

February 4, 2020

## ALLIANCE CITY COUNCIL

REGULAR MEETING, TUESDAY, FEBRUARY 4, 2020

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

The Alliance City Council met in a Regular Meeting, February 4, 2020, 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 January 29, 2020. 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 February 4, 2020 regular meeting of the Alliance, Nebraska City Council at 7:02 p.m. Present were Mayor Dafney, Council Members Mischnick, Jones, Reynolds and Bentley. Also present were City Manager Sprock, City Attorney Hoelsing, Finance Director Waggener and City Clerk Jines.

- Mayor Dafney read the Open Meetings Act Announcement.
- The Consent Calendar was next on Council's agenda. A motion was made by Councilman Jones, seconded by Councilman Mischnick to approve the Consent Calendar as follows:

### **CONSENT CALENDAR – FEBRUARY 4, 2020**

1. **Approval:** Minutes of the Regular Meeting, January 21, 2020 and Special Meeting, January 28, 2020.
2. **Approval:** Payroll Costs for the period January 11, 2020 through January 24, 2020: \$211,206.38.
3. **Approval:** Claims against the following funds for the period of January 15, 2020 through January 29, 2020: 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; \$400,441.38.

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4. Approval: Transfer of funds within the Electric Department of \$2,100 from Capital Outlay – Mach. Equipment Account No. 55-51-56-59-950 to NRCNTSVC – Vehicle, Equipment, Tire Rep. Account No. 55-51-56-44-486. The funds are necessary for repairs on the large forklift.
5. Approval: Transfer of funds within the Electric Department of \$25,000 from System Rebuild/Maintenance Account No. 05-51-53-53-948 to Electric Meters Account No. 05-51-53-46-653. The fund transfer is necessary to complete AMI meter socket upgrades.

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.

Roll call vote with the following results:

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

Voting Nay: None.

Motion carried.

- Council next reviewed the request of the Alliance Housing Authority to waive their Payment In Lieu of Taxes requirement in the amount of \$9,849.38. The following background information was provided:

[The Alliance Housing Authority has requested the waiver of their payment in lieu of taxes (PILOT) to the City of Alliance. In past years, the Alliance Housing Authority was requested to go to each taxing entity to make said request. Based on a legal review, the City Council has authority to consider the full waiver which is based on 10% of the Housing Authority's gross revenue each year. Ms. Klemke states that gross revenue in this case is defined as the tenant contributions paid to each agency. The total amount due this year is \$9,849.38 which has increased from the last year total of \$8,259.10.

The PILOT breakdown for each tax entity is as follows:

| <b>Taxing Entity</b>               | <b>Levy</b>     | <b>Allocation</b>  |
|------------------------------------|-----------------|--------------------|
| Alliance Public Schools            | 1.101717        | \$ 5,712.82        |
| City of Alliance                   | 0.324745        | \$ 1,683.92        |
| Box Butte County                   | 0.335055        | \$ 1,737.38        |
| Western Nebraska Community College | 0.101790        | \$ 527.82          |
| Natural Resource District          | 0.016036        | \$ 83.15           |
| Educational Service Unit 13        | 0.014990        | \$ 77.73           |
| Box Butte Ag Society               | 0.005122        | \$ 26.56           |
| <b>Totals</b>                      | <b>1.899455</b> | <b>\$ 9,849.38</b> |

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The purpose of the “payment in lieu of taxes” is to provide financial support to the governmental entities, similar to that of which a homeowner pays in property taxes. As there is a cost associated with the delivery of services to the City, the Schools, the County and others, staff is uncomfortable recommending the waiving of the “payment in lieu of taxes” as provided for by the Department of Housing and Urban Development.

In 2017, Council granted a 50% waiver in the amount of \$4,129.55 with the funds being set aside for future construction of playground equipment at their Big Horn Avenue property. The last two years, Council denied the waiver in full.

A motion was made by Councilman Bentley, seconded by Councilman Mischnick to deny the request of the Alliance Housing Authority to waive their Payment in Lieu of Taxes requirement.

Roll call vote with the following results:

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

Voting Nay: None.

Motion carried.

- Resolution No. 20-13 was the next item on the agenda for Council’s consideration. This resolution will accept a \$6,000 donation from the Alliance Public Library Foundation for upgrades at the Alliance Public Library. The following information was provided:

[The Alliance Public Library Foundation would like to gift to the library an amount not to exceed \$5,000 for the purchase of furniture; and \$1,000 for the purchase of specialty kitchen items to be available to rent by the public. The donated funds were generated through book sales at the library.

The furniture will be purchased for placement in a new meeting room in the library. This room will be used to host smaller group meetings and library activities such as book clubs and Kids Crochet Club.

Library staff would also like to purchase some specialty kitchen items that can be available for rent by the public. The addition of these items at the library will diversify offerings and provide a new way to serve the community. This equipment will be specialized and can be used occasionally and seasonally. Some examples of what staff plan to offer include seasonal cookie cutters & rolling pins, large capacity coffee pots, cannoli roll tubes, electric donut maker, manual pasta machine and canning equipment.

Staff is working on policies to manage the use of the new meeting space as well as check out processes for the kitchen equipment.]

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A motion was made by Councilman Reynolds, seconded by Councilman Bentley to approve Resolution No. 20-13 which follows in its entirety:

RESOLUTION NO. 20-13

*WHEREAS*, The City of Alliance owns and operates the Alliance Public Library; and

*WHEREAS*, The Alliance Public Library Foundation would like to donate up to \$5,000 for the purchase of furniture for the new meeting room in the Alliance Public Library; and

*WHEREAS*, The Alliance Public Library Foundation would like to donate up to \$1,000 for the purchase of specialty kitchen items to be rented for public use; and

*WHEREAS*, The City Council believes it is in the best interest of the City of Alliance to accept the donations from the Alliance Public Library Foundation.

*NOW, THEREFORE, BE IT RESOLVED* by the Mayor and Council of the City of Alliance, Nebraska, that the donation of new furniture in an amount not to exceed \$5,000 and specialty kitchen items in an amount not to exceed \$1,000 for the Alliance Public Library be accepted.

Roll call vote with the following results:

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

Voting Nay: None.

Motion carried.

- Council next considered Resolution No. 20-14 which will approve a lease agreement with Jelinek Custom Cleaning, Inc. for five years with an automatic renewal for an additional five years. The following information was provided to Council:

[This resolution will approve a lease agreement between the City and Jelinek Custom Cleaning, Inc. The agreement provides that Jelinek Custom Cleaning pay the City \$1,600.00 per month for Building No. 3000. When Building No. 3001 is completed, they will pay \$1,600.00 per month for that building. In return, the City agrees to lease both buildings to be used as bean storage and processing purposes. Each building amounts to 10,000 square feet, includes all access ramps or leading docks, and the area between Building Nos. 3000 and 3001.

This lease will be for five years with an option of renewal for an additional five years. The annual amount of rent for each building is \$19,200.00.]

A motion was made by Councilman Mischnick, seconded by Councilman Jones to approve Resolution No. 20-14 which follows in its entirety:

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RESOLUTION NO. 20-14

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

*WHEREAS*, There are buildings which are available for lease to the public; and

*WHEREAS*, Building No. 3000 is available to rent, and Building No. 3001 is in the construction process; and

*WHEREAS*, Jelinek Custom Cleaning, Inc. has offered to lease Building Nos. 3000 and 3001 under the terms of the Building Lease which is included in the Council's packet; and

*WHEREAS*, Staff believes that the terms and provisions of the Building Lease Agreement are fair and equitable and in the City's best interest; and

*NOW, THEREFORE, BE IT RESOLVED* by the Mayor and Council of the City of Alliance, Nebraska, that the City enter into a five year lease agreement with an automatic renewal for an additional five years with Jelinek Custom Cleaning, Inc. in the amount of Nineteen Thousand Two Hundred Dollars and No/100ths (\$19,200.00) per year for Building No. 3000 and Nineteen Thousand Two Hundred Dollars and No/100ths (\$19,200.00) per year for Building No. 3001 when completed.

*BE IT FURTHER RESOLVED*, that the Mayor is authorized to execute, on behalf of the City of Alliance, the Building Lease for Building Nos. 3000 and 3001 with Jelinek Custom Cleaning, Inc.

Roll call vote with the following results:

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

Voting Nay: None.

Motion carried.

- Next before Council was Resolution No. 20-15 which will authorize the purchase of a wire reel trailer for the Electric Department. The lowest, most reasonable quote was received from Brooks Brothers Trailers in the Amount of \$50,307.12. The following information was provided:

[The Electric Department is requesting a replacement of our existing wire reel trailer. The trailer that is currently used, was pieced together by a previous City mechanic. It is not built structurally sound nor will it handle the size and number of reels that are required to efficiently build/rebuild three phase power lines. The replacement of this piece of equipment is budgeted within this fiscal year.

Electric Superintendent Bridge received four quotes. The lowest, reasonable quote is from Brooks Brothers Trailers for \$50,307.12. This price includes the cost of the

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trailer, freight and 7% sales tax. Electric Superintendent Bridge is recommending this purchase, with the old trailer to be sold at auction.]

A motion was made by Councilman Reynolds, seconded by Councilman Bentley to approve Resolution No. 20-15 which follows in its entirety:

RESOLUTION NO. 20-15

*WHEREAS*, The City of Alliance owns and operates the Electric System; and

*WHEREAS*, The Electric Department has the need for a new wire reel trailer; and

*WHEREAS*, The City of Alliance Electric Department has on their capital improvements plan for this fiscal year, the purchase of a wire stringing trailer; and

*WHEREAS*, The City secured four quotes with the lowest, responsible quote being from Brooks Brothers Trailers in the amount of Fifty Thousand Three Hundred Seven Dollars and 12/100<sup>th</sup> (\$50,307.12); and

*WHEREAS*, Adequate funds are available for this purchase from the Electric Capital Outlay-Machines and Equipment Account No. 05-51-53-59-950.

*NOW, THEREFORE, BE IT RESOLVED* by the Mayor and Council of the City of Alliance, Nebraska, that Mayor Dafney be and hereby is authorized to enter into a purchase agreement with Brooks Brothers Trailers in the amount of Fifty Thousand Three Hundred Seven Dollars and 12/100<sup>th</sup> (\$50,307.12).

Roll call vote with the following results:

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

Voting Nay: None.

Motion carried

- Resolution No. 20-16 was now before Council. This resolution will authorize the purchase of a Jacobsen Greens King IV greens mower from TurfWerks of Omaha, NE. in the amount of \$25,350.00. The following information was provided:

[As with previous mower purchases, the Jacobsen Greens King IV greens mower is being recommended for award without competition due to the investment we have made not only in machines, but in attachments for Jacobsen Greens King IV mowers. Purchasing a compatible Jacobsen Greens King IV mower will allow us to use existing Cutting & Brush Reels as well as Verticut Units and vibratory reels which would be incompatible with other mower brands. I am recommending the City of Alliance purchase this machine from TurfWerks because they are the licensed Jacobsen dealer for our region.

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The purchase of this machine will replace an existing greens mower that was purchased in 2013. This older model will be traded for \$2,500.00 as part of this purchase. I recommend we purchase the following mower and attachment from TurfWerks for a total price with delivery of \$25,350.00.

- Greens King IV Plus Gas engine w/power steering
- 2 - 15" blade reels RH
- 1" - 15" blade reel LH
- 3 Segmented front rollers
- LED Lights

I have compared this price quote to the Sourcewell contract and this price is the same price that we would receive through that group purchasing outlet.]

A motion was made by Councilman Reynolds, seconded by Councilman Mischnick to approve Resolution No. 20-16 which follows in its entirety:

RESOLUTION NO. 20-16

*WHEREAS*, The City of Alliance Golf Course Division has on their capital improvements plan for this fiscal year, the purchase of a greens mower; and

*WHEREAS*, The City of Alliance is pursuing the purchase of a new mower without competition due to the investment which has already been made in machines and attachments; and

*WHEREAS*, The City's Procurement Policy provides an exemption from bidding when staff determines that "a particular material or service is required to maintain interchangeability or compatibility as a part of an existing integrated system"; and

*WHEREAS*, The purchase is being recommended from TurfWerks of Omaha, NE in the amount of Twenty-five Thousand Three Hundred Fifty Dollars and No/100ths (\$25,350.00).

*NOW, THEREFORE, BE IT RESOLVED*, by the Mayor and City Council of Alliance, Nebraska, that the Mayor be and hereby is authorized to enter into a contract for the purchase of a Jacobsen Greens King IV Greens Mower in the amount of Twenty-five Thousand Three Hundred Fifty Dollars and No/100ths (\$25,350.00) from TurfWerks of Omaha, NE.

*BE IT FURTHER RESOLVED*, that the purchase will be funded from Golf Course Account No. 21-71-75-59-950.

Roll call vote with the following results:

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

Voting Nay: None.

Motion carried

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- The next item before Council was the consideration of Resolution No. 20-17 which will propose an additional half cent sales tax on the May 12<sup>th</sup> Primary Election ballot. Council was provided with the following background information:

[Nebraska Legislative Bill 357 (LB357) allows Cities of the First Class to implement an additional ½ cent sales tax for Public Infrastructure Projects. LB357 requires partnering with a political subdivision within the City or County (e.g., County School District, Community Redevelopment Authority) via an Interlocal Agreement to manage the revenues derived from the tax. The Alliance Community Redevelopment Authority (CRA) has agreed to partner with the City to create an Interlocal Agency to administer LB357 funds.

Staff estimates that the additional half cent sales tax would bring in \$600,000-\$700,000 in additional annual revenue. This additional revenue would substantially enhance the City's capability to improve streets. If approved by the citizens, these funds will provide a stable source of income in a political environment where the State is looking at drastically cutting property taxes. This action could lead to a freeze or cut in State funding for street projects. Therefore, Council authorized the City Attorney to draft Resolution No. 20-17 which is attached to this narrative.

This resolution will authorize a ballot measure that will be submitted to the County to be placed on the May 12<sup>th</sup> primary ballot. The ballot measure would state (1) the first \$6,000,000 of revenue generated from the sales tax be used for street improvements and any additional water, storm sewer, and sanitary sewer infrastructure improvements related to a street improvement project, and (2) any revenue generated above the first \$6,000,000 may be used for general improvements to municipal buildings, property, and infrastructure used in the operation of government.

Currently the Alliance One and Six Year Street Plan contains 2.4 million dollars' worth of projects. After consulting with staff and M.C. Schaff & Associates, Inc., the completion of six million dollars' worth of projects (the projected revenue over ten years) are feasible in the time period that the half cent sales tax would be available. If passed, staff would work with Council via the 2020-2021 budget process to develop a bonding strategy to pay for additional street projects and develop a capital plan based on the expected revenues.

Before binding the first six million dollars of half cent sales tax revenue to street projects, staff would like Council to consider that there will be major infrastructure projects coming down the pike and it would be beneficial to the City to have the half cent sales tax available to help pay for these projects (e.g. building maintenance, walking/biking paths, West Third Street redevelopment, playground replacement, and emerald ash borer abatement). While streets continues to be a

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major need for the City, and most of the sales tax funds should be spent on streets improvements, it is appropriate and desirable for the City to have financial flexibility with the half cent sales tax revenues to spend on other capital projects if the need arises.]

A motion was made by Councilman Mischnick, seconded by Councilman Bentley to approve Resolution No. 20-17 which follows in its entirety:

**RESOLUTION NO. 20-17**

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

a. The City currently imposes a City Sales and Use Tax in the amount of 1.5% pursuant to the Local Option Revenue Act, sections 77-27,142, *et seq.* of the Nebraska Statutes (the “Existing City Sales and Use Tax”).

b. The City is in need of additional revenue in order to provide for public infrastructure projects defined in § 77-27,142 of the Nebraska Statutes.

c. § 77-27,142 of the Nebraska Statutes allows the City Council to impose an additional one-half of one percent (1/2%) sales tax in addition to the Existing City Sales and Use Tax for the purpose of funding public infrastructure projects listed above, following an election at which a majority of the qualified electors of the City approve such additional sales and use tax;

**Resolved by the Mayor and City Council of the City that:**

1. At the May 12, 2020 primary election, the following proposition in the form shown below shall be submitted to the qualified electors of the City for their approval or disapproval at the primary election:

**PROPOSITION No. 1:**

Shall the City Council of the City of Alliance, Nebraska increase the local sales and use tax rate by an additional one-half of one percent (1/2%) from the current rate of one and one-half percent (1 1/2%) to a total rate of two percent (2%) and impose a sales and use tax at the increased rate upon the same transactions within the City on which the State of Nebraska is authorized to impose a tax, subject to the terms and conditions set out below?

\_\_\_\_\_ Yes (For increasing the Sales and Use Tax)

\_\_\_\_\_ No (Against increasing the Sales and Use Tax)

**Terms and Conditions:** The terms and conditions of the proposition are as follows:

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- a. If Proposition No. 1 should fail, all current sales and use taxes of the City shall remain in effect as previously implemented and voted upon.
- b. Revenues from the increased sales and use tax are to be used for the following projects as allowed under § 77-27,142 of the Nebraska Statutes: the first \$6,000,000 of gross revenue generated from the increased sales and use tax shall be used to repair or construct municipal roads, streets, and bridges, including any storm sewer facilities, sanitary sewer facilities, and potable water facilities that may be constructed or improved during any road, street, or bridge project. All gross revenue above \$6,000,000 that are generated from the increased sales and use tax may be used for improvements or construction to municipal buildings, property, and utility infrastructure, including roads, streets, or bridges if desired.
- c. The City and the Community Redevelopment Authority of the City of Alliance will enter into an Interlocal Agreement which creates the Alliance Infrastructure Agency for purposes related to the projects approved in Proposition No. 1. The Interlocal Agreement contains provisions, including benchmarks, relating to the long-term development of unified governance of the projects approved in Proposition No. 1 with respect to the parties.
- d. The increased sales and use tax shall terminate no more than ten years after the effective date of the increased sales and use tax or, if bonds are issued and the increased sales and use tax revenue is pledged for payment of such bonds, upon payment of such bonds and any refunding bonds, whichever date is later.
- e. Upon passage and approval and delivery of the ordinance implementing the increased sales and use tax, the effective date of the increased sales and use tax shall be October 1, 2020.
  2. Electors desiring to vote in favor of or against the proposition shall do so in the manner specified in the ballot form as provided by the Box Butte County Clerk.
  3. The primary election shall be conducted by the Box Butte County Clerk at polling places established by the County Clerk in each of the City's precincts. The polls shall be open from 7:00 a.m. through 7:00 p.m. on the day of the primary election.
4. The following notice required by law shall be published in Alliance Times-Herald, a legal newspaper of general election in the City not more than 30 days nor less than 10 days before the date of the election. The notice shall be in substantially the following form:

**City of Alliance Nebraska  
Notice of Election**

Notice is given that at the general election on Tuesday, May 12, 2020, at the usual polling place in each precinct of the City of Alliance, Nebraska, the ballot will

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include for the electors of the City for their approval or rejection, the following proposition:

[Insert text of proposition from Paragraph 1 of this Resolution in the notice]

The polls will be open from 7:00 a.m. through 7:00 p.m. on the Election Day. Absent, disabled, and confined voters' ballots may be obtained from the County Clerk as provided by law. Copies of the proposition may be obtained at the office of the Alliance City Clerk at City Hall, 324 Laramie Avenue, Alliance, Nebraska 69301.

Dated: April \_\_\_\_\_, 2020.

/s/ City Clerk

5. The City Clerk shall cause a certified copy of this Resolution to be delivered to the Box Butte County Clerk on or before March 1, 2020.

City Manager Sprock discussed with Council the necessity to have flexibility in order to not limit use of the funds if approved.

Councilman Jones expressed the need for street repairs are true and necessary and will vocally oppose the tax if all funds are not designated to street improvements.

Roll call vote with the following results:

Voting Aye: Mischnick.

Voting Nay: Dafney, Jones, Reynolds, Bentley.

The motion was denied.

- The presentation and acceptance of the First Quarter Financial Statement was next before Council.

Finance Director Waggener presented and reviewed the First Quarter Financial Report and Dashboards to Council.

A motion was made by Councilman Mischnick, seconded by Councilman Reynolds to accept the First Quarter Financial Report.

Roll call with the following results:

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

Voting Nay: None.

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Motion carried.

- The final agenda item were board appointments and announcements.

A motion was made by Councilman Bentley, seconded by Councilman Mischnick to appoint Leah King to the Senior Facility Advisory Board with a term ending February 28, 2023.

Roll call with the following results:

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

Voting Nay: None.

Motion carried.

Currently there are vacancies on the Board of Adjustment, A-1 and A-2 Downtown Improvement Boards, Economic Development Plan Citizen Advisory Board, youth representatives on the Library Board, Museum Board, Planning Commission and Police Citizen Advisory Board (Senior/Retired and School representatives). There are also upcoming vacancies on the Park and Tree Board and Senior Facility Advisory Board. 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).

There being no further business before Council, Mayor Dafney adjourned the meeting at 7:36 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.