, Nebraska City Council at 7:00 p.m. Present were Mayor Dafney, Council Members Mischnick, Jones, Reynolds and Bentley. Also present were City Manager Sprock, Finance Director Waggener, City Attorney Selzer and City Clerk Jines.

- Mayor Dafney read the Open Meetings Act Announcement.
- The Consent Calendar was the first matter before Council. A motion was made by Councilman Mischnick, seconded by Councilman Reynolds to approve the Consent Calendar as follows:

### CONSENT CALENDAR – AUGUST 20, 2019

1. Approval: Minutes of the Regular Meeting, August 6, 2019.
2. Approval: Payroll Costs for the period July 13 through 26, 2019: \$343,746.99; and for the period July 27 through August 9, 2019: \$237,843.03.
3. Approval: Claims against the following funds for the period of August 1 through 14, 2019: General, General Debt Service, Trust and Agency, Street, Electric, Refuse Collection and Disposal, Sanitary Sewer, Water, Golf Course, Downtown Improvement Districts, R.S.V.P., Keno, and Capital Improvement; \$1,114,692.63.



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4. Approval: Transfer of funds within the Police Department of \$4,000 from Capital Outlay – Mach. Equipment Account No. 01-31-33-59-950 to Capital Outlay – Buildings Account No. 01-31-31-59-915. The funds are necessary for the completion of the siding project for the Police Annex Building.
5. Approval: Update to the Alliance Volunteer Fire Department by adding Benjamin Fretwell.
6. Approval: Issuance of the following Cemetery Certificates:
  - The West Half (W½) of Lot Twenty-one (21) and the West Half (W½) of Lot Twenty-two (22), Section Three (3), Block Twenty-seven (27), Alliance Cemetery Fourth Addition to Carlos D. Reza.
  - The East Half (E½) of Lot Thirty-two (32), Section Two (2), Block Twenty-seven (27), Alliance Cemetery Fourth Addition to Mike B. Peltz and Shelby M. Peltz.
  - The East Half (E½) of Lot Thirty (30), Section Two (2), Block Twenty-seven (27), Alliance Cemetery Fourth Addition to Cindy Campbell.
  - Acceptance of a Quitclaim Deed from Erwin V. Sydow for the East Half (E½) of Lot Fourteen (14), Section Twelve (12), Block Nineteen (19), Third Addition to the Alliance Cemetery and reconvey the same to Jolinda Heinrichs.
7. Approval: Resolution No. 19-70 authorizing Change Order No. 1 in the amount of \$15,377 to AIP Project No. 3-31-0003-019/020 - Runway 8/26 Rehabilitation Project. The change order was required due to the FAA recently updated “Standards for Airport Markings” to update our enhanced taxiway centerline markings. This incorporates pavement marking removal of the old taxiway enhanced centerline markings and installation of the new enhanced centerline markings and repainting of the surface painted hold position signs in accordance with AC 150/5340-1M.
8. Approval: Resolution No. 19-71 authorizes the City to write-off charges that have remained uncollected over the past year, including balances that remain uncollected by the collection agency and other amounts that have not been collected by the City as of July 31, 2019. The charge-off action removes the items from the active financials of the City but does not limit further collection efforts by the City.
9. For Your Information: Charter Communications is making the following pricing changes for unreturned equipment effective September 10, 2019: Spectrum Receiver from \$123.00 to \$103.00, a \$20.00 reduction and CableCARD™ from \$22.00 to \$20.00, a \$2.00 reduction.

NOTE: City Manager Sprock has reviewed these expenditures and to the best of his knowledge confirms that they are within budgeted appropriations to this point in the fiscal year.

Any item listed on the Consent Calendar may, by the request of any single Council Member, be considered as a separate item in the Regular Agenda.

Councilman Bentley made a motion to amend the Council Proceedings for the August 6, 2019 meeting to reflect that Mayor Dafney voted no on the passage of Ordinance No. 2893. Mayor Dafney seconded the motion.



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Roll call vote with the following results:

Voting Aye: Dafney, Mischnick, Jones, Reynolds, Bentley.

Voting Nay: None.

Motion carried.

Roll call vote on the Consent Calendar as amended with the following results:

Voting Aye: Dafney, Mischnick, Jones, Reynolds, Bentley.

Voting Nay: None.

Motion carried.

- Ordinance No. 2896 was next for Council on first reading. This ordinance will approve electric rate revisions. The following information was provided for Council:

[Andrew Ross (Director of Nebraska Municipal Power Pool, known as NMPP) has completed a review for the Cost of Service and Financial Planning rate study contract with NMPP. The financials are strong and show no immediate need to increase rates. However, as part of this study process, rates were redesigned for Council consideration to bring customer classes closer to their respective cost to serve. The proposed rate changes for 2019 are proposed for October 1, 2019 to allow for three readings of the ordinance.

The recommended rates are impacted by the following assumptions and financial considerations:

- As a conservative measure, energy consumption is projected to remain constant/stable (0% growth)
- Power Supply Costs from MEAN have stabilized and even reduced in recent years and are projected to continue that trend in the short term, including refunds paid directly to Alliance
- MEAN's wholesale rate structure was overhauled in April 1, 2015. This eliminated seasonal variance, increased fixed costs, and reduced marginal or incremental energy costs for the City
- Anticipated capital budgets were included in the model as part of the City's planning process. No debt is included or anticipated at this time for capital or any other utility expenditures
- Minimum cash reserve levels are maintained in accordance with the utility's recommended Cash Reserve Policy
- The Electric Department commits transfers to the City's General Fund and other departments as a percentage of gross revenues.



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The Rate Design proposal is designed to produce a revenue neutral, or net zero overall rate adjustment to the City. As part of the COS process however, customer classes will see impacts ranging from 3.0% reductions to 5.0% increases to move rates toward a more equitable and accurate reflection of the electric utility's cost to serve those customers, reducing subsidies between various rate classes. Rates are also designed to more closely reflect Alliance's wholesale costs as well as the electric industry as a whole; this results in increasing fixed revenues (customer charges) and reducing variable and marginal revenues (energy charges) throughout the City's retail system.]

A motion was made by Councilman Bentley, seconded by Councilman Jones to approve the first reading of Ordinance No. 2896. City Clerk Jines read the ordinance by title which follows in its entirety:

ORDINANCE NO. 2896

AN ORDINANCE AMENDING ALL RATE SCHEDULE CLASSIFICATIONS OF ELECTRIC ENERGY RATES, REPEALING PORTIONS OF ORDINANCES OR RESOLUTIONS NOT CONSISTENT WITH THE CHANGES HEREIN AND ESTABLISHING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF ALLIANCE, NEBRASKA:

SECTION 1. Staff from the City's Electric and Finance Departments has prepared amendments to all rate schedule classifications of electric energy rates resulting from the findings of the Cost of Service and Rate Design Study conducted by the Nebraska Municipal Power Pool for submission to the City Council.

SECTION 2. The City Council has received and reviewed the proposed changes and finds such changes to be in the best interest of the City of Alliance and should be therefore adopted. All is hereby amended with an effective date of this ordinance, in the following particulars:

RULES AND REGULATIONS GOVERNING SERVICE ON RESIDENTIAL RATE SCHEDULE (CLASS 1)

1. Urban Residential Rates: (within corporate limits)

	<u>October 1, 2019</u>
Monthly Customer Charge	\$22.00

Summer

First 600 kWh@	\$.1087 per kWh
Excess kWh @	\$.1087 per kWh

Winter



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First 600 kWh @	\$.1087 per kWh
Excess kWh @	\$.0837 per kWh

2. Rural Residential Rates: (outside corporate limits)

	<u>October 1, 2019</u>
Monthly Customer Charge	\$30.00

Summer

First 600 kWh @	\$.1087 per kWh
Excess kWh @	\$.1087 per kWh

Winter

First 600 kWh @	\$.1087 per kWh
Excess kWh @	\$.0837 per kWh

RULES AND REGULATIONS GOVERNING SERVICE ON GENERAL SERVICE RATE SCHEDULE (CLASS 2)

1. General Service Urban Rates Single Phase: (inside corporate limits)

	<u>October 1, 2019</u>
Monthly Customer Charge	\$25.50

Summer

All use	\$.10826 per kWh
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Winter

All use	\$.10826 per kWh
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2. General Service Urban Rates Three Phase: (inside corporate limits)

	<u>October 1, 2019</u>
Monthly Customer Charge	\$58.00

Summer

All use	\$.11080 per kWh
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Winter

All use	\$.11080 per kWh
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3. General Service Rural Rates Single Phase: (outside corporate limits)

	<u>October 1, 2019</u>
Monthly Customer Charge	\$28.00

Summer

All use	\$.10884 per kWh
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Winter

All use	\$.10884 per kWh
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4. General Service Rural Rates Three Phase: (outside corporate limits)

	<u>October 1, 2019</u>	
Monthly Customer Charge	\$70.00	
<u>Summer</u>		
All use	\$ .11597	per kWh
<u>Winter</u>		
All use	\$ .11597	per kWh

RULES AND REGULATIONS GOVERNING SERVICE ON GENERAL SERVICE DEMAND RATE SCHEDULE (CLASS 3)

1. General Service Demand Urban Rates: (inside corporate limits)

	<u>October 1, 2019</u>		
Monthly Customer Charge	\$70.00		
Energy	Summer	Winter	
	\$ .08870	\$ .08870	
Demand	Summer	Winter	
	\$9.20	\$9.20	

2. General Service Demand Rural Rates: (outside corporate limits)

	<u>October 1, 2019</u>		
Monthly Customer Charge	\$70.00		
Energy	Summer	Winter	
	\$ .07866	\$ .07866	
Demand	Summer	Winter	
	\$12.25	\$12.25	

RULES AND REGULATIONS GOVERNING SERVICE ON LARGE POWER RATE SCHEDULE (CLASS 4)

1. Large Power Rates: October 1, 2019

Monthly Customer Charge	\$130.00		
Energy	Summer	Winter	
	\$ .06959	\$ .06959	
Demand	Summer	Winter	
	\$13.25	\$13.25	

RULES AND REGULATIONS GOVERNING SERVICE ON IRRIGATION RATE SCHEDULE (CLASS 5)



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1. <u>Irrigation Rates:</u>	<u>October 1, 2019</u>
Customer charge per month	\$75.00
Energy	\$.10230 per kWh
Annual Horsepower charges <sup>#</sup>	

<sup>#</sup> The following annual horsepower charges will be made available at the discretion of the City:

	Summer/Winter
No Load Control	\$86.00
One (1) Day per Week Control	\$72.25
Two (2) Day per Week Control	\$57.75
Three (3) Day per Week Control	\$43.75
Four (4) Day per Week Control	\$28.75
Full Load Control	\$14.10

#### RULES AND REGULATIONS GOVERNING MUNICIPAL SERVICE RATE (CLASS 6)

1. Municipal Rates will be charged on the applicable General Service Rates.

#### SECURITY LIGHT (CLASS 7)

1. Security Light Rates:

<u>Rates - Urban:</u>	<u>October 1, 2019</u>
150 W HPS/175 W MV	\$12.30 per month
250 W HPS/MV	\$16.60 per month
400 W	\$25.45 per month

<u>Rates – Rural:</u>	
150 W HPS/175 W MV	\$13.60 per month
250 W HPS/MV	\$18.00 per month
400 W	\$26.85 per month

SECTION 3. All other ordinances, resolutions, or policies of the City of Alliance not consistent with the amendment made herein are hereby repealed.

SECTION 4. This ordinance shall go into effect on meter billings rendered October 1, 2019 and thereafter.

Mr. Andrew Ross, Director of Nebraska Municipal Power Pool presented an overview of the current electric market and how it affects the City's rates in the future. He reported that the good news was that there is not a need to increase the revenues received by the City; however some adjustments were recommended between the rate classifications. He is recommending that in order to protect the City's ability to cover fixed costs in maintaining the system, the base customer charge be slightly increased and reduce marginal or incremental energy costs.



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Following the presentation, Mayor Dafney made a motion to not increase the customer charge at this time. The motion died for a lack of a second.

Roll call vote on the first reading of Ordinance No. 2896 with the following results:

Voting Aye: Mischnick, Jones, Reynolds, Bentley.

Voting Nay: Dafney.

Motion carried.

- A Public Hearing on the proposed 2019-20 Budget was the next matter to be conducted by the City Council. The following information was provided for Council:

[The 2019-20 annual budget appropriations as proposed total \$46,462,800 compared to \$50,608,700 in the prior year. The primary differences are the result of different levels of capital projects in the electric, airport operating and capital projects funds.

<b><u>Fund</u></b>	<b><u>Prior Year</u></b>	<b><u>Current Year</u></b>
General	\$7,624,000	\$7,489,500
Electric	17,311,800	16,192,100
Refuse	1,787,500	1,431,000
Sewer	1,090,100	1,186,200
Water	2,413,000	2,324,600
Golf Course	454,800	549,800
Airport Operations	6,831,500	3,073,300
Public Transit	346,400	378,500
Streets	3,033,800	2,893,500
Handyman Services	64,200	65,500
RSVP	91,800	85,800
Museum Exhibit	14,600	14,600
BID #1 and #2	16,000	12,500
HUD/CDBG	150,000	150,000
Community Betterment (KENO)	20,200	18,200
Economic Development	155,000	161,800
LB 840 Fund	405,000	357,500
Redevelopment (TIF)	850,000	800,000
Sales Tax Fund	2,000,000	2,000,000
Lodging Occupation Tax	181,000	201,200
Capital Projects Fund	950,000	1,160,000
Public Safety Tax	75,000	50,000
State 911 Funds	90,000	90,000
General Internal Service	1,326,600	1,366,400
Enterprise Internal Service	672,300	1,900,900



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Health Support Internal Service	2,035,500	2,072,500
General Debt Service	58,600	378,400
Airport Capital Reserve	60,000	59,000
<i>Gross Expenditures</i>	<u>\$50,608,700</u>	<u>\$46,462,800</u>

Mayor Dafney stated “now is the date, time, and place to conduct a Public Hearing to hear support, opposition, criticism, suggestions, or observations of the taxpayers relating to the proposed 2019-20 Budget” and opened the Public Hearing at 7:36 p.m.

No testimony was offered, the Public Hearing closed at 7:37 p.m.

A motion was made by Councilman Mischnick, seconded by Councilman Jones to approve the second reading of Ordinance No. 2892. City Clerk Jines read the ordinance by title which follows in its entirety:

ORDINANCE NO. 2892

AN ORDINANCE TERMED "THE ANNUAL APPROPRIATION BILL" TO PROVIDE REVENUE FOR MUNICIPAL PURPOSES OF THE CITY OF ALLIANCE FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019 AND ENDING SEPTEMBER 30, 2020, BY IMPOSING A TAX ON ALL PROPERTY WITHIN THE CITY, ADOPTING A BUDGET, AND ADOPTING APPROPRIATIONS.

WHEREAS, The City Manager, in accordance with the requirements of the Nebraska R.R.S. 1943, §19-646, has submitted to the City Council a preliminary budget to the City Council at a workshop that was held on July 23, 2019 with a proposed budget being produced thereafter. A public hearing will be held on said proposed budget on August 20, 2019, as required by law; and

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL MEMBERS OF THE CITY OF ALLIANCE, NEBRASKA:

SECTION 1. The budget for the fiscal year beginning October 1, 2019, submitted to and amended by the City Council, is hereby adopted.

SECTION 2. In order to provide revenue for municipal purposes, the following property tax revenues have been established for the City of Alliance:

	<b>City</b>	<b>MFO</b>	<b>Airport</b>	<b>Airport Reserves</b>	<b>Total</b>
Approved Budget Amount	1,180,700	175,400	266,500	55,500	1,678,100
County Treasurer's Fee (1%)	11,807	1,754	2,665	555	16,781



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Total Property Tax Request	1,192,507	177,154	269,165	56,055	1,694,881
Using the following levies	0.228489	0.033943	0.051573	0.010740	0.324745
Approved Mill Levy for 2019	0.324745				

Based on Assessed Valuation \$521,910,994

SECTION 3. In accordance with Reissue Revised Statutes Nebraska Chapter 16, Section 704, the following amounts shall be and hereby are recognized as the budget for the City of Alliance, Nebraska for the fiscal year 2019-20.

General	\$7,489,500
Electric	16,192,100
Refuse	1,431,000
Sewer	1,186,200
Water	2,324,600
Golf Course	549,800
Airport Operations	3,073,300
Public Transit	378,500
Streets	2,893,500
Handyman Services	65,500
RSVP	85,800
Museum Exhibit	14,600
BID #1 and #2	12,500
HUD/CDBG	150,000
Community Betterment (KENO)	18,200
Economic Development	161,800
LB 840 Fund	357,500
Redevelopment (TIF)	800,000
Sales Tax Fund	2,000,000
Lodging Occupation Tax	201,200
Capital Projects Fund	1,160,000
Public Safety Tax	50,000
State 911 Funds	90,000
General Internal Service	1,366,400
Enterprise Internal Service	1,900,900
Health Support Internal Service	2,072,500
General Debt Service	378,400
Airport Capital Reserve	59,000
<i>Gross Expenditures</i>	<u>46,462,800</u>



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There is hereby included \$100,000 within the General Fund Budget [City Council Activity], \$10,000 within the General Fund Budget [Police Grant], \$60,000 within the Electric Fund, \$60,000 within the Water Fund, \$200,000 within the Sewer Fund, \$30,000 within the Refuse Fund, \$10,000 within the Airport Fund, and \$50,000 within the Streets Fund; to be known as "Contingency." Expenditures from any Contingency will not be authorized without an affirmative vote of the City Council for each amount to be expended.

SECTION 4. The City has a total Unused Restricted Funds Authority of \$510,754.53 for Fiscal Year 2019-20.

SECTION 5. The tax levied under this Ordinance shall become due and payable, shall become delinquent and shall be subject to penalties, the execution of distress warrants and sale of property levied upon as provided by law.

SECTION 6. The City Clerk is hereby authorized and directed forthwith upon the passage, approval and publication of this Ordinance to forward a certified copy thereof to the County Clerk of Box Butte County, Nebraska.

SECTION 7. This Ordinance shall become effective October 1, 2019.

Roll call vote with the following results:

Voting Aye: Dafney, Mischnick, Jones, Reynolds, Bentley.

Voting Nay: None.

Motion carried.

- The second reading of Ordinance No. 2894 was next for Council's consideration. This ordinance will adopt the Classification and Compensation Plans being incorporated in the 2019-2020 Fiscal Year Budget. The following information was provided for Council:

[The attached ordinance will adopt the Classification and Compensation Plans that will be incorporated as a part of the 2019-20 FY budget. The Compensation Plan includes three categories: Exempt, Non-Exempt and Fire Employees.

The Classification Plan has the following changes from the most recent version approved by Council:

- COLA: Pay Grids reflect a 2.5% increase based on a cost of living adjustment.
- Landfill Transfer Station Operator: Increase paygrade from 213 to 214 incorporating DOT responsibilities.
- Electric: Increase Electric Line Apprentice IV from 218/6 to 218/7.
- Fire: Increase Firefighter EMT from 519 to 520.



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- Miscellaneous: Title Change – Firefighter EMT to Fire Apparatus Engineer/EMT]

A motion was made by Councilman Reynolds, seconded by Councilman Bentley to approve the second reading of Ordinance No. 2894. City Clerk Jines read the ordinance by title which follows in its entirety:

ORDINANCE NO. 2894

AN ORDINANCE ADOPTING REVISED CLASSIFICATION AND COMPENSATION PLANS FOR THE CITY OF ALLIANCE, NEBRASKA.

WHEREAS, Section 16-310 of R.R.S. 1943 authorizes the Mayor and Council to establish the compensation for employees and officers by stating that "The officers and employees in cities of the first class shall receive such compensation as the mayor and council shall fix by ordinance;" and,

WHEREAS, The Alliance City Council adopted the Fiscal Year 2019-2020 Budget which included funds for revised Classification/Compensation Plans.

NOW, THEREFORE BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF ALLIANCE, NEBRASKA:

SECTION 1. That the attached Classification Schedule for the City of Alliance dated to be effective October 5, 2019 and the attached Compensation Schedules for Exempt, Non-Exempt and Fire employees dated to be effective October 5, 2019 are hereby adopted by this reference.

SECTION 2. This Ordinance shall become effective October 5, 2019.

Roll call vote with the following results:

Voting Aye: Dafney, Mischnick, Jones, Reynolds, Bentley.

Voting Nay: None.

Motion carried.

- Resolution No. 19-72 which will amend the City of Alliance Employee Personnel Manual was the next matter on the agenda. The following information was provided:

[The attached resolution will incorporate the changes listed below in to the Employee Personnel Handbook effective October 1, 2019.

The following is a list of changes from the most recent version of the handbook approved by Council:

3.4 Equal Employment Opportunity – Add investigation of complaint language



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- 3.5 Disability Accommodation – Include pregnancy as a disability, provide directions for supervisor interactive process for accommodation
- 4.10 Outside Employment and Conflict of Interest – Add identifying, reporting and resolving potential conflicts in Section B.
- 4.12 Proof of Eligibility Documentation – Update I-9 E-Verify language
- 6.6 Performance Improvement – Creates language to address regular employee performance improvement plans (PIP) which can be supervisor or employee initiated
- 7.2 Appearance and Uniforms – Creates a remedy for grooming and clothing and states frequent violations may result in discipline
- 12.13 Use of City Credit Cards – Creates language for the appropriate use of City issued credit cards
- 12.14 Use of City Issued Cell Phones – established eligibility and appropriate use of City issues cell phones
- 14.1 Designate Christmas Eve as a holiday only when Christmas lands on a Tuesday
- 14.3 A. Accrual of Leave: Modify vacation leave accrual from 13 to 6 leave levels
- 14.4 B. Use of Leave: Add spouse as a qualified use of sick leave (FMLA may apply); remove 40 hour limit for spouse with serious health condition
- C. Doctor’s Certificate: updated to include for absences caused by spouse or children sickness lasting more than three days]

A motion was made by Councilman Reynolds, seconded by Councilman Jones to approve Resolution No. 19-72 which follows in its entirety:

RESOLUTION NO. 19-72

*WHEREAS*, The City of Alliance is revising certain Personnel Policies; and

*WHEREAS*, The proposed policy revisions have been reviewed by management and legal staff; and

*WHEREAS*, The following Policies are proposed to be revised and made part of the Personnel Policies of the City of Alliance:

- 3.4 Equal Employment Opportunity



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- 3.5 Americans with Disabilities Act (ADA) Policy
- 4.10 Outside Employment and Conflicts of Interest
- 4.12 Proof of Eligibility Documentation
- 6.6 Performance Improvement
- 7.2 Appearance and Uniforms
- 12.13 Use of City Credit Cards
- 12.14 Use of City Issued Cell Phones
- 14.1 Holidays
- 14.3 Vacation Leave
- 14.4 Sick Leave

and;

*WHEREAS*, City Council has reviewed the proposed Policies and finds them appropriate for the needs of the Employees of the City of Alliance.

*NOW, THEREFORE, BE IT RESOLVED*, by the Mayor and City Council of Alliance, Nebraska, that the City of Alliance Personnel Policies set forth herein, are hereby approved, and adopted effective October 1, 2019, as the Policy of the City of Alliance.

Councilman Bentley offered an amendment to the Personnel Policies to include a half-day holiday beginning at noon on Christmas Eve to the holiday schedule. Councilman Jones seconded the motion.

Roll call vote on the proposed amendment with the following results:

Voting Aye: Jones, Bentley.

Voting Nay: Mischnick, Reynolds.

Abstaining: Dafney.

Motion failed.

Roll call vote on Resolution No. 19-72 with the following results:

Voting Aye: Dafney, Mischnick, Jones, Reynolds, Bentley.

Voting Nay: None.

Motion carried.

- Council next considered Resolution No. 19-73 which will authorize the City to take advantage of an opportunity to obtain a 2" asphalt overlay of the Airport access road. The following information was provided for Council:



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[Airport staff was approached by Werner Construction to see if the City of Alliance had areas needing asphalt. The current Runway 8/26 Rehabilitation Project will not utilize all the quantity of asphalt originally estimated. Werner Construction is already mobilized at the Airport and would prefer to use the material rather than to haul it off site. Staff requested Werner give the City a proposal for overlaying the remaining part of the Airport Road that was not done in conjunction with the 2015 or 2017 projects.

A proposal was received that would pave the Airport access road from the Veteran's Cemetery to Heartland Aviation's turn for \$25,000. This project would apply the asphalt over the existing surface without milling and would not be eligible for FAA match. The Airport access road would normally be eligible for funding by the FAA and has been on the Airport's Capital Improvement Plan for over ten years; however, it will only be scheduled after all other necessary projects are completed on the airfield and thus is one of the reasons it is moved around on the FAA's plan.

A capital request to transfer funds from GL#22-41-43-59-915 (Capital Outlay-Buildings) to GL# 22-41-43-59-970 (Capital Outlay-Other Improvements) will be necessary in the amount of \$25,000. During the Runway Project, there has been one change order increasing the project by \$15,377 and another one will be proposed and is expected to decrease the project by \$200,000 - \$250,000 due to the excess quantity of asphalt. The Airport does have asphalt millings from the Runway project that are being sold to help fund Airport projects. While there is spending authority in the budget, the amount of \$25,000 will be included in the long-term financing plan after completion of the current projects.

City staff recommends taking advantage of this pricing to finish resurfacing the Airport access road].

A motion was made by Councilman Mischnick, seconded by Councilman Jones to approve Resolution No. 19-73 which follows in its entirety:

RESOLUTION NO. 19-73

*WHEREAS*, The City of Alliance owns and operates the Alliance Municipal Airport; and

*WHEREAS*, A contract was awarded to Werner Construction of Hastings, Nebraska for the Runway 8/26 Rehabilitation Project at the Alliance Municipal Airport; and

*WHEREAS*, As part of that project, more asphalt is available on site than needed and as a result Werner Construction has proposed to provide a two inch overlay to the Airport access road at a favorably discounted rate of Twenty-five Thousand Dollars and no/100ths (\$25,000); and

*WHEREAS*, The overlay of the Airport access road has been on the Airport's Capital Improvement Plan for over ten years and although eligible for FAA match funding, it will not occur until all other necessary project are completed on the airfield which will be quite some time into the long range future; and



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*WHEREAS*, The City has budget authority to move forward with this opportunity due to projected costs savings in the Runway 8/26 Rehabilitation Project; however, the cost of the overlay will be included in the long-term financing plan of the Airport; and

*WHEREAS*, Staff is requesting a capital transfer from Account No. 22-41-43-59-915 – Capital Outlay-Buildings to Account No. 22-41-43-59-970 – Capital Outlay-Other Improvements in the amount of Twenty-five Thousand Dollars and no/100ths (\$25,000) to complete this project; and

*WHEREAS*, Staff believes this opportunity to overlay the Airport access road at this discounted price is in the best interest of the community.

*NOW, THEREFORE, BE IT RESOLVED* by the Mayor and Council of the City of Alliance, Nebraska, that the City accept the offer of Werner Construction to provide a two inch asphalt overlay to the Airport access road in the amount of Twenty-five Thousand Dollars and no/100ths (\$25,000.00) hereby be approved.

*BE IT FURTHER RESOLVED* that the Mayor is hereby authorized to sign the contract and associated documents for this overlay proposal with Werner Construction of Hastings, Nebraska.

Roll call vote with the following results:

Voting Aye: Dafney, Mischnick, Jones, Reynolds, Bentley.

Voting Nay: None.

Motion carried.

- Resolution No. 19-74 which will authorize interim financing for Airport projects from the Electric Fund was the next matter before Council. The following information was provided:

[The City has begun receiving progress billings for the construction phase of the Alliance Municipal Airport FAA runway project as well as expecting delivery of the new snow plow within the next month. The City will be responsible for 10% of the overall costs of these two projects or approximately \$450,000. While the 90% FAA reimbursement through the Nebraska Department of Transportation – Aeronautics Division is generally received promptly (often before the claims are paid), there may be up to 10% of the project amount retained at the end of the project awaiting the final audits. Staff is expecting revenue from the sale of millings (possibly up to \$100,000); however, there may still be short-term cash requirements for the warehouse construction and cash flow may be impacted by changes in airport leases.

The Finance Director inquired of all local insured banks to determine current loan interest rates which ranged from 3.25% to 4.00%. The best recent deposit interest rates for 12-month certificates have been only 2.40%. Staff is recommending that Council authorize an interdepartment loan of up to \$500,000 from the Electric Fund



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to the Airport Fund for one year at the rate of 2.50%. This will allow time for the completion of all projects and allow staff adequate time to assess total financing required while reducing interest costs for the Airport and providing above market rates on Electric reserves. It is anticipated that this loan can eventually be added to a refinanced bond issue for the Airport and extend the repayment of the full amount over seven to ten years.

This interim interdepartment loan will also require transfer of Electric budget authority from Urban Rebuilds (GL #05-51-53-53-948) and Capital Outlay-Vehicles (GL #05-51-53-59-960) to Loans To-From Other Funds (#GL #05-51-50-38-863).]

A motion was made by Councilman Bentley, seconded by Councilman Mischnick to approve Resolution No. 19-74 which follows in its entirety:

RESOLUTION NO. 19-74

*WHEREAS*, The City of Alliance would like to utilize Electric Fund reserves to provide an interim loan to the Airport Fund to pay for the City's portion the snow plow and runway improvements which are in progress pending permanent financing; and

*WHEREAS*, Interest at the rate of 2.50% will be paid for the funds being borrowed; and

*WHEREAS*, Loaning the money with interest will be in lieu of investing the reserve funds in a money market account; and

*WHEREAS*, Staff believes this is a viable option for financing the needed improvements within the Airport Fund and providing the Electric Fund reasonable returns on reserves.

*NOW, THEREFORE, BE IT RESOLVED* by the Mayor and Council of the City of Alliance, Nebraska, that the use of Electric Fund cash reserves may be used for an interim interdepartmental loan to the Airport Fund at the interest rate of 2.50% in an amount not to exceed \$500,000 for a period not to exceed 12 months.

*BE IT FURTHER RESOLVED* that budget authority is being transferred from the Urban Rebuild Account No. 05-51-53-53-948 and Capital Outlay-Vehicles Account No. 05-51-53-59-960 to the Electric Loans to Other Funds Account No. 05-51-50-38-863.

Roll call vote with the following results:

Voting Aye: Dafney, Mischnick, Jones, Reynolds, Bentley.

Voting Nay: None.

Motion carried.



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- Board announcements were the final item on the agenda for Council.

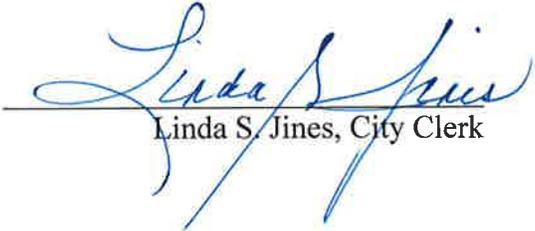
Currently there remains two vacancies on the Board of Adjustment, three vacancies on the Economic Development Plan Citizen Advisory Board, one youth representative on the Library Board, one vacancy on the Museum Board, two vacancies on the Park and Tree Board and the alternate position on the Planning Commission. Anyone interested in serving on these Boards should contact the City Clerk's Office. Information on all of the City Boards is also available on our web site, [www.cityofalliance.net](http://www.cityofalliance.net).

Prior to adjourning Councilman Reynolds on behalf of the entire City Council thanked the community for their generosity and support to the Red Nest/Reza families.

There being no further business before Council, Mayor Dafney adjourned the meeting at 7:57 p.m.

  
Mike Dafney, Mayor

(SEAL)

  
Linda S. Jines, City Clerk

Complete minutes of the Alliance City Council may be viewed by the public during regular work hours at the City Clerk's Office, 324 Laramie Avenue, Alliance, Nebraska.

