

# ALLIANCE CITY COUNCIL

REGULAR MEETING, THURSDAY, JULY 17, 2008

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

The Alliance City Council met in a Regular Meeting, July 17, 2008 at 6:00 p.m., in the Board of Education Meeting Room, 1604 Sweetwater Avenue. A notice of meeting was published in the Alliance Times Herald on July 10, 2008. 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 Kusek opened the July 17, 2008 Regular Meeting of the Alliance, Nebraska City Council at 6:00 p.m. Present were Mayor Kusek, Council Members Dickenson, Benzel, Rowley, and Yeager. Also present were City Manager Caskie, City Attorney Miller and City Clerk Jines.

- Mayor Kusek read the Open Meetings Act Announcement.
- The first item to come before Council was the Consent Calendar.

Motion by Councilman Dickenson, seconded by Councilman Benzel to approve the Consent Calendar which follows in its entirety:

---

**CONSENT CALENDAR - JULY 17, 2008**

1.    Approval:     Minutes of the Regular Meeting, July 2, 2008.
2.    Approval:     Payroll and Employer Taxes for the period June 14, 2008 through June 27, 2008, inclusive; \$166,991.70 and \$11,995.88 respectively.
3.    Approval:     Claims against the following funds for June 27, 2008 through July 14, 2008; 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:

\$977,464.57.

4. Approval: The *Request for Reserved or Exclusive Use of City Streets* of the Alliance High School Student Council for the annual Homecoming Parade. The parade will be held on Friday, September 19, 2008 with line-up starting at 1:00 p.m. and the parade beginning at 2:00 p.m. The route will begin at 16<sup>th</sup> Street and proceed south on Box Butte Avenue to 1<sup>st</sup> Street.

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

Motion by Councilman Dickenson, seconded by Councilman Benzel to amend the Consent Calendar to include an additional claim in the amount of \$1,564.89.

Roll call vote on the amendment with the following results:

Voting Aye: Kusek, Dickenson, Benzel, Rowley, Yeager.

Voting Nay: None.

Motion carried.

Councilman Benzel questioned a charge for coffee mugs by the Fire Department. City Manager advised Council that she would confirm whether they are promotional items. Councilman Yeager inquired about a charge for shirts for the Police Department. Police Chief Kiss explained that seasonal uniforms are purchased in bulk as a cost cutting measure. Councilman Yeager also questioned a charge for a digital camera. City Manager Caskie advised Council that she would look into the charge. Councilman Dickenson questioned a charge for toilet tissue through the Electric Department. City Manager Caskie advised Council that the warehouse duties have been absorbed into the Electric Department. Councilwoman Rowley asked about a charge for locates. City Manager Caskie explained that the City pays fees for the use of Diggers Hotline services.

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

Voting Aye: Kusek, Dickenson, Benzel, Rowley, Yeager.

Voting Nay: None.

Motion carried.

- The next item to be presented to Council was the Proposed 2008-09 Budget Overview Presentation by City Manager Caskie.

The following memo was presented by City Manager Caskie:

[Attached is a copy of the 2009 City of Alliance Budget. All of the funds but the RSVP Fund have been balanced and are presented to you for your review. While the funds are balanced this does not mean that there are not on-going issues which need your guidance and direction. This has been an interesting year in which to attempt to budget for next construction season. Last year, if someone had told me we would have \$4 per gallon gas and nearly \$5 diesel, I would have laughed, but here we are. What will next year bring – the same, a reduction, even greater costs? Those costs ripple throughout our entire market basket. Delivery costs increase, oil based products such as plastics and asphalts increase, and our employees feel the pinch to their standard of living as well.

While the increasing costs create uncertainty, the other uncertainty is in the revenue side of the equation. Our sales tax has decreased but not to the extent that Scottsbluff's has. We know that we have a significant amount of retail leakage, but will \$4 gas bring some of it back home? The heaviest increases in the marketplace for consumers are gas and groceries – two of the places that we don't get sales tax. Our property tax which grows with our valuation changes has seen some significant increases with last year's market improvements. We do not know to date exactly what the final valuation number will be. We have estimated a nearly 2.5% increase in our overall valuation, but we are uncertain what the actual final number will be at this time.

So much of our General Fund budget, as well as other funds, are personnel costs. It is people who deliver the services that people are paying taxes to receive. The State requires us to be cost competitive within cities of our size in our salary offering. Additionally, we need to be competitive to attract and retain quality people. Health insurance costs are making this very difficult. A family plan today will cost nearly \$20,000 a year, which for our lower paid staff represents nearly 100% of their salary. For reasons I don't clearly understand, our insurance rates seem to be higher than most other communities but our plans are no better and in some situations worse than our comparable cities. We are required by the CIR to offer a similar benefit. So the catch 22 is how do we provide quality people to deliver quality services at price that is still affordable to the residents. Dealing with the rising cost of our health insurance is a must.

A fund summary on each of our primary funds follows:

**GENERAL FUND:** Each of the last several years, the General Fund has had more revenues than expenditures. This has resulted in increasing cash balances. Last year we proposed to use \$280,000 of this fund balance to balance the budget. This year we propose to use \$312,000. The reason for the increasing fund balance is the number of unfilled positions that we have and then length of time it takes us to fill a vacancy. This places a hardship on the other employees who are having to step in to take up that slack and is less than ideal. It is also something we are trying to resolve by reducing turnover. Eventually this is going to work and we are going to have a budget deficit instead of a surplus. When this happens, the following year, the budget is going to be painful. While I recognize the potential future problem, I am reluctant to recommend service reductions, staff cutbacks or serious cost cutting moves when we have such a significant fund balance. This would seem unpalatable to both the employees and the taxpayers. However, I recognize that we are playing with fire here and at some point, we might get burnt. Our General Fund budget is up just over 1% while personnel costs are 3% and health insurance has a 15% bump. This obviously means that we are shifting costs and reducing in other areas. In an attempt to provide services at their current level and still avoid problems in future years, we have proposed this lean budget. I hope that it is not too lean.

**STREET FUND:** There are many, many street projects to do and obviously not enough money to do them all. The Street Fund is carrying \$1,400,000 and we need to restrict some of that money for major road projects. But the fund is healthy to do the day to day work that is required of it.

**ELECTRIC FUND:** The Electric Fund, which had a rate increase last year, has seen a wholesale cost of energy increase in both our WAPA and our MEAN contracts. While there are adequate revenues to balance the budget, the rate that was proposed to be a three year rate may not be able to sustain the three years with current increases. There is a production cost pass through allowed within the ordinance and whether to pass that on is something that we need to discuss. We continue to put major money into the substation system. This year we are proposing to take the funding for that work from the reserves.

**REFUSE FUND:** Thanks to the tremendous amount of landfill receipts that we took in during 2007, the refuse fund continues to hold its own. Without some new infusion of receipts this coming year, we will need to look at a rate increase next year.

**SEWER FUND:** This is the final year of the major sewer line relining project that started some years ago. While the fund balance is getting very close to the minimum levels, we believe that this fund will be fine with the reduction in capital expense after next year.

**WATER FUND:** Obviously we are pursuing major rate adjustments and significant cost increases. We have proposed an additional employee to manage the treatment processes and we have shifted the irrigation process to water for manpower control and better control over water usage. The bond issue will pay back some of the Water Fund's earlier usage of funds for the project costs. This should provide a water fund that is solid for at least the next 3 years.

**GOLF COURSE FUND:** The Golf Course Fund has been balanced by drawing from the General Fund \$83,000. This seems to be the best we can do and still provide a quality course. Marketing and encouragement of new people to come and play seems to be the best solution to this overall problem.

**AIRPORT FUND:** The Airport Fund is becoming a bit of a problem and we probably need to discuss the purpose of the Sinking Fund and how that tax money can be shifted from the Sinking Fund to the Operating Fund. Revenues are not going up at the airport but costs are rising significantly. We are proposing to pay the City's share of Capital from the Sinking Fund. We may need to take a look at hangar rentals and other revenue producers in order to balance these costs.

**RSVP FUND:** This fund is not balanced as costs are up, revenues are not. The City is the sponsor but is not the only benefactor. I need some direction as to how to resolve this fund. It is currently about \$18,000 off of where it should be and \$8,000 in the red. We requested support from other public agencies last year but got no response. I have increased the City's contribution from \$13,000 in 2006 to \$19,620 this year. This includes the \$4,000 of City transfers that are now being transferred to all funds – MIS, Personnel, etc.

**HEALTH INTERNAL SERVICE FUND:** This fund pays employee claims. Our estimation is that we will pay 150% more in claims in 2009 than we did in 2007. Obviously this places a strain on this budget. This fund is funded by receipts from all of the funds who employ people who are on health insurance. The need for additional revenues here places a burden on all of the other funds.

I will look forward to meeting with you on July 28<sup>th</sup> for a marathon session on this budget. In the meantime, please feel free to call me, email me or visit me to discuss your concerns, ideas, or questions.]

- The first reading of Ordinance No. 2617 approving the Preliminary Plat of a Subdivision of the Replat of Block 2, Wyoming Avenue Addition was the next item for Council's consideration.

Motion by Councilman Dickenson, seconded by Councilwoman Rowley to approve Ordinance No. 2617 on first reading. City Clerk Jines read the ordinance by title which follows in its entirety:

**ORDINANCE NO. 2617**

AN ORDINANCE APPROVING THE PRELIMINARY PLAT OF A SUBDIVISION OF THE REPLAT OF BLOCK 2, WYOMING AVENUE ADDITION TO THE CITY OF ALLIANCE, BOX BUTTE COUNTY, NEBRASKA.

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

SECTION 1. The City of Alliance has received the application for approval of the Preliminary Plat of a Subdivision of the Replat of Block 2, Wyoming Avenue Addition to the City of Alliance, Box Butte County, Nebraska from Colorado Hospitality Services, Inc., a Colorado corporation.

SECTION 2. The Planning Commission held a public hearing July 8, 2008, and has recommended the approval of the Preliminary Plat with a condition that a covenant be contained in the deed that the owner of Lot 2 will have a concurrent Parking Agreement to use parking of Lot 1.

SECTION 3. The Preliminary Plat contains information required by the City Code at Section 11-305, which is relevant to this request.

SECTION 4. The Preliminary Plat of a Subdivision of the Replat of Block 2, Wyoming Avenue Addition to the City of Alliance, Box Butte County, Nebraska, is hereby approved and the subdividers are authorized to proceed with any required public works elements and preparation of a Final Plat with a condition that there is a concurrent Parking Agreement between the owner of Lot 1 and Lot 2, which authorizes Lot 2 to use parking stalls of Lot 1.

SECTION 5. This approval shall expire one year from this date unless the Final Plat has been submitted. This approval does not constitute Final Plat approval or guarantee the approval of the subdivision by the City Council or the City Council's authorization to proceed on construction of improvements within the subdivision.

SECTION 6. This ordinance shall be in full force and effect from and after its approval, passage, and publication according to law.

Roll call vote with the following results:

Voting Aye: Kusek, Dickenson, Benzel, Rowley, Yeager.

Voting Nay: None.

Motion carried.

- The next item for Council's consideration was Ordinance No. 2618 approving the Final Plat of Son Shine Third Addition on first reading.

Motion by Councilman Yeager, seconded by Councilman Benzel to approve Ordinance No. 2618 on first reading. City Clerk Jines read the ordinance by title which follows in its entirety:

**ORDINANCE NO. 2618**

AN ORDINANCE APPROVING THE FINAL PLAT OF SON SHINE THIRD ADDITION TO THE CITY OF ALLIANCE, BOX BUTTE COUNTY, NEBRASKA.

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

SECTION 1. The City of Alliance has received the application of Dorothy Schnell to approve the Final Plat of Son Shine Third Addition to the City of Alliance, Box Butte County, Nebraska.

SECTION 2. The Planning Commission has held a public hearing on July 8<sup>th</sup>, 2008, to consider the Final Plat, and after such hearing has recommended approval of the Final Plat of Son Shine Third Addition to the City of Alliance, Box Butte County, Nebraska.

SECTION 3 The City Council finds that all public improvements that are to be required at this time have been completed. No additional infrastructure or improvements are required at this time. No improvement guarantees are required.

SECTION 4. The City Council finds that the Final Plat contains the information required by 11-413.

SECTION 5. The Final Plat of Son Shine Third Addition to the City of Alliance, Box Butte County, Nebraska, is approved by the City of Alliance and shall be filed with the County Clerk as provided by City Code and State law within 30 days of this approval. The plat map which has been prepared is a part of these proceedings and is attached hereto and is incorporated herein and made a part hereof by reference.

SECTION 6. This ordinance shall be in full force and effect from and after its approval, passage, and publication according to law.

Dorothy Schnell, 1680 W. 25<sup>th</sup> Street, addressed Council indicating that the Planning Commission requests were met when the survey was done, and the Son Shine Third Addition should include 11.17 acres. The Third Addition includes Lots 1 and 2.

Motion by Councilman Benzel, seconded by Councilwoman Rowley to waive the statutory rule requiring three separate readings of Ordinance No. 2618.

Roll call vote to waive the statutory reading with the following results:

Voting Aye: Kusek, Dickenson, Benzel, Rowley, Yeager.

Voting Nay: None.

Motion carried.

Roll call vote to approve Ordinance No. 2618 on final reading with the following results:

Voting Aye: Kusek, Dickenson, Benzel, Rowley, Yeager.

Voting Nay: None.

Motion carried.

Mayor Kusek stated, “the passage and adoption of Ordinance No. 2618 has been concurred by a majority of all members elected to the Council, I declare it passed, adopted and order it published.”

- Resolution No. 08-70 for the continuation of a Conditional Use Permit for Saul and Alicia Garza which allows retail sales of vehicles at 1319 West Kansas Street was the now before Council for consideration.

Motion by Councilwoman Rowley, seconded by Mayor Kusek to approve Resolution No. 08-70 which follows in its entirety:

**RESOLUTION NO. 08-70**

*WHEREAS*, In August, 2006, a Conditional Use Permit was issued to Saul and Alicia Garza which allowed retail sales of vehicles and was of a six month duration to allow review of compliance; and

*WHEREAS*, In February and August of 2007, the Conditional Use Permit was continued and Saul and Alicia Garza were allowed retail sales of vehicles and for a six and twelve month duration to allow review of compliance; and

*WHEREAS*, City staff has viewed the property, and has found the property to be used consistent with the Conditional Use Permit; and

*WHEREAS*, The City Council finds that no sufficient reason exists why the Conditional Use Permit should not continue.

*NOW, THEREFORE, BE IT RESOLVED*, by the Mayor and City Council of Alliance, Nebraska, that the Conditional Use Permit issued to Saul and Alicia Garza, embedded in Resolution No. 06-70A, and continued in Resolution 07-20 and 07-92 is hereby extended to August 17, 2009.

*BE IT FURTHER RESOLVED*, that the Conditional Use Permit shall be presumed inactive if the conditional use is not commenced within twelve months of August 17, 2008.

City Manager Caskie advised Council that staff has been unable to make contact with Saul and Alicia Garza to verify their desire to continue the Conditional Use Permit.

Roll call vote with the following results:

Voting Aye: Yeager.

Voting Nay: Kusek, Dickenson, Benzel, Rowley.

Motion failed.

- The next item to be brought before Council was Resolution No. 08-75. This resolution will authorize the submittal of a pre-application to the Nebraska Department of Economic Development for a \$200,000 grant from the Local Civic, Cultural, and Convention Center Finance Fund to be used for potential museum activities.

Motion by Councilman Benzel, seconded by Councilwoman Rowley to approve Resolution No. 08-75 which follows in its entirety:

#### **RESOLUTION NO. 08-75**

*WHEREAS*, The City of Alliance understands that having civic and cultural opportunities for the education and enjoyment of its citizens and travelers is an important part of the services that are provided by the City of Alliance; and

*WHEREAS*, The State of Nebraska Department of Economic Development is accepting applications from Nebraska Municipalities for grants to support the development of local civic, cultural and convention centers; and

*WHEREAS*, The City of Alliance is eligible to file for the grant and has local civic, cultural projects which are eligible for the use of the grant money, including the Knight Museum and Sandhills Center.

*NOW, THEREFORE, BE IT RESOLVED* By the Mayor and City Council of the City of Alliance, Nebraska, that staff is hereby authorized and directed to make application for the grant with the Nebraska Department of Economic Development in the amount of \$200,000.00 for and on behalf of the City of Alliance; and

*BE IT FURTHER RESOLVED* That the City Manager of Alliance, Nebraska, is hereby directed to execute the application and any and all other documents necessary to facilitate the grant between the Nebraska Department of Economic Development and the City of Alliance; and

*BE IT FURTHER RESOLVED* That the City Treasurer is authorized and directed to sign any and all necessary documents to furnish any assurances to the State of Nebraska as may be required by law or regulation and to receive payment on behalf of the City of Alliance.

Roll call vote with the following results:

Voting Aye: Kusek, Dickenson, Benzel, Rowley, Yeager.

Voting Nay: None.

Motion carried.

- Council's consideration of Resolution No. 08-76 authorizing the City's continued membership with the Panhandle Area Development District for an additional year was now before Council. The resolution also authorizes the appointment of Councilwoman Lori Rowley as the City's representative and Richard Houck, Community Development Director as the alternate.

Motion by Mayor Kusek, seconded by Councilman Dickenson to approve Resolution No. 08-76 which follows in its entirety:

**RESOLUTION NO. 08-76**

*WHEREAS*, The City of Alliance has previously maintained membership in the Panhandle Area Development District; and

*WHEREAS*, Panhandle Area Development District provides services for member communities in the areas of financing, economic development, grants, housing rehabilitation, and other areas; and

*WHEREAS*, Continued membership will allow access to these services, and provide an opportunity for regular networking with other community representatives.

*NOW, THEREFORE, BE IT RESOLVED*, by the Mayor and City Council of Alliance, Nebraska, that the City of Alliance, Nebraska will maintain membership with Panhandle Area Development District for fiscal year 2008-2009, at a cost of \$3,506.47.

*BE IT FURTHER RESOLVED*, that Councilwoman Lori Rowley will serve as Alliance's Director for Panhandle Area Development District, and Community Development Director Richard Houck will serve as alternate.

Roll call vote with the following results:

Voting Aye: Kusek, Dickenson, Benzel, Rowley, Yeager.

Voting Nay: None.

Motion carried.

- The next item to be brought before Council was a Board Appointment.

Motion by Councilman Yeager, seconded by Councilwoman Rowley to reappoint Scott Moller to a term on the Economic Development Plan Application Review Committee.

Roll call vote with the following results:

Voting Aye: Kusek, Dickenson, Benzel, Rowley, Yeager.

Voting Nay: None.

Motion carried.

- The last item on Council's agenda was an Executive Session to discuss a personnel matter.

Mayor Kusek motioned pursuant to Section 84-1410 Reissue Revised Statutes of Nebraska 1943 that the Alliance City Council hold a closed session for the purpose of discussing a personnel matter. The motion was seconded by Councilman Dickenson. Mayor Kusek requested the presence of City Manager Caskie, Chief John Kiss, City Clerk Jines and City Attorney Miller at the Executive Session.

Roll call vote with the following results:

Voting Aye: Kusek, Dickenson, Benzel, Rowley, Yeager.

Voting Nay: None.

Motion carried.

The closed session began at 7:10 p.m. and ended at 7:35 p.m.

No action was taken during the Executive Session.

- Mayor Kusek stated, "there being no further business to come before the Alliance City Council, the meeting is adjourned at 7:36 p.m."

---

Dan Kusek, Mayor

(SEAL)

---

Linda S. Jines, City Clerk