

Kimball City Council  
Regular Meeting  
June 17, 2014

A regular meeting of the Mayor and City Council was convened in open and public session at 7:00 p.m. on June 17, 2014 in the City Council Chambers. Mayor Schnell and Council members Warner, Shields, Christensen and Morrison were present. Also present were City Attorney Hadenfeldt, City Administrator Ortiz, Economic Development Director Bowling, Police Chief Huff, Library Director Sears, City Clerk Russell and City Treasurer Strauch. The public was represented.

Notice of the meeting was given in advance by publication in the Western Nebraska Observer. Notice of the meeting was given to the members and a copy of their acknowledgement of receipt of notice and the agenda is on record at the office of the City Clerk. Availability of the agenda was communicated in advance notice and in the notice to the members. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public except as otherwise indicated.

Schnell called the meeting to order at 7:03 p.m. and acknowledged the posted Open Meetings Act poster.

Schnell opened the public hearing for the Redevelopment Plan, Kimball AGENCY Area #1, 2014 at 7:04 p.m.

Ortiz provided information on the redevelopment plan for the public in attendance. The City is extending sewer out to County Road 45 in the Castronics area and trying to figure out a funding mechanism to meet all the needs. Castronics had requested to design the system to include two sewer line laterals on the north and south sides. This will provide them an opportunity to connect their buildings to sewer service.

Funding for the project can be done through Tax Increment Financing (TIF) and an Economic Development fund loan. Through TIF, Castronics would see an increase in their property taxes and then the City can capture that increase and apply it to the project. Other infrastructures are already in place. Christensen inquired if the City will have the opportunity to forgive some of the funds and Ortiz said it would be on the loan side to be forgiven. The total cost will be approximately \$500,000 including the engineering cost for design and construction.

The redevelopment plan is needed to be able to put all the documentation together to capture the TIF. Ortiz will present the redevelopment agreement at the second meeting in July. The agreement will spell out what will be used to pay the loan back. The loan would be roughly \$30,000 and the loan would have performance measures attached to it to allow the loan to be forgivable. The redevelopment plan and the agreement have to be filed by the middle of July.

Morrison inquired if any future development would be included in the TIF and Ortiz indicated it wouldn't automatically be rolled into it. He said he will have to discuss this with Mike Bacon, the TIF attorney. Morrison commented on another building being completed soon.

Christensen inquired if there was any land that would capitalize on the line that runs to Castronics and Ortiz said there is land to the east. Warner inquired if sewer can be provided to Castronics without a lift station and Ortiz said no. Also, development past County Road 47 will require another lift station.

Discussion was held on the capacity of the lift station and Schnell indicated the capacity that is being contracted for and the next step down is a minimal amount of money.

Ortiz said the City may need to build a lift station at the golf course; however, that will be addressed when that area is ready to be redeveloped.

There being no further discussion, Schnell declared the public hearing closed at 7:22 p.m.

Shields moved and Christensen seconded to approve Resolution 2014-04 to approve the Redevelopment Plan Amendment Kimball AGENCY Area #1, 2014.

#### **RESOLUTION NO. 2014-04**

#### **A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF KIMBALL, NEBRASKA APPROVING A REDEVELOPMENT PLAN; AND RELATED MATTERS**

**WHEREAS**, the City of Kimball, Nebraska, a municipal corporation and city of the second class (the "**City**"), has determined it to be desirable to undertake and carry out urban redevelopment projects in certain areas of the City that are determined to be blighted and substandard and in need of redevelopment; and

**WHEREAS**, the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the "**Act**"), prescribes the requirements and procedures for the planning and implementation of redevelopment projects; and

**WHEREAS**, the City has previously declared the area legally described on Exhibit A attached hereto (the "**Redevelopment Project Area**") to be blighted and substandard and in need of redevelopment pursuant to the Act; and

**WHEREAS**, the Community Development Agency of the City of Kimball, Nebraska (the "**Agency**") has prepared or caused to be prepared a Redevelopment Plan, (the "**Redevelopment Plan**"), in the form attached hereto as Exhibit B, for the redevelopment of the Redevelopment Project Area; and

**WHEREAS**, the Agency and the Planning Commission of the City (the “**Planning Commission**”) have both reviewed the Redevelopment Plan and recommended its approval by the Mayor and Council of the City; and

**WHEREAS**, the City published and mailed notices of a public hearing regarding the consideration of the approval of the Redevelopment Plan pursuant to Section 18-2115 of the Act, and has on the date of this Resolution held a public hearing on the proposal to approve the Redevelopment Plan; and

**WHEREAS**, the City has reviewed the Redevelopment Plan and determined that the proposed land uses and building requirements described therein are designed with the general purpose of accomplishing a coordinated, adjusted, and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity and the general welfare, as well as efficiency in economy in the process of development; including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provisions for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary or unsafe dwelling accommodations, or conditions of blight.

**NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF KIMBALL, NEBRASKA:**

**Section 1.** The Redevelopment Plan is hereby determined to be feasible and in conformity with the general plan for the development of the City as a whole, and the Redevelopment Plan is in conformity with the legislative declarations and determinations set forth in the Act; and it is hereby found and determined, based on the analysis conducted by the Agency, that (a) the redevelopment project described in the Redevelopment Plan would not be economically feasible without the Project Area without the use of tax-increment financing, and (c) the costs and benefits of the redevelopment project, including costs and benefits to other affected political subdivisions, the economy of the City, and the demand for public and private services have been analyzed by the City and have been found to be in the long-term best interest of the community impacted by the redevelopment project.

**Section 2.** The Redevelopment Plan is hereby approved in substantially the form attached hereto, with such immaterial changes, additions, or deletions thereto as may be determined to be necessary by the Mayor in his sole and absolute discretion.

**Section 3.** In accordance with Section 18-2147 of the Act, the City hereby provides that any ad valorem tax on real property in that portion of the Project Area, as specifically described in the Redevelopment Plan, for the benefit of any public body be

divided as follows for a period of 15 years after the effective date of this provision as provided in Section 18-2147 of the Act, which effective date shall be set forth in the bond resolution adopted by the Agency. Said tax shall be divided as follows:

(a) That proportion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the Redevelopment Project Valuation (as defined in the Act) shall be paid into the funds of each such public body in the same proportion as all other taxes collected by or for the bodies; and

(b) That proportion of the ad valorem tax on real property in the Project Area in excess of such amount (the Redevelopment Project Valuation), if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Agency to pay the principal of, the interest on, and any premiums due in connection with the bonds, loans, notes or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Agency for financing or refinancing, in whole or in part, the Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premium due have been paid, the Agency shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in the Project Area shall be paid into the funds of the respective public bodies.

**Section 4.** The Mayor and Clerk are hereby authorized and directed to execute such documents and take such further actions as are necessary to carry out the purposes and intent of this Resolution and the Redevelopment Plan.

**PASSED AND APPROVED** June 17, 2014.

**CITY OF KIMBALL, NEBRASKA**

ATTEST:

By: /s/James W. Schnell, Mayor

By: /s/Rosemarie D Russell, City Clerk

On roll call vote, the following votes were recorded on the electronic voting board. Aye: Warner, Shields, Christensen, and Morrison. Nay: None. Absent: None. Motion carried.

Schnell opened discussion on the keno grant application from Kimball-Banner 4-H Council. Cynthia Gill, Extension Educator, said they have a very vibrant and active robotics group in Kimball. They are investing in the new technology for kids to use. There will be a camp held at the high school and 10 kids have already signed up and they hope to have at least 30 attend. Gill said the robots are being shared with Cheyenne County to cut down on costs. Christensen inquired if they will be able to go

to Sidney City Council for funds and Gill said they are exploring grant opportunities in Sidney. There are eight kits total, four in Kimball and four in Sidney. During the school year, they are also available for teachers to use in their classes.

Gill said the \$1,500 requested is just for the eight kits. They normally cost about \$500 a piece but it was cheaper to buy them in a group of eight.

There being no further discussion, Christensen moved and Shields seconded to lead the way and approve the keno grant application from the Kimball-Banner 4-H Council in the amount of \$1,500 and hopefully Cheyenne County and the City of Sidney will follow. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Warner, Shields, Christensen, and Morrison. Nay: None. Absent: None. Motion carried.

Schnell opened discussion on waiving the fee at the Kimball Municipal Pool for a fundraiser. At the Library Board monthly meeting they were discussing fundraising projects to help raise funds for the new carpet. Ortiz indicated that since the Library is an entity of the City, the City should not have to pay to use another City facility and he commented on requests from other entities. Ortiz said this will provide guidance on how to move forward and establish a policy.

Jamie Carpenter, Friends of the Library member, said they plan to have the fundraiser at the pool on Thursday, August 7<sup>th</sup>. They will bring food and drinks to sell and will ask for free-will donations. They hope to raise between \$500 and \$1,000 that evening as a joint project. She has spoken with the Pool Manager and August 7<sup>th</sup> is currently available for the fundraiser.

Christensen suggested providing the City Administrator with the authority to approve requests from government entities and Warner commented on including non-profits. Hadenfeldt suggested limiting to local and state government entities and also establish a policy.

There being no further discussion, Warner moved and Morrison seconded to waive the fee at the Kimball Municipal Pool for a fundraiser. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Warner, Shields, Christensen, and Morrison. Nay: None. Absent: None. Motion carried.

Schnell opened discussion on the grant award for the Senior Handyman Project. Wendy Baker, Kimball Project Director, indicated this project serves individuals age 60 and over. They provide snow removal in the winter, lawn mowing in the summer and light housekeeping throughout the year. Baker requested the continuation of the City of Kimball in the Senior Handyman Project. This year the grant award is \$9,991 for the provision of the Senior Handyman Project.

Baker said the project has 23 clients and the project does ask for a contribution based on a sliding scale. There is one provider that helps with the lawn care and three that

help with housekeeping. The providers have to pass a background check.

Christensen inquired if at some point the City would be liable for the work done by the providers and Hadenfeldt said the chance of the City being held liable is probably very remote. The City would have to be negligent somehow. Baker indicated that was a concern she had when she accepted the position and she was told she would have no liability.

There being no further discussion, Warner moved and Shields seconded to approve and accept the grant award for the Senior Handyman Project. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Warner, Shields, Christensen, and Morrison. Nay: None. Absent: None. Motion carried.

Schnell opened discussion on the letter of agreement between Hanna:Keelan Associates and the City of Kimball for the Nebraska Investment Finance Authority Housing Study Grant application, Community Housing Study and Comprehensive Plan. Ortiz indicated the City of Kimball's Comprehensive Plan is 12 years old and quite out of date. Bowling was originally looking into a CDBG grant through the State to fund a new comprehensive plan. In order to meet the grant criteria, the Nebraska Investment Finance Authority (NIFA) has a 50% grant that covers a housing study, which is a major portion of a comprehensive plan.

The choice for the study and plan was narrowed down to Hanna:Keelan Associates out of Lincoln. There was a \$20,000 cost difference between Hanna:Keelan Associates and the next company. They have a very good track record of getting the grants. The comprehensive plan adopted in early 2000 did not include Castronics. If the City is looking to grow and expand their city limits, the comprehensive plan will come into play and will help to entice developers and manufacturers into Kimball.

Ortiz said the deadline for the NIFA grant is July 11<sup>th</sup> and the agreement is contingent upon the City receiving the NIFA grant. Bowling said the City is asking for 51% rather than 49% to insure the City receives this grant because it is based on a point system.

Bowling commented on the two interns from UNL who are working with Economic Development and Kimball Recruitment Coalition. One of their projects was to help him with this grant.

Warner inquired if the comprehensive plan will prevent someone from putting a house on their property and Ortiz said the comprehensive plan helps guide the focus of zoning districts. It does have a great deal of influence.

There being no further discussion, Morrison moved and Christensen seconded to accept the letter of agreement between Hanna:Keelan Associates, P.C. and the City of Kimball for the Nebraska Investment Authority Housing Study Grant application, Community Housing Study, and Comprehensive Plan. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Warner, Shields,

Christensen, and Morrison. Nay: None. Absent: None. Motion carried.

Schnell opened discussion on the amendment to the Economic Development Plan. Ortiz explained that the council had discussed the rail spur project a few months ago and the amendment that put in place the .4% property tax assessment to fund the rail spur. He said the City is at the point where they need to discuss strategy to make sure to get the information out to the citizens. Ortiz said there doesn't seem to be any consensus with any one goal in mind.

The Economic Development Committee recommended to keep the .4% in place and use it for community development purposes. The downside is that is not something tangible that people can see any benefit from.

Ortiz said he would like direction so staff can begin the process. Warner has received comments from citizens that if the City is not going to put in the rail spur, they would like to get the additional taxes stopped.

Discussion was held on the options and Warner said one of the choices should be to discontinue collecting the .4% property tax. Morrison disagreed and said if the .4% is continued it would provide some money to look to the future. If this is continued, the City can give people needed infrastructure. After some discussion, Christy Warner inquired if there was potential to make a compromise in the language and in collecting it for as long.

Christensen commented on the people voting on what the City put in place and Warner said the City didn't carry out what they voted for. She added that people have a tendency to promote the City better if they are happy with the City.

Ortiz explained several reasons why it would be helpful to have a pot of money in community development to extend infrastructure and bring businesses to town. Shields said that most people are going to remember that the rail spur didn't get pushed through and the City needs to make sure to get information out to its citizens. Ortiz said one of the things that the City will have to contend with is if development is encouraged at the golf course, the City will have to have an area to replace it with. He commented on Janicek Dam as a recreation area.

Further discussion was held and Morrison commented that the City made a mistake and he hopes the voters will make the right decision. Discussion was held on providing choices. Schnell strongly urged council members to have something in place by the second meeting in July. Ortiz again asked for direction and Warner suggested: (1) do away with the tax; or (2) keep collecting the tax and use it for community development purposes.

At the last City Council meeting, Warner had requested information on the yearly cost of the Event Center. Ortiz presented a transaction listing which shows the amount of funding that the Event Center has to work with. The Event Center has received over

\$30,000 in sales tax receipts this year. Ortiz said adjusting revenues and reducing fees would create a bigger shortfall. It is a very tight budget. Warner inquired how many days of the year the Event Center is used and Ortiz said he doesn't have that information. On average, perhaps three to five days a week. He will have Dorothy Griffiths put information together on this for the budget session.

The City Council reviewed the following items under the consent agenda:

1. Minutes from the June 3, 2014 regular meeting;
2. Claims;
3. Financial Statements; and
4. Ratify the Kimball Volunteer Fire Department members.

Christensen moved and Morrison seconded to approve the consent agenda items as presented. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Warner, Shields, Christensen, and Morrison. Nay: None. Absent: None. Motion carried.

Ortiz will be meeting with the electric substation engineer to begin going over the substation project to establish a time line and anticipated start date. The engineer is also compiling bid documents for the project.

The road project to the oil derrick has started and it is anticipated to be complete before the end of the summer.

The budget process has started and Ortiz said the Board of Public Works and the City Council will begin receiving information on the Capital Improvement Program. This will provide a better idea of what the big projects are. The BPW and the City Council will need to come up with ideas of how to fund some of those projects.

Ortiz will present some information on the theater in July.

The next regular City Council meeting is July 1, 2014 at 7:00 p.m.

There being no further business to come before the Council, Shields moved and Christensen seconded to adjourn at 8:28 p.m. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Warner, Shields, Christensen, and Morrison. Nay: None. Absent: None. Motion carried.

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James Schnell, Mayor

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Rosemarie D. Russell, City Clerk

City of Kimball-City Council Claims-June 17, 2014-M.C. Schaff & Associates, Inc-Services-970.00; The United States Life Insurance Company-Premium-426.29; Arrowhead Distributing Inc.-Supplies-159.20; Action Communications-Repairs-709.96; American Legal Publishing Corporation-Supplies-1,475.00; Arapahoe Pumping

Systems-Pump-5,165.55; Arnold Pool Company-Paint-975.86; B & B Water Well Service-Trenching-1,200.00; Baker & Taylor Books-Book Purchase-898.16; Sheryl Biesecker-Contract Cleaning-330.00; Big Sky Energy Equipment, Inc.-Supplies-26.70; Bluffs Sanitary Supply, Inc.-Supplies-114.82; Assunta Calise-Expenses-97.35; Carol's Nut List, Inc.- Shipping-14.69; Center Point Large Print-Book Purchase-127.02; CenturyLink-Telephone-561.96; CenturyLink-Repair Telephone-287.50; Charter Communications-Internet Service-223.00; Chief Law Enforcement Supply-Supplies-94.95; Connecting Point-Copy Usage-260.98; Contractors Materials, Inc.-Supplies-589.00; Demco-Supplies-250.00; Digital Ally-Wireless Mic, Lapel Microphone-30.00; Richard Elliott-Lock Repair-37.45; Enterprise Rac of Mt/Wy-Car Rental-463.40; Enviro Service Inc.-Lab Analysis-15.00; Frenchman Valley Coop-Chemicals-264.25; Gale/Cengage Learning-Book Purchase-54.96; Galls/Quartermaster-Badge Holder-38.96; High West Energy-Utilities-5,220.94; Hometown Hardware-Supplies-729.64; Ideal Linen Supply, Inc.-Supplies-45.00; International City/Co. Management Assn.-Renewal-645.81; Intralinks, Inc.-Computer Support-375.00; Jerry Anderson Construction-Curb & Gutter Repair-6th & Burg-1,184.64; Kimball Auto Parts-Parts-28.71; Kimball Handyman Project-Handyman Project-562.95; Kimball Health Services Hospital- Laboratory-20.20; Kimball Midwest-Parts-206.19; Kimball Plumbing-Repairs-817.80; Kimball Service Center-Tires- 2,141.50; Kriz-Davis Company-Fuses-26.68; L.L. Johnson Distributing Co.-Parts-1,470.94; Dawn Maier-CPR Renewal- 150.00; MicroMarketing, LLC-CD-337.96; Miller Office Supply-Office Supplies-15.99; Napa Auto Parts-Parts-593.75; Nebraska Law Enforcement Training Center-Reciprocity Processing Fee-100.00; Nebraska Public Health Enviro Lab- Water Sample-16.00; Northwest Pipe Fitting, Inc. of S.B.-Parts-453.51; Panhandle Coop-Bulk Fuel-2,673.66; Panhandle Coop Association-Supplies-414.09; Pen-Tech Professional LLC-Book Purchase-25.50; Pepsi-Cola of Western Nebraska-Pepsi Products-172.20; Presto-X-Monthly Contract-80.54; Quill Corporation-Supplies-109.98; R & R Products, Inc-Parts- 398.13; Respond First Aid Systems-Supplies-47.72; Robert Abramson, CPA -Reconciliation-2,553.75; Safetyline Consultants, Inc.-Safety Training-750.00; Dallas Schaffer-Workbook-196.08; Shopko Stores Operating Co.-Supplies- 139.59; Simmons Olsen Law Firm, P.C.-Professional Services-3,075.50; Bruce Smith-Refund-24.00; SourceGas, LLC- Gas Service-1,543.98; Staples-Supplies-100.95; Stotz Equipment-Parts-184.82; United Rotary Brush Corporation-Supplies-1,415.69; Vince's Corner-Concessions-504.06; Visa-Firstier Bank-Charges-568.33; Voyager Fleet Systems- Fuel-90.43; WPCI-Screening-60.00; Western Ne. Community College-Class-110.00; Western Trail Sports Post-Uniforms- -175.39; Chad Wise-Credit Cards-1,935.37; Taylor Wismer-Reimbursement-80.00; Xerox Corporation-Copier Maintenance-171.55; Robert Abramson, CPA-Reconciliation-382.50.

Economic Development-General Claims-June 17, 2014-The United State Life Insurance Company-Premium-35.40; CenturyLink-Telephone-65.35; Charter Communications-Internet-39.75; Robert Abramson, CPA-Reconciliation-618.75; Simmons Olsen Law Firm, P.C.-Professional Services-427.50; Visa-Firstier Bank-Charges-201.58.