

October 18, 2012

ALLIANCE CITY COUNCIL

REGULAR MEETING, THURSDAY, OCTOBER 18, 2012

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

The Alliance City Council met in a Regular Meeting, October 18, 2012 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 October 11, 2012. 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 October 18, 2012 Regular Meeting of the Alliance, Nebraska City Council at 7:00 p.m. Present were Mayor Feldges, Council Members Benzel, 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 introduction of Samantha Ajoud, our new Public Safety Dispatcher for the City of Alliance was the first item of business.
- The next item on the Council's agenda was the Consent Calendar. Councilman Benzel made a motion, which was seconded by Councilman Lewis to approve the Consent Calendar as follows:

CONSENT CALENDAR – OCTOBER 18, 2012

1. Approval: Minutes of the Regular Meeting, October 4, 2012.
2. Approval: Payroll and Employer Taxes for the period September 15, 2012 through September 28, 2012 inclusive: \$165,279.98 and \$11,673.79 respectively.
3. Approval: Claims against the following funds for the period October 1, 2012 through October 11, 2012: General, General Debt Service, Trust and Agency, Street, Electric,

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Refuse Collection and Disposal, Sanitary Sewer, Water, Golf Course, Downtown Improvement Districts, R.S.V.P., Keno, and Capital Improvement; \$305,519.89.

4. For Your Information: Attached is a listing of Demand Checks which were generated over the last financial quarter ending September 30, 2012. The report lists checks that have been issued which are not expenses within the budget. These are primarily made up of meter deposit refunds, utility overpayments and an occasional check which was required to be reissued.
5. Approval: Update the roster of the Alliance Volunteer Fire Department by adding Laura Specht and deleting A.J. Bedient.
6. Approval: The issuance of the following Contractor licenses:

General Contractor	Pat Jones dba Copeland Development & Construction
HVAC (Master)	Eric Nelson dba Westech Mechanical
7. Approval: The issuance of Cemetery Certificates:

The North Half of the Northeast Quarter (N1/2 of NE1/4) of Lot Nine (9), Section Two (2), Block Seventeen (17), Second Addition to the Alliance Cemetery to Robert Kittelmann.

The East Half (E1/2) of Lot Fourteen (14), Section Nine (9), Block Twenty (20), Third Addition to the Alliance Cemetery to Donald Cole and Edward Harris.

The East Half (E1/2) of Lot Thirteen (13), Section Nine (9), Block Twenty (20), Third Addition to the Alliance Cemetery to Donald Cole and Rosalinda Cole.
8. Approval: Establish the date of Monday, October 29, 2012 at 7:00 p.m. to host a Joint Meeting of the Alliance City Council and the Box Butte County Commissioners. The meeting will be held at the Knight Museum and Sandhills Center, 908 Yellowstone Avenue in the theater.

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.

- City Manager Cox provided his report which follows in outline form:

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- Electric Power Outage on 10/18 due to high winds which resulted in widespread outages with three substations affected (10th, Cody & Broadwater). Damage has been reported with trees down, private property damage, and some public damage which includes the airport fence, a windmill at the airport, street lights and the 10th and Box Butte Avenue traffic signal at this point in time.
 - Attended the School's Strategic Planning and would like Council to consider something similar which would include a Council and Leadership Team Retreat, followed by a community meeting which would then flow into the 2013-14 budget preparation.
 - Municipal Hall Steps – Bids came in way over budget (\$126K to \$135.9K) we will have a discussion item on the next agenda/
 - Oct 29 will be the City/County meeting concerning the LEC and other matters.
- The next matter before Council was the consideration of refinancing the City's Electric Bond Refunding Issue. City Manager Cox provided the following background information:

[It is estimated that by refinancing our Electric Revenue Bonds that the City will result in net savings of approximately \$72,000 over the next four years.

In your preliminary packet are the following three documents:

1. Sources & Uses Summary Report
2. Resolution authorizing the call of 2013, 2014, 2015 and 2016 payments (totaling \$1.48 million)
3. Ordinance authorizing the issuance of \$2.1 million bond

Although the 2008 bonds are due to payoff in only four years (on 12/15/2016), taking these measures (even with the fees included) will result in approximately \$70K in savings by taking advantage of the dramatic dip in interest rates. The current average interest rate being paid is 3.88%. The interest rate reflected in the attached estimate would be 0.63%.

We did obtain a second opinion, and this bid is comparative and advantageous as we will be working more with local businesses as Mr. Craig T. Jones is employed by First National Bank (through affiliated First National Capital Markets) and working through Alliance businessman, Rich Otto. Additionally, the Underwriter has agreed to a 1% discount.

Of the original \$3.8 Million issuance, approximately \$2.45 million is still outstanding. We are currently anticipating refunding up to four years of payments. Nonetheless, as stated above, the City still would do well by almost \$72K by refinancing the 2013, 2014, 2015 and 2016 portion (\$2.1 million).

One other note: We are currently holding \$380,000 in a bond reserve. As part of the bond refunding process, we will be allowed to release \$170,000 of the bond reserve back to unrestricted cash, and we will hold the net, or approximately \$210,000, until all bonds are paid off.

We anticipate a final version of the documents a little later this week.

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Recommendation:

Approve Ordinance and waive three readings in order for City to maximize reduced interest rate.
Approve Resolution to recall existing bond issuance.]

A motion was made by Councilman Yeager, which was seconded by Councilman Benzel to approve Resolution No. 12-84 which follows in its entirety:

RESOLUTION NO. 12-84

A RESOLUTION OF THE CITY OF ALLIANCE, NEBRASKA
AUTHORIZING THE IRREVOCABLE CALL OF \$1,975,000 PRINCIPAL
AMOUNT OF ELECTRIC REVENUE REFUNDING BONDS, SERIES 2008,
DATED OCTOBER 30, 2008, FOR PAYMENT AND REDEMPTION PRIOR
TO MATURITY.

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

Section 1. That the following bonds of the City of Alliance, Nebraska (the "City"), which are callable at any time on or after October 30, 2013, are hereby authorized to be irrevocably called for redemption on October 30, 2013, as provided in a Direction for Call (as defined below):

Electric Revenue Refunding Bonds, Series 2001, dated October 30, 2008, in the principal amount of One Million Nine Hundred Seventy-five Thousand Dollars (\$1,975,000), numbered as shown on the books of the Paying Agent and Registrar, becoming due and bearing interest as follows:

<u>Maturity</u> <u>(December 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2013	\$495,000	3.50%
2014	510,000	3.70
2015	530,000	3.90
2016	440,000	4.10

Said bonds are hereinafter referred to as the "Refunded Bonds."

The Refunded Bonds are redeemable at the option of the City at any time on or after October 30, 2013 at a redemption price equal to 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption. All of the Refunded Bonds are unpaid and a legal liability against the City, provision for the payment of which may be made by the lawful issuance and sale of electric revenue refunding bonds of the City pursuant to Sections 10-142, and 18-1803 to 18-1805, inclusive, Reissue Revised Statutes of Nebraska, as amended.

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Section 2. The Refunded Bonds are to be paid off at the principal corporate trust office of The Fremont National Bank and Trust Company, Fremont, Nebraska, (the "Paying Agent") as paying agent and registrar.

Section 3. The Mayor or City Clerk of the City (each, an "Authorized Officer") are each individually hereby authorized at any time on or after the date of this resolution to direct the irrevocable call of the Refunded Bonds on behalf of the City and such direction, when made in writing (the "Direction for Call"), shall constitute the action of the City without further action of the Mayor and Council of the City. The Direction for Call shall include a description of that portion of the Refunded Bonds called for redemption as determined appropriate by the Authorized Officers. The Call Date shall be set for October 30, 2013, and such direction shall be made by an Authorized Officer not later than April 1, 2013, after which date the Authorized Officers shall have no authority to make any such determination hereunder without further action of the Mayor and Council of the City and this resolution shall be of no further force and effect.

Section 4. An executed Direction for Call shall be filed with Paying Agent, which delivery is necessary in order for the call of the Refunded Bonds to be effective hereunder. The Paying Agent shall be directed in the Direction for Call to mail notice to all registered owners of the Refunded Bonds to be redeemed not less than thirty days prior to the date fixed for redemption in accordance with resolution authorizing the issuance of the Refunded Bonds and to take all other actions deemed necessary in connection therewith.

Roll call vote for Resolution No. 12-84 with the following results:

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

Voting Nay: None.

Motion carried.

The second part of this item was the consideration of Ordinance No. 2717 which will authorize the issuance and sale of the Electric Revenue Refunding Bonds, Series 2012.

A motion was made by Councilman Yeager, seconded by Councilman Benzel to approve the first reading of Ordinance No. 2717. City Clerk Jines read the Ordinance by title which follows in its entirety:

ORDINANCE NO. 2717

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$2,100,000 PRINCIPAL AMOUNT OF ELECTRIC REVENUE REFUNDING BONDS, SERIES 2012 FOR THE PURPOSE OF (1) PROVIDING FOR THE PAYMENT AND REDEMPTION OF \$1,975,000 PRINCIPAL AMOUNT OF ELECTRIC REVENUE REFUNDING BONDS, SERIES 2008, (2) PROVIDING FOR A DEPOSIT INTO THE BOND RESERVE FUND, AND (3) PAYING THE COSTS OF ISSUANCE OF THE BONDS HEREIN AUTHORIZED; PRESCRIBING THE FORM AND DETAILS OF SAID BONDS;

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PLEDGING AND HYPOTHECATING THE REVENUE AND EARNINGS OF THE ELECTRIC LIGHT AND POWER PLANT AND TRANSMISSION AND DISTRIBUTION SYSTEM OWNED OR TO BE OWNED BY THE CITY FOR THE PAYMENT OF SUCH BONDS; LIMITING PAYMENT OF SUCH REVENUE BONDS SOLELY TO THE REVENUES DERIVED FROM THE CITY'S ELECTRIC SYSTEM; PROVIDING FOR THE SALE OF SUCH REVENUE BONDS PURSUANT TO A BOND PURCHASE AGREEMENT; PROVIDING FOR THE APPLICATION OF THE PROCEEDS OF SUCH ELECTRIC REVENUE BONDS; MAKING APPLICABLE TO SAID REVENUE BONDS THE TERMS, PROVISIONS, COVENANTS AND CONDITIONS APPLICABLE TO REVENUE BONDS ISSUED PURSUANT TO ORDINANCE NOS. 1859, 1977, 2098, 2421 AND 2632 OF THE CITY, AS FROM TIME TO TIME AMENDED AND SUPPLEMENTED; PROVIDING FOR PUBLICATION OF THIS ORDINANCE IN PAMPHLET FORM; AND CERTAIN OTHER RELATED MATTERS.

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

Section 1. Findings. The Mayor and Council of the City of Alliance, Nebraska (the “City”) hereby finds and determines that:

(a) The City has for many years and now owns, maintains and operates an electric light and power plant and related electric transmission lines and distribution system (the “**Electric System**”) within the City for the use and benefit of the City and its inhabitants, which constitutes a “revenue producing facility” as described in Sections 18-1803 to 18-1805, inclusive, Reissue Revised Statutes of Nebraska, as amended (the “**Act**”).

(b) Pursuant to the Act and Ordinance Nos. 1859, 1977, 2098, 2421 and 2632 of the City, adopted November 25, 1985, November 9, 1989, July 8, 1993, June 7, 2001 and September 25, 2008, respectively (collectively, the “**Existing Ordinance**”), the City has heretofore issued, unpaid and has outstanding on the date hereof \$2,450,000 principal amount of the City’s Electric Revenue Refunding Bonds, Series 2008, dated October 30, 2008 (the “**Outstanding Bonds**”) payable solely out of the revenues derived from the operation of the Electric System (the “**Revenues**”).

(c) It is necessary, desirable, advisable and in the best interests of the City that the City provide for the payment and redemption of all of the Outstanding Bonds by the application of available funds of the issuer and the issuance of electric revenue refunding bonds of the City pursuant to the provisions of Sections 10-142 and 18-1803 to 18-1805, inclusive, Reissue Revised Statutes of Nebraska, as amended, as provided herein. The Outstanding Bonds maturing in the year 2012 will be paid, as the case may be, at maturity, or defeased pursuant to an Escrow Agreement described in Section 11 herein, with other available issuer funds no later than the date of issuance of the electric revenue refunding bonds herein authorized and the Outstanding Bonds maturing in the years 2013 through and including 2016 have been authorized to be irrevocably called for redemption on a date to be determined (the “**Redemption Date**”) by a resolution passed contemporaneously herewith.

(d) Pursuant to the Existing Ordinance, the City may issue refunding bonds thereunder without restriction or limitation if such refunding bonds pay or redeem all of the Bonds then outstanding.

(e) The Outstanding Bonds are the only presently outstanding obligations of the City payable from the Revenues. The electric revenue refunding bonds authorized herein, together with available

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funds of the City, will pay or redeem all of the Outstanding Bonds as of the date of issuance of such bonds authorized herein.

(f) All conditions, acts and things required by law to exist or to be done precedent to the issuance of the Series 2012 Bonds herein authorized do exist and have been done and performed in regular and due time as provided by law.

Section 2. Definitions. Unless the context shall clearly indicate some other meaning or unless such word or term is otherwise defined in this 2012 Ordinance, for all purposes of this 2012 Ordinance, all words and terms used in this 2012 Ordinance which are defined in the Existing Ordinance shall have the respective meanings specified in the Existing Ordinance. In addition to the words and terms elsewhere defined in this 2012 Ordinance and unless the context shall clearly indicate some other meaning or may otherwise require, the words and terms defined in this section shall, for all purposes of this 2012 Ordinance and of any certificate, opinion, order, direction, instrument or document herein or therein mentioned, have the respective meanings specified in this section, with such definitions to be equally applicable to both the singular and plural forms of any word or term defined and vice versa.

(a) **“Continuing Disclosure Undertaking”** means the Continuing Disclosure Undertaking executed by the City dated the date of issuance and delivery of the Series 2012 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

(b) **“2012 Ordinance”** means this ordinance as the same may be amended and supplemented from time to time.

(c) **“Participating Underwriter”** shall have the meaning ascribed thereto in the Continuing Disclosure Undertaking.

(d) **“Registrar”** means The Fremont National Bank and Trust Company, Fremont, Nebraska, appointed as Bond Registrar and Paying Agent’s Agreement pursuant to **Section 7(a)** of this 2012 Ordinance.

(e) **“Redemption Date”** means the date of redemption of the Outstanding Bonds maturing in the years 2013 through and including 2016, which shall be determined pursuant to a resolution of the City adopted contemporaneously herewith.

(f) **“Reserve Requirement”** means, with respect to a series of Bonds, an amount equal to the lesser of (i) the maximum annual debt service for such series of Bonds, or (ii) 125% of average annual debt service of such series of Bonds, but not to exceed in either case 10% of the aggregate principal amount of such series of Bonds initially issued.

(g) **“Series 2012 Bonds”** means the not to exceed \$2,100,000 City of Alliance, Nebraska Electric Revenue Refunding Bonds, Series 2012, authorized pursuant to **Section 3**.

Section 3. Authorization of Series 2012 Bonds; Principal Maturities; Redemption. For the purpose of providing funds, along with other available funds of the City, (a) for the payment and redemption of the Outstanding Bonds on and prior to the Redemption Date, (b) to make a deposit into the Bond Reserve Fund with respect to the Series 2012 Bonds, and (c) to pay the costs of issuance thereof, there are hereby authorized to be issued bonds of the City of Alliance, Nebraska, to be known as Electric Revenue Refunding Bonds, Series 2012 (the **“Series 2012 Bonds”**), of the aggregate principal amount of not to exceed Two Million One Hundred Thousand Dollars (\$2,100,000) numbered consecutively from 1 upwards in order of issuance, in the denomination of \$5,000 and integral multiples thereof, fully

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registered as to both principal and interest on the books of the Registrar, with a Date of Original Issue of the date of delivery thereof and payment therefor, maturing as follows:

Date of Maturity	Principal
<u>December 15,</u>	<u>Amount</u>
2013	555,000
2014	555,000
2015	560,000
2016	430,000

provided, that the Series 2012 Bonds shall bear interest at the rates per annum as shall be determined in a written designation (the "Designation") signed by the Mayor and/or City Clerk of the City (each, an "Authorized Officer") on behalf of the Mayor and Council of the City and which may be agreed to by First National Capital Markets (the "Underwriter"), which Designation may also determine or modify the principal amount for each maturity of the Series 2012 Bonds, mandatory redemption provisions (if any), and pricing terms as set forth in Section 8 below, all within the following limitations:

- (a) the aggregate principal amount of the Bonds shall not exceed \$2,100,000, provided, however, such amount may be increased as necessary to the extent the Series 2012 Bonds are sold at a net original issue discount;*
- (b) the aggregate amount of original issue premium and original issue discount (if any) may result in an aggregate net original issue discount (if any) not in excess of one percent (1.00%) of the stated principal amount of the Bonds;*
- (c) the longest maturity of the Bonds may not be later than December 15, 2016;*
- (d) the Bonds shall bear interest at such rates per annum so that debt service payable on the Bonds provides at least a net present value savings to the City over the debt service payable on the Outstanding Bonds;*
- (e) the true interest cost on the Bonds shall not be more than _____%; and*
- (f) two or more of the principal maturities may be combined and issued as "term bonds" and the Authorized Officer may determine the mandatory sinking fund payments and mandatory redemption amounts. Any Series 2012 Bonds issued as "term bonds" shall be redeemed at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the date of redemption and may be selected for redemption by any random method of selection determined appropriate by the Registrar (as hereinafter designated) or by the Depository (as hereinafter designated).*

The Authorized Officers (or any one of them) are hereby authorized to make such determinations on behalf of the Mayor and Council of the City and to evidence the same by execution and delivery of the Designation and such determinations, when made and agreed to by the Underwriter, shall constitute the action of the Mayor and Council of the City without further action of the Mayor and Council of the City.

The Series 2012 Bonds shall not be subject to optional redemption prior to maturity.

Section 4. Interest Payments. Interest on the Series 2012 Bonds at the respective rates for each maturity is payable on June 15 and December 15 of each year, beginning December 15, 2012 (or such other dates as may be determined in the Designation, each of such dates an "**Interest Payment Date**") from the Date of Original Issue or the most recent Interest Payment Date, whichever is later, until

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maturity or earlier redemption by check or draft mailed by the Registrar or its successor on such Interest Payment Date to the registered owner of each Series 2012 Bond at such registered owner's address as it appears on the Bond Register maintained by the Registrar or its successor at the close of business on the last business day of the month preceding the month in which each Interest Payment Date occurs (the "**Record Date**") subject to the provisions of the following paragraph. The principal on the Series 2012 Bonds and the interest due at maturity or upon redemption prior to maturity is payable in lawful money of the United States of America to the registered owners thereof upon presentation and surrender of such Series 2012 Bonds to the Registrar.

In the event that payments of interest due on the Series 2012 Bonds on an Interest Payment Date are not timely made, such interest shall cease to be payable to the registered owners as of the Record Date for such Interest Payment Date and shall be payable to the registered owners of the Series 2012 Bonds as of a special date of record for payment of such defaulted interest as shall be designated by the Registrar whenever moneys for the purpose of paying such defaulted interest become available.

If the date for payment of the principal of or interest on the Series 2012 Bonds shall be a Saturday, Sunday, legal holiday or a day in which banking institutions in the city in which the designated corporate trust office of the Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

Section 5. Security. The Series 2012 Bonds, together with interest thereon, shall be payable on a parity with any additional Bonds hereafter issued and equally and ratably secured therewith solely from the revenue and earnings derived and to be derived from the operation of the Electric System, including any and all extensions, enlargements, improvements and betterments thereof and not from any other source. The Series 2012 Bonds, together with any additional Bonds ranking on a parity therewith as may be hereafter issued pursuant to the Ordinance, shall be a lien only upon the revenue and earnings of the Electric System for the payment of the principal of and interest on the Bonds and, for the purpose of assuring such payments of the Series 2012 Bonds and any additional Bonds, a sufficient portion of such revenue and earnings is hereby irrevocably pledged. The Bonds shall not in any event constitute an indebtedness of the City of Alliance, Nebraska, within the meaning of any constitutional or statutory limitation.

Section 6. Form of Series 2012 Bonds. The Series 2012 Bonds shall be in substantially the following form:

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**UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF BOX BUTTE
CITY OF ALLIANCE**

ELECTRIC REVENUE REFUNDING BOND, SERIES 2012

No. _____ \$ _____

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP Number</u>
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December 15, 20__ _____, 2012

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The **CITY OF ALLIANCE, NEBRASKA**, a city of the first class and a political subdivision of the State of Nebraska (the “**City**”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner specified above, or registered assigns, on the Date of Maturity specified above, but only out of the special fund designated below, the Principal Amount specified above in lawful money of the United States of America, together with interest thereon calculated on the basis of a 360-day year consisting of twelve 30-day months from the Date of Original Issue specified above at the rate of interest per annum specified above payable on June 15 and December 15 of each year beginning December 15, 2012 (each of such dates an “**Interest Payment Date**”) to maturity or earlier redemption.

The Principal Amount and the interest due at maturity or upon redemption prior to maturity is payable to the Registered Owner at the office of The Fremont National Bank and Trust Company (the “**Registrar**”) upon presentation and surrender of this bond. Interest on this bond due prior to maturity or earlier redemption shall be paid by check or draft mailed on such Interest Payment Date to the Registered Owner at such Registered Owner’s address as it appears on the registration books of the Registrar at the close of business on the last business day of the month preceding the month in which an Interest Payment Date occurs (the “**Record Date**”). Any interest not so timely paid shall cease to be payable to the person entitled thereto as of the Record Date such interest was payable, and shall be payable to the person who is the Registered Owner of this bond (or of one or more predecessor bonds hereto) on such special record date for payment of such defaulted interest as shall be fixed by the Registrar whenever money for such purpose become available.

If the date for payment of the principal of or interest on this bond shall be a Saturday, Sunday, legal holiday or a day in which banking institutions in the city in which the principal corporate trust office of the Registrar are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

The bonds of the series of which this bond is one are not subject to redemption prior to maturity.

This bond is one of a series of bonds issued in the aggregate principal amount of \$ _____ numbered consecutively from 1 upwards in order of issuance, being in the denomination of \$5,000 and integral multiples thereof, of even date and like tenor herewith except as to amount, date of maturity, rate

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of interest and priority of redemption, issued by the City for the purpose of providing for the payment and redemption of \$1,975,000 of the City's outstanding Electric Revenue Refunding Bonds, Series 2008, dated October 30, 2008, which bonds have been irrevocably called for redemption on October 30, 2013, making a deposit into the reserve fund for the bonds of the series of which this bond is one, and payment of the costs of issuance of the bonds, in strict compliance with Sections 10-142 and 18-1803 to 18-1805, inclusive, Reissue Revised Statutes of Nebraska, and all laws amendatory thereof or supplementary thereto. The issue of this bond and the other bonds of this series have been authorized by Ordinance Nos. 1859, 1977, 2098, 2421, 2632 and _____ of the City (collectively, the "**Ordinance**") lawfully enacted by proceedings duly had by the Mayor and Council of the City all in strict conformity with the laws of the State of Nebraska.

This bond and the interest hereon are payable solely from the revenue and earnings of the electric light and power plant and related transmission lines and distribution system of the City (together, the "**Electric System**") including all improvements, enlargements, extensions and betterments thereof. Under the Ordinance, all revenues collected, derived and to be derived by the City from the operation and use of the Electric System and all improvements, enlargements, extensions and betterments thereof will be deposited in a separate special fund designated as the "Electric Revenue Fund" of the City which fund shall be used only (a) to pay the reasonable expenses of operating, maintaining and repairing the Electric System, (b) to set aside and pay into the City of Alliance, Nebraska, Electric Revenue Bond Fund (the "**Bond Fund**"), amounts sufficient to pay as and when the same severally become due, the principal of and interest on the bonds of this issue, and on any bonds or notes of the City heretofore or hereafter issued under the authority of the laws of the State of Nebraska and ordinances of the City which are payable by their terms from the revenues of the Electric System on a parity with the series of bonds of which this bond is one, (c) to set aside and pay into the City of Alliance, Electric Revenue Bond Reserve Fund (the "**Reserve Fund**"), reasonable reserves for the payment of the principal of and interest on bonds as provided in the Ordinance, (d) to make replacements, improvements, enlargements, extensions and betterments of and to the Electric System and (e) otherwise as specified in the Ordinance. This bond does not constitute a general obligation of the City nor an indebtedness of the City within any constitutional or statutory limitation.

The City hereby covenants with the owner of this bond that it will keep and perform all covenants and agreements contained in the Ordinance authorizing this series of combined revenue bonds and will fix, establish, maintain and collect rates, fees or charges for the use of or services rendered by the Electric System including all improvements, extensions, enlargements and betterments thereof which will provide revenue sufficient, together with other funds of the City available therefor as provided by the Ordinance, to pay the cost of operating, maintaining and repairing the Electric System, and pay the principal of and interest on this bond and on the series of which it is a part, and the principal of and interest on any other bonds of the City heretofore or hereafter issued in accordance with the provisions of the Ordinance and payable from said revenues, and provide adequate reserves therefor. In accordance with the provisions of Sections 18-1803 to 18-1805, inclusive, Reissue Revised Statutes of Nebraska, as amended, this bond and the series of which it is a part shall be a lien only upon the revenue and earnings of the Electric System for the payment of the principal of and interest on such bonds, including this bond, a sufficient portion of the revenue and earnings of the Electric System is hereby irrevocably pledged. This bond and the series of which it is a part have been authorized and issued under the provisions of the Ordinance, to which Ordinance reference is made for a description of the covenants of the City with respect to the collection, segregation and application of the revenue and the earnings of the Electric System, the nature and extent of the security for such bonds, the rights, duties and obligations of the City with respect thereto and the rights of the owners thereof. Under the terms of the Ordinance, the City has covenanted and agreed to issue no bonds superior to the bonds of the series of which this bond is one and the City has the right to issue additional parity bonds payable from the same sources and secured by the same revenues and earnings as this bond and the series of which it is a part; provided, however, that such additional bonds

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may be so issued only in accordance with and subject to the covenants, conditions and restrictions relating thereto set forth in the Ordinance. The Registered Owner of this bond shall have no right to enforce the provisions of the Ordinance or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Ordinance or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Ordinance.

The transfer of this bond is registerable by the Registered Owner hereof in person or by his attorney or legal representative at the office of the Registrar, but only in the manner and subject to the limitations and conditions provided in the Ordinance and upon surrender and cancellation of this bond by the Registrar. Upon any such registration of transfer, the City shall execute and the Registrar shall authenticate and deliver in exchange for this bond a new registered bond or bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount of this bond, of the same series and maturity and bearing interest at the same rate. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes.

The City has, in the Ordinance authorizing the issue of bonds of which this bond is one, designated such issue of bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this bond and the series of which it is a part in order to make the same legal and binding obligations of the City according to the terms thereof, do exist, have happened and were done and performed in regular and due form and manner as required by law and that before the issuance of this bond, provision has been duly made for the collection and segregation of the revenues and earnings of the Electric System and for the application of the same as hereinbefore provided.

This bond shall not be valid or become obligatory for any purpose until this bond shall have been authenticated by the Registrar.

IN WITNESS WHEREOF, the Mayor and Council have caused this bond to be executed on behalf of the City by the facsimile signatures of the Mayor and Clerk and to have the City Seal impressed or imprinted on each bond, all as of the Date of Original Issue specified above.

CITY OF ALLIANCE, NEBRASKA

ATTEST:

By: _____
Mayor

By: _____
Clerk

(S E A L)

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds of the series designated therein and issued under the provisions of the within-mentioned Ordinance.

October 18, 2012

**THE FREMONT NATIONAL BANK AND
TRUST COMPANY, Registrar**

By: _____
Authorized Officer

[The remainder of this page intentionally left blank.]

October 18, 2012

ASSIGNMENT**FOR VALUE RECEIVED**, the undersigned hereby sells, assigns and transfers unto

 Print or Type Name, Address and Social Security Number
 or other Taxpayer Identification Number of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Bond on the Bond Register kept by the Paying Agent for the registration thereof, with full power of substitution in the premises.

Dated: _____

 NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

 Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 Ad-15)

 By: _____
 Title: _____
Section 7. Bond Registrar and Paying Agent.

(a) The Fremont National Bank and Trust Company, Fremont, Nebraska, is hereby designated to serve as Bond Registrar and Paying Agent's Agreement (the "**Registrar**") for the Series 2012 Bonds, provided, however, the Mayor may designate a bank or trust company as a replacement Registrar in the Mayor's sole discretion. The Registrar shall serve in such capacities under the terms of an agreement entitled "Bond Registrar and Paying Agent's Agreement" between the City and Registrar (the "**Agreement**"), the form of which is hereby approved. The Mayor and Clerk are hereby authorized to execute the Agreement in substantially the form presented but with such changes as they shall deem appropriate or necessary. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, such corporation shall be authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges to the Registrar for the services performed. The City reserves the right to remove the Registrar and to appoint a successor Registrar as provided in the Agreement, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar. The Registrar shall have only such duties and obligations as are expressly specified by this 2012 Ordinance and the Agreement and no other duties or obligations shall be implied to the Registrar.

(b) The Registrar shall keep and maintain for the City books for the registration and transfer of the Series 2012 Bonds at its offices. The names and registered addresses of the registered owners of

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the Series 2012 Bonds shall at all times be recorded in such books. Any of the Series 2012 Bonds may be transferred pursuant to its provisions at said office upon surrender of such Series 2012 Bond for transfer accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner in person or by his duly authorized agent. To the extent of the denominations authorized for the Series 2012 Bonds by this 2012 Ordinance, one Series 2012 Bond may be transferred for several such Series 2012 Bonds of the same interest rate and maturity and for a like aggregate principal amount, and several such Series 2012 Bonds may be transferred for one or several such Series 2012 Bonds, respectively, of the same interest rate and maturity and for a like aggregate principal amount. In all cases in which the transfer of registered Series 2012 Bonds shall be registered hereunder, the City shall execute and the Registrar shall authenticate and deliver at the earliest practicable time Series 2012 Bonds in accordance with the provisions of this 2012 Ordinance. All Series 2012 Bonds surrendered in any such registration of transfer shall forthwith be canceled by the Registrar. Neither the City nor the Registrar shall make a charge for the first such registration of transfer of any Series 2012 Bond for each owner. The City or the Registrar, or both, may make a charge for shipping, printing and out-of-pocket costs for every subsequent registration of transfer of any Series 2012 Bond sufficient to reimburse it or them for any and all costs required to be paid with respect to exchange or registration of transfer. Series 2012 Bonds issued upon transfer or exchange of Series 2012 Bonds shall be dated as of the date six months preceding the Interest Payment Date next following the date of registration thereof in the office of the Registrar, unless such date of registration shall be an Interest Payment Date, in which case they shall be dated as of such date of registration; provided, however, that if, as shown by the records of the Registrar, interest on the Series 2012 Bonds shall be in default, the Series 2012 Bonds issued in lieu of Series 2012 Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Series 2012 Bonds surrendered; and provided further, that if the date of registration shall be prior to the first Interest Payment Date, the Series 2012 Bonds shall be dated as of their Date of Original Issue. All Series 2012 Bonds issued upon transfer of the Series 2012 Bonds so surrendered shall be valid obligations of the City evidencing the same obligations as the Series 2012 Bonds surrendered and shall be entitled to all the benefits and protection of this 2012 Ordinance to the same extent as the Series 2012 Bonds upon transfer of which they were delivered. The Registrar shall not be required to transfer Series 2012 Bonds during any period from any Record Date until its immediately following Interest Payment Date or to transfer any Series 2012 Bond called for redemption for a period of 30 days next preceding the date fixed for redemption.

(c) The Registrar shall also be responsible for making the payments of principal and interest as the same fall due upon the Series 2012 Bonds from funds provided by the City for such purposes. Payments of interest due upon the Series 2012 Bonds prior to maturity or redemption shall be made by the Registrar by mailing a check in the amount due for such interest on each interest payment date to the registered owner of each Series 2012 Bond at such owner's registered address as shown on the books of registration required to be maintained under this **Section 7**. Payments of principal due at maturity or at any date fixed for redemption prior to maturity, together with any accrued interest then due, shall be made by the Registrar upon presentation and surrender of such Series 2012 Bond. The City and the Registrar may treat the registered owner of any Series 2012 Bond as the absolute owner of such Series 2012 Bond for purposes of making payments thereon and for all other purposes. All payments on account of interest or principal made to the registered owner of any Series 2012 Bond shall be valid and effectual and shall be a discharge of the City and the Registrar in respect of the liability upon the Series 2012 Bonds or claims for interest to the extent of the sum or sums so paid.

Section 8. Execution of Series 2012 Bonds. The Series 2012 Bonds shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor and Clerk. The Series 2012 Bonds shall be issued initially as "book-entry-only" bonds using the services of The Depository Trust Company (the "**Depository**"), with one typewritten bond per maturity being issued to the Depository. In such connection said officers are authorized to execute and deliver a letter of understanding and representation

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(the “**Representation Letter**”) in the form required by the Depository, for and on behalf of the City, which shall thereafter govern matters with respect to registration, transfer, payment and redemption of the Series 2012 Bonds. Upon the issuance of the Series 2012 Bonds as “book-entry-only” bonds, the following provisions shall apply:

(a) The City and the Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds Series 2012 Bonds as securities depository (each, a “**Bond Participant**”) or to any person who is an actual purchaser of a Series 2012 Bond from the Bond Participant while the Bonds are in book-entry form (each, a “**Beneficial Owner**”) with respect to the following:

(1) the accuracy of the records of the Depository, any nominees of the Depository or any Bond Participant with respect to any ownership interest in the Series 2012 Bonds;

(2) the delivery to any Bond Participant, any Beneficial Owner or any other person, other than the Depository, of any notice with respect to the Series 2012 Bonds, including any notice of redemption; or

(3) the payment to any Bond Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the Series 2012 Bonds. The Registrar shall make payments with respect to the Series 2012 Bonds only to or upon the order of the Depository or its nominee, and all such payments shall be valid and effective fully to satisfy and discharge the obligations with respect to such Series 2012 Bonds to the extent of the sum or sums so paid. No person other than the Depository shall receive an authenticated Series 2012 Bond.

(b) Upon receipt by the Registrar of written notice from the Depository to the effect that the Depository is unable or unwilling to discharge its responsibilities, the Registrar shall issue, transfer and exchange Series 2012 Bonds requested by the Depository in appropriate amounts. Whenever the Depository requests the City and Registrar to do so, the City and Registrar will cooperate with the Depository in taking appropriate action after reasonable notice (1) to arrange, with the prior written consent of the City, for a substitute depository willing and able upon reasonable and customary terms to maintain custody of the Series 2012 Bonds or (2) to make available Series 2012 Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging such Series 2012 Bonds shall designate.

(c) If the City determines that it is desirable that bonds representing the Series 2012 Bonds be delivered to the Bond Participants and/or Beneficial Owners of the Series 2012 Bonds and so notifies the City and Registrar in writing, the Registrar shall so notify the Depository, whereupon the Depository will notify the Bond Participants of the availability through the Depository of bonds representing the Series 2012 Bonds. In such event, the City and Registrar shall issue, transfer or exchange bonds representing the Series 2012 Bonds as requested by the Depository in appropriate amounts and in authorized denominations.

(d) Notwithstanding any other provision of this 2012 Ordinance to the contrary, so long as any Series 2012 Bond is registered in the name of the Depository or any nominee thereof, all payments with respect to such Series 2012 Bond and all notices with respect to such Series 2012 Bond shall be made and given, respectively, to the Depository as provided in the Representation Letter.

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(e) Registered ownership of the Series 2012 Bonds may be transferred on the books of registration maintained by the Registrar, and the Series 2012 Bonds may be delivered in physical form to the following:

(1) any successor securities depository or its nominee;

(2) any persons, upon (A) the resignation of the Depository from its functions as depository or (B) termination of the use of the Depository pursuant to this Section.

(f) In the event of any partial redemption of a Series 2012 Bond unless and until such partially redeemed Series 2012 Bond has been replaced in accordance with the provisions of **Section 8** of this 2012 Ordinance, the books and records of the Registrar shall govern and establish the principal amount of such Series 2012 Bond as is then outstanding and all of the Series 2012 Bonds issued to the Depository or its nominee shall contain a legend to such effect.

If for any reason the Depository resigns and is not replaced, the City shall immediately provide a supply of printed bonds for issuance upon the transfers from the Depository and subsequent transfers or in the event of partial redemption. In the event that such supply of bonds shall be insufficient to meet the requirements of the City and Registrar for issuance of replacement Series 2012 Bonds upon transfer or partial redemption, the City agrees to order printed an additional supply of bonds and to direct their execution by manual or facsimile signature of an authorized officer of the City and the authentication by the manual signature of an authorized officer of the Registrar. In case any officer whose signature or facsimile thereof shall appear on any Series 2012 Bond shall cease to be such officer before the delivery of such Series 2012 Bond (including any bonds delivered to the Registrar for issuance upon transfer), such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or officers had remained in office until the delivery of such Series 2012 Bond. No Series 2012 Bond shall be valid or obligatory unless and until the Certificate of Authentication thereon shall have been duly executed by the Registrar. The Series 2012 Bonds shall be delivered to the Registrar for registration and authentication. Upon execution, registration and authentication of the Series 2012 Bonds, the Registrar is authorized to deliver them to the Underwriter, as the underwriter thereof, upon receipt of the purchase price set forth in the Bond Purchase Agreement (herein defined). The Underwriter shall have the right to direct the registration of the Series 2012 Bonds and the denominations thereof within each maturity, subject to the restrictions of this 2012 Ordinance.

Section 9. Deposits of Funds. The City covenants and agrees that so long as any of the Series 2012 Bonds remain Outstanding, after the deposits to the Operation and Maintenance Fund required by **Section 11(a)** of Ordinance No. 1859 have been made, the City will allocate credit and deposit all of the remaining moneys at the time in the Electric Revenue Fund as follows:

(a) The City shall next pay and deposit monthly from the Electric Revenue Fund to the Bond Fund, to the extent necessary to meet at the maturity thereof all interest on and the principal of all Bonds issued pursuant to the Ordinance which shall include the following amounts:

(1) Beginning on the 15th day of the month immediately following the month in which the Series 2012 Bonds are issued and continuing on the 15th day of each month thereafter so long as any of the Series 2012 Bonds herein authorized remain Outstanding and unpaid, an amount not less than amount which, if the same amount were deposited each month, would be sufficient to pay the interest becoming due on the Series 2012 Bonds on the next succeeding Interest Payment Date.

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(2) Beginning on January 15, 2013, and continuing on the 15th day of each month thereafter so long as any of the Series 2012 Bonds herein authorized remain Outstanding and unpaid, an amount not less than amount which, if the same amount were deposited each month, would be sufficient to pay the principal amount of the Series 2012 Bonds becoming due on the next succeeding principal maturity date.

All amounts credited to the Bond Fund in accordance with (1) and (2) above shall be used and expended by the City without further authorization for the sole purpose of paying when due the principal of and interest on the Series 2012 Bonds herein authorized.

(b) The City covenants and agrees that, from the proceeds of the Series 2012 Bonds or from other available funds of the City, it will upon the date of issuance and delivery of the Series 2012 Bonds cause to be credited and deposited to the Bond Reserve Fund with respect to the Series 2012 Bonds an amount equal to the Reserve Requirement for the Series 2012 Bonds.

Section 10. Incorporation of Provisions of Existing Ordinance. The Mayor and Council have previously passed and approved the provisions of the Existing Ordinance and (a) Sections 9 to 13 (except Subsection 11(e)), inclusive, Sections 15 to 17, inclusive, and Sections 19 to 21, inclusive, and Section 25 of Ordinance No. 1859, (b) Sections 9 and 10 of Ordinance No. 1977 and (c) Section 16 of Ordinance No. 2098 are hereby incorporated herein by this reference as though fully set forth herein.

Section 11. Deposit of Series 2012 Bond Proceeds. The net sale proceeds of the Series 2012 Bonds along with funds of the City on hand shall be applied to the payment and satisfaction of all of the principal of and the interest on the Outstanding Bonds prior to and as called for redemption on the Redemption Date. Accrued interest received from the sale of the Series 2012 Bonds, if any, shall be applied to pay interest first falling due on the Series 2012 Bonds. Expenses of issuance of the Series 2012 Bonds may be paid from the proceeds of the Series 2012 Bonds. In order to satisfy the City's obligation on the Outstanding Bonds, if the date of delivery of the Series 2012 Bonds occurs prior to the Redemption Date, such proceeds of the Series 2012 Bonds along with funds of the City on hand shall be set aside and held and invested in a special trust account which is hereby ordered established. The Fremont National Bank and Trust Company, Fremont, Nebraska, is hereby designated to serve as the escrow agent ("**Escrow Agent**"), to have custody and safekeeping of the funds and investments which are to be set aside for the payment of the Outstanding Bonds. For purposes of governing such escrow account and the holding and application of such funds and investments, the City shall enter into a contract entitled "Escrow Agreement" with the Escrow Agent. The Mayor and City Clerk are hereby authorized and directed to execute and deliver on behalf of the City said Escrow Agreement, including necessary counterparts, in substantially the form and content as presented to the meeting at which this resolution is adopted, but with such changes and modifications therein as to them seem necessary, desirable, or appropriate for and on behalf of the City. Said Mayor and City Clerk are further authorized to approve the investments provided for in said Escrow Agreement, and to make any necessary subscriptions for United States Treasury Securities, State and Local Government Series, or to contract for the purchase of securities in the open market. Said proceeds shall be invested in obligations of the United States Government, direct or guaranteed, including United States Treasury Securities, State and Local Government Series. To the extent that such proceeds are held in a bank depository account, such deposits shall be insured by insurance of the Federal Deposit Insurance Corporation or, to the extent not fully insured, fully collateralized in the same manner as is required for deposit of public funds. Any investment from the proceeds of the Bonds herein authorized shall mature not later than the Redemption Date. As provided in said Escrow Agreement, the proceeds of the Series 2012 Bonds herein authorized and investment earnings thereon shall be applied to the payment of the principal of and interest on the Outstanding Bonds as the same become due on and prior to the Redemption Date, and as called for

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redemption on the Redemption Date. The School City agrees that on the date of original issue of the Series 2012 Bonds, or as soon thereafter as practicable, it shall deposit or otherwise have on hand with the Escrow Agent, from tax levy or other available sources, funds sufficient after taking into consideration available proceeds of the Series 2012 Bonds and investment earnings to provide funds for all payments due on the Outstanding Bonds on or before the Redemption Date, and as called for redemption on the Redemption Date.

Section 12. Tax Covenants.

(a) The City covenants that (1) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from federal gross income of the interest on the Series 2012 Bonds, and (2) it will not use or permit the use of any proceeds of Series 2012 Bonds or any other funds of the City, nor take or permit any other action, or fail to take any action, which would adversely affect the exclusion from federal gross income of the interest on the Series 2012 Bonds. The City will also adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with other applicable future law, in order to ensure that the interest on the Series 2012 Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

(b) The City covenants that (1) it will use the proceeds of the Series 2012 Bonds as soon as practicable for the purposes for which the Series 2012 Bonds are issued, and (2) it will not invest or directly or indirectly use or permit the use of any proceeds of the Series 2012 Bonds or any other funds of the City in any manner, or take or omit to take any action, that would cause the Series 2012 Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code.

(c) The City covenants that it will pay or provide for the payment from time to time of all arbitrage rebate to the United States of America pursuant to Section 148(f) of the Code and the Tax Certificate. This covenant shall survive payment in full or defeasance of the Series 2012 Bonds. The Tax Certificate may be amended or replaced if, in the opinion of bond counsel, such amendment or replacement will not adversely affect the exclusion from federal gross income of the interest on the Series 2012 Bonds.

(d) The City covenants that it will not use any portion of the proceeds of the Series 2012 Bonds, including any investment income earned on such proceeds, directly or indirectly, (1) in a manner that would cause any Series 2012 Bond to be a “private activity bond” within the meaning of Section 141(a) of the Code, or (2) to make or finance a loan to any Person.

(e) The City hereby designates the Series 2012 Bonds as “qualified tax exempt obligations” as defined in Section 265(b)(3) of the Code. In addition, the City hereby represents that:

(1) the aggregate face amount of all tax exempt obligations (other than private activity bonds which are not “qualified 501(c)(3) bonds”) which will be issued by the City (and all subordinate entities thereof) during the calendar year in which the Series 2012 Bonds are issued is not reasonably expected to exceed \$10,000,000; and

(2) the City (including all subordinate entities thereof) will not issue an aggregate principal amount of obligations designated by the City to be “qualified tax exempt obligations” during the calendar year in which the Series 2012 Bonds are issued, including the Series 2012 Bonds, in excess of \$10,000,000, without first obtaining an opinion of Bond Counsel that the designation of the Series 2012 Bonds as “qualified tax exempt obligations” will not be adversely affected.

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The Mayor is hereby authorized to take such other action as may be necessary to make effective the designation in this **Section 12(e)**.

(f) The foregoing covenants shall remain in full force and effect notwithstanding the defeasance of the Series 2012 Bonds pursuant to the Ordinance or any other provision of this 2012 Ordinance, until the final Maturity of all Bonds Outstanding.

Section 13. Continuing Disclosure Undertaking. The City hereby (a) authorizes and directs that an Authorized Officer execute and deliver, on the date of issue of the Series 2012 Bonds, a continuing disclosure undertaking in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission in such form as determined necessary and appropriate by such Authorized Officer (the “Continuing Disclosure Undertaking”) and (b) covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking. Notwithstanding any other provision of this resolution, failure of the City to comply with the Continuing Disclosure Undertaking shall not be considered an event of default hereunder; however, any Participating Underwriter (as such term is defined in the Continuing Disclosure Undertaking) or any Beneficial Owner or any Registered Owner of a Series 2012 Bond (as such terms are defined in the Continuing Disclosure Undertaking) may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this section, and under the Continuing Disclosure Undertaking.

Section 14. Bond Purchase Agreement.

(a) The Bond Purchase Agreement (the “**Purchase Agreement**”) to be entered into between the City and the Underwriter with respect to the purchase of the Series 2012 Bonds from the City, in the form or substantially the form presented to the meeting, but with such changes, modifications, amendments, revisions, and alterations therein, thereof, or thereto, and bearing such date, as the Mayor shall in the exercise of his own independent judgment and absolute discretion determine to be necessary, proper, appropriate, advisable, or desirable in order to effectuate the issuance, sale, and delivery of the Series 2012 Bonds, be and the same is hereby in all respects authorized, adopted, specified, accepted, ratified, approved, and confirmed. The Mayor is hereby authorized to execute the Purchase Agreement.

(b) Sale of the Series 2012 Bonds to the Underwriter pursuant to the Purchase Agreement is hereby in all respects authorized, adopted, specified, accepted, ratified, approved, and confirmed.

Section 15. Preliminary Official Statement. The Preliminary Official Statement and the final Official Statement are hereby authorized and approved, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Mayor is hereby authorized to approve the Preliminary Official Statement and the final Official Statement as supplemented, amended and completed, and the use and public distribution of the final Official Statement by the Underwriter in connection with the reoffering of the Series 2012 Bonds is hereby authorized. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

Section 16. Defeasance. The City’s obligations under this 2012 Ordinance shall be fully discharged and satisfied as to the Bonds authorized and issued hereunder, and said Bonds shall no longer be deemed outstanding hereunder when payment of the principal thereof plus interest thereon to the date of maturity or redemption thereof (a) shall have been made or caused to have been made in accordance with the terms thereof and hereof, or (b) shall have been provided for by depositing with the Registrar, or in escrow with a national or state bank having trust powers in trust solely for such payment (i) sufficient

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money to make such payment or (ii) direct general obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States of America, or obligations of any agency of the United States of America (herein referred to as “**Government Obligations**”), in such amount and with such maturities as to principal and interest as will insure the availability of sufficient money to make such payment, and thereupon such Bonds shall cease to draw interest from the date of their redemption or maturity and, except for the purposes of such payments, shall no longer be entitled to the benefits of this 2012 Ordinance; provided that, with respect to any Bonds called or to be called for redemption prior to the stated maturity thereof, notice of redemption shall have been duly given or provided for. If money shall have been deposited in accordance with the terms hereof with the Registrar or escrow agent in trust for that purpose sufficient to pay the principal of such Bonds and all interest due thereon to the due date thereof or to the date fixed for the redemption thereof, all liability of the City for such payment shall forthwith cease, determine and be completely discharged, and all such Bonds shall no longer be considered outstanding.

Section 17. General Authorization. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the City hereby (1) authorizes and directs the City Manager, the City Attorney, the Clerk, the City Treasurer and all other officers and employees of the City to carry out or cause to be carried out, and to perform such obligations of the City and such other actions as they, in consultation with bond counsel, the underwriter and its counsel, and financial advisors to the City in connection with issuance, sale and delivery by the City of the Series 2012 Bonds, shall consider necessary, advisable or desirable in connection with the 2012 Ordinance, the Preliminary Official Statement, the Official Statement (hereinafter mentioned) and issuance, sale and delivery of the Series 2012 Bonds, including without limitation, the execution and delivery thereof and of all other related documents, instruments, certifications, and opinions, and (2) delegates, authorizes and directs the City Manager, the City Attorney, the City Treasurer and the Clerk the right, power and authority to exercise their own independent discretion and judgment in (a) determining and finalizing the terms, provisions, form and contents of each of the documents hereinbefore identified and referred to, and (b) determining and finalizing the terms, provisions, form and contents of a Preliminary Official Statement and final Official Statement of the City for use in connection with issuance, sale and delivery of the Bonds. The execution and delivery by the City Manager, City Attorney, Clerk, City Treasurer or by any such other officer or officers or employee or employees of the City of any such documents, instruments, certifications and opinions, or the doing by them of any act in connection with any of the matters which are the subject of this 2012 Ordinance, shall constitute conclusive evidence of both the City’s and their approval of all changes, modifications, amendments, revisions and alterations made therein at or prior to the execution and delivery thereof and shall conclusively establish their absolute, unconditional and irrevocable authority with respect thereto from the City and the approval and ratification by the City of the documents, instruments, certifications and opinion so executed and the actions so taken.

Section 18. Severability. If any one or more of the provisions of this 2012 Ordinance should be determined by a court of competent jurisdiction to be contrary to law, then such provisions shall be deemed severable from the remaining provisions of this 2012 Ordinance and the invalidity thereof shall in no way affect the validity of the other provisions of this 2012 Ordinance or of the Series 2012 Bonds and the owners of the Series 2012 Bonds shall retain all the rights and benefits accorded to them under this 2012 Ordinance and under any applicable provisions of law.

If any provisions of this 2012 Ordinance shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid in any particular case in any jurisdiction or jurisdictions, or in all cases because it conflicts with any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstances, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

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Section 19. Post-Issuance Compliance Policies and Procedures. In order to promote compliance with certain federal tax and securities laws relating to the bonds herein authorized (as well as other outstanding bonds) the policy and procedures attached hereto as Exhibit “A” (the “Post-Issuance Compliance Policy and Procedures”) are hereby adopted and approved in all respects. To the extent that there is any inconsistency between the attached Post-Issuance Compliance Policy and Procedures and any similar policy or procedures previously adopted and approved, the Post-Issuance Compliance Policy and Procedures shall control.

Section 20. Repeal of Conflicting Ordinances. All ordinances, resolutions or orders, or parts thereof in conflict with the provisions of this 2012 Ordinance are to the extent of such conflict hereby repealed.

Section 21. Publication of Ordinance; Effective Date. This 2012 Ordinance shall take effect and be in force after its enactment and publication in pamphlet form as provided by law.

PASSED AND APPROVED: October 18, 2012

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EXHIBIT "A"

POLICY AND PROCEDURES

Policy and Procedures

**Federal Tax Law and Disclosure Requirements for
Tax-exempt Bonds and/or Build America Bonds**

ISSUER NAME: The City of Alliance, in the State of Nebraska

COMPLIANCE OFFICER (BY TITLE): Mayor

POLICY

It is the policy of the Issuer identified above (the "Issuer") to comply with all Federal tax requirements and securities law continuing disclosure obligations for its obligations issued as tax-exempt bonds or as direct pay build America bonds to ensure, as applicable (a) that interest on its tax-exempt bonds remains exempt from Federal income tax, (b) that the direct payments associated with its bonds issued as "build America bonds" are received by the Issuer in a timely manner and (c) compliance with any continuing disclosure obligations of the Issuer with respect to its outstanding bonds.

PROCEDURES

Compliance Officer. Review of compliance with Federal tax requirements and securities law continuing disclosure obligations as generally outlined below shall be conducted by the Compliance Officer identified above (the "Compliance Officer"). To the extent more than one person has been delegated specific responsibilities, the Compliance Officer shall be responsible for ensuring coordination of all compliance review efforts.

Training. The Compliance Officer shall evaluate and review educational resources regarding post-issuance compliance with Federal tax and securities laws, including periodic review of resources published for issuers of tax-exempt obligations by the Internal Revenue Service (either on its website at <http://www.irs.gov/taxexemptbond>, or elsewhere) and the Municipal Securities Rulemaking Board (either on its Electronic Municipal Market Access website ["EMMA"] at <http://www.emma.msrb.org>, or elsewhere).

Compliance Review. A compliance review shall be conducted at least annually by or at the direction of the Compliance Officer. The review shall occur at the time the Issuer's annual audit takes place, unless the Compliance Officer otherwise specifically determines a different time period or frequency of review would be more appropriate.

Scope of Review.

Document Review. At the compliance review, the following documents (the "Bond Documents") shall be reviewed for general compliance with covenants and agreements and applicable regulations with respect to each outstanding bond issue:

- (a) the resolution(s) and/or ordinance(s), as applicable, adopted by the governing body of the Issuer authorizing the issuance of its outstanding bonds, together with any documents setting the final rates and terms of such bonds (the "Authorizing Proceedings"),

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- (b) the tax documentation associated with each bond issue, which may include some or all of the following (the “Tax Documents”):
 - (i) covenants, certifications and expectations regarding Federal tax requirements which are described in the Authorizing Proceedings;
 - (ii) Form 8038 series filed with the Internal Revenue Service;
 - (iii) tax certificates, tax compliance agreements, tax regulatory agreement or similar documents;
 - (iv) covenants, agreements, instructions or memoranda with respect to rebate or private use;
 - (v) any reports from rebate analysts received as a result of prior compliance review or evaluation efforts; and
 - (vi) any and all other agreements, certificates and documents contained in the transcript associated with the Authorizing Proceedings relating to federal tax matters.
- (c) the Issuer’s continuing disclosure obligations, if any, contained in the Authorizing Proceedings or in a separate agreement (the “Continuing Disclosure Obligations”), and
- (d) any communications or other materials received by the Issuer or its counsel, from bond counsel, the underwriter or placement agent or its counsel, the IRS, or any other material correspondence relating to the tax-exempt status of the Issuer’s bonds or relating to the Issuer’s Continuing Disclosure Obligations.

Use and Timely Expenditure of Bond Proceeds. Expenditure of bond proceeds shall be reviewed by the Compliance Officer to ensure (a) such proceeds are spent for the purpose stated in the Authorizing Proceedings and as described in the Tax Documents and (b) that the proceeds, together with investment earnings on such proceeds, are spent within the timeframes described in the Tax Documents, and (c) that any mandatory redemptions from excess bond proceeds are timely made if required under the Authorizing Proceedings and Tax Documents.

Arbitrage Yield Restrictions and Rebate Matters. The Tax Documents shall be reviewed by the Compliance Officer to ensure compliance with any applicable yield restriction requirements under Section 148(a) of the Internal Revenue Code (the “Code”) and timely calculation and payment of any rebate and the filing of any associated returns pursuant to Section 148(f) of the Code. A qualified rebate analyst shall be engaged as appropriate or as may be required under the Tax Documents.

Use of Bond Financed Property. Expectations and covenants contained in the Bond Documents regarding private use shall be reviewed by the Compliance Officer to ensure compliance. Bond-financed properties shall be clearly identified (by mapping or other reasonable means). Prior to execution, the Compliance Officer (and bond counsel, if deemed appropriate by the Compliance Officer) shall review (a) all proposed leases, contracts related to operation or management of bond-financed property, sponsored research agreements, take-or-pay contracts or other agreements or arrangements or proposed uses which have the potential to give any entity any special legal entitlement to the bond-financed property, (b) all proposed agreements which would result in disposal of any bond-financed property, and (c) all proposed uses of bond-financed property which were not anticipated at the time the bonds were issued. Such actions could be prohibited by the Authorizing Proceedings, the Tax Documents or Federal tax law.

Continuing Disclosure. Compliance with the Continuing Disclosure Obligations with respect to each bond issue shall be evaluated (a) to ensure timely compliance with any annual disclosure requirement, and (b) to ensure that any material events have been properly disclosed as required by the Continuing Disclosure Obligation.

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Record Keeping. If not otherwise specified in the Bond Documents, all records related to each bond issue shall be kept for the life of the indebtedness associated with such bond issue (including all tax-exempt refundings) plus six (6) years.

Incorporation of Tax Documents. The requirements, agreements and procedures set forth in the Tax Documents, now or hereafter in existence, are hereby incorporated into these procedures by this reference and are adopted as procedures of the Issuer with respect to the series of bonds to which such Tax Documents relate.

Consultation Regarding Questions or Concerns. Any questions or concerns which arise as a result of any review by the Compliance Officer shall be raised by the Compliance Officer with the Issuer's counsel or with bond counsel to determine whether non-compliance exists and what measures should be taken with respect to any non-compliance.

VCAP and Remedial Actions. The Issuer is aware of (a) the Voluntary Closing Agreement Program (known as "VCAP") operated by the Internal Revenue Service which allows issuers under certain circumstances to voluntarily enter into a closing agreement in the event of certain non-compliance with Federal tax requirements and (b) the remedial actions available to issuers of certain bonds under Section 1.141-12 of the Income Tax Regulations for private use of bond financed property which was not expected at the time the bonds were issued.

A motion was made by Councilman Lewis to waive the requirement for three readings on three separate dates for Ordinance No. 2717. The motion was seconded by Councilman Benzel.

Roll call vote to waive the three readings of Ordinance No. 2717 with the following results:

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

Voting Nay: None.

Motion carried.

Roll call vote on the final Ordinance No 2717 with the following results:

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

- Resolution Nos. 12-85 and 12-86, which acknowledge the City of Alliance concurs with the State's recommendation to award the bid to Werner Construction, LLC of Hastings, NE in

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the amount of \$272,608.48 for the Emerson Avenue project and in the amount of \$333,476.45 for the Potash Avenue project, were the next items for Council's consideration. City Manager Cox provided the following background information:

[We are in receipt of the documents and bid tabulations from the Nebraska Department of Roads regarding the two aforementioned federal aid street mill and overlay projects. Highlighted below in green are the amounts of \$333,476.45 and \$272,608.48 received from the low bidder, Werner Construction, Inc., of Hastings, NE for the Potash and Emerson Street projects respectively. Although construction represents about 80% of the total costs, estimates have also been placed in the chart below for project/budget planning.

The good news is that our current trajectory would place us slightly below the budget amount shown in yellow as \$6,909.79 and \$1,014.60 for each project.

A summary of the over cost projections is shown in the chart below.]

Potash	Phase	Total	State (80%)	City (20%)	City Budget	Over/(Under)
		\$	\$	\$		
	Construction	333,476.45	266,781.16	66,695.29		
	Design	41,957.42	33,565.94	8,391.48		
	Construction Engineering (12% Construction)	\$	\$	\$		
		40,017.17	32,013.74	8,003.43		
	Total	\$	\$	\$	\$	\$
		415,451.04	332,360.84	83,090.21	90,000.00	(6,909.79)

Emerson	Phase	Total	State (80%)	City (20%)	City Budget	Over/(Under)
		\$	\$	\$		
	Construction	272,608.48	218,086.78	54,521.70		
	Design	39,605.49	31,684.39	7,921.10		
	Construction Engineering (12% Construction)	\$	\$	\$		
		32,713.02	26,170.41	6,542.60		
	Total	\$	\$	\$	\$	\$
		344,926.99	275,941.59	68,985.40	70,000.00	(1,014.60)

A motion was made by Councilman Benzel, seconded by Councilman Seiler to approve Resolution No. 12-85 which follows in its entirety:

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RESOLUTION NO. 12-85

WHEREAS, there has been signed by the City of Alliance on the 7th day of April, 2011 and the State on the 19th day of April, 2011, an agreement providing for the construction of a Federal Aid Project at the following location:

Emerson Avenue between 18th Street and 25th Street in Alliance, Nebraska ; and

WHEREAS, in the above agreement, the City has pledged sufficient funds to finance its share of the cost of the construction of this project identified as URB-6255(3); and

WHEREAS, the above mentioned agreement provided that the City would pay costs as set forth in the agreement; and

WHEREAS, the State and the City received bids for the construction of this project on October 4, 2012, at which time two bids were received for the construction of the proposed work, and

WHEREAS, the following contractor(s) for the items of work listed has/have been selected as the low bidder(s) to whom the contract(s) should be awarded:

Werner Construction, Inc., Hastings, Nebraska.

Bituminous: \$272,608.48

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of Alliance, Nebraska, by this resolution, takes the following official action

1. If for any reason the Federal Highway Administration rescinds, limits its obligations, or defers payment of the Federal share of the cost of this project, the City hereby agrees to provide the necessary funds to pay for all costs incurred until an in the even such Federal funds are allowed and paid.
2. The Council hereby concurs in the selection of the above mentioned contractor(s) for the items of work listed, to whom the contract(s) should be awarded.
3. The Council hereby authorized the Mayor to sign the contract(s) with the above mentioned Contractor(s) for the above mentioned work on behalf of the City.

Roll call vote for Resolution No. 12-85 with the following results:

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

Voting Nay: None.

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Motion carried.

A motion was made by Councilman Benzel, seconded by Councilman Seiler to approve Resolution No. 12-86 which follows in its entirety:

RESOLUTION NO. 12-86

WHEREAS, there has been signed by the City of Alliance on the 7th day of April, 2011 and the State on the 19th day of April, 2011, an agreement providing for the construction of a Federal Aid Project at the following location:

Emerson Avenue between 18th Street and 25th Street in Alliance, Nebraska ; and

WHEREAS, in the above agreement, the City has pledged sufficient funds to finance its share of the cost of the construction of this project identified as URB-6263(3); and

WHEREAS, the above mentioned agreement provided that the City would pay costs as set forth in the agreement; and

WHEREAS, the State and the City received bids for the construction of this project on October 4, 2012, at which time two bids were received for the construction of the proposed work, and

WHEREAS, the following contractor(s) for the items of work listed has/have been selected as the low bidder(s) to whom the contract(s) should be awarded:

Werner Construction, Inc., Hastings, Nebraska.

Bituminous: \$333,476.45

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of Alliance, Nebraska, by this resolution, takes the following official action

1. If for any reason the Federal Highway Administration rescinds, limits its obligations, or defers payment of the Federal share of the cost of this project, the City hereby agrees to provide the necessary funds to pay for all costs incurred until an in the even such Federal funds are allowed and paid.
2. The Council hereby concurs in the selection of the above mentioned contractor(s) for the items of work listed, to whom the contract(s) should be awarded.
3. The Council hereby authorized the Mayor to sign the contract(s) with the above mentioned Contractor(s) for the above mentioned work on behalf of the City.

Roll call vote for Resolution No. 12-86 with the following results:

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

Voting Nay: None.

Motion carried.

- The next matter before Council was Resolution No. 12-87 which will authorize the purchase of the final five Self Contained Breathing Apparatus units for the Alliance Fire Department. City Manager Cox provided the following background information:

[On April 7, 2011, Council approved Resolution 11-50, which set into motion a three-year project to purchase a total of 15 Self Contained Breathing Apparatus units (SCBA). The first set of 5 were purchased on 4/7/11 with the second set of five being purchased in the next fiscal year on 10/17/11. Finally, proposed with this resolution is the purchase of the final five SCBA's

Just as in the past year, this year's cost for the five will be \$26,099.90, well under the budgeted amount of \$27,500 for the purchase of the remaining five from Fireguard, LLC, of Omaha, NE.

The general ledger fund to be used is: 01-37-37-59-950.

Additionally, the Alliance Rural (Volunteer) Fire District will be making a similar purchase to go along with ours.]

A motion was made by Councilman Lewis, seconded by Councilman Yeager to approve Resolution No. 12-87 which follows in its entirety:

RESOLUTION NO. 12-87

WHEREAS, The City of Alliance Fire Department has on their capital improvements the purchase of self contained breathing apparatus (SCBA) units; and

WHEREAS, The Alliance Fire Department will be purchasing the final 5 Self Contained Breathing Apparatus units which has been over a three year period of time, for a total of 15; and

WHEREAS, The lowest, reasonable, responsive bidder was FireGuard of Omaha, Nebraska for new MSA Fire Hawk M7 4500 SCBA's with clear command voice amplifier; and

WHEREAS, The bid from FireGuard of Omaha, Nebraska met the bid specifications and permits the Fire Department to issue individual masks to every fire fighter on the Fire Department; and

WHEREAS, The Alliance Fire Department has the funds in its budget and Council believes that it is in the best interest of the City to approve the purchase of five new MSA Fire Hawk M7 4500 SCBA's with clear command voice amplifier.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of Alliance, Nebraska, that the Mayor be and hereby is authorized to enter into a contract for the purchase of five new MSA Fire Hawk M7 4500 SCBA's with clear command voice amplifier from

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FireGuard of Omaha, Nebraska, said contract being in an amount not to exceed Twenty-six Thousand Ninety-nine and 90/100ths Dollars (\$26,099.90). The purchase is authorized to be paid from Account No. 01-37-37-59-950.

Roll call vote for Resolution No. 12-87 with the following results:

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

Voting Nay: None.

Motion carried.

- Authorization for staff to accept additional computer equipment from the Broadband Technologies Opportunities Program for the Library was the next matter before Council. City Manager Cox provided the following background information:

[The City seems to be benefitting from a very good relationship with the folks at the State Library Commission. Typically, an organization or City must seek out opportunities and apply for funding. However, here we have a case whereby the State Library Commission is actually proactively finding grant opportunities for our community and has once again offered more funding through the Broadband Technology Opportunities Program (BTOP).

In your packet is a letter dated 10/15/12 from Head Librarian Stephanie O'Connor discussing the details of this newly offered award. The amount offered in 2012 is estimated at \$12,982.54, almost twice the value of the original award.

The 2012 Offer Includes:

- Ten Hewlett Packard Laptops, including mice, headphones, cables, and software
- One Projector with Screen and Replacement Bulb
- One 20-Unit Charging Cart
- One Complete Desktop Computer with 3 year warranty

In addition, it was determined that the last grant valued at \$6,977.20 was received, but not formally accepted.

The 2011 Offer Included:

- Four complete desktop computers
- One laptop Computer
- One printer
- One network switch

The proposed resolution will formally accept both the 2011 and the 2012 award offers.]

A motion was made by Councilman Yeager, seconded by Councilman Benzel to approve Resolution No. 12-88 which follows in its entirety:

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RESOLUTION NO. 12-88

WHEREAS, The City of Alliance is participating in the Broadband Technology Opportunities Program with 147 other Nebraska libraries; and

WHEREAS, The Broadband Technology Opportunities Program is funded by the U.S. Commerce Department through the American Recovery and Reinvestment Act, with additional matching funds provided through the Bill and Melinda Gates Foundation; and

WHEREAS, The City was previously was awarded \$6,977.20 in funding which purchased four complete desktop computers, one laptop, one printer, and one network switch. The funding also covered electrical upgrades to support the equipment and all installation fees; and

WHEREAS, The City now has the opportunity to accept additional funding in the amount of \$12,982.54 which will provide ten laptops with accessories, one projector with accessories, one 20 unit charging cart, and one complete desktop computer, as well as the associated installation fees.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Alliance, Nebraska, that the City accept the grant opportunities from the Broadband Technology Opportunities Program in the total amount of \$19,959.74.

Library Director Stephanie O'Connor appeared before Council and answered questions of Council regarding the equipment requested as part of the grant.

Roll call vote for Resolution No. 12-88 with the following results:

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

Voting Nay: None.

Motion carried.

- The last item before Council was the performance evaluation of City Clerk Jines. Councilman Lewis moved pursuant to Section 84-1410 Reissue Revised Statutes of Nebraska 1943, that the Alliance City Council hold a closed session for the purpose of the job performance evaluation of City Clerk Jines; and that the Council finds the closed session is necessary to prevent needless injury to the reputation of City Clerk Jines, and she has not requested a public hearing. The motion was seconded by Councilman Benzel.

Roll call vote with the following results:

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

Voting Nay: None.

Motion carried.

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Along with Council members, City Manager Cox and City Clerk Jines were invited to stay for the closed session which began at 7:49 p.m. City Manager Cox left the closed session at 7:58 p.m. The closed session ended at 8:41 p.m.

A motion was made by Councilman Lewis which was seconded by Councilman Benzel to authorize a \$1,250 bonus to City Clerk Jines following her positive performance evaluation.

Roll call with the following results:

Voting Aye: Seiler, Benzel, Lewis, 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 8:45 p.m.”

(SEAL)

Fred Feldges, Mayor

Linda S. Jines, City Clerk