

September 26, 2011

ALLIANCE CITY COUNCIL

SPECIAL MEETING, MONDAY, SEPTEMBER 26, 2011

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

The Alliance City Council met in a Special Meeting, September 26, 2011 at 7:00 a.m., in the City Manager’s Office, 324 Laramie Avenue. A notice of meeting was published in the Alliance Times Herald on September 19, 2011. 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 September 26, 2011 Special Meeting of the Alliance, Nebraska City Council at 7:00 a.m. Present were Mayor Feldges, Council Members Yeager, Benzel, and Gonzalez. Also present were City Manager Cox, City Attorney Miller and City Clerk Jines.

- Mayor Feldges announced the Open Meetings Act could be found on the south door of the office.
- Motion by Councilman Benzel, seconded by Councilman Gonzalez to excuse Councilman Kusek from the meeting.

Roll call vote with the following results:

Voting Aye: Feldges, Yeager, Benzel, Gonzalez.

Voting Nay: None.

Motion carried.

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- The next item for Council's review was Resolution No. 11-114 authorizing the renewal of the City's employee insurance programs. City Manager Cox provided the following background information:

[City Clerk, Linda Jines, has successfully negotiated a renewal of our health insurance plan with Regional Care, Inc. (RCI), which will in the end lower our costs by approximately \$80,000, while maintaining the same level of service. While the negotiated base plan contract cost did increase from \$982,792 to \$1,013,617, the City was successful in removing a lazer from our plan, which resulted in an approximate \$90,000 in savings. Therefore, the true comparison is \$1,072,792 last year versus \$1,013,617 this year.]

Motion by Councilman Benzel, seconded by Councilman Yeager to approve Resolution No. 11-114 which follows in its entirety:

RESOLUTION NO. 11-114

WHEREAS, The City of Alliance has engaged in a process of evaluating its current health care benefit plans offered to employees; and

WHEREAS, Various options and proposals have been considered by staff and the City's Third-Party Administrator, and staff has recommended the options contained herein; and

WHEREAS, The City of Alliance has received a proposal to renew its contract with the Third-Party Administrator, Regional Care Incorporated, as set forth herein; and

WHEREAS, The City of Alliance has received a proposal to contract with the reinsurance carrier, McEvelly Group, as set forth herein; and

WHEREAS, The proposals provide for three options from which benefit eligible employees may choose, labeled Option A, Option B, and Option C, which have varying deductibles and out-of-pocket expenses.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of Alliance, Nebraska, that the contract proposal with Regional Care Incorporated for Third-Party Administrator is hereby approved.

BE IT FURTHER RESOLVED, that the Schedules of Benefits packages to be offered to employees will be Option A, Option B, and Option C.

BE IT FURTHER RESOLVED, the following monthly employee contribution levels are established effective January 1, 2012:

Plan A	Single	\$ 75.00
	Family	\$230.00
Plan B	Single	\$ 20.00

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Plan C	Family	\$ 56.00
	Single	No Contribution; \$50.00/month paid to an Employee Health Savings Account
	Family	No Contribution; \$50.00/month paid to an Employee Health Savings Account

BE IT FURTHER RESOLVED, Monthly premium payments per employee for reinsurance provided by McEvelly Group effective October 1, 2011, shall be as follows:

Specific Single Premium	\$ 161.01
Specific Family Premium	\$ 363.00
Aggregate Premium	\$ 12.90
Transplant Coverage	
Single	\$ 7.37
Family	\$ 16.96
Vision Coverage	
Single	\$ 8.16
Family	\$ 21.49
Life Insurance	
Single	\$ 7.25
Family	\$ 9.00

BE IT FURTHER RESOLVED, administrative service fees to Regional Care, Incorporated, shall be \$25.10 monthly per covered employee, effective October 1, 2011.

BE IT FURTHER RESOLVED, the City of Alliance shall make monthly payments into its Health Support Fund, effective October 1, 2011 for a wellness program as follows:

Per Single Employee	\$ 21.00
Per Family Employee	\$ 42.00

BE IT FURTHER RESOLVED, the City of Alliance shall make monthly payments into its Health Support Fund, effective October 1, 2011 for a dental program as follows:

Per Single Employee	\$ 17.98
Per Family Employee	\$ 59.34

BE IT FURTHER RESOLVED, the City of Alliance shall make monthly payments into its Health Support Fund, effective October 1, 2011 as follows:

Per Single Employee	\$ 600.28
Per Family Employee	\$1,420.92

Roll call vote with the following results:

Voting Aye: Feldges, Yeager, Benzel, Gonzalez.

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Voting Nay: None.

Motion carried.

- The next item for Council's consideration was Resolution No. 11-115 updating the City's Capitalization Policy for financial issues. City Manager Cox provided the following background information:

[The past year's audit encouraged Council to consider an increase in the capitalized asset amount. The proposed resolution will revise our Capitalization Policy including the increase in the base capitalization level from \$2,500 to \$5,000 for assets with useful life of greater than one year. Further guidance and clarification is provided by the new policy in relation to the depreciable life of a variety of items such as computers, software, automobiles, heavy trucks, and cargo vehicles for example.]

Motion by Councilman Yeager, seconded by Councilman Gonzalez to approve Resolution No. 11-115 which follows in its entirety:

RESOLUTION NO. 11-115

WHEREAS, City staff has been advised by the auditors to consider revising the Capitalization Policy, dated February 2, 2006; and

WHEREAS, The staff has prepared a revised Capitalization Policy for consideration by City Council; and

WHEREAS, The proposed Policy provides for:

- Levels at which assets will be capitalized or expensed;
- Determining the useful life of assets;
- A support system for preparing and funding the Capital Improvements Plan;
- Recognition of Capital Replacement and Capital Improvements accounts; and

WHEREAS, City Council has reviewed the proposed Policy which is included in the Council packets and finds it appropriate for the City's accounting needs.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of Alliance, Nebraska, that the Capitalization Policy dated September 15, 2011, is hereby approved, and adopted effective October 1, 2010 as the Policy of the City of Alliance.

Roll call vote with the following results:

Voting Aye: Feldges, Yeager, Benzel, Gonzalez.

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Voting Nay: None.

Motion carried.

- Resolution No. 11-116 identifying capital projects for carry over to the next fiscal year was the next item for Council's consideration. City Manager Cox provided the following background information:

[This resolution is a follow-up to our discussion on September 15 concerning the new GASB Statement 54 and projects in progress. Accounting standards and state statutes do not allow automatic transfer of budget authority into another fiscal year. In order to officially acknowledge the costs for these projects that were not specifically detailed in the 2011-12 CIP/CEP listing, we are recommending passage of this measure to indicate the intent to continue with these projects in progress. The projects (totaling \$370,300) that would be completed in 2011-12 include:

Police Dept	511 Niobrara Remodel	\$75,000
Police Dept	511 Niobrara Phone System	\$35,000
Fire Dept	Roof Replacement	\$41,100
Streets Overlay		\$90,900
Municipal Bldg	HVAC	\$45,100
Municipal Bldg	Electrical	\$47,800
Municipal Bldg	Tuck pointing	\$35,400]

Motion by Councilman Gonzalez, seconded by Councilman Benzel to approve Resolution No. 11-116 which follows in its entirety:

RESOLUTION NO. 11-116

WHEREAS, The City of Alliance is obligated to prepare financial statements in accordance with GASB standards; and

WHEREAS, Such accounting standards limit the ability to encumber funds for projects that were planned to be completed in the current fiscal year and does not automatically allow the transfer of budget authority into the next fiscal year; and

WHEREAS, The adopted 2011-2012 budget for the City of Alliance did not include the following projects in process: Remodeling, furnishings and telephone system for the new police annex at 511 Niobrara Avenue; street overlay projects bid for 2011; the replacement of the roof on the fire hall; and the heating, ventilation and air conditioning replacement and associated electrical upgrades and tuck pointing for the Municipal Building; and

WHEREAS, City Council plans to expend funds from the General Fund Balance to complete these projects that were planned for 2010-2011 fiscal year in the 2011-2012 fiscal year even though they are not specifically included in the adopted budget.

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NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of Alliance, Nebraska, that the following projects continue to be completed in the 2011-2012 fiscal year at an estimated total of Three Hundred Seventy Thousand Three Hundred Dollars (\$370,300.00) which is to be paid from cash reserves in the General Fund Balance:

Police Department	511 Niobrara Remodel	\$75,000.00
Police Department	511 Niobrara Phone System	\$35,000.00
Fire Department	Roof replacement	\$41,100.00
Streets	Overlay	\$90,900.00
Municipal Building	HVAC	\$45,100.00
Municipal Building	Electrical	\$47,800.00
Municipal Building	Tuckpointing	\$35,400.00

BE IT ALSO RESOLVED, The City Council intends that these expenditures be made within the adopted budget; however, the Council understands that a budget amendment may be required if these items would contribute to the City exceeding the spending authority of the adopted budget prior to the end of the 2011-2012 fiscal year.

Roll call vote with the following results:

Voting Aye: Feldges, Yeager, Benzel, Gonzalez.

Voting Nay: None.

Motion carried.

- The next matter before Council was Resolution No. 11-117 authorizing the charge off of uncollectible debts. City Manager Cox provided the following background information:

[Another measure recommended in the City's past audit was for the City to follow standard accounting principles and charge off uncollected accounts after reasonable time. City staff will continue pursuing the collection of these accounts, where feasible, and will document records to preclude owners of outstanding balances from obtaining future city services. Staff is recommending that the uncollected accounts be written off along with additional finance charges accrued since August 9.

The following, totaling \$150,158.68, will be charged off:

Ambulance	\$106,879.72	Misc Accounts Receivable	\$8,005.14
Utilities	\$34,366.77	Returned NSF Checks	\$907.05
Airport	\$200.00	Street Special Assessments	\$4,057.92

Motion by Mayor Feldges, seconded by Councilman Benzel to approve Resolution No. 11-117 which follows in its entirety:

RESOLUTION NO. 11-117

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WHEREAS, The The City of Alliance provides utility services, ambulance services, and other services for residents and customers of the City of Alliance; and

WHEREAS, The City of Alliance charges for providing those services based on reasonable and customary rates; and

WHEREAS, Staff has prepared a document outlining the charges that have remained uncollected for over two years including some that have been discharged in bankruptcy; balances remaining from those accounts that have been collected by the collection agency and other amounts that have not been collected by the City of Alliance; and

WHEREAS, Staff is requesting authority to charge off the following amounts which are the balances of August 9, 2011 and request to charge off additional finance charges that are accruing;

Ambulance	\$106,879.72	Misc. Accounts Receivable	\$8,005.14
Utilities	\$34,366.77	Returned NSF Checks	\$907.05
Airport	\$200.00	Special Assessments	\$4,057.92

for total amount of One Hundred Fifty-four Thousand Four Hundred Sixteen and 60/100ths Dollars (\$154,416.60) for the 2009-2010 and the 2010-2011 fiscal years; and

WHEREAS, Council agrees that the bills have not been collected and pursuant to the principals of accounting should be written off but the accounts can still be collected by the City of Alliance.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of Alliance, Nebraska, that the total amount of One Hundred Fifty-four Thousand Four Hundred Sixteen and 60/100ths Dollars (\$154,416.60) (as of August 9, 2011) plus any additional finance charges that are incurred thereafter, shall be written off for the purposes of complying with normal accounting principles.

Roll call vote with the following results:

Voting Aye: Feldges, Yeager, Benzel, Gonzalez.

Voting Nay: None.

Motion carried.

- The Third Quarter Report was the next item to be presented to Council.

Motion by Councilman Benzel, seconded by Councilman Gonzalez to accept the Third Quarter Report as presented by Finance Director Randy Waggener.

Roll call vote with the following results:

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Voting Aye: Feldges, Yeager, Benzel, Gonzalez.

Voting Nay: None.

Motion carried.

- Mayor Feldges stated, “there being no further business to come before the Alliance City Council, the meeting is adjourned at 8:03 a.m.”

Fred Feldges, Mayor

(SEAL)

Linda S. Jines, City Clerk