

Kimball City Council  
Regular Meeting  
December 3, 2013

A regular meeting of the Mayor and City Council was convened in open and public session at 7:00 p.m. on December 3, 2013 at the City Council Chambers. Mayor Schnell and Council members Warner, Shields, Christensen and Morrison were present. Also present were City Administrator Ortiz, Police Chief Huff, Economic Development Director Bowling, 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 7:00 p.m. and the Pledge of Allegiance was recited.

Schnell acknowledged the posted Open Meetings Act poster.

At 7:01 p.m., Schnell opened a public hearing on an application for conditional use permit for ambulatory care, health care offices and a daycare located at 301 S. Howard Street. This address is the old West Elementary School and when the school auctioned it off last spring, Kimball Health Services purchased the building. Ortiz indicated their intent is to convert part of the building into a daycare. This type of use is an allowable conditional use in that zoning. The Planning Commission met on November 25, 2013 and recommended approval of the conditional use permit.

There being no further discussion, Schnell declared the public hearing closed at 7:03 p.m. Warner moved and Christensen seconded to grant the conditional use permit for ambulatory care, health care offices and a daycare located at 301 S. Howard Street. 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.

At 7:04 p.m., Schnell opened a public hearing to rezone land situated in the SW Corner of the NE Quarter of Section 31, Township 15 North, Range 55 West of the 6<sup>th</sup> P.M., containing 3.701 acres more or less from no zoning to Single Family Residential District (R-2).

This is a request from the City for the property located north of Crestwood Drive. Mr. and Mrs. Keeler had expressed an interest in building a pole barn on that property and Ortiz had informed them that property would have to go through rezoning and also adhere to the building requirements. It was prudent that the City move forward in

rezoning this property. Ortiz said the City will continue to identify all property adjacent to City limits that aren't zoned at all and continue to rezone so the City is able to better enforce ordinances. The Planning Commission met on November 25, 2013 and recommended approval of the zoning change. Discussion was held on the irrigation ditch along the property and Ortiz explained the warranty deed. He said the only thing the City is concerned with is that the property be zoned properly so that in the future the City is able to spell out what can and cannot be placed on it.

Ortiz added that Viero will probably submit an application to subdivide that property to place a cell tower on it. Viero is well aware of the requirements. He commented on the adjacent property owned by Carol Schadegg and the City is going to make sure the property is properly zoned. Josh Enevoldsen expressed concern about the cell tower. Ortiz commented that this type of use would require a public hearing and notice to adjacent property owners and he has also expressed concerns to Viero. The public hearing will be an opportunity for the public to address their concerns.

There being no further discussion. Schnell declared the public hearing closed at 7:12 p.m. Christensen moved and Warner seconded to introduce Ordinance No. 700 and waive the statutory rule requiring reading on three different days. 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 read Ordinance No. 700 by title only.

#### ORDINANCE NO. 700

AN ORDINANCE AMENDING THE ZONING FOR LAND SITUATED IN THE SW CORNER OF THE NE QUARTER OF SECTION 31, TOWNSHIP 15 NORTH, RANGE 55 WEST OF THE 6<sup>TH</sup> P.M., CONTAINING 3.701 ACRES MORE OR LESS FROM NO ZONING TO SINGLE FAMILY RESIDENTIAL DISTRICT (R-2); PROVIDING FOR THE REPEAL OF ORDINANCES IN CONFLICT; PROVIDING FOR THE EFFECTIVE DATE OF THIS ORDINANCE AND PUBLICATION IN PAMPHLET FORM.

Christensen moved and Morrison seconded to pass and approve Ordinance No. 700. 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.

At 7:16 p.m., Schnell opened a public hearing to rezone land situated in the East 352 feet of the SW Quarter and the East 352 feet in the South 100 acres in the NW Quarter of Section 31, Township 15 North, Range 55 West of the 6<sup>th</sup> P.M. to Rural Residential District (RR). Ortiz indicated this is property directly west of the property discussed previously and is owned by Carol Schadegg. He has spoken with Mrs. Schadegg and explained the acceptable uses and she has no issues with the rezoning. One third of that parcel is already zoned as Rural Residential (RR) and this rezones the remainder as RR. The Planning Commission met on November 25, 2013 and recommended approval.

There being no further discussion. Schnell declared the public hearing closed at 7:17 p.m. Warner moved and Shields seconded to introduce Ordinance No. 701 and waive the statutory rule requiring reading on three different days. 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 read Ordinance No. 701 by title only.

#### ORDINANCE NO. 701

AN ORDINANCE AMENDING THE ZONING FOR LAND SITUATED IN THE EAST 352 FEET OF THE SW QUARTER AND THE EAST 352 FEET IN THE SOUTH 100 ACRES IN THE NW QUARTER OF SECTION 31, TOWNSHIP 15 NORTH, RANGE 55 WEST OF THE 6<sup>TH</sup> P.M. TO RURAL RESIDENTIAL DISTRICT (RR); PROVIDING FOR THE REPEAL OF ORDINANCES IN CONFLICT; PROVIDING FOR THE EFFECTIVE DATE OF THIS ORDINANCE AND PUBLICATION IN PAMPHLET FORM.

Warner moved and Shields seconded to pass and approve Ordinance No. 701. 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 commented the first meeting in December is the reorganization meeting for the City Council and he called for nominations for a council president. Christensen moved and Warner seconded to nominate John Morrison as council president. Shields moved and Warner seconded to cease nominations. 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. The vote on John Morrison as council president - 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 his appointments for boards and committees, staff, newspapers, radio stations and banks. These appointments are required by State Statute. The boards and committees are the individuals whose terms are expiring and the staff that serves the City. Schnell has recently received a resignation from Jim Huff from the Economic Development Committee and he added Christy Warner as Huff's replacement. He believes Warner will be a great addition to that committee.

There being no further discussion, Shields moved and Warner seconded to approve the Mayor's appointments for boards and committees, staff, newspapers, radio stations and banks. 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.

Warner moved and Shields seconded to remove the bid proposals for property, casualty and workers compensation coverage from table. 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.

City Attorney Hadenfeldt joined the meeting by telephone.

Discussion was held on the communities served by LARM. Josh Enevoldsen, Kimball Insurance representative, spoke about the local connection and mentioned the police dog coverage. He also spoke about the oil derrick coverage and the possible liability exposure there. Enevoldsen indicated that EMC said they would be comfortable with it. He said a local agent could see things where maybe an out of town agent may not be able to. The local agent would be beneficial.

Further discussion was held and Christensen said her preference is to keep the insurance coverage in the local community and feels it would be advantageous to the community. Hadenfeldt commented that there are no statutes that requires the lowest responsible bidder for that type of service. Kimball City Code 35.02 only deals with public improvements and construction. However, with this being said, the City did request proposals through the competitive process and there is a risk that the council is opening themselves up not only to criticism, but also potential claims.

Warner has spoken with several citizens and there was only one that expressed the opinion that the council should choose the lowest bid. The others said the council should choose the local bid. Christensen said that what the business brings to the community is important. Schnell said the community thinks that the business is a great benefit.

There being no further discussion, Warner moved and Morrison seconded to award the bid for property, casualty and workers compensation coverage to Kimball Insurance. 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 provided a MEAN Board meeting update to the council members. On November 13<sup>th</sup> and 14<sup>th</sup>, he and Bill Hinton attended the quarterly meeting for the MEAN Board of Directors where they were given the news regarding MEAN's financial situation and where they are projected to be. Eighty five percent of MEAN's costs are purchasing power. The other 15% is their staff costs. Their fiscal year runs April 1<sup>st</sup> through March 31<sup>st</sup>. MEAN is projecting a \$3.3 million shortfall for the fiscal year that runs through March 31, 2014.

MEAN has a very small margin of revenue profit that it budgets for, so any fluctuations are felt immediately. It was a very mild summer, so demand was low, as well as changes in the way the market operates. All had an impact on MEAN. Twenty six thousand dollars of Kimball's portion is for the first six months of MEAN's fiscal year.

Staff had a conference call with Tim Sutherland with regard to what MEAN has been looking at and what MEAN has done to offset this. Sutherland commented on the climate being part of it. There has also been a change of personnel in the past few months. Sutherland also spoke about a pool energy adjustment. The adjustments are going to be a fixed amount based on the kilowatt usage.

MEAN had the opportunity to sell its power at a retail market and to be able to sell it at a premium price. With the development of RTO's, MEAN is no longer able to sell person to person. The RTO's eliminate the ability to serve directly to a user. There is no longer the luxury of selling power at a premium rate. It is based on the rate the RTO sets.

For the past 15 years, MEAN members have enjoyed marginal rate increases. From October to this point forward, MEAN will impose an adjustment to try to make up their shortfall. The City will see an additional charge on their MEAN bill.

Six to seven years ago, MEAN began a more aggressive approach in generation assets. However, now the cost of fuel and cost to operate has flipped and it is now more expensive to run and operate. In the coming months, WAPA will probably enter the RTO and they are trying to understand how that will impact MEAN. When they enter that transmission market, it will have some additional effects on MEAN.

Ortiz and Hinton will attend an upcoming financial committee meeting in North Platte. The City is looking at another rate increase with MEAN. A minimum of 9% rate increase is projected for next fiscal year. Discussion was held on NPPD and Ortiz said Sutherland is trying to get information as to where MEAN is compared to the other energy providers. The assets that NPPD does have are much older and they could require a massive rate increase. Discussion was held on membership and Ortiz indicated that as a member, there is opportunity to purchase at a lower rate.

Schnell read council members an article from the Wyoming Tribune Eagle concerning energy costs. Cheyenne is shooting for a 22% increase. MEAN is bringing on people who are experts in the field and hiring them on as consultants. The accountability has to be there.

Warner inquired about kwh rates and Hinton said he has asked for a chart to show the rates and will be receiving that soon. Shields inquired if MEAN has talked about cost-cutting measures. Ortiz said it has been difficult. Only about 15% of their overall budget is what they can cut. Hinton said they are doing their own rate structure and have hired a risk management team to provide oversight. Ortiz said MEAN is in the middle of their rate study. They have never really done a full blown rate study as an organization.

Shields expressed his appreciation to Ortiz and Hinton for providing the information and staying on top of this matter. Morrison commented that there are not many choices when it comes to electricity.

Schnell opened discussion on the Keno Grant application from Shop with a Cop. Huff said this is their third year doing this program. This program creates a memorable experience for the less fortunate children of the Kimball community. A committee meets and maps out ways to not only keep this program successful for future generations, but to make sure that it helps the children who would most benefit from this.

Jim Reeves, Kimball Schools guidance counselor, is preparing a list to put out to families. They are looking to sponsor 60 children and use some of the funds to pay the

utilities for some less fortunate families. Huff said everyone will meet on December 14<sup>th</sup> at 6:00 a.m. at the Fire Hall for a pancake breakfast. The kids will meet Santa and then ride in various vehicles to ShopKo for shopping. This program focuses on the experience of giving and caring for others. After shopping, the kids are transported back to the Fire Hall and the Fire Auxiliary helps the kids wrap the gifts that they purchased at ShopKo.

This year they want to make sure they are not gifting the same children over and over. They want to make sure that they are spreading it around to everyone. Another fundraiser for this project included a dunk tank during the rodeo. The money collected at that time is going to be used towards the Shop with a Cop Program. Also, Reeves is going to select two home games where they are going to do a 50/50 cash pot.

They raised \$9,700 in funds last year, including the \$4,500 provided by the Keno grant. As of November 27<sup>th</sup>, they have over \$3,000 in the account and have received multiple contributions from individuals. Huff is requesting \$4,500 in Keno funds to contribute to the Shop with a Cop Program.

Morrison commented that Kimball is quite generous. Since there are a lot of programs, there may be the chance that the same kids are receiving the gifts. He said everyone should be talking to each other. Schnell commented on kids being able to buy something to give their family member. Christensen inquired how much each child gets to spend and Huff said each child is given a \$100 gift card to buy gifts for their family members. Christensen said this has been a worthwhile project. Huff informed council members that Giga Byte will be making his first appearance during Shop with a Cop.

There being no further discussion, Christensen moved and Shields seconded to approve keno funds in the amount of \$4,500 for the Shop with a Cop Program. 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.

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

1. Minutes from the November 19, 2013 meeting;
2. Claims; and
3. Ratify the Kimball Fire Department members.

Christensen moved and Morrison seconded to approve the consent agenda items as shown in the packet. On roll call vote, the following votes were recorded. Aye: Warner, Shields, Christensen, and Morrison. Nay: None. Absent: None. Motion carried.

Ortiz briefed the council members on the last Board of Public Works meeting. He commented on the reports from Electro Test and Maintenance, Inc. and Exponential Engineering from Fort Collins. Exponential Engineering individuals visit Kimball on an annual basis. There are a number of items on their reports that are on the capital projects list. There are some items that will need to be addressed within the next year or two. Ortiz spoke about the circuit breaker at the South sub. That is the circuit breaker that when it goes down, the City will be out for an extended period of time. The

recommendation is to add a second 34.5 kV breaker to the South sub with a tie switch between the two feeders.

Ortiz commented that the report from Exponential Engineering provides a time line of when the issues should be addressed. The crucial issue is the circuit breaker. That project will be a week long project and the City would have to be taken off-line and run through the Power Plant. By adding the second circuit breaker, the City would not have to run through the Power Plant. It is something that needs to be addressed and possibly started in the spring.

Ortiz reported the Board of Public Works is also considering rate increases for water and sewer and landfill. They are holding off on increasing the electric rates until more information is received from MEAN. The one thing that was obvious through the bond process was that the landfill and other departments, except for electric, do not subsidize themselves. There are a number of projects that need to be done in various departments. Ortiz commented on the baler and garbage truck. As the City's infrastructure ages, it becomes more problematic to repair. He thinks the Board of Public Works is moving towards bringing the other utilities to be self-sustainable. Christensen commented that the City Council can try to hold the taxes down as much as they want to but it is their responsibility to keep the City running. Morrison inquired if the Board of Public Works is going to look at the budgeting for these items and Ortiz indicated some of them have been budgeted. Warner commented on the money in reserves and Ortiz said some was taken out to pay the defeasance. Warner asked how much money is in reserves and Ortiz said he can have that amount for her at the next meeting.

Ortiz reported Mark Brown has been working on replacing the concrete at the Recycle Center. The project will be done in phases and the landscaping portion will be done in the spring. Brown has finished the concrete work and it is drying.

Schnell reported on the Marketing Hometown America wrap up meeting. There was very good attendance and a lot of good input. At the follow up meeting, they determined what needs to be addressed and it was indicated there needs to be one good quality website for the community. That group will be making a presentation to the Economic Development Committee on December 17<sup>th</sup>. Another issue that needs to be addressed is housing. There were also comments on the mission statement and they plan to present it with the City on the mission statement.

The next regular City Council meeting is December 17, 2013.

There being no further business to come before the Council, Shields moved and Christensen seconded to adjourn at 8:39 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 Russell, City Clerk

City of Kimball - City Council General Claims - December 3, 2013 – Monograms & More-Shirts-52.75;SourceGas,LLC - Gas Service-330.05;Combined Utilities-Cemetery 3248.49; Combined Utilities-City Utilities-2220.73;Community Internet Systems-Internet-15.00;Intralinks-Support-337.50;Kimball Auto Parts-Oil Filter-3.45;Kimball Event Center-Rent-500.00;L.W.CartageCo.-Rent-100.00;Napa Auto Parts-Wipers-80.21;Nebraska Safety & Fire Equipment-Inspection-228.00;Off Broadway Business Products- Supplies-23.98;Staples-Supplies-16.43;Unitech - Ice Control-178.00;Chad Wise - Green Fees-10.00; Chad Wise-Compensation - 2916.00; City of Kimball-Economic Development Claims-December 3, 2013-Kimball County Treasurer-500.00;Staples-Supplies-6.70.