

July 15, 2014

**ALLIANCE CITY COUNCIL**

REGULAR MEETING, TUESDAY, JULY 15, 2014

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

The Alliance City Council met in a Regular Meeting, July 15, 2014 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 8, 2014. 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 July 15, 2014 Regular Meeting of the Alliance, Nebraska City Council at 7:00 p.m. Present were Mayor Feldges, Council Members, Benzal, Seiler, Lewis and Yeager. Also present were City Manager Cox, City Attorney Olsen and City Clerk Jines.

- Mayor Feldges read the Open Meetings Act Announcement.
- City Manager cox introduced Tim Barnes, the City’s new Water and Sewer Maintenance Worker and Ron Perry, Public Works Director.
- The Consent Calendar was the next item to be addressed by Council. Councilman Benzal made a motion, which was seconded by Councilman Seiler to approve the Consent Calendar as follows:

CONSENT CALENDAR – JULY 15, 2014

1. Approval: Minutes of the Regular Meeting, July 1, 2014.
2. Approval: Payroll and Employer Taxes for the period June 21, 2014 through July 4, 2014 inclusive: \$190,199.97 and \$13,508.91 respectively.
3. Approval: Claims against the following funds for the period June 25, 2014 through July 9, 2014: General, General Debt Service, Trust and Agency, Street, Electric, Refuse

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Collection and Disposal, Sanitary Sewer, Water, Golf Course, Downtown Improvement Districts, R.S.V.P., Keno, and Capital Improvement; \$294,048.09.

4. Approval: Resolution No. 14-83 – granting permission 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, 2014.
5. Approval: Issuance of the following Contractor Licenses:

General Contractor  
Repair & Maintenance

Duane Anderton dba Classic Drywall Systems, Inc.  
Charlie Krantz dba Alliance Seamless Gutters

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: Yeager, Benzel, Feldges, Seiler, Lewis.

Voting Nay: None.

Motion carried.

- City Manager J.D. Cox gave his City Manager's Report in outline form.
  1. EcoDevo
    - Housing efforts ongoing – study complete; working on plan
    - Retail Development ongoing – a number of contacts are being worked
  2. Demolition Projects:
    - Toad's: \$29,437+24,498.96 (Landfill)=\$53,935.96 (Completed 6/18/14 by KL Wood)
    - 105 Big Horn: \$46,259.30 + Landfill (Scheduled later 2014 KL Wood)
    - 100 Big Horn: On Hold
  3. 4<sup>th</sup> of July – no fires!
  4. 10<sup>th</sup> Street Trail Project
    - Our RC (Mark Bohl) in process of contacting property owners re: right of way acquisition
    - Thank you to Scottsbluff for providing the services of their PW Director
  5. Upcoming Meetings:
    - July 21
      - 4-6pm Budget Workshop
    - August 5

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- 1<sup>st</sup> Reading of the Budget
- Rezone of Carhenge (from Ag to Rural Residential)
- Presentation by EDPARC re: EcoDevo Program updates
- Golf Course Water Main Bid

6. Upcoming Calendar:

- Heritage Days - now!
- The next agenda item was Resolution No. 14-84 which awards the Property & Casualty insurance bid to Gregory's Insurance, Inc. in the amount of \$538,770.00. The following background information was provided to Council:

[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 for the airport general liability policy. Insurance industry recommendations are that property and casualty coverage be bid every three to five years.

The policy will renew for an additional year on August 1, 2014 at a quoted price of \$538,770. This represents an overall increase of 10.04% over the prior year premium of \$489,583. The largest increases are in the Auto coverage with a 25% increase due to the number and severity of losses recently sustained, General Liability and Public Entity Management Liability are higher due to the increase in the expenditures portion of the City's annual budget and Workers Compensation with a 14% increase due to our higher Experience Modification Factor from 1.17 to 1.41 along with higher estimated payroll for the upcoming year.]

Marty Peterson, 1016 Potash Avenue, an agent with Gregory's Insurance along with MalaDonn Schuman were present to speak in regards of the City's coverage and increased premium.

A motion was made by Councilman Yeager, seconded by Councilman Seiler to approve Resolution No. 14-84 which follows in their entirety:

RESOLUTION NO. 14-84

*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

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*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, 2014.

*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 Five Hundred Thirty-eight Thousand Seven Hundred Seventy dollars and no/100ths (\$538,770.00).

Roll call with the following results:

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

Voting Nay: None.

Motion carried.

- The next matter before Council was Resolution No. 14-85 which separates the obligation and liability of Panhandle Cooperative Association, from the West Plains LLC Development Contract. The following background information was provided to Council:

[In September 2012, the City (Community Development Agency) approved a Redevelopment Contract with West Plains, LLC. As the proposed agreement modifies that Contract, it will require the Council convening as the Community Development Agency to approve the agreement resolution. The details of the original Contract are shown in the table below.

Panhandle Coop later purchased part of the Redevelopment Area owned by West Plains and has made substantial improvements to the newly acquired property in the amount of \$2.19 million and they are approved for a building permit for three new overhead tanks with an estimated value of \$76,000.

With its investment in mind, Panhandle Coop desires to limit its potential liability should something happen to West Plains. It has asked to be released from the obligations of the Redevelopment Contract in exchange for its agreement to pay real estate taxes on the portion of the Redevelopment Area it purchased. As Rick Ediger represents Panhandle Coop as well as the City, the City has since been working with attorney DaNay Kalkowski of the Seacrest & Kalkowski Law Firm in Lincoln, NE. The agreement that is in front of Council (Community Development Agency) is the agreement as drafted by our attorney. After Panhandle Coop signed the agreement, City Manager Cox again visited with Ms. Kalkowski and both confirmed that the non-protest property valuation details Panhandle Coop filled in the document are appropriate and correspond to the valuation the Assessor has placed on the Panhandle Coop property. Through this process, city staff has also had conversations with the County Assessor and the County Treasurer's office. The County Assessor confirmed the valuation amount of \$2.2 million is correct for the Panhandle Coop property, while also confirming

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the valuation for the remaining West Plains Property has now grown to \$5.8 million.

The County Treasurer's office verified that they have received from West Plains two of the semi-annual payments for \$37,500 for 2013, and are still waiting for the payment due for June 2014. The Treasurer's office also indicated that Panhandle Coop will not receive their first tax statement until December 2014.]

A motion was made by Councilman Benzel, seconded by Councilman Seiler to approve Resolution No. 14-85 which follows in their entirety:

RESOLUTION NO. 14-85

*WHEREAS*, The City Council of Alliance, Nebraska has created the City of Alliance Community Development Agency pursuant to the terms of the Nebraska Community Development Law; and

*WHEREAS*, The Community Development Agency approved a Redevelopment Contract with West Plains, LLC in 2012; and

*WHEREAS*, Since the approval of the Redevelopment Contract, West Plains, LLC entered into an Agreement with Panhandle Cooperative Association to purchase part of the Redevelopment Area; and

*WHEREAS*, Panhandle Cooperative Association has made substantial improvements to the acquired property in the amount of \$2.19 million with additional improvements anticipated; and

*WHEREAS*, Panhandle Cooperative Association desires to limit their potential liability and has requested to be released from the obligations of the Redevelopment Contract in exchange for its agreement to pay real estate taxes on the portion of the Redevelopment Area they purchased; and

*WHEREAS*, The Community Development Agency has recommended to the City Council entering into a Release and Non-Protest Agreement with Panhandle Cooperative Association; and

*WHEREAS*, The Alliance City Council believes it is in the best interest of the citizens of Alliance to enter into the Release and Non-Protest Agreement.

*NOW, THEREFORE, BE IT RESOLVED*, by the Mayor and City Council of Alliance, Nebraska, that the Release and Non-Protest Agreement with Panhandle Cooperative Association is hereby approved.

Roll call with the following results:

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

Voting Nay: Nonc.

Motion carried.

- Resolution No. 14-86, authorizing the City of Alliance to enter into the Economic Development Agreement for Prairie Sky Seed, Inc. was the next issue before Council. The following background information was provided to Council:

[At its most recent meeting on May 13, the City's Economic Develop Plan Application Review Committee (EDPARC) voted unanimously (with Scott Moller), who serves as accountant for Prairie Sky Seed abstaining) to recommend to City Council approval of a LB840 agreement with Prairie Sky Seed, Inc. of Hemingford.

The company originally requested a total package of \$250,000 (\$125,000 forgivable loan and \$125,000 non-forgivable loan) in LB840 assistance. The EDPARC committee, after reviewing previous projects and projected staffing levels, unanimously approved the recommendation of a forgivable loan of \$50,000 and a non-forgivable loan of \$75,000.

The EDPARC felt that the originally requested \$250,000, which would correlate to \$20,000 to \$40,000 per full time employee (FTE), was inconsistent with past practice in which the City has historically awarded projects in the range of \$10,000 to \$20,000 per FTE. (See the LB840 project summary of all the City's economic assistance programs included in this packet.) Although with this in mind, the investment of \$6.5 million is substantial, based upon past practice and due to the fact that only two non-owner FTE's are being created, EDPARC determined that the total financing be limited to \$10,000 to \$20,000 per FTE.

Council signaled several months ago of its willingness to consider applications that were from outside of the Alliance immediate area.

Therefore the proposed agreement before Council would, as mentioned above, provide for a forgivable loan of \$50,000 and a non-forgivable loan of \$75,000. Detailed information on the project, the financing and the considerations of EDPARC are included on the two pages following.]

A motion was made by Councilman Lewis, seconded by Councilman Benzel to approve Resolution No. 14-86 which follows in their entirety:

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RESOLUTION NO. 14-86

*WHEREAS*, The voters of the City of Alliance approved an Economic Development Plan which had been adopted by the City Council in 2001 and in 2010, pursuant to the authority of Nebraska Revised Statutes 18-2701 through 18-2738;

*WHEREAS*, An Application Review Committee has been appointed by the City Council pursuant to law to review applications for assistance under the Economic Development Plan;

*WHEREAS*, The Economic Development Plan is funded by a portion of City sales tax which was also approved by the voters in 2001 and in 2007;

*WHEREAS*, The application of Prairie Sky Seed, Inc. has been received for assistance pursuant to the Economic Development Plan, and Prairie Sky Seed, Inc. is a qualifying business pursuant to the requirements of the Economic Development Plan;

*WHEREAS*, The Application Review Committee has approved the application of Prairie Sky Seed, Inc. and recommended to the Program Administrator that the project be approved;

*WHEREAS*, The Program Administrator has accepted the recommendation of the Application Review Committee, and recommends that the City Council approve the project;

*WHEREAS*, The Economic Development funds in the project requesting assistance are not the sole or primary funding source; and

*WHEREAS*, The City Council finds that Prairie Sky Seed, Inc. is a qualifying business and that this allocation of funds does not exceed the limitations of Section 18-2717 of the Nebraska Revised Statutes.

*NOW, THEREFORE, BE IT RESOLVED*, by the Mayor and City Council of Alliance, Nebraska, that the application of Prairie Sky Seed, Inc. for assistance from the Economic Development Fund pursuant to the Local Option Municipal Economic Development Act is hereby approved in the amount of \$125,000.00; of which \$50,000.00 may be forgivable. The Mayor is authorized to execute the Agreement and all associated documents for and on behalf of the City of Alliance, Nebraska.

Roll call with the following results:

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

Voting Nay: None.

Motion carried.

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- Council next discussed and reviewed the Laing Lake conceptual design and cost estimates prior to a grant submittal. Council was provided with the following background information:

[The City Council approved Resolution 14-71 at the June 3, 2014 meeting which authorized submittal of a Clean Lakes grant toward a Laing Lake renovation project and the use of Council Contingency funds in the amount of \$40,000 to fund the required preliminary work necessary for the grant application. The following chart details the expected cost details for the preliminary work with most of the necessary contracts already signed.

<b>Task</b>	<b>Funding Sources</b>		
	<b>City</b>	<b>UNWNRD</b>	<b>NDEQ</b>
Planning and Administration	\$17,200.00		
Engineering	\$19,100.00		
Bathymetric Survey (Acres and Volume)			\$5,900.00
Monitoring and Evaluation	\$1,272.00	\$800.00	
<b>TOTALS</b>	<b>\$37,572.00</b>	<b>\$800.00</b>	<b>\$5,900.00</b>

The Nebraska Department of Environmental Quality (NDEQ) recommends that Laing Lake be couched as a “Community Lake Project” during the planning and grant application process. Community Lake Projects are treated differently by the NDEQ and the Nebraska Environmental Trust (NET). Both agencies have an interest in these projects and will coordinate during the application phase. Individual funding applications are submitted to both funding sources; however, dialog between the two will occur prior to project ranking by either entity. In order to ensure successful grant applications, it is imperative that NDEQ staff be involved with the project from the beginning stages. LakeTech has met with NDEQ staff to discuss and promote the project. NDEQ will continue to be kept informed of progress on this project prior to submitting applications.

The maximum amount of funding allowed for a Community Lake Project is \$300,000 of which \$75,000 comes from NDEQ and \$225,000 comes from the NET. NDEQ funds require a 40% non-Federal match; however, the NET funds can be used to meet these requirements. Given the City’s large financial contribution for planning, LakeTech recommends that the City contribute 10 percent of the total construction costs. A maximum grant fund request of \$300,000 would equate to a \$30,000 match for the City bringing the total construction project funding to \$330,000. Under this scenario the City would have contributed \$37,572 for planning and \$30,000 for construction bringing their total contribution to \$67,572 or 20% of the total cost. Any funding needed beyond this amount (\$330,000) would be the full responsibility of the City.

Representatives of LakeTech and Staff will be present to discuss with Council several potential options and will be seeking guidance regarding project grant application.]

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Cultural and Leisure Services Director Brown was in attendance to speak about the general ideas for Laing Lake and the goals of the department.

Luke Rief, Lincoln, Nebraska, was present and provided Council with conceptual design options for Laing Lake and the park to improve the condition and the appearance. He spoke about improving the broken concrete, increasing the depth of the lake, applying a new bentonite sealant, increased fishing access, an ice skating area and handicap access.

Paul Brakhage was present to review options for Laing Lake and the park, and discussed with Council the financial responsibility of the City if the project exceeds the Grant funds.

- Council's next item for discussion was the zoning amendments for tower regulations. Council was provided with the following background information:

[The Alliance Planning Commission at their regular meeting June 10, 2014 recommended the proposed changes to the Alliance Municipal Code, Chapter 19, Article 2 regarding communication antennas. Community Development Director Brent Kusek noticed inconsistencies in the Communication Antennas Code between zoning districts. Some districts allow towers as a use by right but are restrained by setback and height limits. Other districts allow them by Conditional Use Permits in which setbacks and height restrictions are established as part of the conditional use. The proposed revised code has been changed to show consistency by requiring a Conditional Use Permit in every zoning district and outlining the steps the developer is required to complete in order to construct a tower or communication antenna. The motion recommended by the Alliance Planning Commission did not change the zoning districts that towers and communications equipment are allowed in. There are not any provisions for towers and communications equipment in Residential zoning except in Rural Residential as it is now.

The proposed code also updates certain items that have changed within the City since the existing code was drafted. This includes the removal of technical specifications that would be found in the design of a tower or antenna. The City requires engineered drawings of such structures and over time the existing code could specify technical details which are out of date. The code also removes references to the electrical inspector inasmuch as the City no longer has such a position. All electrical inspections and plan reviews are done through the State of Nebraska Electrical Division.

Included for Council's review and discussion is a copy of the proposed language which would be incorporated within the Municipal Code.

Following the Alliance Planning Commission's recommendation, Council is required to conduct a Public Hearing on the proposed zoning changes. The Public

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Hearing will be scheduled for the Council's next regular meeting on August 5, 2014.]

Community Development Director Brent Kusek was present to discuss the inconsistencies the current code has and recommended specific proposed language changes to the Alliance Municipal Code in regards to communication antennas.

- The final agenda item was Board Vacancies.

Council thanked Mr. Terry Christensen for his service on the Alliance Library Board as Mr. Christensen has completed his second full term and is not eligible for reappointment at this time.

A motion was made by Councilman Seiler, seconded by Councilman Lewis to reappointment Robyn Iossi to the Alliance Library Board with a new term to expire June 30, 2018.

Roll call with the following results:

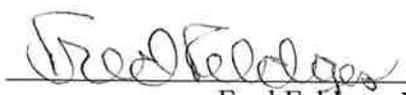
Voting Aye: Yeager, Benzal, Lewis, Seiler, Feldges.

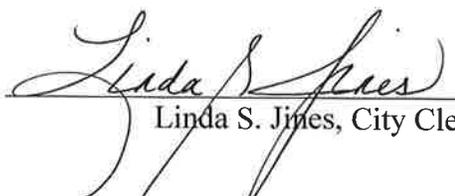
Voting Nay: None.

Motion carried.

- Mayor Feldges stated, "there being no further business to come before the Alliance City Council, the meeting is adjourned at 9:18 p.m."

(SEAL)

  
Fred Feldges, Mayor

  
Linda S. Jines, City Clerk