

Kimball City Council
Regular Meeting
April 21, 2015

A regular meeting of the Mayor and City Council was convened in open and public session at 7:00 p.m. on April 21, 2015 in the City Council Chambers. Mayor Prunty and Council members Warner, Shields, Morrison and Schnell were present. Also present were City Attorney Hadenfeldt, City Administrator Ortiz, Police Chief Huff, Economic Development Director Bowling, City Treasurer Sisk 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.

Sixth graders Parker Kudebeh and Christian Van Pelt lead the Pledge of Allegiance.

Prunty called the meeting to order at 7:00 p.m. and acknowledged the posted Open Meetings Act poster.

Prunty opened discussion on including the City's Waterworks Plant and water system within the definition of Combined Utilities Revenue and Refunding Bonds, Series 2013, and the issuance of Combined Utilities Revenue Bonds, Series 2015.

Marc Mumford, Vice President, Ameritas Investment Corp., reviewed the ordinance that will bring the water system into the Combined Utilities Revenue and Refunding Bonds, Series 2013. This needs to be done in order to issue the Combined Utilities Revenue Bonds, Series 2015. That will give the correct ratio moving forward with the combined utilities.

Mumford distributed the Debt Service Schedule which indicates the principle and interest amounts and the interest rates. The bond purchase agreement is dated May 26, 2015, which is the date the City will receive the funds and the interest meter starts. The source of funds is the par amount of bonds, \$750,000. Mumford explained the uses of funds consisting of the deposit to project construction funds, deposit to debt service reserve fund (DSRF), total underwriter's discount, and rounding amount. The Combined Utilities Revenue Bond, Series 2015 is a 15-year bond issue. The all-inclusive costs are 2.79 percent, which figures in the interest rate plus all the fees. Mumford said the rates are firm and are just waiting for City Council approval.

Schnell moved and Morrison seconded to introduce Ordinance 720 and waive the requirement of reading on three different days. On roll call vote, the following votes

were recorded on the electronic voting board. Aye: Warner, Shields, Schnell, and Morrison. Nay: None. Absent: None. Motion carried.

Mayor Prunty read Ordinance 720 by title only.

ORDINANCE NO. 720

AN ORDINANCE INCLUDING THE CITY'S WATERWORKS PLANT AND WATER SYSTEM WITHIN THE DEFINITION OF COMBINED UTILITIES FOR THE PURPOSE OF THE CITY'S OUTSTANDING COMBINED UTILITIES REVENUE AND REFUNDING BONDS, SERIES 2013, DATE OF ORIGINAL ISSUE – NOVEMBER 5, 2013, AND ANY BONDS ISSUED AS ADDITIONAL BONDS PURSUANT TO ORDINANCE NO. 699 WHICH AUTHORIZED SUCH SERIES 2013 BONDS, AND PROVIDING FOR PUBLICATION OF THIS ORDINANCE IN PAMPHLET FORM.

Warner moved and Shields seconded to pass and approve Ordinance 720. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Warner, Shields, Schnell, and Morrison. Nay: None. Absent: None. Motion carried.

Schnell moved and Warner seconded to introduce Ordinance 721 and waive the requirement of reading on three different days. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Warner, Shields, Schnell, and Morrison. Nay: None. Absent: None. Motion carried.

Mayor Prunty read Ordinance 721 by title only.

ORDINANCE NO. 721

AN ORDINANCE AUTHORIZING THE ISSUANCE OF COMBINED UTILITIES REVENUE BONDS, SERIES 2015, OF THE CITY OF KIMBALL, NEBRASKA, IN THE AGGREGATE PRINCIPAL AMOUNT OF SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000) FOR THE PURPOSE OF FINANCING IMPROVEMENTS TO THE CITY'S ELECTRIC SYSTEM AND SOLID WASTE DISPOSAL FACILITY; DIRECTING THE APPLICATION OF THE PROCEEDS OF SAID BONDS; PRESCRIBING THE FORM, TERMS AND DETAILS OF SAID BONDS; PLEDGING AND HYPOTHECATING THE REVENUE AND EARNINGS OF THE SEWAGE DISPOSAL PLANT AND SANITARY SEWER SYSTEM, ELECTRIC DISTRIBUTION SYSTEM, WATERWORKS PLANT AND WATER SYSTEM AND SOLID WASTE DISPOSAL FACILITY OF SAID CITY FOR THE PAYMENT OF SAID BONDS AND INTEREST THEREON; PROVIDING FOR THE COLLECTION, SEGREGATION AND APPLICATION OF THE REVENUES OF SAID SEWAGE DISPOSAL PLANT AND SANITARY SEWER SYSTEM, ELECTRIC DISTRIBUTION SYSTEM, WATERWORKS PLANT AND WATER SYSTEM AND SOLID WASTE DISPOSAL FACILITY; AUTHORIZING OFFICERS OF THE CITY TO ENTER INTO A BOND PURCHASE AGREEMENT FOR THE BONDS; ENTERING INTO A CONTRACT ON BEHALF OF THE CITY WITH THE HOLDERS OF SAID BONDS; AND PROVIDING FOR PUBLICATION OF THIS ORDINANCE IN PAMPHLET FORM.

Morrison moved and Shields seconded to pass and approve Ordinance 721. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Warner, Shields, Schnell, and Morrison. Nay: None. Absent: None. Motion carried.

Terry Galloway, from Almquist, Maltzahn, Galloway & Luth, CPA, presented the 2013-2014 audit report via telephone. The auditors presented an unmodified (clean) opinion. Galloway reported the golf fund deficiency of revenue over expenditures represents 20 percent of the total tax asking. He commented on the unrestricted net position and the water fund and the landfill fund being in the negative. The City needs to make sure the revenues are covering the expenditures. The rate study will help determine where the rates need to be. The operating incomes should all show a 15 percent return.

Galloway provided a benchmarking sheet which indicates best practice and the City's figures from 2014 and 2013. Galloway reviewed the debt coverage ratio for the electric, water, sewer and landfill. The debt coverage ratio analyses indicates how much cash flow the City has to have. Rates in the Water Department need to increase. He reviewed the top four sources of revenues for governmental activities: sales tax, property taxes, state allocation, and charges for services. In Kimball, sales tax has generated a lot of money on a per capita basis.

Galloway reviewed the cash, investments and treasurer cash and said the figures show improvements over last year and the City wants the cash reserves to continue to grow going forward. Galloway reviewed the operating income/total operating revenue and added that the City does need a rate study and needs to look at keeping the operating costs down in the utility departments.

Galloway reviewed the state allocations and indicated they were down due to the audit reporting being late. However, the allocations were received in October 2014. Galloway reviewed the governmental expenses and indicated the police and cemetery were above the best practices and everything else was below best practices. Galloway said it is important for everyone to understand about the financing for the City of Kimball.

Schnell commented about the Police Department governmental expenses being above the best practice and inquired if the new SRO position is the reason for the change. Galloway said that is the reason for the difference from 2013 to 2014.

Galloway informed the City Council that almost all of the property tax asking goes to the Police Department. Warner inquired if that is a best practice and Galloway said no. Ortiz said to bear in mind that this becomes problematic on the County's side to determine how to divvy up the tax and make it equal. This might be something down the road to diversify across the general fund departments. Galloway said it is a best practices and how much those department spend and what level of service they want to provide.

Discussion was held on the golf fund debt and Galloway explained the fund balance is the accumulated net deficit over the lifetime. Morrison said the County should be

making up some of the losses each year. Ortiz said his goal is to simplify this and present it to the Park and Recreation Executive and Operating Boards.

Ortiz thanked Galloway for taking the time to review the audit report. Prunty thanked City staff.

Prunty opened discussion on the Keno grant application from Kimball Ranch Rodeo. Alex Engstrom, Colby Lukassen and Justin Perry were in attendance to explain the event. This is the 7th year for the Ranch Rodeo and it will be held on June 13, 2015. They are requesting \$4,000 in Keno funds to help cover the cost of renting the fairgrounds facility, the cost of the stock to be brought in and the announcer and entertainment. The Keno funds go towards the cost of putting on the event. Engstrom informed council members that they donate a portion of their proceeds to local non-profit organizations. A portion of this year's proceeds will go to the Kimball Public Library for their Youth Summer Reading Program.

Discussion was held on the number of teams and Engstrom said they have capped the team entries at 14 teams and 14 bronc riders. They want to keep doing this event and they put a lot of time into this. Prunty said it is a wonderful program. Engstrom said they average 250 spectators and they usually have youth groups running the concessions. Engstrom indicated their goal is to not have to request Keno funds to run this program.

There being no further discussion, Schnell moved and Warner seconded to approve the Keno grant application from Kimball Ranch Rodeo in the amount of \$3,000. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Warner, Shields, Morrison, and Schnell. Nay: None. Absent: None. Motion carried.

Prunty opened discussion on the appointment of a representative to an interlocal group addressing regionalization of economic development. Ortiz had provided information received from the City of Scottsbluff requesting a council member or mayor to represent communities in an the aforementioned interlocal group. Hadenfeldt said this is a regional approach and it is planned to have the committee prioritize what each community wants to see done as far as economic development. Morrison inquired about the meeting time and frequency. Hadenfeldt said they have requested the representative names by the end of April; they plan to have the agreement by May and then present information to municipalities in June. Warner has seen government agencies come together that normally don't and it has turned out very well.

There being no further discussion, Morrison moved and Schnell seconded to appoint Council member Warner to the interlocal group addressing regionalization of economic development. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Warner, Shields, Morrison, and Schnell. Nay: None. Absent: None. Motion carried.

Schnell moved and Morrison seconded to introduce Ordinance 722 and waive the requirement of reading on three different days. On roll call vote, the following votes

were recorded on the electronic voting board. Aye: Warner, Schnell, and Morrison. Nay: Shields. Absent: None. Motion carried.

Mayor Prunty read Ordinance 722 by title only.

ORDINANCE NO. 722

AN ORDINANCE AMENDING THE ZONING OF CERTAIN PARCELS FROM NO ZONING TO HEAVY INDUSTRIAL DISTRICT (I-2); PROVIDING FOR THE REPEAL OF ORDINANCES IN CONFLICT; PROVIDING FOR THE EFFECTIVE DATE OF THIS ORDINANCE AND PUBLICATION IN PAMPHLET FORM.

Schnell moved and Morrison seconded to pass and approve Ordinance 722. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Warner, Schnell, and Morrison. Nay: Shields. Absent: None. Motion carried.

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

1. Minutes from the joint City Council/Board of Public Works meeting on March 19, 2015 and April 7, 2015 regular city council meeting;
2. Claims; and
3. Financial Statements

Morrison moved and Warner 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 Schnell. Nay: None. Absent: None. Motion carried.

Ortiz reported the substation project is underway. The tentative date to generate has been pushed back and it is planned that the generation will be an eight-hour window. Larry Wheeler is working with the Power Plant crew. They have gone through a crankcase inspection on the Cooper engine and Terrill will be generating a detailed report for the Board of Public Works which will also be shared with the City Council. Wheeler will also be installing the natural gas on the Superior engines.

Ortiz reported the Street crew is up to full staff and they will be starting on the concrete project soon. Ortiz commented on culverts and alley pans that need to be replaced.

Ortiz reported the Landfill truck was out of commission for a few days and the City will need to start discussion about replacement of the truck. Schulte has started ordering dumpsters. Ortiz is in the process of getting a proposal on capping the solid waste cells. He commented on the closure/post-closure fund. The City has half a million dollars for the capping of the cell and the remainder of the money is for the new cell. Ortiz commented on the new cell construction and indicated that it will be done with a general contractor who will subcontract it if necessary. The time line for capping is by the end of fall.

Ortiz reported that the Event Center roof has a few more leaks. B & C Steel has been very responsive in addressing them.

Ortiz reported he is working on some zoning and nuisance issues.

Ortiz reported the underpass renovation will happen eventually. He has heard of a few tentative dates for the public meeting for the end of June, beginning of July. It will be held at the Event Center.

Prunty reported there is a new police officer, Stacie Schadegg. She will be the new SRO.

Prunty reminded everyone of the annual clean-up.

Prunty reported that so far there has been no response on the abandoned and junk vehicles. He said the owners will be fined or the vehicles will be towed away at the owners expense.

Prunty reported James Merryfield has resigned from the Board of Public Works. Prunty hopes to have his appointment and the appointment to the Cemetery Board at the next meeting.

The next City Council meeting will be on May 5, 2015 at 7:00 p.m.

There being no further business to come before the Council, Schnell moved and Shields seconded to adjourn at 8:13 p.m. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Warner, Shields, Morrison, and Schnell. Nay: None. Absent: None. Motion carried.

Keith Prunty, Mayor

Rosemarie D. Russell, City Clerk

City of Kimball-City Council Meeting-General Claims-April 21, 2015-Fastenal Company-Parts-73.00; A & L Sales and Service-Service Contract-559.68; ALSCO-Supplies-200.43; Arrowhead Distributing Inc.-Liquor-88.50; BARCO Municipal Products, Inc.-Signs-1,771.42; Baker & Taylor Books-Book Purchase-958.88; Sheryl Biesecker-Contract Cleaning-330.00; Andrew Bremer-Expense Report-1,025.00; Cash-PettyCash-46.35; Center Point-Book Purchase-147.39; CenturyLink-Service-92.59; CenturyLink-Services-517.96; Charter Communications-Internet-223.00; City of Kimball-Liquor License-261.20; Connecting Point-Service Contract-30.75; Crafcoc Inc. Repairs-2,843.19; Dale's Mag., Mower & Marine Repair-Supplies-48.50; Dollar General Corporation-Supplies-35.96; Frenchman Valley Coop-Fuel-580.50; Gale/Cengage Learning-Books-393.32;Golden Horse LTD.-Books-25.80; Hanna:Keelan Associates, P.C.-Professional Services-9,000.00; High West Energy-Utilities-1,070.00; Hinton's Lock & Alarm-Cards-397.75; Hometown Hardware-Parts-1,688.68; IIMC-Membership Fee-155.00; Ideal Linen Supply, Inc.-Supplies-5.99; Jirdon Agri Chemicals, Inc.-Chemicals-2,139.40; Kimball Auto Parts-Parts-196.01; Chuck Leypoldt-New Book-

12.00;Napa Auto Parts-Supplies-308.96; Nebraska U.C. Fund-Unemployment-417.69; Panhandle Coop Association-Supplies-143.29; Points West Ins.-Insurance-6,935.17; Regional Books, Inc-New Books-526.86; Robinson Electric-Payment-1,000.00; Janet Sears-Reimbursement-74.45; Jim Shoup-Reimbursement-48.12; Simmons Olsen Law Firm, P.C.-Professional Services-4,658.05; SourceGas,LLC-Service-821.11; State Chemical/State Industrial Product-Supplies-121.67; The Right Impression-Notary Stamp-13.50; The Thompson Company-Supplies-88.56; The United States Life Insurance Company-Premium-391.57; Russ Thompson-Contract Cleaning-50.00; Autumn Uglow-Contract Cleaning-75.00; Viaero-Cell Phone-70.68; Visa-Firstier Bank-Charges-74.24; Windstream-Long Distance-5.90.

City of Kimball-Economic Development-Claims-April 21,2015-3 Schoes's, Inc-Grant-Kimball Main Street Design Imp.-Sign-462.99; CenturyLink-Services-60.92; Charter Communications-Internet-39.75; Simmons Olsen Law Firm,PC-Professional Services-915.00; The United States Life Insurance Company-Long Term Disability-35.40; Viaero-Cell Phone-43.79; Visa-Firstier Bank-Charges-6.35.