

February 3, 2015

**ALLIANCE CITY COUNCIL**

REGULAR MEETING, TUESDAY, FEBRUARY 3, 2015

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

The Alliance City Council met in a Regular Meeting, February 3, 2015 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 January 27, 2015. 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 February 3, 2015 Regular Meeting of the Alliance, Nebraska City Council at 7:00 p.m. Present were Mayor Yeager, Council Members Feldges, Jones, Seiler, and Korber-Gonzalez. Also present were City Manager Cox, City Attorney Olsen and City Clerk Jines.

- Mayor Yeager read the Open Meetings Act Announcement.
- The Consent Calendar was the first item to be addressed by Council.

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

CONSENT CALENDAR – FEBRUARY 3, 2015

1. Approval: Minutes of the Regular Meeting, January 20, 2015.
2. Approval: Payroll and Employer Taxes for the period January 2, 2015 through January 16, 2015 inclusive: \$163,749.68 and \$11,543.86 respectively.
3. Approval: Claims against all funds of the City of Alliance for the period January 13, 2015 through January 27, 2015 in the amount of \$858,933.87.
4. Approval: Update to the Alliance Volunteer Fire Department roster by adding Jordan Glendy and removing Samantha Fullmer.

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5. For Your Information: Attached is a listing of Demand Checks which were generated over the last financial quarter ending December 31, 2014. The report lists checks that have been issued which are not expenses within the budget. These are primarily made up of fund transfers, meter deposit refunds, utility overpayments and an occasional check which was required to be reissued.
6. Approval: The following contractor licenses:
 

General Contractor	Matt Jeppson dba Kobalt Construction Inc. Country Construction Inc.
Master Plumber	Mark Sundberg dba Fresh Start Convenience Stores, Inc.
7. Approval and Ratification: Summary of the Library basement repairs which have taken place over the past several months.

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: Feldges, Seiler, Korber-Gonzalez, Jones, Yeager.

Voting Nay: None.

Motion carried.

- City Manager Cox gave his City Manager's Report which follows in outline form:
  1. Snow Event: 3-5"
    - Continuing to be more aggressive
    - Developing and issuing advisories (in anticipation)
    - Public Service Announcements
    - ATH
  2. 10<sup>th</sup> Street Property Acquisition: Continuing to work on right of ways
  3. Recycling:
    - Meeting with KAB tomorrow, along with Councilmember Korber-Gonzalez
  4. Public Transportation:
    - Continues to be concern about lack of Friday service
  5. Economic Development Conference –
    - Several follow-ups;
  6. LB633 - \$20 million annually to municipalities for infrastructure
    - Sent note to new #48 Senator John Stinner (Gering) – thanks for introducing
  7. Airline Visits – Next week;
    - Dates probably 2/11 & 2/12; not yet firm
    - Meeting with 3 airlines in 2 days; also coordinating with Chadron
    - Contact me if would like to attend;

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- 8. Streetscape II – Back on schedule – tentatively!  
 May 21: Bid Opening  
 July 20: Construction (After Heritage Days)

Upcoming Council:

- 2/17: 106 Big Horn Demolition
- 3/3: Traffic Control/Stop Signs
- 3/3: Airline Selection

Upcoming Calendar:

- 2/6/15 @ 6pm: (FD) Bosses' Night
- 2/24-25/15: LNM MidWinter Conference
- Information in MyBoard Packets
- Please let me know about transportation

- Resolution No. 15-09 was the next agenda item. This resolution will authorize the Amendment to License and Agreement with Allo Alliance, LLC. Council was provided with the following information:

[The City of Alliance Council approved and executed a ten-year license and agreement with Allo Communications (Allo) on February 15, 2007 that provided Allo the rights to build a fiber optic system in the City of Alliance attached to the City's power poles and, if warranted, underground in the City's right-of-ways. The agreed upon fees for this license are \$200 per month paid quarterly plus \$5.25 pole rental to be paid annually.

Recently, while City Staff was reviewing the status of contracts, it was determined that Allo was not billed under the provisions of the license and agreement. Unpaid fees calculated from the beginning of the contract through December 31, 2014 total \$31,941.00 owed by Allo to the City of Alliance. Over the past six months, City staff has been in contact with Brad Moline, Chief Executive Officer of Allo, to determine the payment plan that would be beneficial to both the City and Allo. During the discussions, it was determined that the license fee should have continued only until such time as Allo began collection of phone occupation taxes in early 2010. Following are the calculations that reflect the negotiated plan based on current internet service levels.

Allo Monthly License Fee and Pole Rental Charges

	Pole Rental Fee	\$	5.25	Pole	
	Monthly Fee	\$	200.00	Count	856
Year	Rental	License	Total		
2007					
2008	\$ 4,494.00	\$ 2,400.00	\$ 6,894.00		
2009	\$ 4,494.00	\$ 2,400.00	\$ 13,788.00		
2010	\$ 4,494.00		\$ 18,282.00		

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2011	\$ 4,494.00	\$ 22,776.00
2012	\$ 4,494.00	\$ 27,270.00
2013	\$ 4,494.00	\$ 31,764.00
2014	\$ 4,494.00	\$ 36,258.00
	2014 Credits	
	Used	\$ (4,317.00)
	12/31/14	
	Balance	\$ 31,941.00

This addendum to the contract provides that Allo would begin making regular rental payments to the City in accordance with the original terms of the contract and that the fiber optic connections, LAN and internet services provided to the City would be at no cost through approximately October 2016 based on the current service levels in order to utilize credits for past amounts payable to the City. If the City adds or deletes service locations or changes the bandwidths of service with Allo, the monthly charges would then be adjusted accordingly thereby changing the period of time that the City would be provided services at no cost. The amendment also requires Allo to repay immediately any of the credits due the City should either party discontinue internet services to the City.]

A motion was made by Councilman Feldges, seconded by Councilman Seiler to approve Resolution No. 15-09, which follows in its entirety:

#### RESOLUTION NO. 15-09

*WHEREAS*, The City of Alliance received a request in 2007 from Allo Communications, LLC, to attach communication lines to City of Alliance utility poles, and where applicable, install lines underground in City of Alliance right-of-way; and

*WHEREAS*, Written agreements for a non-exclusive license and supplemental agreement for pole attachment were prepared and approved by the City Council in 2007 which provided for pole attachment fees of \$5.25 per pole per year and a licensing fee of \$200 monthly; and

*WHEREAS*, Billings and payments for this arrangement were never accomplished and a payment plan that would be beneficial to both the City of Alliance and Allo has now been negotiated; and

*WHEREAS*, The proposed Amendment to License and Agreement would stipulate that the fiber optic connections, LAN and internet services provided to the City would be at no cost through approximately October 2016 based on the projected service levels, unless service locations or changes in service levels are made by the City which would be adjusted appropriately.

*NOW, THEREFORE, BE IT RESOLVED*, by the Mayor and City Council of Alliance, Nebraska, that the Amendment to License and Agreement, is hereby approved and the Mayor

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and City staff are authorized to execute the Amendment to License and Agreement on behalf of the City of Alliance.

Roll call vote with the following results:

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

Voting Nay: None.

Motion carried.

- The next item before Council was the discussion of the potential purchase of a new bulldozer for the Alliance Landfill. Council was provided with the following information:

[The Alliance Municipal Landfill currently owns a 34 year-old Caterpillar D7G dozer that is presently inoperable and requires an estimated \$50,000+ in known repairs. The 1980 unit was purchased in 1996 with almost 8,700 hours and now has estimated hours between 20,000 and 25,000 hours (the gauge was replaced once and is presently inoperable). Over the next four to five years, the City will be preparing a new landfill cell and will require extensive use of a dozer to complete the project.

The cost of a new John Deere Dozer 850K WH with the landfill package is \$405,988, less the national municipal discount of \$51,447 (12.67%) leaving a delivered price of \$354,541 as confirmed through the Houston-Galveston Area Council (HGAC). The proposed dozer has a 6-way blade which would decrease the time required for the dozer to complete the landfill tasks and the protective options to protect the cab and the undercarriage. The suggested purchase of a new John Deere dozer would be through Murphy Tractor & Equipment Co. of Gering, NE. (Note: 21st Century Equipment in Alliance does not sell and service this type of equipment.) A comparably-equipped Caterpillar D7E dozer (electric/diesel) was priced at \$574,500 through the State bid site and was the only dozer included.

The new John Deere dozer purchase would include a 12-month factory warranty and JD Link to monitor vital components which would probably ensure 30+ years of service to the City. Murphy Tractor has a proven record of expedient and experienced service. The Murphy service agreement would include monitoring through JD Link. There are two proposed optional maintenance plans available from Murphy Tractor that would provide service up to 60 months or 4,000 hours. The Enhanced and Elite Plans both include all labor, travel and parts for scheduled services (every 500 hours). The Elite Plan includes travel for warranty repairs and non-warrantable repairs. Annual cost of the Enhanced Plan is \$3,496.80 and the Elite Plan is \$4,998.98.

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The purchase of a used dozer is an alternative with several examples detailed below. Most available used dozers do not include the landfill package and 6-way blade (\$25,000) and possibly the "ripper" (\$14,000) which would add the additional amount indicated. Delivery charges would add \$3,000 to \$10,000 to the costs depending on the current location of the dozer. The condition of a used dozer cannot be guaranteed and would not include warranty. Staff has recommended that only used dozers with less than 1,000 hours of service per year be considered.

Location	Model	Year	Total Hours	Annual Hours	Price
Meridian, ID	850K	2012	1,710	570	\$315,500
Cape Girardeau, MO	850K	2011	2,044	511	\$259,000
Evansville, IN	750J	2008	4,010	572	\$179,000
Goodfield, IL	750J	2005	6,869	687	\$129,500

The original 2014-15 budget included \$185,000 approved for the purchase of a used dozer with \$50,000 subsequently transferred to operating expenses for unbudgeted tire amnesty expense. From a cash flow and budgeting perspective, a lease or loan for the purchase of the replacement dozer is recommended. Following is a recap of the financing alternatives offered within our area for the new JD dozer. The examples are based on an amount financed of \$287,000 after a down payment including a trade-in of \$12,000 to \$15,000. Financing of a used dozer would add an estimated 30 basis points to the First National interest rate.]

Institution	5-Year Rate	Estimated Interest	7-Year Rate	Estimated Interest	Document Fee	Prepayment Penalty	Expiration Date
First National Bank	2.15%	\$ 15,974	2.45%	\$ 25,629	\$ 150.00	No	n/a
Bank of the West	2.29%	\$ 17,033	2.49%	\$ 26,059	\$ 250.00	Yes	2/3/2015
Great Western Bank	2.50%	\$ 18,626	n/a	n/a	\$ -	No	n/a
Wells Fargo Bank	3.01%	\$ 22,518	n/a	n/a	\$ 500.00	Yes	n/a
Farmers State Bank	3.10%	\$ 23,208	n/a	n/a	\$ -	No	2/20/2015
John Deere Credit	4.15%	\$ 31,328	4.15%	\$ 44,235	\$ 300.00	No	2/11/2015

Ron Perry, Public Works Director, was in attendance to discuss with the Council the problems staff is having with the current bulldozer. Representatives from Murphy Tractor Tom Murphy and Mike Bateman were also in attendance to answer any questions of Council regarding the John Deere equipment. Murphy Tractor is offering \$24,500 as a trade-in for our 1980 +/- bulldozer. The landfill package will need to be installed separately on the bulldozer. The bulldozer being proposed is considered a middle sized unit and is one of the most popular. The 14 yard blade will move a lot more material in a shorter period of time. This package does not include a ripper; however it does have a striker bar. The normal life of a bulldozer of this type and use is 25 – 30 years. A new unit will have a full John Deere Warranty and a Service Plan can be purchased separately from Murphy Tractor. The normal service rate for this type of

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work with Murphy Tractor is \$140 per hour shop to shop and a normal service would take between 10 to 12 hours.

Council inquired if staff could perform normal service maintenance functions. Public Works Director Perry indicated our current staffing level would not allow at this time. He did state that he is currently cross-training his staff into various job functions and responsibilities. Council also asked if the service package could be added later following the warranty period. The representatives of Murphy Tractor stated yes and further explained the separate functions of the warranty and service plans and how they crossed over in some areas such as the John Deere Link Services which monitor the equipment and notify Murphy Tractor by e-mail in inconsistencies with the equipment, most of the time before the operator is aware there is a problem. The John Deere Link Service is only available on 2013 and newer units.

Mr. Murphy explained how his company was part of a 28 store operation and that used bulldozers from across the Country would be available relatively quickly; however the installation of the landfill package would then have to be installed in-house and parts ordered which would add at least 30 days to availability. A new unit would take between 8 and 10 weeks for delivery. He also went on to explain the government 30% discount on new units and how that could potentially be a more attractive option for Alliance over a used unit.

Council instructed staff to prepare a more comprehensive comparison between purchasing a new unit, a newer used unit which has the John Deere Link Service and an older unit for a future meeting. Council is also interested in how much has been spent on our current dozer of the last several years.

- Council was next presented with the First Quarter Financial Report by Finance Director Waggener.

Finance Director Waggener provided an overview and highlighted issues that were key financial components and extraordinary items impacting the financial statement within the first quarter. He also compared items to the current budget and previous year budget. Within the enterprise funds he compared usage variance and rate change impacts.

A motion was made by Councilman Jones, seconded by Councilman Seiler to accept the First Quarter Financial Report as presented.

Roll call vote with the following results:

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

Voting Nay: None.

Motion carried.

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- The final agenda item was a board appointment and board vacancy announcements.

A motion was made by Councilman Jones, seconded by Councilman Feldges to re-appoint Renee Wallesen to the A-1 Downtown Improvement District with a term to expire October 31, 2017.

Roll call vote with the following results:

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

Voting Nay: None.

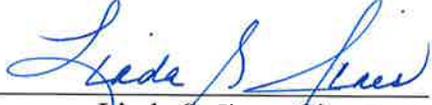
Motion carried.

Councilman Jones announced that the City of Alliance has the following current openings: one vacancy on the A-1 Downtown Improvement Board, one vacancy on the A-2 Downtown Improvement Committee, two vacancies on the Planning Commission and a Hispanic Representative on the Police Advisory Board. There are also two youth ex-officio positions on the Library Board. 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](http://www.cityofalliance.net).

- Mayor Yeager stated, "there being no further business to come before the Alliance City Council, the meeting is adjourned at 8:38 p.m."

(SEAL)

  
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Ralph Yeager, Mayor

  
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Linda S. Jines, City Clerk