

ALLIANCE CITY COUNCIL

REGULAR MEETING, TUESDAY, JULY 19, 2016

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

The Alliance City Council met in a Regular Meeting, July 19, 2016 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 July 12, 2016. 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 Yeager opened the July 19, 2016 Regular Meeting of the Alliance, Nebraska City Council at 7:00 p.m. Present were Mayor Yeager and Council Members Feldges, Korber-Gonzalez and Jones. Also present were City Manager Cox, City Attorney Olsen and City Clerk Jines.

- Mayor Yeager read the Open Meetings Act Announcement.
- The first order of business was to excuse the absence of Councilman Seiler. A motion was made by Councilman Feldges, seconded by Councilman Jones to excuse Councilman Seiler.

Roll call with the following results:

Voting Aye: Jones, Korber-Gonzalez, Feldges, Yeager.

Voting Nay: None.

Motion carried.

- City Manager Cox introduced our new Children’s Librarian, Elaine Bleish.
- The Consent Calendar was the next matter for Council’s consideration.

Councilman Feldges made a motion, which was seconded by Councilman Korber-Gonzalez to approve the Consent Calendar as follows:

CONSENT CALENDAR – JULY 19, 2016

1. Approval: Minutes of the Regular Meeting, July 5, 2016.
2. Approval: Payroll and Employer Taxes for the period June 18, 2016 through July 1, 2016 inclusive: \$207,627.65 and \$14,806.25 respectively.
3. Approval: Claims against the following funds for the period June 29, 2016 through July 12, 2016: 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; \$1,338,113.66.
4. For Your Information: Attached is a listing of Demand Checks which were generated over the last financial quarter ending June 30, 2016. The report lists checks that have been issued which are not expenses within the budget. These are primarily made up of fund transfers, meter deposit refunds, utility overpayments and an occasional check which was required to be reissued.
5. Approval: Update the roster of the Alliance Volunteer Fire Department by removing Angel (Hinkley) Hill and Brandon Williams as they are both moving out of the community.
6. Approval: The issuance of a Cemetery Certificate to Kelsey Rasmussen for the south Half of the Southwest Quarter (S½SW¼) Lot Nine (9), Section Two (2), Block Seventeen (17), Second Addition to the Alliance Cemetery.
7. For Your Information: Attached is a Status Report on the City's Regulatory Independent Transmission System Operating and Transmission Adjustment (RITA) from the Municipal Energy Agency of Nebraska (MEAN). Also attached is the City's Energy Charge Credit in the amount of \$267,978.00.

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.

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: Korber-Gonzalez, Yeager, Jones, Feldges.

Voting Nay: None.

Motion carried.

- City Manager Cox gave his City Manager's Report which follows in outline form:
 1. A portion of the City experienced an half hour power outage due to a lightning strike and the system responded as it should and prevented additional damage
 2. LB840 – Can Add Housing Component for Market-based, not just LMI
 - a. Visited with EDCAB and EDPARC
 - b. EDCAB review and recommend
 - c. City Council consider
 - d. EDPARC develop rules and program
 3. Hwy 385 – Electric Bid opening on 8.5; Council action on 8.16; Construction 9.6
 4. Pokemon Go is at Carhenge! <https://www.facebook.com/CarhengeOfficial/>
 5. David LaDuke – Completed Law Enforcement Academy – “Outstanding Student Leader”
 6. Airport FAA Inspection - Good inspection, no material problems, with only a couple of minor comments)

- The next agenda item was the first reading of Ordinance No. 2810 which will amend the Classification Plan to include a Community Service Director and a Public Works Director. Council was provided with the following information:

[The attached ordinance will adopt the amended Classification Plan to accomplish two modifications: the reinstatement of the Public Works Director position and the establishment of the Community Services Director.

Public Works Director

Elsewhere in tonight's agenda, the Council will be formally accepting the resignation of the City Manager. The City Manager has been overseeing many of the streets projects that are in progress. In an effort to provide for the smoothest possible transition and also to provide for the best possible oversight of current projects such as Streetscape, staff is recommending the position of Public Works Director be reestablished with a paygrade of 108.

The reestablishment of this position has actually been planned for some time as staff has contemplated the year-end retirement of long-time employee and current Water Superintendant, Earl Winter. To this point, one current staff member has been grooming for this position and previously served as a Public Works Director in a small South Dakota community.

Community Services Director

In June of 2015, as part of the addition of the Public Transit program, the position of “Community Services Director” was crafted and a job description approved. The new position, according to the plan, would be for the person to oversee the City's existing RSVP, Handyman and new Public Transit programs. However, at the time, the person filling the role of RSVP and Handyman Director did not wish to take on the responsibility of Public Transit as she was contemplating

retirement. As a result we hired the position of Community Services Administrative Secretary.

At this time, we have now received the official notification of the impending retirement of our RSVP/Handyman Director on September 30, and staff would like to advertise as originally planned for a Community Services Director with a paygrade of 217.

Staff expects some reallocation of hours amongst some departments to occur. Although there may be a short overlap of personnel, the overall authorized strength will remain unchanged at 110.77 FTE.

Staff is requesting the waiving of three readings to expedite the appointment of these positions prior to the City Manager's departure to ensure the smoothest possible transition.]

A motion was made by Councilman Feldges to approve the first reading of Ordinance No. 2810. The motion died due to lack of a second and Ordinance No. 2810 was not introduced.

- The second reading of Ordinance No. 2808 which will amend the Alliance Municipal Code and allow dwellings below the ground floor of commercial establishments was the next discussion item. Council was provided with the following background information:

[Box Butte Development Corporation has submitted a letter to the City of Alliance requesting that the City amend Sections 115-106 and 115-107 of the Alliance Municipal Code allowing dwellings below the ground floor of commercial establishments.

The Code as currently stated allows for dwellings above the main floor of commercial establishments in the C-2, Central Business and C-3 Highway Commercial zoning districts.

The dwellings would still be required to meet accessibility, building, egress and fire code requirements. This code change does not exempt these dwelling spaces from meeting the City's adopted building and fire codes.

The City of Alliance Planning Commission met at its regular meeting June 14, 2016 and voted affirmative to recommend to the Alliance City Council the proposed amendment to Sections 115-106 and 115-107 of the Alliance Municipal Code adding dwelling spaces below the ground floor of a commercial business in the C-2 and C-3 zoning districts.]

A motion was made by Councilman Jones, seconded by Councilman Korber-Gonzalez to approve the second reading of Ordinance No. 2808 which Clerk Jines read by title and follows in its entirety.

ORDINANCE NO. 2808

AN ORDINANCE OF THE CITY OF ALLIANCE, NEBRASKA, AMENDING THE MUNICIPAL CODE BY MODIFYING SECTION 115-106 AND 115-107 RELATING TO SINGLE AND MULTI-FAMILY DWELLINGS ABOVE AND BELOW THE FIRST FLOOR OF A COMMERCIAL ESTABLISHMENT, REPEALING PRIOR PROVISIONS OF THE MUNICIPAL CODE WHICH ARE INCONSISTENT WITH THIS ORDINANCE, PROVIDING FOR PUBLICATION IN PAMPHLET FORM AND PROVIDING FOR AN EFFECTIVE DATE.

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

SECTION 1. The Alliance Municipal Code at Section 115-106 shall be amended as follows:

Sec. 115-106. - C-2, Central Business District.

- (a) Scope and intent. This section applies to district C-2. The C-2, Central Business District is intended to provide a zone that will accommodate low impact retail and service businesses in those areas of the community that were traditionally developed with no building setback requirements.
- (b) Permitted uses.
 - (1) Retail and wholesale sales establishments, not including adult bookstores.
 - (2) Medical, professional and governmental offices.
 - (3) Public libraries, utility facilities and parks.
 - (4) Eating and drinking establishments.
 - (5) Hotels, motels and other lodging facilities.
 - (6) Single and multifamily dwellings above and below the first floor of commercial establishments.
 - (7) Service establishments such as banks, credit unions, salons, dry cleaners and laundries.
 - (8) Theaters, not including adult theaters.
 - (9) Health facilities such as spas.
 - (10) Printers and newspapers.
 - (11) Repair shops; indoor only and not including repair facilities which could be considered noxious or offensive by reason of vibration, noise, dust, fumes, gas, odor or smoke.
 - (12) Building supply stores (indoor display and storage only).
 - (13) Lodges and fraternal orders.
 - (14) Parking lots and facilities.
 - (15) Churches, places of worship and religious.

(c) Conditional uses.

- (1) Towers, telecommunications facilities, and antennas as permitted in chapter 109.
- (2) Automobile dealer lots and repair services.
- (3) Commercial storage units.
- (4) Light manufacturing or fabrication establishments which are not noxious or offensive by reason of vibration, noise, dust, fumes, gas, odor or smoke.
- (5) Other uses clearly associated with the intent of the C-2, Central Business District.
- (6) Irrigation wells and associated buildings and equipment, customarily incidental to the principal use of the property, only if approval is granted by the water superintendent.

(d) Performance standards.

(1) Area and bulk regulations.

Use	Minimum Lot Size (sq. ft.)	Minimum Lot Width (feet)	Setbacks (feet)				Maximum Height (feet)
			Front	Rear	Side	Side Street	
Principal structure	None	None	0	A	B	0	45
Accessory building	—	—	0	A	B	0	45

A. No rear yard required if adjacent to an alley

B. No side yard is required except that where a side line of a lot in this district abuts upon the side line of a lot in a districts R-1 to C-O inclusive

(2) Permitted accessory uses.

- a. Food service and vending machines for tenants only, private garages for motor vehicles, apartments for maintenance personnel, low-level exterior lighting, flagpoles, cooling towers, and other similar uses.
- b. Storage of goods sold by a principal commercial activity, or used in or produced by a principal manufacturing activity engaged in by the same firm on the same lot.
- c. Television, radio receiving and transmitting equipment, and satellite dishes as permitted by chapter 109, subject to the setback provisions in section 115-170(e) and not exceeding 60 feet in height.
- d. Off-street parking and loading serving a principal use. All off-street parking shall be located on the same lot as the principal use. See section 115-173.

- e. Signs as permitted in chapter 111.
- f. Fences as permitted in section 115-172.
- g. Temporary construction, grading, and demolition activities which are necessary and incidental to the development of facilities on the same lot, or on another of several lots being developed at the same time.
- h. Temporary conduct of a real estate sales office which is necessary and incidental to, and located on the site of, a subdivision being developed into five or more lots.
- i. Open area devoted to decorative paving, swimming pools, tennis courts, and other similar uses, located on the same lot as the principal use.
- j. Storage and service areas and buildings serving a principal use on the same lot, provided that storage buildings do not exceed 150 square feet in size, or unenclosed areas which are accessory to a principal nonresidential use not exceeding 200 square feet in area.
- k. A single trailer, camper, motor home or a boat, incidental to and on the same lot as principal residential uses, but only if the trailer, camper, motor home, or boat is not intended for habitation while it is on the lot, subject to the setback provisions in section 115-170(e).

SECTION 2. The Alliance Municipal Code at Section 115-107 shall be amended as follows:

Sec. 115-107. - C-3, Highway Commercial District.

- (a) Scope and intent. This section applies to district C-3. The C-3, Highway Commercial District is intended to accommodate commercial businesses that:
 - (1) Require direct access to highways and primary transportation thoroughfares due to the volume of traffic they generate.
 - (2) Cater primarily to the traveling public.
- (b) Permitted uses.
 - (1) Retail and wholesale sales establishments, not including adult bookstores.
 - (2) Medical, professional and governmental offices.
 - (3) Public libraries, utility facilities and parks.
 - (4) Eating and drinking establishments.
 - (5) Hotels, motels and other lodging facilities.
 - (6) Single and multifamily dwellings above and below the first floor of commercial establishments.
 - (7) Service establishments such as banks, credit unions, salons, dry cleaners and laundries.
 - (8) Theaters, not including adult theaters.
 - (9) Health facilities such as spas.

- (10) Printers and newspapers.
- (11) Repair shops, indoor only, and not including repair facilities which could be considered noxious or offensive by reason of vibration, noise, dust, fumes, gas, odor or smoke.
- (12) Building supply stores (indoor display and storage only).
- (13) Lodges and fraternal orders.
- (14) Parking lots and facilities.
- (15) Automobile dealers, implement dealers and related services.
- (16) Truck parking, truck repair services, and related services.
- (17) Commercial storage units.
- (18) Building, landscaping supplies and yards including well drillers.
- (19) Animal feeds and supply services, not including grain elevators.
- (20) Contractor yards, provided material storage is in the rear yard and screened.
- (21) Swimming pool, commercial.
- (22) Churches, places of worship and religious.

(c) Conditional uses.

- (1) Amusement parks, commercial baseball or athletic fields, race tracks, circuses, carnivals or fairgrounds.
- (2) Cemeteries, mausoleums, or crematories for the disposal of the human dead.
- (3) Clubs, fraternal orders, philanthropic organizations.
- (4) Drive-in theaters.
- (5) Golf driving ranges, commercial or illuminated.
- (6) Nursery sales office, building, greenhouse, or area. (Wholesale or retail).
- (7) Towers, telecommunications facilities, and antennas as permitted in chapter 109.
- (8) Recreational vehicle camping facilities.
- (9) Riding stables and tracks.
- (10) Wind-driven electric generators with prior approval of the city electrical engineer.
- (11) Other uses clearly associated with the intent of the C-3 district.
- (12) Irrigation wells and associated buildings and equipment, customarily incidental to the principal use of the property, only if approval is granted by the water superintendent.

(d) Performance standards.

- (1) Area and bulk regulations.

Use	Minimum Lot Size (square feet)	Minimum Lot Width (feet)	Setbacks (feet)				Maximum Height (feet)
			Front	Rear	Side	Side Street	
Principal structure	None	None	15	A	B	15	35
Accessory building	—	—	15	A	B	15	35

A. No rear yard required if adjacent to an alley, otherwise there shall be a 15-foot setback.

B. No side yard is required except that where a side line of a lot in this district abuts upon the side line of a lot in a districts R-1 to C-O inclusive, a side yard of not less than seven feet shall be provided, and a side yard of 15 feet shall be provided on the street side of a corner lot.

(2) Permitted accessory uses.

- a. Food service and vending machines for tenants only, private garages for motor vehicles, apartment for maintenance personnel, low-level exterior lighting, flagpoles, cooling towers, and other similar uses.
- b. Storage of goods sold by a principal commercial activity, or used in or produced by a principal manufacturing activity engaged in by the same firm on the same lot.
- c. Television, radio receiving and transmitting equipment, and satellite dishes as permitted by chapter 109, subject to the setback provisions in section 115-170(e) and not exceeding 60 feet in height.
- d. Off-street parking and loading serving a principal use. All off-street parking shall be located on the same lot as the principal use. See section 115-173.
- e. Signs as permitted in chapter 111.
- f. Fences as permitted in section 115-172.
- g. Temporary construction, grading, and demolition activities which are necessary and incidental to the development of facilities on the same lot, or on another of several lots being developed at the same time.
- h. Temporary conduct of a real estate sales office which is necessary and incidental to, and located on the site of, a subdivision being developed into five or more lots.

- i. Open area devoted to decorative paving, swimming pools, tennis courts, and other similar uses, located on the same lot as the principal use.
- j. Storage and service areas and buildings serving a principal use on the same lot, provided that storage buildings do not exceed 150 square feet in size, or unenclosed areas which are accessory to a principal nonresidential use not exceeding 200 square feet in area.
- k. A single trailer, camper, motor home or a boat, incidental to and on the same lot as principal residential uses, but only if the trailer, camper, motor home, or boat is not intended for habitation while it is on the lot, subject to the setback provisions in section 115-170(e).

SECTION 3. All ordinances or parts of ordinances passed and approved prior to passage, approval and publication of this ordinance in conflict herewith are now repealed.

SECTION 4. This Ordinance shall be published in pamphlet form, and shall be effective upon its passage and approval.

Roll call vote on the second reading of Ordinance No. 2808 with the following results:

Voting Aye: Korber-Gonzalez, Yeager, Jones, Feldges.

Voting Nay: None.

Motion carried.

- The next agenda item was the second reading Ordinance No. 2809 which will amend the Alliance Municipal Code by including an alternate Planning Commission member. Council was provided with the following background information:

[Community Development staff and the Alliance Planning Commission have recognized the need for an alternate member to fill in during a regular member's absence or during the vacancy of a regular member's seat on the Planning Commission.

Nebraska Revised Statute 19-926 allows for the designation of an alternate member of the Planning Commission with the jurisdiction's adoption of code that specifically establishes the position. The proposed code amendment would allow for an alternate who would then be appointed by the City Council in the same manner as a regular member. The Board of Adjustment has provisions for an alternate member to function in the same capacity as being proposed for the Planning Commission. The alternate has been used in the past to meet the requirements for a quorum so that the Board of Adjustment could conduct business.

Staff found that the Planning Commission has, on occasion, failed to have enough members in attendance to constitute a quorum. Without a quorum, the Planning

Commission may not conduct business, greatly inconveniencing the people who had items on the agenda and traveled to attend the meeting. The Commissioners agree that being unable to conduct business makes the board appear unprofessional and that the appointment of an alternate member may help prevent the lack of a quorum in the future.

Staff also believes it is in the best interest of the City and any applicants to have as many commissioners in attendance at each meeting as possible including the alternate filling in for an absent member regardless of quorum status. Five commissioners may show up and conduct business, but if one votes no on a recommendation, the proposal does not pass. With more commissioners present, it increases the input and ideas from the board and doesn't require the vote of every commissioner in attendance (quorum of five) to approve agenda items.

The City of Alliance Planning Commission met at their regular meeting on June 14, 2016 and held a public hearing for the amendment to Section 101-25 of the Alliance Municipal Code which would allow for the designation of an alternate member to the Planning Commission. They voted to recommend that the Alliance City Council amend Section 101-25, currently titled *Membership Compensation*, of the Alliance Municipal Code.]

A motion was made by Councilman Korber-Gonzalez, seconded by Councilman Feldges to approve the second reading of Ordinance No. 2809 which Clerk Jines read by title and follows in its entirety.

ORDINANCE NO. 2809

AN ORDINANCE OF THE CITY OF ALLIANCE, NEBRASKA, AMENDING THE MUNICIPAL CODE TO INCLUDE PROVISIONS IN CHAPTER 101, ARTICLE II, RELATING TO THE PLANNING COMMISSION AND ALLOWING FOR AN ALTERNATE PLANNING COMMISSION MEMBER, REPEALING PRIOR PROVISIONS OF THE MUNICIPAL CODE WHICH ARE INCONSISTENT WITH THIS ORDINANCE AND PROVIDING FOR AN EFFECTIVE DATE.

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

SECTION 1. Chapter 101, Article II of the Alliance Municipal Code is amended by adding the following language:

ARTICLE II. PLANNING COMMISSION*

Sec. 101-25. Established.

There is established a city planning commission consisting of nine regular members. An alternate member may be appointed and attend any meeting and may serve as a voting and

participating member of the commission at any time when less than the full number of regular commission members is present and capable of voting. Two of the regular members may be residents of the area over which the municipality is authorized to exercise extraterritorial zoning and subdivision regulation. The city manager or designee shall attend and participate in the city planning commission meetings but shall not be entitled to vote on any issue before the city planning commission.

Sec. 101-26. Membership compensation.

All regular members of the commission shall serve without compensation and shall hold no other municipal office except when appointed to serve on the board of adjustment as provided by State Statute.

SECTION 2. All ordinances or parts of ordinances passed and approved prior to passage, approval and publication of this ordinance in conflict herewith are now repealed.

SECTION 3. This ordinance shall be in full force and effect from and after its approval, passage, and publication according to law.

Roll call vote on the first reading of Ordinance No. 2809 with the following results:

Voting Aye: Korber-Gonzalez, Yeager, Jones, Feldges.

Voting Nay: None.

Motion carried.

- The next discussion item was Resolution No. 16-87 which will award the Property & Casualty insurance coverage to Gregory's Insurance, Inc. in the amount of \$622,863. Council was provided with the following information:

[The City of Alliance has contracted with Gregory's Insurance, Inc. since 2011 to provide property and casualty insurance coverage with Traveler's Insurance for the primary insurance package and with Phoenix Aviation through Old Republic Insurance Company for the airport general liability policy.

The policy will renew for an additional year on August 1, 2016 at a quoted price of \$622,863. This represents an overall increase of 5.3% over the prior year premium of \$591,932.

This year Travelers Insurance is offering a new option of a two year rate guarantee. This option, if selected by the City Council, would lock in the current rates used by Travelers to calculate the August 1, 2016 renewal premiums for the 2017-18 policy term. The automatic renewal would be approximately \$7,000 less than this year's quote, as it provides for additional savings in the Boiler & Machinery lines due to preventative maintenance steps which have been

undertaken in the Electric Department. The guarantee is based on the City having a 35% or less loss ratio for the 2016-17 policy period. Our current loss ratio is 29.2%. We had a 1.3% loss ratio in 2014 but were over in the three previous years. We have been working with Travelers' loss specialists for the past three years and believe this has had a role in our improved loss ratio. With this being said there is always a chance for a severe storm to cause damages which are out of our control.

This option does not include Workers Compensation. Workers Compensation is based on actual payroll. Our Workers Compensation Experience Modification Factor has once again decreased, from 1.35 to 1.20 for the upcoming year.

The resolution which appears in the packet at this time is for the one year renewal. Due to timing, legal will be reviewing the two year proposal for us and we may have a recommendation which will also provide for the 2nd year automatic renewal.]

Marty Peterson and MalaDonn Schuman, representatives with Gregory's Insurance, Inc. were in attendance to discuss the renewal rates, the two year renewal proposal and answer the questions of Council.

A motion was made by Mayor Yeager, seconded by Councilman Feldges to approve Resolution No. 16-87.

Councilman Feldges made a motion to amend the Resolution No. 16-87 to include the acceptance of the renewal effective for two years, rather than one year. The motion was seconded by Councilman Jones.

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

Voting Aye: Feldges, Korber-Gonzalez, Yeager, Jones.

Voting Nay: None.

Motion carried.

AMENDED RESOLUTION NO. 16-87

WHEREAS, The City of Alliance recognizes the importance of purchasing insurance to protect against significant loss which affect the budget and would impact the operation of the City of Alliance; and

WHEREAS, The City desires to provide the best protection at the lowest cost to give the taxpayers the most insurance for their taxpayer dollar; and

WHEREAS, The City of Alliance entered into a contract with Gregory's Insurance, Inc. to provide Property and Casualty insurance coverages with Traveler's Insurance as the package provider and Phoenix Aviation, who provides the Airport General Liability policy; and

WHEREAS, Gregory's Insurance, Inc. through Traveler's Insurance has proposed a two year rate guarantee which would lock in the current rates used by Traveler's Insurance to calculate the August 1, 2016 renewal premiums for the 2017-2018 policy term; and

WHEREAS, The guarantee would provide a credit in the Boiler and Machinery coverage of \$7,000; and

WHEREAS, Certain restrictions apply which include excluding Workers Compensation and contingent on a loss ratio of not more than 35% for the 2016-2017 policy period; and

WHEREAS, The City's coverages and premiums have been reviewed by Gregory's Insurance, Inc. and they have made a recommendation for the renewal of policies to be effective August 1, 2016.

NOW THEREFORE BE IT RESOLVED by the Mayor and City Council of the City of Alliance that the Mayor is authorized to sign a contract for insurance with Gregory's Insurance, Inc. in the amount of Six Hundred Twenty-two Thousand Eight Hundred Sixty-three dollars and no/100ths (\$622,863.00), to include the two year rate guarantee described above.

Roll call vote on amended Resolution No. 16-87 with the following results:

Voting Aye: Feldges, Korber-Gonzalez, Yeager, Jones.

Voting Nay: None.

Motion carried.

- The next matter before Council was consideration of Resolution No. 16-88 which will authorize the City to enter into a Subordination Agreement with Security First Bank regarding Prairie Sky Seed's Economic Development loans. The following background information was provided to Council:

[In July of 2014, the City approved an LB840 economic development program for Prairie Sky Seed of Hemingford in the amount of \$50,000 (forgivable loan) and \$75,000 (non-forgivable loan). Since that time, the company has been operational and has made its first payment to the City as scheduled.

Last month, the City was contacted by representatives indicating that the company was refinancing its debt through Security First Bank and was also bringing in an additional investor. The new bank requested that the City maintain a subordinate position to the bank's position.

At its most recent meeting on July 12, the City's Economic Develop Plan Application Review Committee (EDPARC) met to review the request. The

committee found that sufficient equity existed and that the City's position was not harmed by the request. Additionally, the new investor has indicated a willingness to sign a guarantee on the debt as well, thus actually helping the City's position. Following discussion, EDPARC voted, with Scott Moller (who serves as accountant for Prairie Sky Seed) abstaining, to recommend to City Council approval of the subordination document with Prairie Sky Seed, Inc.

Staff agrees with the analysis and believes that the measures taken actually serve to further lower the risk to the City in the project.]

Councilman Feldges made a motion which was seconded by Councilman Jones to approve Resolution No. 16-88 which follows in its entirety:

RESOLUTION NO. 16-88

WHEREAS, The City of Alliance entered into an Economic Development Assistance Agreement with Prairie Sky Seed on July 8, 2014; and

WHEREAS, The Agreement provided for two funding arrangements; the first was a non-forgivable loan in the amount of \$75,000 and the second was a forgivable grant in the amount of \$50,000 which was based on employment numbers; and

WHEREAS, Pursuant to the Agreement and accompanying loan documents, the City of Alliance holds a second lien position on all real estate and personal property assets of Prairie Sky Seed. Bank of the West holds the first lien position.

WHEREAS, Prairie Sky Seed is in the process of refinancing with a new financial institution, Security First Bank and the proceeds of refinancing from Security First Bank will be used to pay the debt owned by Bank of the West; and

WHEREAS, Security First Bank has requested the City enter into a Subordination Agreement on behalf of Prairie Sky Seed to provide Security First Bank with a first lien position in the all real estate and personal property assets of Prairie Sky Seed; and

WHEREAS, The Economic Development Plan Application Review Committee has recommended the subordination contingent upon receipt and approval of a current appraisal of Prairie Sky Seed current assets, receipt and approval of a Deed of Trust, and receipt of a Guaranty is executed with any new stock holders of Prairie Sky Seed investing at the time of the loans with Security First Bank closes. The City of Alliance is now in receipt of, and has approved, all such documents.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Alliance, Nebraska, that the City of Alliance will enter into a Subordination Agreement with Security First Bank.

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to execute the Subordination Agreement with Security First Bank.

Brad Hansen of Prairie Sky Seed explained to Council that his company originally received financing from Bank of the West on a very aggressive repayment schedule. At the present time they have the opportunity to refinance with Security First Bank over a longer period of time which will free up funds for working capital. Along with this change there is the possibility of adding another investor.

Ray Hielscher, 302 William Circle asked the Council for the identity of the new investor. City Attorney Olsen explained that at this time that is confidential information. Mr. Hielscher requested Council to postpone action on this item until such time as the new investor is disclosed.

Roll call vote with the following results:

Voting Aye: Korber-Gonzalez, Yeager, Jones, Feldges.

Voting Nay: None.

Motion carried.

- Resolution No. 16-89 was the next issue before Council and will grant permission to staff to proceed making arrangements to host a Powwow in Central Park. Council was provided with the following background information:

[The Knight Museum and Sandhills Center would like to host the first powwow in Alliance in almost 25 years. The powwow will be a contest between performing groups and is expected to bring participants from all over the Panhandle Region to compete for prizes. The event is scheduled for September 24th and 25th in Central Park and is expected to attract between 300 and 500 participants and spectators. This community event will help bring about awareness of Native American culture to residents of Alliance and Box Butte County.

The Knight Museum and Sandhills Center intern, Broc Anderson, only recently began making plans for the event and has been pleased with the positive response from the community. In an attempt to evaluate community support for the event, he has already received pledges of support from numerous businesses and individuals. The Knight Museum Foundation is willing to partner with the City to fund this event in cooperation with local donors.

All the details of the event are not yet completed as planning is just in the beginning phases. We anticipate the two-day event will include vendors as well as not-for-profit groups from our community.]

Councilman Jones made a motion to approve Resolution No. 16-89, which was seconded by Councilman Korber-Gonzalez. The resolution follows in its entirety:

RESOLUTION NO. 16-89

WHEREAS, The City of Alliance owns and operates the Knight Museum and Sandhills Center; and

WHEREAS, Staff of the Knight Museum and Sandhills Center have requested permission to host a powwow in Central Park on September 24 and 25, 2016; and

WHEREAS, This will be a community event which will bring about awareness of the Native American culture to residents of Alliance and Box Butte County; and

WHEREAS, The Knight Museum Foundation is willing to partner with the City to fund this event in cooperation with local vendors.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Alliance, Nebraska, that the staff of the Knight Museum and Sandhills Center may host a powwow in Central Park on September 24 and 25, 2016.

Roll call vote with the following results:

Voting Aye: Korber-Gonzalez, Yeager, Jones, Feldges.

Voting Nay: None.

Motion carried.

- City Manager J.D. Cox has submitted his resignation effective September 5, 2016. A motion was made by Mayor Yeager to accept Mr. Cox's resignation which was submitted on July 5, 2016. The motion was seconded by Councilman Jones.

Roll call vote with the following results:

Voting Aye: Korber-Gonzalez, Yeager, Jones, Feldges.

Voting Nay: None.

Motion carried.

Members of the Council expressed a desire to City Manager Cox for him to refrain from initiating any new projects, incurring any large expenses outside normal business or budgeted items or undertake any employee transitions during his final month.

Council then discussed the need to establish a recruitment process for the hiring of a new City Manager. A motion was made by Councilman Jones, and seconded by Councilman Korber-Gonzalez to conduct a Special Meeting on Tuesday, July 26, 2016 at 1:00 p.m. in the Meeting Rooms of the Library/Learning Center for this purpose.

Roll call vote with the following results:

Voting Aye: Korber-Gonzalez, Yeager, Jones, Feldges.

Voting Nay: None.

Motion carried.

- The last item on the agenda were City Board appointments and announcements.

A motion was made by Mayor Yeager, seconded by Councilman Jones to reappoint Ellen Christensen to the Museum Board with a term set to expire May 21, 2021.

Roll call vote with the following results:

Voting Aye: Korber-Gonzalez, Yeager, Jones, Feldges.

Voting Nay: None.

Motion carried.

A motion was made by Mayor Yeager, seconded by Councilman Feldges to appoint Sally Hansen to the Museum Board with a term set to expire May 21, 2021.

Roll call vote with the following results:

Voting Aye: Korber-Gonzalez, Yeager, Jones, Feldges.

Voting Nay: None.

Motion carried.

A motion was made by Mayor Yeager, seconded by Councilman Feldges to appoint Wayne Brown to the Library Board with a term set to expire June 20, 2020.

Roll call vote with the following results:

Voting Aye: Korber-Gonzalez, Yeager, Jones, Feldges.

Voting Nay: None.

Motion carried.

A motion was made by Mayor Yeager, seconded by Councilman Feldges to appoint Roger Bunnell to the Park & Tree Board with a term set to expire February 28, 2018.

Roll call vote with the following results:

Voting Aye: Korber-Gonzalez, Yeager, Jones, Feldges.

Voting Nay: None.

Motion carried.

The following Board openings were announced: two vacancies on the Board of Adjustment; one vacancy on the A-2 Downtown Improvement Board; one vacancy on the Alliance Housing Authority, two vacancies on the Library Board, two youth ex-officio positions on the Library Board and one vacancy on the Alliance 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

- Mayor Yeager stated, "there being no further business to come before the Alliance City Council, the meeting is adjourned at 8:19 p.m."

(SEAL)



Ralph Yeager, Mayor



Linda S. Jines, City Clerk

