

September 14, 2010

ALLIANCE CITY COUNCIL

SPECIAL MEETING, THURSDAY, SEPTEMBER 14, 2010

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

The Alliance City Council met in a Special Meeting, September 14, 2010 at 5:00 p.m., in the Alliance Learning Center Meeting Rooms A&B, 1750 Sweetwater Avenue. A notice of meeting was published in the Alliance Times Herald on September 10, 2010. 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 September 14, 2010 Special Meeting of the Alliance, Nebraska City Council at 5:00 p.m. Present were Mayor Yeager, Council Members Kusek, Benzel, Rowley and Feldges. Also present were Interim City Manager Miller and City Clerk Jines.

- Mayor Yeager read the Open Meetings Act Announcement.
- The first item on Council's agenda was the Consent Calendar.

Motion by Councilwoman Rowley, seconded by Councilman Feldges to approve the Consent Calendar which follows in its entirety:

CONSENT CALENDAR – SEPTEMBER 14, 2010

1. Approval: Payroll and Employer Taxes for the period August 21, 2010 through September 3, 2010; inclusive: \$165,849.23 and \$11,738.50 respectively.
2. Approval: Claims against the following funds for the period August 30, 2010 through September 13, 2010: General, General Debt Service, Trust and Agency, Street, Electric,

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Refuse Collection and Disposal, Sanitary Sewer, Water, Golf Course, Downtown Improvement Districts, R.S.V.P., Keno, and Capital Improvement; \$474,579.34.

3. Approval: The *Request for Reserved or Exclusive Use of City Streets* for the Alliance High School Student Council for the Homecoming Parade. They are requesting the closure of Box Butte Avenue on Friday, October 1, 2010 beginning at 1:00 p.m. for parade line-up with the parade starting at 2:00 p.m. The parade will begin at 16th Street and proceed south to 4th Street. The City is in receipt of their Certificate of Insurance. The original request would have the parading ending on 1st Street as in past years; however, since the requirements of the Nebraska Department of Roads were significantly heightened this last year requiring the City of Alliance to provide insurance and accept full responsibility for parades we have requested them to shorten the route to bypass crossing 3rd Street. I have spoken to Shannon Garwood, the AHS Student Council Sponsor and she has agreed to shorten the route to 4th Street.
4. Approval: The issuance of a Cemetery Certificate to Richard Hardy for the North Half of the Southwest Quarter (N1/2 SW1/4) of Lot Six (6), Section One (1), Block Seventeen (17), Second Addition to the Alliance Cemetery.
5. Approval: Issuance of a General Contractor's license to Javier Corona dba Corona & Sons.

NOTE: Interim City Manager Miller 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.

Councilwoman Rowley questioned several charges for chest x-rays for the Alliance Police Department and about an expense for Learn to Swim cards. She was advised staff would research the matters and get back to Council. Councilman Kusek inquired about a charge by the American Legion for auxiliary work at the Sallows Military Museum. Interim City Manager Miller advised Council he would check into the charge. Councilman Benzel asked about a charge to Antioch Machine for work on the landfill baler. Electric Superintendent Larry Heinrich reported this charge will be reimbursed by the company which we purchased the baler. He also questioned several charges to K.L. Wood & Company for arsenic treatment. Staff reported we are close to the end on this project. Councilwoman Rowley noted a charge in excess of \$7,000.00 for envelopes for utility bills.

Motion by Councilman Kusek, seconded by Councilman Feldges to remove the \$500.00 charge to the American Legion until further research is done.

Roll call vote with the following results:

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

Voting Nay: None.

Motion carried.

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

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

Voting Nay: None.

Motion carried.

- The next item on Council's agenda was the presentation of the Engineer's Report regarding the Cody Substation transformer repair or replacement and the associated improvement costs.

Electric Superintendent Heinrich provided the following memorandum outlining the City's options:

[This memo is addition to the spreadsheet and maps provided by Olsson & Ass. The maps are numbered from 1 to 4 with #1 being the system as it now exits, #2 is Option 1, #3 is Option 2 and #4 is Option 3. There are two spreadsheets one for the purchase of a new transformer and one to have the existing transformer rewound. The options 1 thru 3 are the same for both a new and rebuilt transformer but reflect the difference in pricing. For review I have provided a short description for each option.

Option 1: Move all but 1 circuit into the Generation building and combine 1 circuit from Cody with 1 circuit from Emerson. 1A do the above but wind transformer for dual high voltage feed.

Option 2: Move all but 1 circuit into the Generation building and combine 1 circuit from Cody with 1 circuit from Emerson but use MC breaker form circuit and CB breaker for secondary transformer connection. 2A do the above but wind transformer for dual high voltage feed.

Option 3: Move all circuits into the Generation building and use the MC breaker for secondary transformer connection. 3A do the above but wind transformer for dual high voltage feed.

After these options were discussed and priced the dual wound high voltage portion is not considered a cost effective option at this point. One other point is that a new transformer will be constructed meeting today's standards which would reduce losses by over 50%. A rebuilt will have to be wound the traditional way it was in the past to match the existing shell.

I will be at the meeting along with our engineer to answer any other questions.]

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Ken Fairchild, representative of Olsson Associates provided Council with an overview of the option for repair or replacement of the transformer. He explained the loss differential between a new transformer and rewinding the current transformer. He also expressed concern regarding two failures the City has experienced with this transformer.

Roger Reed, Assistant Electric Superintendent addressed Council and reported that Nolan White of WAPA will not let WAPA employees into the Cody Substation to work on the equipment as it is too dangerous.

Electric Superintendent Larry Heinrich recommended the purchase of a new transformer with Option 3. This would provide a turn key operation including full SCADA control.

Motion by Councilman Kusek, seconded by Councilwoman Rowley to approve Resolution No. 10-112 which follows in its entirety:

RESOLUTION NO. 10-112

WHEREAS, The City of Alliance operates the substations and transmission lines for electrical distribution within the City of Alliance; and

WHEREAS, The transformer at the 3rd and Cody substation failed; and

WHEREAS, Olsson & Associates has made recommendations to the City of Alliance regarding potential alternatives to repair or replace the circuit breakers and the transformer; and

WHEREAS, The City Council believes it is in the best interest of the City of Alliance to upgrade all of the circuit breakers with motor controllers; to move all the electrical lines into the Cody Generation Facility and to purchase a new transformer for the 3rd and Cody substation; and

WHEREAS, The City Council understands that an engineer is necessary to design, bid and oversee installation of the transformer and any upgrades.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Alliance, Nebraska, that the Mayor is authorized to sign a contract with Olsson & Associates for electrical engineering for the 3rd and Cody substation.

BE IT FURTHER RESOLVED that the Mayor is authorized to execute the necessary documents for the purchase of a new transformer.

BE IT FURTHER RESOLVED that the Mayor is authorized to sign any and all other contracts necessary to replace the circuit breakers at the 3rd and Cody substation with the motor control breakers and move all of the electrical lines into the Cody generation facility.

Roll call vote with the following results:

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

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Voting Nay: None.

Motion carried.

- The next item for Council’s consideration was Resolution No. 10-111 regarding Electric Budget Authority. Electric Superintendent Heinrich provided the following background information for this request:

[We have received our final bill from MEAN for this budget period. And as I had informed Council earlier this year the MEAN and WAPA portion are over budget and need approval to be overridden.

	Budgeted	Cost	Over/Under
MEAN	4,021,807.00	4,876,789.41	(854,982.41)
WAPA	314,600.00	337,835.07	(23,325.07)
WIND	267,330.00	265,143.66	2,186.34
TOTAL	4,603,737.00	5,479,768.14	(876,121.14)
Revenue Collected from Council Approved PCA to date			359,959.90
There is one month collection to go and I estimate this amount to be			132,133.00
		Total PCA	528,092.00

Compounding this problem and accounting is that our revenues lag anywhere from 30 to 45 days behind expenditures and we will be starting another budget cycle before last PCA amount is collected.

I am requesting an override of the MEAN and WAPA budget line items to pay our Power Bill.]

Motion by Councilman Kusek, seconded by Councilwoman Rowley to approve Resolution No. 10-111 excluding the fifth paragraph which follows in its entirety:

RESOLUTION NO. 10-111

WHEREAS, The City of Alliance provides electrical services to residents, businesses and others through the Alliance Municipal Electric System; and

WHEREAS, The City of Alliance is a member of Municipal Energy Association of Nebraska (MEAN); and

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WHEREAS, The City of Alliance is a member of Western Area Power Administration (WAPA); and

WHEREAS, The City of Alliance has received billings from MEAN and WAPA that demonstrate the cost of electricity purchased from both entities has increased; and

WHEREAS, The City Council approved part of the administrative adjustments to be passed on to the electrical services to recoup part of the additional charges from MEAN and WAPA; and

WHEREAS, The City of Alliance electrical department is over budget in the line items to MEAN and WAPA production costs in the amount of approximately Eight Hundred Seventy Six Thousand One Hundred Twenty One and 14/100ths Dollars (\$876,121.14) and

WHEREAS, Staff is requesting the authority to transfer funds from Cost Adjustment line item 05-51-50-35-595 which currently has a balance of Three Hundred Eighty Nine Thousand Eight Hundred Eighteen and 75/100ths (\$389,818.75) to provide the necessary funds and budget authority to pay for the costs of the electricity purchased from MEAN and WAPA; and
 WHEREAS, Staff is requesting the authority to transfer funds as needed, from the following capital line items to provide the necessary funds and budget authority to pay for the costs of the electricity purchased from MEAN and WAPA:

05-51-52-53-916	Substation	\$240,000.00
05-51-53-59-970	Capital Outlay-Other Improv	\$201,000.00
05-51-53-59-955	Electric SCADA System	\$40,000.00
05-51-53-59-943	Capital Outlay-Reverse 911	\$10,000.00
05-51-53-53-950	System Imp Customer Requests	\$30,000.00
05-51-53-53-948	System Rebuild, Maintenance	\$20,000.00
05-51-53-53-940	Lakefield-Underground	\$15,000.00

In addition staff will be transferring money from the following operational expenses to cover the cost of the purchase of electricity:

05-51-53-47-791	System Contingency	\$80,000.00
05-51-54-46-652	Electric Underground Material	\$15,000.00
05-51-54-46-651	Electric Overhead Material	\$15,000.00

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Alliance, Nebraska, that Council approves the transfer of the Cost Adjustment line item 05-51-50-35-595 to pay for the additional charges for electricity being charged by MEAN and WAPA.

BE IT FURTHER RESOLVED that staff is authorized and directed to transfer the above listed capital funds as needed to operational funds to pay for the additional charges for electricity being charged by MEAN and WAPA.

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BE IT FURTHER RESOLVED that Council approves the transfer of the above listed operational funds to pay for the additional charges for electricity being charged by MEAN and WAPA.

BE IT FURTHER RESOLVED by the Mayor and Council of the City of Alliance, Nebraska that the Finance Director is authorized to transfer from the Electric Department Contingency Fund Eighty Thousand and No/100ths (\$80,000.00) Dollars to pay for the additional charges for electricity being charged by MEAN and WAPA.

Roll call vote with the following results:

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

Voting Nay: None.

Motion carried.

- Resolution No. 10-110 authorizing the completion of the required documents of the Nebraska Cooperative Government for the purpose of conducting a lottery within our community was the next item for Council's review.

Motion by Councilman Feldges, seconded by Councilwoman Rowley to approve Resolution No. 10-110 which follows in its entirety:

RESOLUTION NO. 10-110

WHEREAS, On the 19th day of August, 2010, the City of Alliance approved a Keno Lottery contract with the Nebraska Cooperative Government; and

WHEREAS, Certain action must be taken and documents must be approved to institute the operation of the Keno lottery operation; and

WHEREAS, The City Council believes it is in the best interest of the City of Alliance to have Keno Lottery operating within the City of Alliance.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Alliance, Nebraska, that the City Finance Director, is appointed the Nebraska Cooperative Government Audit Clerk of the City of Alliance.

BE IT FURTHER RESOLVED that one quarter of one percent (.25%) of the lottery play in Alliance will be paid to the City rather than to the Nebraska Cooperative Government Audit Clerk.

BE IT FURTHER RESOLVED that the Mayor is authorized to sign the Nebraska Application for County/City Lottery, Form 50G for and on behalf of the City of Alliance, Nebraska.

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BE IT FURTHER RESOLVED that the City of Alliance has previously approved and does reapprove the following locations as lottery sales outlets:

1. American Legion Post #7
2. Sandhillers
3. The Gathering Spot

BE IF FURTHER RESOLVED that the City staff shall open a separate account for the City of Alliance lottery proceeds. The name of the account shall be the City of Alliance-Lottery Proceeds. City staff is directed to provide the name of the financial institution, the account number, and any other necessary documentation regarding the City of Alliance - Lottery Proceeds account to Nebraska Cooperative Government.

BE IT FURTHER RESOLVED that the City Clerk is directed to file the following in the records of the Alliance City Clerk:

- (a) Resolutions and actions of the Nebraska Cooperative Government Commission-Rules and Regulations of the Lottery.
- (b) Ordinance No. 1 of the NCG, granting the lottery operator charter to Community Lottery Systems, Inc., d/b/a Lotto Nebraska.
- (c) Minutes of all NCG meetings to the most recent meeting of July, 2010.

BE IT FURTHER RESOLVED that the Mayor is authorized to sign the Power of Attorney for Charitable Gaming Division, Form 33CG.

BE IT FURTHER RESOLVED that Community Day Bonus shall be designated as Thursday of Heritage Days of 2011 and each succeeding year.

Motion by Councilman Kusek, seconded by Councilwoman Rowley to amend Resolution No. 10-110 to designate the Thursday of Heritage Days as Community Day.

Roll call vote on the amendment with the following results:

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

Voting Nay: None.

Motion carried.

Roll call vote on Resolution No. 10-110 as amended with the following results:

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

Voting Nay: None.

Motion carried.

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- The last item on Council's agenda was an Executive Session for the purpose of contract negotiations.

Councilman Benzel 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 contract negotiation. The motion was seconded by Councilman Kusek.

Roll call vote with the following results:

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

Voting Nay: None.

Motion carried.

The closed session began at 6:30 p.m. and ended at 8:15 p.m.

Motion by Councilman Feldges, seconded by Councilman Kusek to offer a contract to J.D. Cox for the position of City Manager.

Roll call vote with the following results:

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

Voting Nay: None.

Motion carried.

- Mayor Yeager stated, "there being no further business to come before the Alliance City Council, the meeting is adjourned at 8:15 p.m."

Ralph Yeager, Mayor

(SEAL)

Linda S. Jines, City Clerk