

June 3, 2014

ALLIANCE CITY COUNCIL

REGULAR MEETING, THURSDAY, JUNE 3, 2014

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

The Alliance City Council met in a Regular Meeting, June 3, 2014 at 7:00 p.m. in the Board of Education Meeting Room, 1604 Sweetwater Avenue. A notice of meeting was published in the Alliance Times Herald on May 29, 2014. 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 Feldges opened the June 3, 2014 Regular Meeting of the Alliance, Nebraska City Council at 7:00 p.m. Present were Mayor Feldges, Council Members Seiler, Benzel, Yeager and Lewis. Also present were City Manager Cox, City Attorney Olsen and City Clerk Jines.

- Mayor Feldges read the Open Meetings Act Announcement.
- The first item on the agenda was the introduction of new City of Alliance employees Jordan Glendy, Electric Apprentice; Suzan Davis, Project Support Clerk; and the promotion of Carla Mayhew as Human Resources Director.
- The Consent Calendar was the next item to be addressed by Council. Councilman Benzel made a motion, which was seconded by Councilman Seiler to approve the Consent Calendar as follows:

CONSENT CALENDAR – JUNE 3, 2014

1. Approval: Minutes of the Regular Meeting, May 15, 2014.
2. Approval: Payroll and Employer Taxes for the period May 10, 2014 through May 24, 2014 inclusive: \$173,321.93 and \$12,561.04 respectively.

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3. Approval: Claims against the following funds for the period May 8, 2014 through May 28, 2014: 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; \$493,636.15.
4. Approval: The issuance of the following Contractor licenses:

General Contractor	Travis Walker dba Walker Construction
Repair & Maintenance	Larry L.S. Bolinger dba Bolinger & Associates Timothy Dahlberg dba Dahlberg Carpentry Scott Pfannenstiel dba Pfannenstiel Construction
Limited & Specialty	Monte Hankins dba Panhandle Gutter Roger Scheidies dba Bamford, Inc.
Master Plumber	Brett Kaltvedt dba Midwestern Mechanical, Inc. Benjamin Naylor dba B & M Plumbing and Heating, Inc. Myron Naylor dba B & M Plumbing and Heating, Inc. Jon M. Aid dba J & M Plumbing
Journeyman Plumber	David Nielsen dba B & M Plumbing and Heating, Inc.
Gas Fitter	Brett Kalvedt dba Midwestern Mechanical, Inc.
Master HVAC	Doug Madsler dba CFM Heating & Air Conditioning Inc.
5. Approval: Acceptance of a Quitclaim Deed from Alyssa Kautz Moore, Ashley Kautz, and Christopher Kautz for the Northeast Quarter (NE1/4) of Lot Seventeen (17), Section Twelve (12), Block Nineteen (19), Third Addition to the Alliance Cemetery and reconvey same to Jolynne Lehl.
6. Approval: Resolution No. 14-64 granting a Special Designated Liquor License to the Eagles Fraternal Order No 136 for a beer garden during Heritage Days, July 17 – 19, 2014. The beer garden will be located at 116 West 4th Street and will include beer, wine and distilled spirits.
7. Approval: Resolution No. 14-65 accepting the Grant Award for the City of Alliance to continue to operate the Retired and Senior Volunteer Program for an addition three years.
8. Approval: Resolution No. 14-66 granting permission for the Box Butte County Friends of RSVP to conduct a fundraising garage sale and to submit a grant on the City's behalf for building materials to either a local vendor or Home Depot.
9. Approval: Resolution No. 14-67 will accept a donation from the Alliance Park Foundation in an amount not to exceed \$7,600 to repair the covered bridge at Laing Lake roof and to purchase replacement siding.
10. Approval: Resolution No. 14-68 will approve Change Order No. 1 to the Concrete Removal & Replacement Contract with K.L. Wood and Company, LLC.

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11. Approval: Resolution No. 14-69 will renew our lease with the Aging Office of Western Nebraska for their space in the Senior Center.
12. Approval: Resolution No. 14-70 accepts the Grant Award for the City of Alliance to operate the Box Butte County Handyman Program through our RSVP Staff for a one year period July 1, 2014 through June 30, 2015.

NOTE: City Manager Cox 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.

Roll call vote with the following results:

Voting Aye: Yeager, Benzel, Lewis, Feldges, Seiler.

Voting Nay: None.

Motion carried.

- Resolution No. 14-71 authorizing the submittal of a Clean Lakes Grant through the Nebraska Environmental Trust and the Nebraska Department of Environmental Quality and also will authorize the use of \$40,000 from the City Council Contingency Fund. Council was provided with the following information:

[Laing Lake continues to lose water. Due to this water loss, Staff started to research contractors with lake development experience as well as possible grant funding sources to assist with costs associated with re-lining the lake to eliminate water loss.

Staff now sees this challenge as an opportunity to make significant improvements to Laing Lake by improving water quality and aesthetics of the facility. The plan being developed is more comprehensive and will better fit funding source requirements. It will also add a city-owned well to reduce annual fill costs.

Conceptual ideas for the project are as follows:

- Shoreline realignment and seeding
- Lake bottom depth alterations
- ADA fishing dock installation
- City owned well design and construction
- Outdoor classroom development

With the above listed comprehensive lake improvement plan, Staff is very confident that the City will qualify for the Clean Lakes Grant. Funding is available up to \$300,000 for projects that qualify. In an effort to ensure we are ready for construction in 2015, the project is recommended in two phases. Note that the City of Alliance will request funding to assist with the costs associated with the Bathymetric Survey which could save approximately \$10,000 - \$12,000 over the course of the project.

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Staff is requesting that Council:

1. Approve the submission of a grant request to the Nebraska Environmental Trust (NET) and the Nebraska Department of Environmental Quality (NDEQ) and that the Mayor be approved to sign all documentation associated with grant submissions. Individual funding applications are submitted to each funding source and dialogue between the two entities will occur prior to project ranking by either entity. The maximum funding amount is \$300,000 with \$75,000 from NDEQ and \$225,000 from NET.
2. Approve \$40,000 to be allocated from Council Contingency funds (transferred to Contracted Services – Other GL 01-71-71-44-479) to design and grant submission processes to begin as soon as possible. If the funds are allocated and project planning begins, grant submissions will be complete this fall with construction scheduled for the summer of 2015. Matching funds for Phase 2 of the project will be included in the FY 2014-15 capital budget.]

Phase 1 - June 2014 to November 2014

\$40,000 (City Funding)

Concept Design and 50% Engineering

Grant Development and Submission

Water and Nutrient Budget Development

Bathymetric Survey

Phase 2 - April 2015 to November 2015

City Match Dependent on Construction Costs

Grant Funds - \$300,000

Final Engineering

Construction

Final Bathymetric Survey

A motion was made by Councilman Yeager, seconded by Councilman Seiler to approve Resolution No. 14-71 which follows in its entirety:

RESOLUTION NO. 14-71

WHEREAS, The City of Alliance owns and operates Laing Lake and the surrounding park area; and

WHEREAS, In order to make significant improvements to Laing Lake by improving water quality and aesthetics of the facility the City would like to apply for the Clean Lakes Grant through the Nebraska Environmental Trust and the Nebraska Department of Environmental Quality; and

WHEREAS, In order to make application the City will need to incur consulting fees to provide the preliminary work necessary to submit the grant application; and

WHEREAS, Staff is requesting the use of \$40,000 to be allocated from Council Contingency funds to begin the design and grant submission process; and

WHEREAS, City Council believes that submittal for the Clean Lakes Grant is in the best interest of our community and that the use of City Council Contingency Funds in the amount of \$40,000 would be appropriate.

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NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Alliance, Nebraska, that the Staff is authorized to prepare a grant submittal for the Clean Lakes Grant through the Nebraska Environmental Trust and the Nebraska Department of Environmental Quality.

BE IT FURTHER RESOLVED that the Mayor is authorized to sign the related documentation with the grant application process.

BE IT FURTHER RESOLVED that \$40,000 from the City Council's Contingency Fund 01-10-10-47-791 is hereby authorized to perform the required preliminary work necessary to submit the grant application. Said funds will be transferred to the Contracted Services Other Account No. 01-71-71-44-479.

The Council visited with Paul Brakhage of LakeTech, Inc. on the telephone regarding the proposal. Mr. Brakhage informed Council he had worked with the Nebraska Environmental Trust (NET) and the Nebraska Department of Environmental Quality (NDEQ) on many projects similar to Alliance. The Alliance project has been discussed with both agencies and a favorable impression has been indicated. The time table should Council move forward as suggested would be a decision of the NDEQ in October, 2014 with the NET decision in April or May of 2015. The early start date if approved would be mid-summer 2015. Mr. Brakhage reiterated that this is a very exciting project and would be his 37th small lake project.

Prior to submitting the grant application, Council will have the opportunity to review the conceptual ideas for the park development at their July meeting and the proposed Conceptual Plan with an estimated budget at an August meeting.

Roll call vote with the following results:

Voting Aye: Yeager, Lewis, Feldges, Seiler, Benzel.

Voting Nay: None.

Motion carried.

- City Manager J.D. Cox gave his City Manager's Report in outline form.
 1. Production Cost Adjustment:
 - March: \$0.01000
 - April: \$0.00600
 - May: \$0.00312
 - June: \$0.00317
 2. Thank you to the Panhandle Men's Golf Club for repairing part of the decking
 3. Public Works Director Mike Hulquist retired on Monday, 6/2/14

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4. If you know of anyone looking for a job, we are still hiring:
 - Public Works Director – Closed; Interviews end of June/early July
 - Dispatcher has closed;
 - Water/Sewer Mtce Worker 1 has closed; interviewing;
 - Seasonals (Parks, Electric and Streets)
5. Upcoming Meetings:
 - August
 - Presentation by EDPARC re: EcoDevo Program updates
6. Thanks to our 2014 Seasonal Employees

- The third reading of Ordinance No. 2754, which will authorize the sale of Lot C, Block 4, Meadowood Addition to the City of Alliance to James V. Smith and Kim L. Smith in the amount of \$12,532.25 was the next item before Council. Council was provided with the following information:

[City staff has prepared on behalf of James and Karen Smith an Agreement for Sale of Real Estate for Lot C, Block 4 of the Meadowood Addition (located near the intersection of 11th and Meadowlark Avenue as shown on the map included in the packet) in the amount of \$12,532.25.

During our previous meetings regarding this issue, the Council addressed concerns of neighboring property owners. The interested purchasers appeared before Council and stated their intent to build a single family residential home on the property, and confirmed they were aware of the existing covenants associated to the property.

As with any sale of property by the City of Alliance there is a thirty day remonstrance period as established within State Statutes.]

A motion was made by Councilman Lewis, seconded by Councilman Benzel to approve the third reading of Ordinance No. 2754 which City Clerk Jines read by title and follows in its entirety.

ORDINANCE NO. 2754

AN ORDINANCE PROVIDING FOR THE SALE AND CONVEYANCE OF LOT C, BLOCK 4; MEADOWOOD ADDITION, AN ADDITION TO THE CITY OF ALLIANCE, BOX BUTTE COUNTY, NEBRASKA, ACCORDING TO THE RECORDED PLAT THEREOF.

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

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SECTION 1. The City of Alliance has received an offer from James Smith and Kim Smith, to purchase the following described real estate:

Lot C, Block 4, Meadowood Addition, an Addition to the City of Alliance, Box Butte County, Nebraska, in the amount of \$12,532.25.

SECTION 2. The real estate is not used in the operation of public utilities, and is not a state armory for the use of the State of Nebraska or the State Armory, as provided in §16-201 R.R.S. Neb. 1943.

SECTION 3. The City Clerk shall cause notice of this sale to be published as required by law. If, within the time prescribed by law, a legally sufficient remonstrance against the sale has not been filed, the Mayor and City Clerk are by this ordinance authorized to execute and deliver to the purchaser the City's quitclaim deed for the herein described property upon payment of the purchase price provided for herein and in the Agreement for Sale of Real Estate.

Remonstrance against such sale is defined as a petition signed by legal electors of Alliance, Nebraska, equal in number to thirty percent (30%) of the electors voting at the last regular municipal election. Said petition shall be filed with the governing body of the City within thirty days (30) of the passage and publication of this Ordinance. In the event a remonstrance is received which is legally sufficient, said property shall not then, nor within one year thereafter, be sold.

SECTION 4. This ordinance shall be in full force and effect from and after its passage, approval and publication according to law.

Roll call vote on the final reading of Ordinance No. 2754 with the following results:

Voting Aye: Yeager, Benzal, Lewis, Feldges, Seiler.

Voting Nay: None.

Motion carried.

Mayor Feldges stated, "the passage and adoption of Ordinance No. 2752 has been concurred by a majority of all members elected to the Council, I declare it passed, adopted and order it published."

- Assistant City Manager Randy Waggener presented Council with the City's Second Quarter Financial Report.

The following written narrative was provided to Council.

[General Fund (Page 1)]

The General Fund netted revenues of \$182,600 for the first half of the fiscal year. This compares to a net loss of \$339,100 for the same period last year. The largest contributing factor to the

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change is the budgeted health insurance “relief” which amounted to \$190,400 for the Fund for the first six months. General Fund deposits of real estate taxes were also \$123,300 ahead of last year primarily due to the County transfer of final 2012 real estate taxes early in the current fiscal year. Year-to-date capital expenditures are \$106,500 lower than the same period for the prior year.

At mid-year, 41.4% of budgeted General Fund revenues were received. Following are some of the largest revenue variances to budget:

Revenue Category	Amount	Type	Justification
Real estate and property taxes	\$258,700	Under	Collection timing
Municipal equalization	\$70,900	Under	Collection timing
Police fees and fines	\$19,200	Under	TSA funding not authorized
Ambulance fees	\$30,400	Under	Utilization and collection
Building permits	\$22,500	Over	Hospital building permits

General fund expenditures were at 36% of budget or almost \$900,000 under target. Following are some of the items primarily responsible for the favorable variance:

Expense Category	Amount	Type	Justification
Employee Salary and Benefits	\$162,000	Under	Vacant and seasonal positions
Capital Outlay	\$120,000	Under	Timing of purchases
Council Contingency	\$180,000	Under	Primarily pending demolition
Various expense categories	\$256,000	Under	10% allowed cushion

Enterprise Funds (Pages 1 and 2)

Electric usage was up 7% and water usage was down almost 8% from the same time from the prior fiscal year. Following recaps the change in enterprise revenues year over year:

Fund	Prior Year	Current Year	Change
Electric	\$5,071,578	\$5,492,139	+8.3%
Refuse	\$548,544	\$511,920	-6.7%
Sewer	\$199,520	\$202,090	+1.3%
Water	\$613,234	\$617,142	+0.6%

Electric and Water Funds both reflected a cash basis net loss for the first half of the year. Both of these funds generally experience better earnings in the second half of the year with the increased summer month usage. Also, the Electric and Refuse funds have paid almost 100% of their debt service for the year which heavily impacts first half earnings.

Miscellaneous Funds (Pages 2 through 6)

There do not appear to be any dramatic unplanned changes in any of the other funds. The following comments detail some of the significant movements:

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- Golf Course expenditures are being monitored closely to ensure that the fund is positive at year end. Capital expenditures are expected to be under budget.
- Airport Operations has not added the extra staff person and the majority of the runway project will be delayed until the 2014-15 fiscal year.
- Street revenues are slightly ahead of projections (both highway allocation and sales taxes) along with the final collection of the West Tenth Street project (\$35K). The completed Streetscape Phase 1 will most likely be the only project completed in this fiscal year.
- RSVP fundraising will be emphasized during the last half of the fiscal year with the goal to eliminate the negative fund balance.
- LB840 revenues are from sales taxes (\$42.5K) and loan repayments \$22.6K). Prairie Sky Seeds loan request is still pending.
- Sales Tax Fund balances are depleted with the refund of the sales tax incentives (approx. \$140K). It is anticipated that summer revenues will increase and the Fund will be balanced by year-end through an adjustment of the General Fund transfers, as necessary.
- Capital Projects planned will use most of the remaining reserves in the Fund. There were not additions budgeted for the current year.
- Public Safety and E911 Fund balances continue to grow; however, the approved replacement VIPER system will require a substantial portion of the E911 reserves by year end.
- Health Care expenses exceeded revenues by \$217K bringing the Fund balance down to \$1,650K. The goal is to reduce the reserves to a balance around \$1M.

Revenue and Expenditures and Fund Balance Changes (Pages 7 and 8)

Pages 7 and 8 of the Financial Report reflect summaries of the first six pages of the report. The numbers generally indicate a strong financial standing with the majority of the decreases either planned or anticipated (i.e. sales tax, capital projects and health care funds).

Cash and Investment Summary (Pages 9 through 12)

Cash balances are \$923,000 less than the same time a year ago and \$558,000 less than the prior quarter end. The portfolio yield is at .24% which compares to .26 one year ago and .24% last quarter. Certificates of deposit (including those in trust accounts) are almost \$1,000,000 lower than one year ago while money market deposit accounts are almost \$2,000,000 higher. Distribution among financial institutions remained relatively constant with the addition of Sandhills State Bank as a new depository.

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Following are the major changes in Fund cash balances from one year ago:

Fund Name	Amount	Percent Change	Justification
General	+\$501,556	+25%	See detail on page 1
Electric	-\$983,932	-26%	Accelerated MEAN payment (\$477K), increased receivables and inventory
LB840	-\$214,207	-30%	Funded LB840 projects
Sales Tax	-\$246,900	-103%	Refunded incentives (\$140K) and planned drawdown of reserves
Capital Projects	-\$231,308	-70%	Completed projects and redirection of sales tax funding to general
Internal Services	+\$134,420	+2,237%	Service Excellence payment, timing of computer purchases and reduction of accounting personnel expense

The Golf, RSVP and Sales Tax Funds all reflected small negative cash balances at March 31, 2014. It is anticipated that these will all be positive by the end of the fiscal year.

Capital Investments (Pages 13 and 14)

A total of \$785,000 has been invested in capital items for the City thus far in the fiscal year. The single largest project is Phase 1 of Streetscape (at \$377,000) with over \$100,000 spent on runway engineering fees, \$110,000 invested in substation and electrical system rebuilds and \$90,000 paid for water SCADA replacement. This represents only 6.4% of the total amount budgeted. The remainder of the Airport Runway and major Streets projects will be carried forward into the 2014-15 fiscal year which represents over 73% of the total capital budget.

A motion was made by Councilman Benzel, seconded by Councilman Lewis to accept the Second Quarter Financial Report as presented.

Roll call vote with the following results:

Voting Aye: Yeager, Benzel, Lewis, Feldges, Seiler.

Voting Nay: None.

Motion carried.

- The final agenda item was Board vacancies.

Councilman Seiler announced that the City of Alliance continues to have vacancies on the Community Garden Advisory Board, one vacancy each on the Downtown Improvement Boards, two vacancies on the Economic Development Plan Citizen Advisory Board, one vacancy on the Golf Advisory Board and two vacancies on the Police Advisory Board, a school representative and a homemaker representative. Anyone interested in serving on these Boards

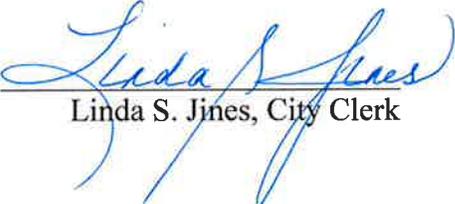
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should contact the City Clerk's Office. Information on all of the City Boards is also available on our web site, www.cityofalliance.net.

- Mayor Feldges stated, "there being no further business to come before the Alliance City Council, the meeting is adjourned at 8:18 p.m."


Fred Feldges, Mayor

(SEAL)


Linda S. Jines, City Clerk

