

Kimball City Council
Regular Meeting
September 16, 2014

A regular meeting of the Mayor and City Council was convened in open and public session at 7:00 p.m. on September 16, 2014 in the City Council Chambers. Mayor Schnell and Council members Warner, Shields, Morrison and Christensen were present. Also present were City Attorney Hadenfeldt, Police Chief Huff, Economic Development Director Bowling, City Treasurer Strauch and City Clerk Russell. 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 7:00 p.m. and the Pledge of Allegiance was recited.

Schnell acknowledged the posted Open Meetings Act poster.

Terry Galloway, from Almquist, Maltzahn, Galloway & Luth, CPA, presented the fiscal year 2012-2013 audit report. There were quite a bit of changes from last year. He explained governmental activities and said they are on a modified cash basis. Business-type activities are on a full accrual basis.

The audit opinion is a clean opinion, everything is true and accurate in the financial statements.

Galloway explained the City of Kimball's major capital asset events (greater than \$10,000) during the fiscal year 2012-2013. The following was reviewed: (1) budgetary stabilization, which represents the budget figure for 2013-2014 at the time it was adopted; (2) the statement of revenues, expenditures, and changes. Galloway reviewed the deficiencies and suggested using the bond fund monies; (3) statement of net position – proprietary funds. Galloway explained the unrestricted funds are for future needs and the negative unrestricted funds in the Water and Landfill Funds needs to be fixed. The way to do that is to generate more cash for those funds; (4) the statement of revenues, expenses, and changes in net position – proprietary funds. Galloway said there needs to be a 15% operating income to make the debt service payment. He explained that the health insurance is accounted for in the (governmental activities) internal service fund; (5) Note A – assets, liabilities and equity – equity restatement. Galloway explained the equity restatement is a result of changes made in the audit report from the previous audit reports. Upon adoption of GASB 65, bond issuance costs were written off, as bond issuance costs are considered period costs

rather than assets under GASB 65. The financial statements were also restated to report net position for the Airport Authority as a component unit; (6) Note C – long-term debt. He spoke about the revenue bonds to fund the golf course project. Also, there is a new reporting requirement for bonds that require them to be loaded into the EMMA system (for public information); (7) Note D – notes receivable. He commented on the LB-840 loans and the CDBG loans and monitoring; (8) Budgetary Comparison Schedules. Galloway commented on the large amount of money in the Keno fund and said the City should have some opportunities to utilize some of that. Schnell explained the City has received a \$250,000 grant for the remodeling of the Event Center and \$250,000 of Keno funds is earmarked for the matching funds of that project; (9) Combining Statement of Revenues and Expenditures – General Fund Departments. This is basically the cost by department.

Galloway commented on the auditors' letters and stated that the City is in compliance. He distributed benchmarking information which lists the best practice and the 2012 and 2013 information. Galloway's firm will work with the City on improving the unrestricted net position; increasing the cash reserves will help. Galloway said the City should have about 40% of cash reserves and currently Kimball is sitting at about 9.32%. The general fund cash reserves need to increase. He commented on capital assets and replacement in a timely manner. Galloway said the City does not have a lot of debt, less than 1%.

Galloway commented on operating income as a percentage of operating revenue. He said the City needs to look at the rates in the utility funds. Galloway also commented on the levy rates and said more retail trade would help. Galloway commented on the state allocations and said the City is doing a good job in getting the money into the Street fund.

Schnell thanked Galloway for presenting the information and the work his firm has done.

Schnell opened a public hearing for the 2014-2015 Fiscal Year Budget at 7:43 p.m.

Schnell reviewed the budget process and asked for public comment. Discussion was held on the final dollar amount requested in property tax and Strauch explained the 2014-2015 property tax request and explained to the council members that is the total combined with the airport authority levy included.

There being no further discussion, Schnell declared the public hearing closed at 7:47 p.m.

At 7:48 p.m. Schnell opened the public hearing for the 2014-2015 Final Property Tax Request. Schnell reviewed the budget notice and indicated the proposed tax rate is .552110. There was no public comment.

Schnell declared the public hearing closed at 7:49 p.m.

Schnell opened discussion on the Restricted Fund Lid. There being no discussion, Morrison moved and Christensen seconded to approve the increase to the restricted

fund lid by 2.5% and an additional 1% as allowed by law. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Shields, Christensen and Morrison. Nay: Warner. Motion carried.

Christensen moved and Morrison seconded to introduce Ordinance 714, read by title only and waive the statutory rule requiring reading on three different days be suspended. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Shields, Christensen and Morrison. Nay: Warner. Motion carried.

Schnell read Ordinance 714 by title only.

ORDINANCE NO. 714

AN ORDINANCE OF THE CITY OF KIMBALL, NEBRASKA, TO ADOPT THE BUDGET STATEMENT TO BE TERMED THE ANNUAL APPROPRIATION BILL; TO APPROPRIATE SUMS FOR NECESSARY EXPENSES AND LIABILITIES; TO REPEAL CONFLICTING ORDINANCES; TO PROVIDE FOR AN EFFECTIVE DATE; AND TO PROVIDE FOR PUBLICATION IN PAMPHLET FORM.

Morrison moved and Shields seconded to pass and approve Ordinance 714. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Shields, Christensen and Morrison. Nay: Warner. Motion carried.

Christensen moved and Morrison seconded to approve Resolution 2014-12. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Shields, Christensen and Morrison. Nay: Warner. Motion carried.

RESOLUTION 2014-12

WHEREAS, the Nebraska Revised Statute 77-1601.02 provides that the property tax request for the prior year shall be the property tax request for the current year for purposes of the levy set by the County Board of Equalization unless the City Council of the City of Kimball, Nebraska passes by a majority vote, a resolution setting the tax request at a different amount; and

WHEREAS, a special public hearing was held as required by law to hear and consider comments concerning the property tax request; and

WHEREAS, it is in the best interest of the Kimball City Council and the citizens of Kimball, Nebraska that the property tax request for the current year be a different amount than the property tax request for the prior year.

NOW, THEREFORE, the City Council of the City of Kimball, Nebraska, by a majority vote, resolves that:

1. The 2014-2015 property tax request be set at \$432,280.00 (\$0.408829 per \$100 valuation) for the City's General Fund.

\$151,500 (\$0.143281 per \$100 valuation) for the City's Bond Fund.
(These levies include only the City of Kimball.)

2. A copy of this resolution be certified and forwarded to the Kimball County Clerk prior to October 14, 2014.

PASSED AND APPROVED THIS 16th DAY OF SEPTEMBER 2014.

/s/James Schnell, Mayor

ATTEST:

/s/Rosemarie Russell, City Clerk

Schnell opened discussion on the Economic Development grant to the Visitor's Center. Jo Caskey, Tourism Director, said when the Visitor's Committee was reorganized, there was discussion with the City Council and the Economic Development Committee and it was approved to support the Visitor's Committee with \$1,000 a month for five years. That was brought to the City Council after the County had already gone through their budgeting process and the County had agreed to \$500 a month. During the next budgeting process, the County raised the budgeted amount to \$1,000 a month. There was a lack of communication and the City was not made aware of the increased amount by the County and the City decreased the amount after the first year to \$500 a month.

Caskey has approached the Economic Development Committee to consider re-supporting the Visitor's Committee at the \$1,000 a month for the remainder of the original term of five years, which would be three years. She said that Ortiz had indicated that there would not really be a significant impact on the Economic Development funds. Caskey added that they are also well aware of the utility situation that is pending and commented on the utility donations and said she will be approaching the Board of Public Works regarding that donation.

Caskey informed the City Council that the Welcome Center was recognized and honored with a Bureau Innovation award.

Bowling commented that the Economic Development Committee was agreeable to raising the amount back to the \$1,000 per month and this is something that the City should consider doing.

There being no further discussion, Shields moved and Christensen seconded to approve the Economic Development Committee recommendation to raise the grant to the Visitor's Center to \$1,000 per month beginning October 2014. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Warner, Shields, Morrison and Christensen. Nay: None. Absent: None. Motion carried.

Schnell opened discussion on the Keno Grant application from Plains Historical Society. Glynn Felkins said this request for \$4,000 is for the gate operator and controls to fence the property at the old Junior High School so it is secure. All the work done for the Plains Historical Society is done by volunteers. Discussion was held on the type of system. Felkins said they do need the money and would appreciate all or part of the requested \$4,000. Christensen asked about future plans for the building itself and

Felkins said it was originally going to be the museum; however, it is a white elephant. He commented on grants and perhaps needing a grant writer. They would like to move the museum into the 2nd floor of the building and put up another building behind the west wing to accommodate their needs. The electrical system is outdated and they need a new heating system. The roof needs to be replaced as well.

Felkins said the fence was put up to stop the vandalism and that has helped. They have purchased security cameras but have not installed them yet.

Felkins said the Plains Historical Society is about to lose their County funding and the County funding pays their operating costs. The Historical Society received a grant of \$90,000 in 2011 which is in a CD in the bank. However, it is restricted as to how that money can be used. Also, most grants require matching funds.

Christensen said the fence does look nice and Chief Huff said the Historical Society has also talked about getting another group involved in using the building as a youth center. That is something that is in the works. It would be really good for the community for the youth to have something to do. Christensen said that is something good for the community and added that it is a concern in the community that the youth have not been incorporated. Further discussion was held on using the building as a sports facility again.

There being no further discussion, Christensen moved and Morrison seconded to approve the Keno Grant application from Plains Historical Society in the amount of \$4,000 and give a vote of confidence that the building is going to be made into something that the Kimball youth can use. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Warner, Shields, Morrison and Christensen. Nay: None. Absent: None. Motion carried.

Schnell opened discussion on the Keno Grant application from Kimball Fall Festival. Kelleigh Huff said she is planning an event at the Event Center for November 1st from 5:00 p.m. to 8:00 p.m. Her goal is to create something new for young families to bring their kids in their costumes and trick or treat inside and play carnival games. Businesses and other persons will be responsible for one table with one game each. The money she is requesting is to help pay for the candy, prizes for the costumes and food; she is planning a chili feed. Huff does not want to create a burden on businesses. She has contacted a few individuals and they are ready to volunteer and help. Huff's goal is to get 25 different groups or individuals to host a table. She said it will cost approximately \$60 per table which encompasses the prizes and candy. The food, plates and utensils will cost approximately \$1,000.

Huff is trying to make this an event where young families can come into town and she hopes to have enough success so she can get donations for next year. Morrison inquired about a budget for advertising and getting the word out. Huff said she did the recent advertising for the Oliver Lake event and she did that for free and plans to do the advertising for this event for free.

Warner commented on the games the 4H used to have and Huff said she has contacted them and they are willing to help. She said the Historical Society will be helping as well.

Christensen commented that keno funds have been awarded to the Post Prom Committee and feels that is similar to this and inquired if parents would be willing to pay a small amount to offset the costs. Huff said if she charged for the event, she would have to pay to use the Event Center.

Discussion was held on the Fall Festival event held in Pine Bluffs. Christensen said this is exactly what the Keno funds are intended to do. Christensen moved and Warner seconded to approve the Keno Grant application from Kimball Fall Festival in the amount of \$2,500. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Warner, Shields, Morrison and Christensen. Nay: None. Absent: None. Motion carried.

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

1. Minutes from the continued budget workshop on August 27, 2014 and the September 2, 2014 regular city council meeting;
2. Financial statements; and
3. Claims.

After discussion, Shields moved and Christensen 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, Morrison and Christensen. Nay: None. Absent: None. Motion carried.

Schnell reported that the seal coating on the streets has begun.

There will be a Joint Park and Recreation Executive Board/Operating Board meeting on September 30, 2014 at 6:00 p.m.

The next City Council meeting will be on October 7, 2014.

There being no further business to come before the Council, Morrison moved and Shields seconded to adjourn at 8:34 p.m. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Warner, Shields, Morrison and Christensen. Nay: None. Absent: None. Motion carried.

James Schnell, Mayor

Rosemarie D. Russell, City Clerk

City of Kimball-City Council Meeting-September 16, 2014-General Claims-Internal Revenue Service Center-Tax Deposit-687.31; Arrowhead Distributing Inc.-Liquor Purchase-105.00; A & L Sales and Service-Down Payment-2,529.00; A & L Sales and Service-Completion Proposal-1,084.20; A & L Sales and Service-Repairs-91.69; Action Communications-Pager-1,050.00; Arnold Pool Company-Supplies-92.88; BARCO Municipal Products, Inc.-Supplies-775.14; Baker & Taylor Books-Book Purchase-416.28; Kim Baliman-Refund-137.00; Bamford, Inc.-Flow Test-600.00; Sheryl

Biesecker-Contract Cleaning-412.50; Brown Pump and Septic-PSI Switch-29.96; Center Point Large Print-Book Purchase-127.02; CenturyLink-Telephone-132.30; CenturyLink-Telephone-88.33; CenturyLink-Telephone-516.61; Charter Communications- Internet-223.00; Combined Utilities-Utilities-3,138.66; Connecting Point-Copy Usage-24.88; Culligan-Salt-39.80; Danko Emergency Equipment-Supplies-376.95; Dollar General Corporation-Supplies-10.00; Don Schmidt Carpet, Inc.-Carpet- 1,433.25; E-470 Public Highway Authority-Toll Transaction-13.25; Glenn Felkins-Derrick Project-1,595.32; Frenchman Valley Coop-Fuel-69.69; Gale/Cengage Learning-Book Purchase-54.96; Heartland Expressway Association-Membership-820.00; High West Energy-Utilities-4,923.63; Hometown Hardware-Parts-414.31; Ideal Linen Supply, Inc.-Supplies-189.81; Intralinks, Inc.-SonicWALL Bundle-253.53; KSID AM & FM RADIO-Advertising-120.00; KYOY-Advertising-150.00; Kimball Auto Parts-Parts-50.09; Kimball Builder's Emporium-Wire-30.00; Kimball Service Center-Maintenance-231.95; Kimball Volunteer Fire Department-Fiscal Year Payment-5,500.00; MicroMarketing, LLC-Book Purchase-978.45; Miller Office Supply-Supplies-10.99; Modern Marketing-Calendar-167.49; Napa Auto Parts-Parts-96.33; Nebraska Library Commission-Class-10.00; Panhandle Coop-Oil-833.59; Panhandle Coop Association-Supplies-255.74; Prairie Animal Hospital-Boarding-255.00; Presto-X-Monthly Contract-80.32; Sandberg Implement Inc.-Parts-96.85; Simmons Olsen Law Firm, P.C.-Professional Services-2,480.50; Star-Herald Newspaper-Notice-467.81; State Chemical /State Industrial Product-Part-396.44; State of Nebraska-Fine-1,101.61; The Right Impression-Plaque-13.43; Viaero-Cell Phone-95.85; Vince's Corner-Car Washing-5.00; Visa-Firstier Bank-Charges-1,492.45; Voyager Fleet Systems-Fuel-52.34; WPCI-Screening-30.00; Western Nebraska Observer-Meeting Notices-347.01; Chad Wise-Credit Cards-2,694.30; Wolfe Sand & Gravel Co.-Sand-42.00; Xerox Corporation-Copier Maintenance-151.42.

City of Kimball-Economic Development-Claims-September 16, 2014-CenturyLink-Telephone-60.77; Charter Communications-Internet-39.75; Connecting Point-Copy Usage-1.01; Simmons Olsen Law Firm, P.C.-Professional Services-2,107.00; Star-Herald Newspaper-Notice-5.54; Viaero-Cell Phone-32.35; Western Nebraska Observer-Meeting Notices-2.06.