

August 6, 2013

ALLIANCE CITY COUNCIL

REGULAR MEETING, THURSDAY, AUGUST 6, 2013

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

The Alliance City Council met in a Regular Meeting, August 6, 2013 at 7:00 p.m. at the Knight Museum and Sandhills Center, 908 Yellowstone Avenue. A notice of meeting was published in the Alliance Times Herald on July 30, 2013. 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 August 6, 2013 Regular Meeting of the Alliance, Nebraska City Council at 7:00 p.m. Present were Mayor Feldges, Council Members Benzal, Lewis, Yeager, and Seiler. Also present were City Manager Cox, City Attorney Olsen, and City Clerk Jines.

- Mayor Feldges read the Open Meetings Act Announcement.
- The first agenda item was the Consent Calendar. Councilman Benzal made a motion, which was seconded by Councilman Lewis to approve the Consent Calendar as follows:

CONSENT CALENDAR – AUGUST 6, 2013

1. Approval: Minutes of the Regular Meeting, July 25, 2013; and the Budget Workshop, July 24, 2013.
2. Approval: Payroll and Employer Taxes for the period July 6, 2013 through July 19, 2013 inclusive: \$190,191.50 and \$13,528.16 respectively.
3. Approval: Claims against the following funds for the period July 18, 2013 through August 1, 2013: General, General Debt Service, Trust and Agency, Street, Electric, Refuse Collection and Disposal, Sanitary Sewer, Water, Golf

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Course, Downtown Improvement Districts, R.S.V.P., Keno, and Capital Improvement; \$1,077,355.02.

4. Approval: Request for a State Aid Project with the Nebraska Department of Aeronautics Application Form. This application is in relation with the Rehabilitation of Runway 12/30. The City is seeking additional funds to help offset the City's portion of the matching funds requirement.
5. Approval: To continue receiving the services of Almquist Maltzahn Galloway & Luth for an additional year to perform the City's Annual Audit. The services will be for the audit of the fiscal year ending September 30, 2013.
6. Approval: The issuance of the following Contractor licenses:

Repair and Maintenance Contractor: Kevin D. Kubo

Heath Lawrence dba Lawrence Drywall

David Blue dba Bluecrete Construction

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

Roll call vote with the following results:

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

Voting Nay: None.

Motion carried.

- Next Council discussed Resolution No. 13-76, accepting the gift of Carhenge from the Friends of Carhenge. The following background information was provided to Council:

[On June 13, 2013, City Staff presented conclusions to Council from the due diligence study regarding the acquisition of Carhenge. In this week's packet is an update from that presentation as well as the legal documents. After careful review, Staff is recommending approval of the matter. Although details of the study are included in the following pages, a quick summary of major reasons supporting recommending approval include:

- Pros heavily outweigh con's
- Very little risk or exposure to the City
- Little or no cost of acquisition; net gift valued greater than \$75,000
- Community has an understanding of the positive impact of the attraction

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- Carhenge is an economic and tourism engine for Alliance
- Businesses in the community would continue to benefit from the traffic generated
- The potential to grow the attraction is reasonable
- City has potential of increased tax revenue from other businesses if the attraction grows
- The opportunity to cross promote other community attractions
- Friends of Carhenge will remain involved and support the attraction
- No private interest expressed in purchase and operation of the landmark
- The City retains the option to sell the property in the future if problems were to arise

The Board of Directors of the Alliance Chamber of Commerce have met and considered taking a position on this matter. It is our understanding that after consideration, they voted unanimously to endorse and to encourage the City to consider accepting the gift. A copy of the Chamber's resolution of support is included in your packet. It is also anticipated that representatives of the Chamber Board, including President Kevin Horn, will be present and share thoughts for the Council's consideration.

Recent Developments

In October of 2011, Friends of Carhenge announced that Carhenge was for sale. One offer that would have relocated the cars to Grand Island was rejected by the Friends of Carhenge. There were no other known credible offers.

In May 2012, Friends first approached Tourism Director Kevin Howard and City Manager J. D. Cox inquiring whether the City might consider assuming Carhenge. Board members reported that their volunteers were tired, but wished to ensure that the attraction, for the good of the community, endured.

On July 17, 2012, at a hearing before the Nebraska Tax Equalization and Review Commission and subsequent determination on August 17, 2012, the Commission determined that the Friends of Carhenge is not an educational organization; that Carhenge is not being used for an educational purpose; and that Carhenge is neither a museum nor an historical society. Furthermore, the Commission determined that the gift shop is not being used for any kind of educational purpose. Due to these findings, the Commission recommended the Box Butte County Board determine the taxable value of the entire property to be in excess of \$70,973 ascribed to the gift shop and land.

Also, in August 2012, the Department of Revenue issued an opinion to the State Tax Equalization Committee that Carhenge would not be exempt

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from taxes and therefore owed \$1,155. The Friends of Carhenge felt the attraction could not bear the additional tax burden.

On December 20, 2012, Friends of Carhenge (Friends of Carhenge Board Members Marcia Buck, Dave Pearse and Kendra Schott) approached the Alliance City Council on the possibility of the City accepting Carhenge as a gift. The City Manager was tasked with completing a due diligence study of the proposal.

On June 13, 2013, City Staff presented conclusions from the due diligence study to City Council.

On August 6, 2013, City Council considers Resolution, which would formally accept the gift of Carhenge and assume City ownership on October 1, 2013.

History/Background

Carhenge was built by Jim Reinders and family during a family reunion in 1987 as a memorial to his father, Herman Reinders.

Thirty-eight automobiles were placed to assume the same proportions as Stonehenge with the circle measuring approximately 96 feet in diameter. Some autos are held upright in pits five feet deep, trunk end down, while those cars which are placed to form the arches have been welded in place. All are covered with gray spray paint. The honor of depicting the heel stone goes to a 1962 Caddy.

Friends of Carhenge began in 1988 as a crusade to save the popular tourist attraction from the wrecking ball when the sheriff's department was called to a property north of Alliance because "someone" was planting cars in a field there.

Soon the City Council got involved as it was within the jurisdictional boundary of the City and ordered the car art torn down. Councilman Paul Phaneuf was instrumental in the fight to keep Carhenge alive. In September 1989, the Friends of Carhenge began the preservation projects for what is now known worldwide as Carhenge.

Reinders donated the 10 acres of land where Carhenge is located to Friends of Carhenge in 1994, who now owns and maintains it. The Friends have added a paved parking lot, picnic tables, an educational display board, and a gift shop. Additional sculptures have been erected at the site, known as the car art reserve. One of the first sculptures to be added to the car art reserve is a sculpture of a spawning salmon. Since then many other sculptures have been added including Reinders' "Four

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seasons," Dino, the Carnastoga, as well as many other smaller sculptures make up the car art preserve.

Carhenge's uniqueness, novelty and unusual components continue to draw the attention of film and television production crews and the attraction is today estimated by enthusiasts to attract 80,000 tourists from all over the world.

Past action taken

October 5, 1989 - Alliance City Council passed a proclamation urging citizens to contact Friends of Carhenge to offer assistance in their endeavors.

February 15, 1990 - Alliance Planning Commission votes to remove Carhenge from the jurisdiction of the City.

June 7, 1990 - Alliance City Council adopted Resolution 90-20 declaring Amesbury, England (home of Stonehenge) the twin city of Alliance, Nebraska (home of Carhenge)

CAUSE/REASON

Financial

Cost Payment of City:	\$ 0	
Value of Assets	\$113,000	
- Profit & Loss -		
2012 Revenues:	\$ 39,000	
2012 Expenses:	\$ 39,000	(includes advertising, payroll, insurance, utilities and other fees).
Bank Note:	\$ 5,340	

In addition, when managed with the full wherewithal of the City and its staff, the attraction offers the opportunity to be able to further profits (with expanded hours of operation, reasonable (and initially limited) landscaping).

Other Considerations

Insurance -

- ✓ City has requested an opinion from insurance (Traveler's);
- ✓ Possibly up to an additional \$1,000 in annual premiums above what Friends of Carhenge have paid;
- ✓ Awaiting determination if an additional engineer's evaluation will be required by underwriting.

Handicap Accessibility –

- ✓ According to City Engineer (Baker & Associates) and the City Attorney (Simmons-Olsen), handicap accessibility is not an issue.

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City Standards-

- ✓ Pathways
- ✓ Staff has calculated that materials for pathway to be approximately \$14,000.
- ✓ Security
- ✓ A security system exists already, and Police would swing by occasionally. Alliance Police Department officers are deputized agents of Box Butte County Sheriff.

Utilities-

- ✓ Electric – PREMA
- ✓ Water - Confirmed ... Operational at approximately \$1,500 per year for testing and maintenance. Small sprinkler system could be added.
- ✓ Sewer –Confirmed ... Operational \$0 to \$300 per year for maintenance.
- ✓ Refuse Pickup – Could add to route
- ✓ Air/Heat – Confirmed and operational

Displays-

- ✓ Friends of Carhenge are planning a summer project to paint cars and place rock in circle

Parking Lot-

- ✓ Operational and Functional. Could be dragged with little or no out of pocket.

Gift Shop-

- ✓ Operational and Functional. Would need to hire seasonal/part-time.

Maintenance/Upkeep/ Clean Up-

- ✓ Hire part-time seasonal staff
- ✓ Set up a storage shed and mower

Marketing/Education-

- ✓ Continue with billboards - current agreement with Westco and landowners, update website; print/distribute brochures when current supply runs out
- ✓ Interpretive displays will come at a later date

Legalities-

- ✓ A city can own property outside of its corporate limits.
- ✓ The City can receive gifts of land. Neb Rev St 16-201.
- ✓ The acceptance of the gift is consistent with our gifting policy.

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- ✓ City can pass ordinances to protect the property and provide for its operation.

Risk

- ✓ The maximum risk, as mitigated through the City's insurance seems limited with the annual operational costs.
- ✓ If the City were to decide it wished to abandon the project in the future, the property and inventory could be sold either with the cars or without.

Benefits

- ✓ Expertise of Departments
- ✓ Ability to easily hire either seasonal/fulltime and share with another department
- ✓ Knowledge of Visitors' Bureau to manage and to consider as a part of the greater marketing effort of City

Public Acceptance

- ✓ Issues with public opposition to the attraction seem to no longer be strong. The City Manager's office, after having talked extensively on the project and achieving heavy press coverage, has received very little in opposition. Overwhelming number of interactions could be considered positive to very positive.

MAJOR CON'S

- It will require an investment from the City to clean up the area, put in safe pathways, and for future upgrades to the attraction
- There should be an initial, visible improvement as soon as the City takes over to garner neighbor support and start to build the attraction to its potential
- Not all the benefits of Carhenge are visible
- The attraction draws visitors to Alliance who spend money in the town
- Carhenge is a quirky roadside attraction and brings world-wide attention to the City of Alliance

MAJOR PRO'S

- No cost of acquisition
- Little opposition to the City accepting the gift of Carhenge
- After initial clean-up, the area is very low maintenance
- Carhenge is an Economic Engine for Alliance
- Investments will be returned to the city in sales from the Pit Stop, and in increased tax revenue from other businesses as the attraction grows to reach its full potential
- The opportunity to "sell" the other attractions in Alliance to increase the economic impact

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- The potential to grow the attraction and produce more income is a reasonable assumption
- Friends of Carhenge plan to:
- Put new rock in the circle this summer
- Paint all cars and displays this summer
- Friends of Carhenge will remain
- The fund-raising arm of Carhenge
- To standby and lend their expertise in the interim
- The City does have the option to sell Carhenge in the future (to a developer, etc)
- Possible new supplemental office for Kevin]

City Manager Cox provided a summary background report, including the steps taken by staff to determine the feasibility of accepting the gift of Carhenge.

Kevin Howard, City of Alliance Tourism Director was present to speak on behalf of the City accepting the gift of Carhenge and discussed how simple the transition and start-up would be for the City. He shared thoughts for future improvements such as enlarging the parking lot and the development of interpretive displays. He believes that the facility could be profitable in the future.

Kevin Horn, President of the Alliance Chamber of Commerce informed Council that his Board of Director's unanimously passed a resolution endorsing the City of Alliance's acceptance of Carhenge as a gift as they believe it will enhance Alliance's economic development ventures.

Marcia Buck, President of Friends of Carhenge provided an overview of the mowing and trimming efforts of their group prior to the City's acceptance. She also informed Council of the Friends of Carhenge's desire to maintain their 501-3C designation to provide fundraising efforts to assist the City in maintenance and events for the facility.

Brad Moomey, 916 Big Horn Avenue, was in attendance to speak in opposition of the City of Alliance accepting the gift of Carhenge. Mr. Moomey spoke about financial conflicts, the upkeep of the facility, and safety concerns. He questioned if Carhenge was in the City's two-mile extraterritorial boundary – which currently it is not, but is eligible for inclusion.

Erinn Garwood, Manager of Carhenge for the past three years, discussed how travelers from all over the world stop to see Carhenge and believes an off-shoot creation of Hoghenge would provide even more tourism activities, especially during the Sturgis Bike Rally.

Erin Hanson, 217 W. 9th Street, mentioned that Carhenge has starred in two music videos, two motion pictures, and is a current trivia question on Jeopardy. She stated her belief that the City accepting Carhenge would be good for the community.

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Councilman Yeager requested a Cost Benefit Study be prepared for the Council to look at prior to consideration of the gift and does not believe that has been provided. He stated Carhenge is an attraction and not a destination and finds it hard to believe that 80,000 guests have spent a significant amount in Alliance. He questioned if Carhenge is a treasure, why has it not sold to a private group. He stated he believes the City has difficulty taking care of our streets and the weeds on our own property, how can the City add Carhenge.

Councilman Lewis disagreed with Councilman Yeager completely and feels Carhenge will be a nice addition to the City.

Marcia Buck, President of Friends of Carhenge stated the significant change which has happened recently making it difficult for their group to keep Carhenge is the new expense of property taxes. The State of Nebraska recently ruled that Carhenge is not exempt from property taxes.

Councilman Benzel stated tax dollars would not be spent on Carhenge, that it will be supported through the use of tourism dollars (Hotel Occupation Taxes).

A motion was made by Councilman Seiler, seconded by Councilman Lewis to approve Resolution No. 13-76 which follows in its entirety:

RESOLUTION NO. 13-76

WHEREAS, The City of Alliance staff has been working with the Friends of Carhenge with regard to the acceptance of the donation for the acquisition of Carhenge; and

WHEREAS, Carhenge would become the property of the City of Alliance, and as such it would become the City's responsibility for operation and maintenance; and

WHEREAS, The City of Alliance staff has conducted a due diligence study regarding the acquisition of Carhenge and is recommending acceptance; and

WHEREAS, The Proposed 2013-2014 Budget includes the financing required to assume responsibility for the attraction.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Alliance, Nebraska, that the City of Alliance accept the gift of Carhenge from the Friends of Carhenge.

BE IT FURTHER RESOLVED, that Mayor is authorized to sign on the City's behalf the Donation Agreement and related documents between the City of Alliance and Friends of Carhenge.

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BE IT FURTHER RESOLVED, that the City of Alliance accept responsibility of the Carhenge attraction on October 1, 2013.

Roll call vote with the following results:

Voting Aye: Benzel, Lewis, Feldges, Seiler.

Voting Nay: Yeager.

Motion carried.

- The next agenda item was the presentation from the Community Garden Board.

Chairperson Lori Bates, was present and gave Council an overview of the current gardening season and activities of the Board. This year the group provided eleven plots which only required the use of one frost free hydrant. The weeds are under control and pathways are clear. The finances are in good condition as they are currently under budget and do not foresee a change. The group is looking at continuing in future years with Ms. Bates stating she would be interested in continuing to spearhead efforts. Ms. Bates stated if a permanent home for the community gardens could be determined, it would make it easier for the group to apply for grants.

- City Manager J.D. Cox gave his City Manager's Report in outline form:
 - Vickie Hielscher is the new Administrative Secretary for the Utility Facility.
 - Library Roof has been repaired and they reported no further leaks.
 - Nebraska State Fly-in, August 17th; looking for volunteers.
 - Nebraska Municipal League will be having a Legislative Committee meeting on September 6th.
- A motion was made by Councilman Benzel, which was seconded by Councilman Lewis to present Agenda Items "G" and "H" at this time.

Roll call vote with the following results:

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

Voting Nay: None.

Motion carried.

- The next matter before Council was the third reading of Ordinance No. 2732 which grants approval of the Preliminary and Final Plats of Blocks 1 and 2, Blakeman Subdivision to the City of Alliance, Box Butte County, Nebraska. The following background information was provided to Council:

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[PROPOSAL: Virgil & Geraldine Blakeman are requesting approval of a Preliminary Plat and a Final Plat to subdivide property.

LOCATION: The property is west of Ramblin Road and north of the unconstructed stretch of 6th Street, located in the NW1/4 of the NW1/4 of Section 35, T25N, R48W.

ANALYSIS: The request is to create a one acre parcel that is in the process of being rezoned to M-1, having passed the second reading, leaving a parcel of approximately 3.7 acres. The request cannot be processed as an administrative subdivision as it is currently unplatted and as all public improvements are not in place. The Comprehensive Plan does not particularly address this request but it is not contrary to the Plan.

FEEDBACK: There has been minimal public comment with no objections. No comments were received from City Departments.

PLANNING COMMISSION RECOMMENDATION (Preliminary Plat):

The Planning Commission met on June 11th to conduct a public hearing and to consider the matter. After hearing the testimony, the Planning Commission voted unanimously to recommend approval of the Preliminary Plat, including, waiving the requirements for: (1) relation to established section lines or fractional section line, (2) direction of surface water drainage and (3) approximate gradient of streets.

FINDINGS OF FACT:

1. Sufficient information has been submitted to approve the Preliminary Plat;
2. City Departments have reviewed the request and noted no objections.

FINAL PLAT ANALYSIS: Staff consensus is to recommend waiving the installation or bonding of infrastructure and to instead require an agreement whereby the subdivider and future successors waive any rights to protest with respect to construction and special assessments for the public improvements in the future.

The future 6th Street right-of-way is existing and necessary easements for future development and extensions of services are included on the Plat with a 20 foot wide utility easement along the east side of the properties and a 15 foot wide utility easement along the north side of the properties. The north easement can be expanded if and when the property to the north is proposed for development.

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PLANNING COMMISSION RECOMMENDATION (Final Plat):

The Planning Commission met on June 11th to conduct a public hearing and to consider the matter. After hearing the testimony, the Planning Commission voted unanimously to recommend approval of the Final Plat, including, that a Contract waiving future protest rights be filed and waiving the requirement for park and/or recreation land.

FINDINGS OF FACT:

1. Extension of future streets and utility easements have been considered and adequately addressed;
2. Drainage concerns have been considered;
3. Future public interest is secured via the Contract;
4. Development of this area is highly likely.

A Contract has been signed by the Owner whereby the subdivider and future successors waive any rights to protest with respect to construction and special assessments for the public improvements in the future.]

A motion was made by Councilman Yeager, seconded by Mayor Feldges to approve the third reading of Ordinance No. 2732. City Clerk Jines read the Ordinance by title which follows in its entirety:

ORDINANCE NO. 2732

AN ORDINANCE APPROVING THE PRELIMINARY AND FINAL PLATS OF BLOCKS 1 & 2, BLAKEMAN SUBDIVISION, A PART OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 25 NORTH, RANGE 48 WEST OF THE 6TH P.M., 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 and Final Plat of Blocks 1 & 2, Blakeman Subdivision to the City of Alliance, Box Butte County, Nebraska from Virgil and Geraldine Blakeman, as landowners.

SECTION 2. The Planning Commission held a public hearing June 11, 2013, and has recommended the approval of the Preliminary Plat waiving the requirements for: relation to established section lines or fractional section lines; direction of surface water drainage; and approximate gradient of streets.

SECTION 3. The Planning Commission met on June 11, 2013 and conducted a Public Hearing on the Final Plat of Blocks 1 & 2, Blakeman Subdivision o the City of Alliance, Box Butte County, Nebraska.

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SECTION 4. The Planning Commission has recommended approval of the Final Plat, contingent upon the execution of an Agreement/Contract whereby the subdivider and future successors waive any rights to protest with respect to construction and special assessments for the installation of infrastructure; and the requirement for park and/or recreation land was recommended to be waived.

SECTION 5. The Preliminary Plat and the Final Plat of Blocks 1 & 2, Blakeman Subdivision to the City of Alliance, Box Butte County, Nebraska are hereby 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.

Roll call vote for the final reading of Ordinance No. 2732 with the following results:

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

Voting Nay: None.

Motion carried.

Mayor Feldges stated the passage and adoption of the ordinance was concurred by a majority of all members elected to Council, he declared it passed, adopted and ordered it published.

- Ordinance No. 2725 approving the Rezoning Request of Virgil and Geraldine Blakeman to rezone a one-acre parcel on the west side of Ramblin Road from R-4 Residential Mobile Home Park to M-1 Light Industrial was the next item for discussion. The following background information was provided to Council:

[PROPOSAL: Virgil & Geraldine Blakeman are requesting to rezone property to M-1 Light Industrial from R-4, Residential Mobile Home Park.

LOCATION: The property is a proposed one acre parcel on the west side of Ramblin Road several hundred feet north of East Sixth Street. If the rezone is approved the property would need to be subdivided from a parcel of approximately 4.7 acres in size in the NW¹/₄ NW¹/₄ of Section 35, T25N, R48W.

ANALYSIS: The remainder of the parcel would remain R-4 with the existing mobile home park about 200 feet to the west. Properties to the north and to the south are zoned C-3 Highway Commercial and are

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undeveloped. Property to the east is zoned R-1 Single Family Residential with established homes and property to the northeast is zoned M-2. The subject property is undeveloped.

The purpose of the rezone is to erect a storage building. As there is already M-2 property essentially adjacent to the property, it is reasonable to consider M District zoning. The area is already a mixture of zoning and land uses. The Comprehensive Plan does not designate future zoning within the City limits so provides limited guidance in this matter. Access to the property would be from Ramblin Road. The property owners have signed a Contract for Public Improvements which will require the property owner(s) to construct the improvements, including street, curb, gutter, sidewalk, sanitary sewer and water improvements when required by the City.

FEEDBACK:

The few written responses include one in support, one disinterested and one in objection due to the proximity of single-family residences and residential zoning, noting concerns about adverse effect on property values. No objections were voiced at the Planning Commission meeting. There were no concerns to the rezone request raised by City departments.

PLANNING COMMISSION RECOMMENDATION:

The Planning Commission met on April 16th to conduct a public hearing and to consider the matter. After hearing the testimony, the Planning Commission voted unanimously to recommend approval of the request to rezone to M-1 - Light Industrial from R-4 - Residential Mobile Home Park approximately one acre of land in the northeast corner of the existing parcel located in part of the NW ¼ NW ¼ of Section 35, T25N, R48W.

FINDINGS OF FACT:

- a. There is M-2 Heavy Industrial zoning immediately to the northeast and C-3 Highway Commercial zoning to the north and south;
- b. The area is already a mixture of land uses and zoning;
- c. There are no voiced objections and only one written objection, and the objecting party is not adjacent to the portion of the parcel proposed for rezoning.]

A motion was made by Councilman Lewis, seconded by Councilman Benzel to approve the third reading of Ordinance No. 2725 as amended. City Clerk Jines read the Ordinance by title which follows in its entirety:

ORDINANCE NO. 2725

AN ORDINANCE OF THE CITY OF ALLIANCE, NEBRASKA, DEALING WITH ZONING, SETTING FORTH CONDITIONS FOR PASSAGE, AND

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AMENDING THE DISTRICT ZONING MAP TO SHOW THAT BLOCK 1, BLAKEMAN SUBDIVISION TO THE CITY OF ALLIANCE, BOX BUTTE COUNTY, NEBRASKA, IS NOW INCLUDED AS A M-1 – LIGHT INDUSTRIAL DISTRICT FROM A R-4 - RESIDENTIAL MOBILE HOME PARK DISTRICT, AND REPEALING PRIOR SECTIONS.

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

SECTION 1. Section 115-76 of the Alliance Municipal Code is amended to provide as follows:

115-76. DISTRICT MAP ADOPTED

(a) Boundaries of the districts, as enumerated in section 115-75 are hereby established as shown on a map prepared for that purpose, which map is hereby designated as the zoning district map; and said map, and all the notations, references and information shown thereon is hereby made as much a part of these regulations as if the same were set forth in full herein. The city planning commission shall keep on file in their offices an authentic copy of said map, and all changes, amendments, or additions thereto.

(b) When definite distances in feet are not shown on the zoning district map, the district boundaries are intended to be along existing street, alley or platted lot lines, or extensions of the same, and if the exact location of such lines is not clear, it shall be determined by the building inspector, due consideration being given to location as indicated by the scale of the zoning district map.

This is to certify that the Zoning District Map described in the Alliance Municipal Code, passed this 6th day of August, 2013, is now the official Zoning District Map.

SECTION 2. Previously existing Section 115-76, and all ordinances, parts of ordinances, resolutions, and policies of the City of Alliance in conflict with the revisions set forth herein are hereby 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 third reading of Ordinance No. 2725 with the following results:

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

Voting Nay: None.

Motion carried.

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Mayor Feldges stated the passage and adoption of the ordinance was concurred by a majority of all members elected to Council, he declared it passed, adopted and ordered it published.

- The first reading of Ordinance No. 2735 was the next item before Council. This ordinance will approve the proposed Budget for the 2013-2014 fiscal year. The following background information was provided to Council:

[Finance Director Randy Waggener and I are pleased to present you with our recommended 2013-2014 Budget. This budget is a culmination of a one-half year process that included:

1. Council-City Manager-Leadership Team Retreat – March 25th @ Knight Museum
2. Community Forum – June 10 @ Performing Arts Center
3. Council Budget Workshop – July 24th @ Alliance Learning Center
4. At the Council budget workshop, we discussed:
5. Our Vision – *To Build the Best Hometown in America*
6. Our Goals –
7. To build excellence through warm communication and genuine alliances;
8. To create a fun place to live, work and play;
9. To construct homes and develop neighborhoods;
10. To celebrate and relax in our positive and friendly hometown;
11. To promote a strong and vibrant community;
12. Opportunities/what is going well
13. Major Challenges/what areas need improvement
14. Priorities

The budget presented this evening reflects those changes and represents our proposed plan and roadmap to achieve those priorities.

Major Considerations Included in Proposed Budget

1. Sustainability of General Fund & Quality of Life, while keeping tax rates as low as possible
2. Ensure long-term viability of Utilities with reasonable costs
3. Economic Development focus
4. Reorganization of staffing to achieve efficiencies
5. Airport Long-term Success & 5-Year Development Plan

SUSTAINABILITY/QUALITY OF LIFE – GENERAL FUND

- Maintain Facilities, Parks & Programs at least at Current Level
- Strive to share resources and conduct joint projects and purchasing with Schools and County;

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- Conduct in-house Service Excellence rather than outsourcing to Custom Learning Systems;
- Reduction of police burden on General Fund
- Using last year's budget, police services consumed almost 40% of our entire General Fund budget, representing the highest 1st Class proportion in the State of Nebraska;
- Accomplish through attrition and other scheduling formats;

ENSURE LONG-TERM VIABILITY OF UTILITIES WITH REASONABLE COSTS

- Continue to maintain fiscal and utility responsibility with smallest rate increases possible to keep up with utility cost increases. A recent utility study indicated that some increases would be necessary effective October 1 (and again in the Spring of 2014 for electric). In addition to these, we propose to continue the automatic annual 1% increase to allow Alliance residents to more easily accommodate industry-wide costs increases that will continue to occur for some time.

ECONOMIC DEVELOPMENT FOCUS

- Maximize Return on Investment - Redirect low ROI efforts to high ROI activities
- Reallocated funds from Panhandle Area Development District (PADD) to Box Butte Development Corporation.
- BBDC moving forward with Business park development, Acquisition & Downtown business development and revitalization
- City Manager and Airport Manager (along with BBDC) recruit businesses to Airport (see Airport discussion)

STAFFING PLAN

- Please see Staffing Plan (Tab 10) for the roadmap that we have put together to strive for efficiencies and maximize the talents of the staff to accomplish our vision and goals.

AIRPORT 5-YEAR DEVELOPMENT PLAN

The Airport is an item that appears on two very different lists. It appears on both the "Challenges" as well as the "Opportunities" lists. The revenues of the Airport currently just barely meet the expenses of the same.

We can take solace in the fact that the Federal Aviation Administration has expressed strong support and confidence in our airport and has made and committed tens of millions of dollars of investments in the past and future. However, those tens of millions of dollars of investments require a local match.

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We propose the following:

1. To establish a line of credit sufficient to cover the cash flow of the local match requirement for anticipated future large federal aid projects, such as the \$7.3 million resurfacing of Runway 12/30 that has been approved for next year;
2. To incorporate a possible loan for Year 3 cash flow; and
3. To utilize some proceeds from the initiative as a loan for cash flow;
4. For the Airport Manager & City Manager to recruit businesses for airport development & income;
5. In 3 years, to readdress cost-effectiveness of staffing;
6. In 3 years, to readdress cost-effectiveness of keeping all runways open;
7. In the future, we may need to shift some City mill levy to Airport (approx 2.5 mills);
8. To set aside funds to conduct feasibility study on the existing infrastructure and to develop construction plans for the necessary buildup of water system that will be adequate to accommodate future growth and development.]

A motion was made by Councilman Benzel, seconded by Councilman Lewis to approve the first reading of Ordinance No. 2735. City Clerk Jines read the Ordinance by title which follows in its entirety:

ORDINANCE NO. 2735

AN ORDINANCE TERMED "THE ANNUAL APPROPRIATION BILL" TO PROVIDE REVENUE FOR MUNICIPAL PURPOSES OF THE CITY OF ALLIANCE FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2013, AND ENDING SEPTEMBER 30, 2014, BY IMPOSING A TAX ON ALL PROPERTY WITHIN THE CITY, ADOPTING A BUDGET, AND ADOPTING APPROPRIATIONS.

WHEREAS, The City Manager, in accordance with the requirements of Chapter 1, Article 2, Section 1-205, of the Municipal Code of the City of Alliance, Nebraska, has submitted to the City Council a preliminary budget. This preliminary budget being submitted to the City Council at a workshop which was held on July 24, 2013 and a proposed budget was produced. A public hearing will be held on said proposed budget on August 21, 2013, as required by law; and

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

SECTION 1. The budget for the fiscal year beginning October 1, 2013, submitted to and amended by the City Council, is hereby adopted.

SECTION 2. In order to provide revenue for municipal purposes, the following property tax revenues have been established for the City of Alliance:

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	<u>CITY</u>	<u>MFO</u>	<u>AIRPORT</u>	<u>PUBLIC SAFETY</u>	<u>AIRPORT RESERVES</u>	<u>TOTAL</u>
Approved Budget Amount	1,004,100	124,900	136,500	110,400	22,100	1,398,000
County Treasurer's Fee (1%)	10,041	1,249	1,365	1,104	221	13,980
Delinquent Allowance (5%)	50,205	6,245	6,825	5,520	1,105	69,900
Total Property Tax Request	1,064,346	132,394	144,690	117,024	23,426	1,481,880

Using the following tax levies:

Approved Mill Levy for 2014

Based on Assessed Valuation

SECTION 3. In accordance with Reissue Revised Statutes Nebraska Chapter 16, Section 704, the following amounts shall be and hereby are recognized as the budget for the City of Alliance, Nebraska for the fiscal year 2014.

General	6,391,300
Electric	15,608,500
Refuse	1,648,700
Sewer	685,400
Water	1,954,300
Golf Course	383,000
Airport Operations	8,205,900
Streets	3,183,500
RSVP	98,100
Museum Exhibit	28,000
BID #1 and #2	16,100
Nuisance Cleanup	6,600
HUD/CDBG	150,000
Community Betterment (KENO)	38,200
Economic Development	85,000
LB 840 Fund	303,500
Redevelopment (TIF)	200,000
Sales Tax Fund	1,950,300
Tourism & Promotion	227,500
Capital Projects	440,000
Public Safety Tax	90,000
State 911 Funds	90,000
General Internal Service	1,128,300
Enterprise Internal Service	483,100
Health Support Internal Service	1,755,000
General Debt Service	43,600

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Airport Capital Reserve	550,800
<i>Gross Expenditures</i>	45,744,700

There is hereby included \$190,000 within the General Fund Budget [City Council Activity], \$10,000 within the General Fund Budget [Police Grant] \$285,000 within the Electric Fund, \$50,000 within the Water Fund, \$25,000 within the Sewer Fund, \$290,000 within the Refuse Fund, \$5,000 within the Airport Fund, \$50,000 within the Streets Fund; and \$20,000 within the Community Betterment Fund; to be known as "Contingency." Expenditures from any Contingency will not be authorized without an affirmative vote of the City Council for each amount to be expended.

SECTION 4. The City has a total of Unused Restricted Funds Authority of \$_____ for Fiscal Year 2014.

SECTION 5. The tax levied under this Ordinance shall become due and payable, shall become delinquent and shall be subject to penalties, the execution of distress warrants and sale of property levied upon as provided by law.

SECTION 6. The City Clerk is hereby authorized and directed forthwith upon the passage, approval and publication of this Ordinance to forward a certified copy thereof to the County Clerk of Box Butte County, Nebraska.

SECTION 7. This Ordinance shall become effective October 1, 2013.

A motion was made by Councilman Benzel, seconded by Councilman Seiler to remove \$5,000 from the Golf Course Budget for the purchase of a new golf grill.

Roll call vote with the following results:

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

Voting Nay: None.

Motion carried.

Roll call vote on the first reading of Ordinance No. 2735 as amended with the following results:

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

Voting Nay: None.

Motion carried.

- The second reading of Ordinance No. 2733 was the next agenda item before Council. The ordinance will approve the vacation of an alley which runs north and south

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between Lots 15 and 16, Block 23, Original Town, Alliance, Nebraska. The following background information was provided to Council:

[PROPOSAL: Alliance Grocery Kart, Inc. is requesting the City to vacate the platted alleyway lying east of the store building.

LOCATION: The alleyway lies between Lot 15 and Lot 16 of Block 23 of the Original Town of Alliance.

ANALYSIS: Alliance Grocery Kart, Inc. originally desired to vacate this portion of alleyway to construct a walkway/hallway to connect the existing structure with a proposed structure on the other side of the alley. Alternatively, they would have accepted an easement to construct across the alley. There are existing sewer and gas main lines in the alley and overhead electrical lines.

The possibility of having the Council consider a Local Variance to the Building Code per Section 105-3 of the Municipal Code has been discouraged by the City Building Official, City Engineer and City Attorney.

The current plan involves the applicant paying to relocate the gas line and the sewer line. The Electrical Superintendent has confirmed that re-locating electrical service lines should be a minor matter. Merging the parcels will eliminate lot lines and setback issues. Moving the utilities, vacating the alley and merging the parcels will allow a more efficient building design.

This proposal does not affect the Long Range Transportation Plan.

FEEDBACK: The responses from the public are in favor of the request or disinterested. There are no concerns to the current plan to vacate the alley expressed by City Departments or Source Gas.

PLANNING COMMISSION RECOMMENDATION:

The Planning Commission met on July 9 to conduct a public hearing and to consider the matter. After hearing the testimony, the Planning Commission voted unanimously to recommend approval of the request to vacate the alley with the stipulations that:

1. The sewer and gas mains will be re-located at the expense of the applicant;
2. Easements be granted as needed per the requirements of the Sewer & Water Superintendent and Source Gas;
3. Easements for electric service be granted as needed per the requirements of the Electrical Superintendent; and
4. The parcels be merged to eliminate lot lines.

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FINDINGS OF FACT:

1. All utility mains and services will be re-located;
2. The lots will be merged;
3. There will be no need to build across an easement;
4. The properties will be more favorably developed;]

A motion was made by Councilman Benzel, seconded by Councilman Lewis to approve the second reading of Ordinance No. 2733. City Clerk Jines read the Ordinance by title which follows in its entirety:

ORDINANCE NO. 2733

AN ORDINANCE OF THE CITY OF ALLIANCE, VACATING THE ALLEY THAT LIES BETWEEN LOTS 15 AND 16, BLOCK 23, ORIGINAL TOWN 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. Alliance Grocery Kart, Inc. has made an application to the City of Alliance to vacate the alley that lies between Lots 15 and 16, Block 23, Original Town to the City of Alliance, Box Butte County, NE alley.

SECTION 2. The purpose of the vacation is to allow the Alliance Grocery Kart, Inc. to expand their facility. The owners of the Alliance Grocery Kart, Inc. will be relocating the gas line and the sewer line which are located in the alley at their expense. Following the vacation the owners will be merging property to allow for an efficient building design.

SECTION 3. The City Council finds it is in the best interest of the City that the alley described above is vacated and that the City of Alliance will not retain ownership.

SECTION 4. The above-described alley is now vacated.

SECTION 5. This Ordinance shall take effect and be in force following its passage, approval, and publication as required by law.

Roll call vote on the second reading of Ordinance No. 2733 with the following results:

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

Voting Nay: None.

Motion carried.

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- The next agenda item was Resolution No. 13-77 which awards the roof replacement for Building No. 3101 at the Alliance Municipal Airport to Twin City Roofing in the amount of \$31,416.00. City Manager Cox provided the following background information to Council:

[Invitation to Bid 22-41_7-2013 for the elastomeric coating for the roof on Building #3101 was issued July 15, 2013. Below is a bid tab detailing the bids that were opened July 31, 2013 at the Airport terminal.

Roofing Company	Bid Received	Bid Amount
Twin City Roofing	7/30/2013	\$31,416
Fisher Roofing	7/31/2013	\$37,975
Tri-State Roofing, Inc.	7/31/2013	\$40,512
Weathercraft Company	7/31/2013	\$41,980

Staff recommends the bid be awarded to Twin City Roofing in the amount of \$31,416. This amount includes a ten-year manufacturer's warranty and a five-year workmanship warranty. Please see their attached bid.

The City of Alliance did receive \$16,673.03 from insurance last year and will receive that same amount this budget year for depreciation upon completion of the project. Completion of this project will not require the use of the full budgeted amount of \$35,000 which will then allow for other minor repairs to be made to airport buildings.]

A motion was made by Councilman Lewis, seconded by Councilman Benzel to approve Resolution No. 13-77 which follows in its entirety:

RESOLUTION NO. 13-77

WHEREAS, The Alliance Municipal Airport is owned and operated by the City of Alliance; and

WHEREAS, Building 3101 at the Alliance Municipal Airport received roof damage due to a wind storm which now requires the replacement of the roof; and

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WHEREAS, The City of Alliance advertised for roofing services and received four bids with the lowest, responsive and responsible bid being received from Twin City Roofing in the amount of \$31,416.00.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Alliance, Nebraska, that Twin City Roofing be awarded the Alliance Municipal Airport roof project for Building 3101 in the amount of \$31,416.00, contingent upon receipt of Payment and Performance Bonds.

Roll call vote with the following results:

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

Voting Nay: None.

Motion carried.

- The next matter before Council was Resolution No. 13-78 which awards the Construction Engineering Agreement for Phase One of the Box Butte Avenue Streetscape and Historical Lighting to Baker and Associates, Inc., to an amount not to exceed \$25,000.00. City Manager Cox provided the following information for Council:

Introduction/Summary

Baker and Associates, Inc. prepared a Construction Engineering Agreement between the City of Alliance (Owner) and Baker and Associates, Inc. (Consultant) for Phase One of the Box Butte Avenue Historical Lighting and Streetscape (includes 2nd Street to 3rd Street on Box Butte Avenue and 3rd Street sidewalk one half block in both directions from Box Butte Avenue on the south side). The Construction Engineering Agreement between the Owner and Consultant is for an amount not to exceed \$25,000.

Background Information

Oversight of a Transportation Project such as the Streetscape project, require a litany of specific steps to be followed for a project to be properly funded and successfully constructed. And, as such, the creation of a resolution for the execution of this Construction Engineering Agreement is but one of the steps, and fortunately one of the last as well.

Past Action Taken

The Construction Engineering Agreement referred to herein, is the third of three major agreements for Transportation Projects. The previous two major agreements prepared by the Consultant and executed by the City of Alliance are:

- Preliminary and Final Design Engineering Agreement between the City and Consultant
- Construction Services Agreement between the City and Contractor

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- **Cause/Reason**
- Construction Engineering for Transportation Projects consists of providing and/or assisting with the following construction services:
- Assisting with Project Management
- Meetings – Pre-Construction, Construction Planning and Construction Progress
- Construction Survey
- Construction Inspection and Final Inspection
- Material Sampling
- As-Built Drawings
- Project Closeout

Time Frame

Weather permitting we expect work to begin the week of August 12.]

A motion was made by Councilman Lewis, seconded by Councilman Benzel to approve Resolution No. 13-78 which follows in its entirety:

RESOLUTION NO. 13-78

WHEREAS, The City of Alliance is in the process of revitalizing the downtown area with the improvement of public infrastructure; and

WHEREAS, The improvements for the downtown revitalization are being completed in two phases of a Streetscape Project; and

WHEREAS, The construction of this project has been awarded and now the City must enter into a Construction Engineering Agreement for assisting with: project management; pre-construction, construction planning and construction progress meetings; construction survey; construction inspection and final inspection; material sampling, as-built drawings; and project closeout; and

WHEREAS, The project has been engineered by Baker and Associates, Inc. and they have proposed performing these services at an amount not to exceed \$25,000.00.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Alliance, Nebraska, that the Construction Engineering Agreement be awarded to Baker and Associates, Inc. in an amount not to exceed \$25,000.00 for Phase 1 of the Streetscape and Historical Lighting Construction Project, with the Terms and Conditions being amended.

Roll call with the following results:

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

Voting Nay: None.

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Motion carried.

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

Finance Director Randy Waggener was present to give Council an overview of the City's financial status.

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

Roll call vote with the following results:

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

Voting Nay: None.

Motion carried.

- The final item on Council's agenda was the announcement of current board vacancies.

Councilman Seiler announced that the City of Alliance continues to have vacancies on the Board of Adjustment, Community Garden Advisory Board, Economic Development Plan Application Review and Citizen Advisory Boards, and 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 Feldges stated, "there being no further business to come before the Alliance City Council, the meeting is adjourned at 9:50 p.m."

(SEAL)

Fred Feldges, Mayor

Linda Jines, City Clerk