

Kimball City Council
Regular Meeting
October 6, 2015

A regular meeting of the Mayor and City Council was convened in open and public session at 7:00 p.m. on October 6, 2015 in the City Council Chambers. Mayor Prunty and Council members Schnell, Warner, Shields, and Morrison were present. Also present were City Attorney Hadenfeldt, City Administrator Ortiz, Wastewater Treatment Supervisor Quicke, Landfill Superintendent Schulte, 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 Riann Morton and Tanner Lukassen lead the Pledge of Allegiance.

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

At 7:03 p.m. Prunty opened a public hearing to consider a conditional use permit for a personal storage facility at 308 S. Myrtle Street. Nancy Turner, owner of the property, was in attendance and no comments were made.

There being no discussion, Prunty closed the public hearing at 7:04 p.m.

Schnell moved and Shields seconded to approve the conditional use permit for a personal storage facility at 308 S. Myrtle Street. 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.

Prunty opened discussion on his appointment of Ryan McElroy to the Airport Authority Board to fill Don Gerner's unexpired term. There being no discussion, Shields moved and Warner seconded to approve the Mayor's appointment of Ryan McElroy to fill Don Gerner's unexpired term on the Airport Authority Board. 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.

Discussion was held on the draft agreement and financial support to Keep Kimball Beautiful. Ortiz commented on his memo and the draft agreement included in the packets. The entities last met on September 10th and there has not been a follow up meeting. Keep Kimball Beautiful was set to review the agreement and some of the items discussed at the entities' last meeting. As there is no agreement in place as of the new fiscal year, funding is essentially frozen until the agreement between the City of

Kimball and Keep Kimball Beautiful is in place. Ortiz commented on the Alliance and Scottsbluff/Gering affiliates and that those cities do not provide a facility for those affiliates to work out of.

Sarah Bouse, Keep Kimball Beautiful board member, commented on the funds being frozen. They were never told that the funds would be frozen and inquired who is saying the funds will be frozen. She commented on the agreement and the meeting that was supposed to take place and the financials to be given to the City. Bouse inquired if it is an audit or a financial review. KKB wanted to have the audit done by a third party and not by the City Administrator so it will work for KKB and multiple administrations.

Schnell commented on State law and what is required whenever tax dollars are used and that all books have to be open to the public. Bouse said they are totally fine with that and are just trying to figure out the best way to present it. It should be done by a CPA. Morrison inquired if KKB has ever had an audit of their books and Larissa Binod, Keep Kimball Beautiful Executive Director, indicated they have had audits by their board members.

Bouse indicated KKB has provided the profit and loss statement and information on their grants and wanted to know what the City wants. The whole point of the agreement is to try to make sure that it is clear. Prunty read an excerpt from Ortiz's letter with regard to NDEQ administrative regulations, Title 133 – Litter Reduction and Recycling Grant Program . . . "Grant conditions – Project activities and financial status reports shall be submitted as required by the Department during the grant period including: a comprehensive line-item expenditure report of all grant funds, including any interest earned on grant funding and all other income or cash or in-kind match utilized to carry out the project."

Prunty said an agreement should have been in place many years ago and there needs to be assurances that the money is being spent in the proper way. Binod indicated KKB is asking for consideration that the financial review is being done by a third party professional. Warner asked, to be clear, that they have no problem opening up their books as long as it is to a third party and inquired if that is the only thing that is holding up the agreement. Bouse said that there are some other items with regard to the agreement and commented on a financial review being a little expensive. She said that any party other than a third party could be biased.

Schnell commented on access to public funds and said the paper trail needs to be available when questioned by the public because it is tax dollars. Schnell said it needs to be stated in the agreement that if they are given money, the information is available.

Bouse said KKB is currently working with an accountant to make sure everything is ready. Binod indicated there have been changes to the agreement since the last conversation. Schnell said the City is into the new budget year now so if checks are going to be written, the agreement needs to be finalized. Bouse said they want to be finished by the end of October, i.e. the agreement and all the financials reviewed by the end of the October.

Ortiz said KKB has known since June 23rd that the financial information was required. They were initially required to have an independent audit done and now it is a different story. He commented on the “flip-flopping” back and forth and the non-response. Bouse said the City received a response on September 29th. Binod said they would like to meet together with all of the leaders to discuss the financial review and financial report. There are still some discussions that need to take place. There are components that have been added to the agreement since their last meeting.

Bouse inquired about some of the conditions in the agreement and Prunty indicated the agreement is a draft and the council meeting is not the place to work through the agreement. One of the conditions in the agreement was to have a financial audit done by a separate person and Bouse said that protects KKB and the City. Ortiz commented on the wording in the agreement, “the City Administrator and/or designee and the KKB Treasurer”. Warner inquired if the financials are on an accrual or cash basis and Binod could not answer.

Prunty said the freezing of the funds does not mean that they are negated. Bouse said they were never informed that the funds would be frozen. Schnell said this agreement needs to be agreed upon in the next few weeks and Bouse asked to have the meetings of the original members.

Schnell moved that the agreement be worked out and finalized by October 31, 2015 and brought back to the City Council at the November 3, 2015 meeting for council approval. The City will not start disbursing any of this fiscal year’s funding until the agreement is finalized at the November 3rd meeting. Seconded by Morrison.

Shields inquired if they are working with an accountant now or will they in the future and Binod indicated they are working with an accountant now. She added that they have discussed transitioning into a 501C3 and that requires an accountant. They are working with a local CPA who can provide the financial review as well. Warner commented that they are on record asking for a third party verification so that either side will not be biased at all and commented on their CPA doing the financial review. Binod commented on giving their CPA the books and grant information. She said if it is the request of the City Council that they find a CPA that is isolated, they will find a different accountant so that the third party is maintained from that perspective. Shields indicated that should be included in the agreement.

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

Prunty opened discussion on the Capital Improvement Project – Meter Reading (AMI/AMR) Systems. In August, Ortiz presented to the Board of Public Works a slideshow of the difficulties and challenges the meter readers face when reading meters. Ortiz presented the same slideshow to City Council members. The water meters are generally in the meter pits and some will have touch reads. The electric meters are typically in the alley. The water meters are probably the most problematic. There is language in the City Code that requires meters to be accessible. Ortiz said the AMI/AMR systems will provide a much more streamlined billing system. Ortiz said that

Quicke and Hack have memorized where the meters are; however, they have to estimate the readings about one-third of the time.

Currently the City only has one wand and Ortiz has ordered two replacement wands. The meter readers read about three and a half weeks a month and Ortiz has spoken with the Board of Public Works about moving to one billing cycle versus three. Ortiz commented on inputting the information and getting the billings out. When Quicke and Hack get backed up doing their regular jobs, there can be fluctuations in the number of days in a billing cycle.

The AMI is a much more integrated system but also a much more costly system. Where the City is at financially, they are probably three to four years away in trying to move this forward. However, it is certainly something that needs to be seriously considered down the road.

Quicke and Hack spend about 85 percent of their time with meter reading as opposed to working at the Wastewater Treatment Plant and commented on the upgrades done at the Wastewater Treatment Plant. City staff will be figuring out how to move to one billing cycle per month system to try to alleviate the time it takes. It will be a 90 to 120 day window before implementing the system and commented on the burden to the ladies in the office. Warner inquired if there is any potential to have people pay their bills on line and Ortiz said that has been looked into. Ortiz commented on looking at one solution for the water and electric or looking at splitting it up.

Discussion was held on the cost and savings and man hours. Ortiz commented on the Wastewater Treatment Plant operators and said it is challenging to recruit and most challenging to get certified. The AMI/AMR system has its benefits that probably outweigh the initial costs.

Morrison provided an update on the League of Nebraska Municipalities Annual Conference. He recommended that Kimball have at least one attendee at each conference. Morrison spoke about the preconference and the different concurrent sessions. He commented on the Nebraska Expressways session. Everyone in the session agreed that 30 years is too long and the League is going to push hard to get the expressways finished since the extra tax has been passed. Morrison informed Council members about the tax credits available for improvements to historic real estate. He also commented on new comprehensive plans in place after January 1, 2015 which must assess energy structure and energy use by sector, residential, commercial and industrial.

Morrison said he met with the City of Auburn mayor and discussed abatement of unoccupied buildings. After inspections, the owner is given 90 days to correct the problems and if they don't, the building is demolished. Auburn uses the building for the Fire Department for burn practice. After cleaning up the lot, the lot is then given away to someone who will build on the property.

Prunty opened discussion on acquiring real estate. Ortiz said the City was approached by a couple parties regarding developing potential properties. He recommended to

enter into closed session to conduct a strategy session with respect to potential real estate purchase.

Schnell moved and Shields seconded that City Council members are interested in acquiring real estate. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Schnell, Warner, Shields, and Morrison. Nay: None. Absent: None. Motion carried.

Shields moved and Warner seconded to enter into Closed Session at 8:12 p.m. for the purpose of conducting a strategy session with regard to potential real estate purchase. The closed session to include Mayor, City Council members, City Attorney, City Administrator, City Clerk and City Treasurer. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Schnell, Warner, Shields, and Morrison. Nay: None. Absent: None. Motion carried.

Mayor Prunty stated a motion to enter into Closed Session at 8:12 p.m. for the purpose of conducting a strategy session with regard to potential real estate purchase has been adopted.

Morrison moved and Warner seconded to end Closed Session and the strategy session with regard to potential real estate purchase at 8:46 p.m. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Schnell, Warner, Shields, and Morrison. Nay: None. Absent: None. Motion carried.

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

1. Minutes from the September 15, 2015 regular city council meeting;
2. Claims; and
3. Ratify the Kimball Volunteer Fire Department members.

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

Ortiz reported the liner at the Landfill is moving forward. They are hoping to wrap up within the next week. The track loader has been received. Ortiz reported that the NDOR project will be commencing within the next week or two. Ortiz reported he testified before the Oil and Gas Commission. He indicated Kimball has seen the effects with regard to the sales tax revenue. Ortiz thanked everyone for the congratulations on the birth of his daughter. He also thanked Sisk and Russell for their help. Ortiz reminded everyone of the Planning Conference in Gering.

Prunty reported the new street sweeper has been received. Prunty reported he toured the Landfill with Western Nebraska Observer Reporter Tonia Copeland.

The next City Council meeting will be on October 20, 2015 at 7:00 p.m.

There being no further business to come before the Council, Warner moved and Morrison seconded to adjourn at 8:51 p.m. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Schnell, Warner, Shields, and Morrison. Nay: None. Absent: None. Motion carried.

Keith Prunty, Mayor

Rosemarie Russell, City Clerk

City Council Meeting-General Claims-10-6-2015; 21st Century-parts-20.19; CNA Surety-Bond-125.00; CenturyLink-Telephone-94.47; CenturyLink-Telephone-80.60; Century Link-Telephone-521.95; Check's Ice Co.-Supplies- 25.50; Combined Utilities-City-4,357.27; Component Fabricators Inc.-parts-341.47; Don Schmidt Carpet, Inc.-Library Carpet 7,613.71; Fornstrom LLC-Asphalt-644.00; Frenchman Valley Coop-Fuel-546.84; Ideal Linen Supply, Inc.-Supplies-141.23; Kimball Auto Parts-Parts-563.52; Kimball Bakery-Supplies-21.60; Kimball Insurance-Services-100.00; Kimball Service Center-Service-1,086.84; L.L. Johnson Distributing Co.-Parts-153.91; LorRon Department Store-Supplies-12.00; Devin Lusche-Services-250.00; John Morrison-Expenses-606.15; Napa Auto Parts-Supplies-386.01; Pepsi-Cola of Western Nebraska-Supplies-106.50; Pheasants Forever-Refund-640.38; STP Auto Service-Services-507.18; Safetyline Consultants, Inc.-Training- 750.00; Sandberg Implement Inc.-Parts-143.06; Jennifer & Cory Shaw-Supplies- 366.00; SourceGas, LLC-Service- 431.24; The Thompson Company-Supplies-125.01; The United States Life Insurance Company-Premium-475.80; TopKote, Inc.-Services-101,325.55; Autumn Uglow-Services-75.00; United Rotary Brush Corporation-Supplies-1,212.25; Van Diest Supply Company-Supplies-1,141.25; Viaero-Phone-44.09; Viaero- Phone- 205.53; Windstream-Long Distance-6.06; M.C. Schaff & Associates, Inc.-Prof Services-6,420.00; Prairie Animal Hospital -Services-119.00; Combined Utilities-City Utilities-3,410.82; C. W. Golf Management, LLC-Fees-4,735.00; Connecting Point-Fees-27.04; GreatAmerica Financial Svcs-Lease-124.12; Hometown Hardware-Supplies-3.99; Jirdon Agri Chemicals, Inc.-Supplies-392.00; Kimball County Register of Deeds-Services-40.00; Kimball Event Center-Rent-500.00; Kimball Handyman Project-Services-526.25; Kriz-Davis Company-Supplies-175.50; L.W. Cartage Co.-Rent-100.00; Napa Auto Parts-Supplies-149.47; Nebraska Municipal Clerks' Association-Dues-50.00; Star-Herald Newspaper-Notice-41.99; Stotz Equipment-Parts-431.79; Autumn Uglow-Services-75.00; Western Nebraska Observer-Notices-397.82;

Economic Development Claims-10-6-2015; Century Link-Telephone-61.40; Chamber of Commerce-Grant-450.00; Star-Herald Newspaper-Notice-4.20; Western Nebraska Observer-Notices-19.88