

September 29, 2020

ALLIANCE CITY COUNCIL

SPECIAL MEETING, TUESDAY, September 29, 2020

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

The Alliance City Council met in a Special Meeting, September 29, 2020 at 4:00 p.m. in the Municipal Building Conference Room at 324 Laramie Ave, Alliance, Nebraska. A notice of meeting was published in the Alliance Times Herald on September 23, 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 September 29, 2020 Special Meeting of the Alliance, Nebraska City Council at 4:05 p.m. Present were Council Members Dafney, Mischnick, Reynolds, and Bentley. Also present were, Finance Director Waggener and City Clerk Johnson.

- Council first authorized the absence of Councilman Jones. Mayor Dafney motioned to approve the absence of Councilman Jones. Councilman Mischnick seconded the motion.

Roll call vote with the following results:

Voting Aye: Dafney, Mischnick, Reynolds, Bentley.

Voting Nay: None.

Motion carried.

- The Consent Calendar was the next item on the agenda for Council. A motion was made by Councilman Mischnick and seconded by Councilman Bentley to approve the Consent Calendar as follows:

CONSENT CALENDAR – SEPTEMBER 29, 2020

1. Approval: Minutes of the Regular Meeting, September 15, 2020.

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2. Approval: Payroll Costs for the period September 5 - 18, 2020: \$314,156.52.
3. Approval: Claims against the following funds for the period of September 9 through September 28, 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; \$1137,139.59.

NOTE: Interim City Managers Johnson and Waggner have reviewed these expenditures and to the best of their 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, Reynolds, Bentley.

Voting Nay: None.

Motion carried.

- Resolution No. 20-95 which establishes the four enterprise funds percentage transfers to the General Funds for the current fiscal 2019-2020 was next for Council. The following information was provided:

[Since the 2014-15 fiscal year, the annual enterprise transfers to the general fund have been based on 12% of estimated enterprise fees revenue near the year-end. The Alliance City Council established the enterprise transfer rate in the 2019-20 budget at 12% of the *anticipated* revenue for each of the four enterprise funds (or \$2,207,500) with the provision that the actual transfer rate be reviewed prior to the end of the fiscal year.

Following is a chart that includes the budgeted enterprise revenues and transfers (at the 12% rate) along with the expected revenues and adjusted transfer amounts at several different transfer levels.

Enterprise Fund	Budgeted		Estimated					
	Revenue	Transfer	Revenue	%	11.0%	11.5%	12.0%	12.5%
Electric	14,697,000	1,763,600	14,088,431	12.5%	1,549,700	1,620,200	1,690,600	1,761,100
Refuse	1,256,200	150,700	1,124,604	13.4%	123,700	129,300	135,000	140,600
Sewer	483,100	58,000	463,167	12.5%	50,900	53,300	55,600	57,900
Water	1,951,100	235,200	1,832,022	12.8%	201,500	210,700	219,800	229,000
Totals	18,387,400	2,207,500	17,508,224	12.6%	1,925,800	2,013,500	2,101,000	2,188,600

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City staff is recommending a transfer rate of 12% of the actual *estimated* revenues or \$2,101,000 as indicated on the chart above. This represents a \$73,500 (or 3.6%) increase over the prior year enterprise fee transfer.]

A motion was made by Councilman Bentley, seconded by Councilman Reynolds to approve Resolution No. 20-95 which follows in its entirety:

RESOLUTION NO. 20-95

WHEREAS, The City of Alliance each year transfers Enterprise Fees to the General Fund to assist in balancing the budget; and

WHEREAS, Enterprise Fees are derived from the Electric, Water, Sewer and Refuse Funds; and

WHEREAS, The transfer has been maintained at approximately 12% of budgeted Enterprise Fund Revenues over the last few years; and

WHEREAS, The transfer was budgeted at \$2,207,500 for the 2019-20 fiscal year with the provision that the amount be reviewed prior to the end of the year to determine reasonableness in regard to actual Enterprise Revenue and General Fund operations.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Alliance, Nebraska, that staff is authorized to transfer Enterprise Fees of approximately 12% of Enterprise Fund Revenues to the General Fund for the fiscal year 2019-20 in the amount of \$2,101,000.

Roll call vote with the following results:

Voting Aye: Dafney, Mischnick, Reynolds, Bentley.

Voting Nay: None.

Motion carried.

- Next on the agenda for Council was Resolution No. 20-96 which authorizes the use of Council Contingency funds to pay down the balance on the Electric inter-department loans and Resolution No. 20-97 which approves an Inter-Department loan extension. The following information was provided:

[The Electric Fund presently has inter-department loans to three separate funds as detailed below:

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Note Description	Rate	Balance	Payments	Proposed Balance
Electric Notes to General Fund	2.25%	\$ 320,000.00	\$ 95,000.00	\$ 225,000.00
Electric Notes to Airport Fund	2.50%	\$ 500,000.00	\$ 25,000.00	\$ 475,000.00
Electric Notes to Streets Fund	2.25%	\$ 250,000.00	\$ 250,000.00	\$ -
	2.37%	\$ 1,070,000.00	\$ 370,000.00	\$ 700,000.00

Upon review of the cash reserve balances, staff is recommending payments of principal in the amount of \$370,000. The payments would require use of contingency budget authority of \$95,000 in the General Fund and \$25,000 in the Airport Operations Fund. The repayment of \$250,000 was already scheduled in the Streets Fund.

The recommendation is to extend the balance of the inter-department notes to the Airport Fund through October 31, 2021 at the new rate of 1.75% beginning October 1, 2020.]

A motion was made by Councilman Reynolds, seconded by Councilman Mischnick to approve Resolution No. 20-96 which follows in its entirety:

RESOLUTION NO. 20-96

WHEREAS, The City of Alliance utilized Electric Fund reserves to provide an interim loan to the Airport Fund to pay for the City's portion of runway improvements and equipment and to the General Fund for the purchase of the property at 1200 Flack Avenue; and

WHEREAS, Council Contingency has remaining budget authority to allow payment of principal on the interim loans;

WHEREAS, \$95,000 in the General Fund and \$25,000 in the Airport Operations Fund will be transferred to the Electric Fund to be paid towards the principal balance of the loans; and

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Alliance, Nebraska, that the use of Council Contingency Funds are authorized to pay principal on the interdepartmental loans for the Airport Fund and General Fund.

BE IT FURTHER RESOLVED that budget authority is being transferred from Council Contingency (GL #01-10-10-47-791) to Loans to/from Other Funds (GL #01-00-00-38-863) in the amount of \$95,000 and from System Contingency (GL #22-41-43-47-791) to Loans to/from Other Funds (GL #22-41-43-38-863) in the amount of \$25,000.

Roll call vote with the following results:

Voting Aye: Dafney, Mischnick, Reynolds, Bentley.

Voting Nay: None.

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Motion carried.

A motion was made by Councilman Mischnick, seconded by Councilman Bentley to approve Resolution No. 20-97 which follows in its entirety:

RESOLUTION NO. 20-97

WHEREAS, The City of Alliance utilized Electric Fund reserves to provide an interim inter-department loan to the Airport Fund to pay for the City's portion of the snow plow and runway improvements; and

WHEREAS, The original loan term was not to exceed 12 months; and

WHEREAS, Staff is requesting an extension of the remaining loan balance through October 31, 2021 at a revised rate of 1.75% effective October 1, 2020; and

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Alliance, Nebraska, that interim inter-department loan to the Airport Fund be extended through October 31, 2021 at the rate of 1.75%.

Roll call vote with the following results:

Voting Aye: Dafney, Mischnick, Reynolds, Bentley.

Voting Nay: None.

Motion carried.

- Finance Director Waggener next provided Council with the following Preliminary Year End Financial Notes:

**Preliminary Year-End Financial
Notes**

- General Fund
 - Estimated \$225K in revenue with \$3.5M in cash reserves
 - Transfer from tourism at \$85K (\$200K budgeted)
 - Transfer to golf at \$200K (\$225K budgeted)
 - Enterprise fee transfer at \$2,101K
 - Sales tax transfer at \$1,550K as budgeted
 - Property tax revenue at 92% of budget
 - Nuisance abatement transfer to reserve of \$50K
 - Electric Fund repayment of Bomgaars loan for \$95K
- Electric Fund
 - Estimated \$1.4M in net revenue with \$9.5M cash reserves

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- o Inter-department loan repayments of \$370K
- Refuse Fund
 - o Estimated \$125K in net revenue with \$315K in available cash reserves
- Sewer Fund
 - o Estimated \$75K in net revenue with \$725K in cash reserves
- Water Fund
 - o Estimated \$450K in net revenue with \$1.75M in cash reserves
- Golf Fund
 - o Estimated \$20K in net revenue with \$90K in cash reserves
 - o Transfer from general at \$200K (\$225K budgeted)
 - o Inventory value to be established
 - o Expense total slightly over budgeted amount
- Airport Fund
 - o Estimated \$240K in net revenue with \$130K in cash reserves
 - o Final insurance payment pending on building 3001
 - o Electric loan repayment of \$25K from contingency
- Street Fund
 - o Estimated \$175K in net revenue with \$625K in cash reserves
 - o Electric loan repayment of \$250K
- LB840 Fund
 - o Minor balance change with \$365K in cash reserves
- Sales Tax Fund
 - o Added \$75K to cash reserves totaling \$100K (less than 1 month reserves)
- Hotel Occupation Tax Fund
 - o Used about \$30K in reserves with remaining of \$360K
 - o Transfer of \$100K to capital projects fund
- Capital Projects Fund
 - o Cash reserves of \$900K with \$538 designated for pillars project
 - o Transfer of \$100K from Hotel Occupation Tax Fund
- Administration Internal and Enterprise Internal Services
 - o Add \$45K to Administration and \$22K to Enterprise cash reserves
 - o Transfers in both Funds were set at 91.7% (11 months as budgeted)
- Health Care Fund
 - o Reduced cash reserves by approx. \$175K to around \$2M (1 to 2 years of reserves)

There being no further business before Council, Mayor Dafney adjourned the meeting at 4:16 p.m.

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Mike Dafney, Mayor

(SEAL)


Tarrah S. Johnson, 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.

