

Kearney, Nebraska
January 26, 2010
7:00 p.m.

A meeting of the City Council of Kearney, Nebraska, was convened in open and public session at 7:00 p.m. on January 26, 2010, in the Council Chambers at City Hall. Present were: Stanley A. Clouse, President of the Council; Michaelle Trembly, City Clerk; Council Members Randy Buschkoetter, Don Kearney, Bruce Lear, and Bob Lammers. Absent: None. Michael Morgan, City Manager; Michael Tye, City Attorney; Wendell Wessels, Director of Finance; Kirk Stocker, Director of Utilities; Rod Wiederspan, Director of Public Works; Suzanne Brodine, Assistant to the City Manager; Dan Lynch, Chief of Police; and Luke Olson, Management Assistant were also present. Some of the citizens present in the audience included: Bob Kennedy, Rita Kennedy, Marc Loescher, Candy Kuntz, Bruce Lefler, 8 students from UNK, Steve Altmaier from KGFV Radio, Kevin Hervert from Kearney Hub.

Notice of the meeting was given in advance thereof by publication in the Kearney Hub, the designated method for giving notice, a copy of the proof of publication being attached to these minutes. Advance notice of the meeting was also given to the City Council and a copy of their acknowledgment or receipt of such notice is attached to these minutes. Availability of the Agenda was communicated in the advance notice and in the notice to the Mayor and City Council. All proceedings hereafter shown were taken while the meeting was open to the attendance of the public.

I. ROUTINE BUSINESS

INVOCATION

With the absence of a representative from the Kearney Ministerial Association, the Council held a moment of silent prayer.

PLEDGE OF ALLEGIANCE

Two Boy Scouts from Troop 158 and 11 Boy Scouts from Troop 132 led the Council members and audience in the Pledge of Allegiance.

ANNOUNCEMENT

Mayor Clouse announced that in accordance with Section 84-1412 of the Nebraska Revised Statutes, a current copy of the Open Meetings Act is available for review and is posted towards the back of the Council Chambers.

RECOGNITION OF OUTGOING BOARD MEMBERS

Mayor Clouse stated as a token of appreciation, the City presents service awards to outgoing members that have served on the City's Boards. Marc Loescher from the Downtown Improvement Board and Bob Kennedy from the Senior Services Advisory Board were recognized for their service on these Boards.

II. UNFINISHED BUSINESS

Mayor Clouse stated that any action on the Non-Owned Corporate Hangar T-925 Lease between the City of Kearney and Otis Air Service and on the Non-Owned Corporate Hangar T-925 Lease between the City of Kearney and Otis Air Service and Resolution No. 2010-9 is postponed until February 9, 2010.

III. PUBLIC HEARINGS

CDBG COMMUNITY REVITALIZATION GRANT

Mayor Clouse opened the public hearing concerning an application to the Department of Economic Development for a Community Development Block Grant for three years of Community Revitalization activities and to consider Resolution No. 2010-13.

Candy Kuntz from Miller & Associates, presented this matter to the Council. The Comprehensive Revitalization program is a funding category within the Community Development Block Grant program funded and developed by the Nebraska Department of Economic Development. This program allows DED to conditionally guarantee grant awards in 2009, 2010 and 2011 for 8 non-entitlement local governments, between 20,000 and 49,999 populations, based on the number of low- and moderate-income (LMI) persons residing in the community. The method for allocating funds through the CR category presents the following advantages:

- Ability to make greater impact through guaranteed funding for longer period of time;
- Larger, urban municipalities who are non-entitlement communities are eligible;
- CDBG funding is more effectively targeted to persons with lower incomes.

The targeted census tracts span an area east to west from Avenue C to 5th Avenue and north to south from 22nd Street to 16th Street. The census tracts are located in southeast and downtown Kearney. The project will be improvements to the 1800 and 1900 blocks of Central Avenue. These blocks of Central Avenue, Old Town Kearney, fall within the selected census tract. These blocks require significant improvements to sidewalks and streets to meet ADA guidelines and address drainage and maintenance issues. Accessibility in the community is a top priority for the City. These two blocks receive a significant amount of traffic, both from the neighborhood and the wider community.

The proposed project will encompass three years of funding for Community Revitalization activities. The total funds for the project from CDBG is estimated at \$514,284. Matching funds in the amount of \$481,284 will come from local sales tax funds, which brings the total cost of the project for all three phases to \$995,568.

The application being submitted by January 29, 2010 is for Phase I funding, which is \$171,428 from CDBG. This phase will mainly consist of completing the environmental review, conducting meetings with local businesses, and preliminary engineering.

The City is responsible for 1:1 leverage. Because of the number and nature of the needs discovered during the assessment process, Kearney citizens voted overwhelmingly to implement a ½ percent sales tax, effective April 1, 2006. Combining

program funding and the sales tax money will provide the opportunity to serve the low- and moderate-income populations and to improve accessibility to the public facilities, business communities, and along major arterial streets that is the responsibility of the community.

The project will be completed from July 2010 to July 2011, during which residents can expect to see a combination of improvements to sidewalks, streets, and accessible sidewalk ramps at intersections. When construction starts in the summer of 2011, it is anticipated there will be somewhat a phased construction in order to keep traffic flow in that area.

1. Sidewalks and Paving – It is proposed to remove brick pavers in the parking area of Central Avenue from Railroad Street South to 18th Street to allow for re-grading and replace with a concrete surface. Sidewalks and gutters will be replaced with a new grade, lower curb and accessible sidewalk ramps at intersections. The street surface would remain brick. Lead water services will also be replaced at this time.

There was no one present in opposition to this hearing.

Moved by Kearney seconded by Lammers to close the hearing concerning an application to the Department of Economic Development for a Community Development Block Grant for the first phase of the Community Revitalization program and approve **Resolution No. 2010-13**. Roll call resulted as follows: Aye: Clouse, Lear, Lammers, Kearney, Buschkoetter. Nay: None. Motion carried.

RESOLUTION NO. 2010-13

WHEREAS, the City of Kearney, Nebraska, is an eligible unit of a general local government authorized to file an application under the Housing and Community Development Act of 1974 as amended for Small Cities Community Development Block Grant Program; and

WHEREAS, the City of Kearney, Nebraska, has obtained its citizens' comments on community development and housing needs; and has conducted public hearing(s) upon the proposed application and received favorable public comment respecting the application which for an amount of \$171,428 for community revitalization.

NOW, THEREFORE, BE IT RESOLVED by the President and Council of the City of Kearney, Nebraska, that the Mayor be authorized and directed to proceed with the formulation of any and all contracts, documents or other memoranda between the City of Kearney and the Nebraska Department of Economic Development so as to effect acceptance of the grant application.

PASSED AND APPROVED THIS 26TH DAY OF JANUARY, 2010.

ATTEST:
MICHAELLE E. TREMBLY
CITY CLERK

STANLEY A. CLOUSE
PRESIDENT OF THE COUNCIL
AND EX-OFFICIO MAYOR

IV. CONSENT AGENDA

Moved by Lammers seconded by Lear that Subsections 1 through 14 of Consent Agenda Item IV be approved. Roll call resulted as follows: Aye: Clouse, Lammers, Kearney, Buschkoetter, Lear. Nay: None. Motion carried.

1. Approve Minutes of Regular Meeting held January 12, 2010.
2. Approve the following Claims:

PS	Personnel Services
SMCS	Supplies, Materials & Contractual Services
ER	Equipment Rental
CO	Capital Outlay
DS	Debt Service

AT&T \$163.90 Smcs; Alamar Uniforms \$181.13 Smcs; All Makes Office Equipment \$7,372.04 Co; Alonso,E \$50.00 Smcs; Anderson Bros \$11,446.12 smcs,co; Ask Supply \$380.94 Co; Aurora Coop \$64.80 Smcs; B2 Environmental \$750.00 Co; Baker & Taylor Books \$6,386.46 Smcs; Bamford \$475.00 Smcs; Barney Ins \$100.00 Smcs; BBC Audiobooks \$205.09 Smcs; Bike Shed \$16,442.85 Co; Blessing \$1,200.00 Smcs; BlueCross BlueShield \$139,389.79 Smcs; Bosselman \$51,667.95 Smcs; Brodart Co \$89.85 Smcs; Brodine,S \$16.00 Smcs; Bruce,B \$45.00 Smcs; Carriage Paper Products \$147.82 Smcs; Cash-Wa Distributing \$1,194.82 smcs,co; Central Fire & Safety \$80.50 Smcs; Charter \$119.98 Smcs; Charter Media \$1,557.00 Smcs; City Glass \$598.25 Smcs; City of Ky \$17,996.19 smcs,ps; College Savings Plan of NE \$150.00 Ps; Credit Management Service \$33.97 Ps; Crime Reports \$1,592.00 Smcs; Crossroads Ford \$45.00 Smcs; Crushers \$1,000.00 Smcs; Cummins Central Power \$689.30 Smcs; D&M Security \$64.50 Smcs; Dawson Co PPD \$21,851.04 Smcs; Designs Unlimited \$1,500.00 Co; Development Council \$686.37 Smcs; Dish Network \$107.04 Smcs; DMAPS \$538.90 Smcs; Dmilaco \$201.50 Smcs; Dogtra Co \$63.21 Co; Dugan Business Forms \$606.28 Smcs; Dutton-Lainson \$197.08 smcs,co; Eakes \$785.25 smcs,ps; EMC Ins \$7,072.60 Smcs; Envirotech Services \$16,238.35 Smcs; Eustis Body Shop \$901.25 Smcs; Farmers Union Coop \$1,030.50 Smcs; Fedex \$22.30 Smcs; Felsburg Holt & Ullevig \$3,750.00 Smcs; Fireguard \$1,994.92 Smcs; Frontier \$148.36 Smcs; Gale \$352.30 Smcs; Galls \$416.31 Smcs; Gangwish Turf \$70.00 Smcs; Garrett Tires \$6,956.80 Smcs; Gaylord Bros \$53.28 Smcs; Great Plains One Call \$91.66 Smcs; H.W. Wilson Co \$276.00 Smcs; Hausmann Construction \$375,187.42 Co; Heritage NE/Main Street \$100.00 Smcs; Highland Park \$1,698.68 Smcs; Highsmith \$321.62 Smcs; Honeywell First Responder \$1,399.90 Smcs; Hoover's \$200.00 Smcs; ICMA RC \$4,782.09 Ps; IRS \$111,700.26 Ps; J.Gardner & Associates \$335.00 Smcs; Jack Lederman \$1,354.06 Smcs; Jelinek,T \$318.06 Smcs; Ky Catholic High \$800.00 Smcs; Ky Clinic \$275.00 smcs,ps; Ky Comm Foundation \$4,212.64 Smcs; Ky Concrete \$6,362.10 smcs,co; Ky Visitors Bureau \$22,574.50 Smcs; KGFW/KRNY/KGFW \$855.96 Smcs; Kirkham Michael \$637.68 Co; Koettters,J \$668.50 Smcs; Konica Minolta \$20.93 Smcs; KRVN \$331.50 Smcs; Lawn Builders \$613.21 Smcs; Lincoln Journal Star \$321.08 Co; Linda's Upholstery \$249.53 Smcs; Lindner, Shawna \$73.87 Smcs; Lips Printing \$69.09 Smcs; LVNV Funding \$410.12 Ps; Magic Cleaning \$6,160.00 Smcs; Mail Express \$44.11 Smcs; Marlatt Machine Shop \$3,767.79 smcs,co; Metlife \$8.10 Co; Microfilm Imaging \$295.00 Smcs; Midwest Labs \$2,212.50 Smcs; Milco Environmental \$600.00 Smcs; Miller & Associates \$381.03 Smcs; Miller Signs \$75.00 Smcs; Minitex \$2,992.00 Smcs; Morgan,M \$29.25 Smcs; Municipal Supply \$1,242.54 Smcs; NE Assn of Airport Officials \$200.00 Smcs; NE Aviation Council \$170.00 Smcs; NE Child Support \$2,950.20 Ps; NE Dept of Aero \$2,095.00 ds,er; NE Dept of Environmental \$12,819.88 Smcs; NE Dept of Rev \$48,601.12 Smcs; NE IAI \$25.00 Smcs; NE Library Assn \$313.75 Smcs; NE Library Com \$1,500.00 Smcs; NE Press Advertising \$1,180.00

Smcs; NE Safety & Fire Equip \$2,735.00 Smcs; NE State Board Landscape \$187.00 Smcs; NE Truck Center \$1,079.45 Smcs; NE Workforce Development \$1,404.00 Ps; Neopost \$260.00 Smcs; Northwestern Energy \$12,167.45 Smcs; Ocean Systems \$1,295.00 Smcs; OMB's Express Police \$27.94 Smcs; Otis Air Service \$1,375.00 Co; Overhead Door \$65.00 Smcs; Paramount Linen \$191.78 Smcs; Pep Co \$51.10 Smcs; Platte River Radio \$164.00 Smcs; Platte Valley Comm \$631.27 Smcs; Presto-X \$157.95 Smcs; R.W. Sorensen Construction \$3,905.00 Smcs; Random House \$120.00 Smcs; Reinke's Heating \$502.22 Smcs; Research Technology \$74.95 Smcs; Resource Management \$833.15 Smcs; Rotonics Manufacturing \$1,154.00 Smcs; Russell's Appliance \$5,348.00 Co; Sage,P \$26.75 Smcs; Sam's Club Direct \$728.40 Co; Schroeder Drywall \$1,500.00 Smcs; Scott,K \$50.00 Smcs; Sentry Armor Systems \$108.80 Smcs; Smith Signs \$50.00 Smcs; Snap-On Tools \$292.80 Smcs; Solid Waste Agency \$42,769.33 Smcs; State of NE HHS Lab \$15.00 Smcs; Sterling Distributing \$85.71 Smcs; Tactical Technologies \$138.00 Smcs; Tye & Rademacher \$10,281.04 Smcs; Unique Management \$358.00 Smcs; United Industries \$2,595.00 Co; UNK \$655.24 smcs,ps; Verizon \$1,080.77 Smcs; Webcoat \$2,819.00 Co; Wellman,P \$159.93 Smcs; Wellness Council \$97.20 Ps; West Payment Center \$1,372.10 Smcs; Wiegand Security \$75.00 Smcs; Wilkins Hinrichs Stober \$15,196.74 Co; WPCI \$53.50 Ps; Yanda's Music \$400.00 Co; Payroll Ending 1-16-2010 -- \$310,135.69. The foregoing schedule of claims is published in accordance with Section 19-1102 of the Revised Statutes of Nebraska, and is published at an expense of \$_____ to the City of Kearney.

3. Receive recommendations of Planning Commission and set February 9, 2010 at 7:00 p.m. as date and time for hearing on those applications where applicable.
4. Approve the request submitted by the UNK Loper Programming and Activities Council to conduct the 8th Annual Fun 5K Run/Walk on April 17, 2010 beginning at 9:00 a.m. The route will begin at UNK Foster Field, east in the right lane of eastbound traffic on University Drive, south on the sidewalk parallel with 9th Avenue, west on the sidewalk parallel with 25th Street, north and east in the right lane of the eastbound traffic on University Drive (near softball fields) and following University Drive to 9th Avenue, south on the sidewalk parallel with 9th Avenue to 27th Street, west on 27th Street and ending at UNK Foster Field.
5. Approve the application for a Special Designated License submitted by Veterans FW #759 in connection with their Class C-09025 liquor license to dispense beer, wine and distilled spirits in the Ag Pavilion located at the Buffalo County Fairgrounds, 3807 Avenue N on March 12, 2010 from 11:30 a.m. until 12:00 a.m. (midnight), March 13, 2010 from 9:00 a.m. until 1:00 a.m., and on March 14, 2010 from 12:00 p.m. (noon) until 6:00 p.m. for a bike show/swap meet.
6. Approve the application for a Special Designated License submitted by APPLE FUN CENTER INC, dba Big Apple Fun Center in connection with their Class C-24505 liquor license to dispense beer, wine and distilled spirits inside the Great Platte River Road Archway Monument, 3060 1st Street, on April 10, 2010 from 4:00 p.m. until 1:00 a.m. for a reception.
7. Approve the application for a Special Designated License submitted by APPLE FUN CENTER INC, dba Big Apple Fun Center in connection with their Class C-24505 liquor license to dispense beer, wine and distilled spirits inside the Great Platte River

Road Archway Monument, 3060 1st Street, on February 13, 2010 from 5:00 p.m. until 1:00 a.m. for a dance.

8. Approve the application for a Special Designated License submitted by KEARNEY SHOOTERS INC., dba Shooters in connection with their Class C-67029 liquor license to dispense beer, wine and distilled spirits in the Ag Pavilion Building, a corridor connecting to and including the Exhibit Building located at the Buffalo County Fairgrounds, 3807 Avenue N on February 16, 17, 18, 19, 20, 2010 from 6:00 a.m. until 1:00 a.m. for the Cattlemen’s Classic.

9. Approve Application and Certificate of Payment No. 2 in the amount of \$25,691.28 submitted by Midlands Contracting and approved by Miller & Associates for the 2009 Part 13 Improvements consisting of Water Connection District No. 2009-1 for 56th Street from Antelope Avenue west a distance of 2643.85± feet, Water Connection District No. 2009-2 for 56th Street from Antelope Avenue east a distance of 2637.55± feet and approve **Resolution No. 2010-14**.

RESOLUTION NO. 2010-14

WHEREAS, Midlands Contracting, Inc. of Kearney, Nebraska has performed services in connection with the 2009 Part 13 Improvements consisting of Water Connection District No. 2009-1 for 56th Street from Antelope Avenue west a distance of 2643.85± feet, Water Connection District No. 2009-2 for 56th Street from Antelope Avenue east a distance of 2637.55± feet, and the City's engineer, Miller & Associates, have filed with the City Clerk Application and Certificate for Payment No. 2 in the amount of \$25,691.28, as shown on Exhibit “A” attached hereto and made a part hereof by reference and as follows:

Original Contract Sum	<u>\$341,655.00</u>
Contract Sum To Date	341,655.00
Gross Amount Due	231,570.57
Retainage	23,157.06
Amount Due to Date	208,413.51
Less Previous Certificates for Payment	<u>182,722.23</u>
Current Payment Due	\$ 25,691.28

NOW, THEREFORE, BE IT RESOLVED by the President and Council of the City of Kearney, Nebraska, and hereby find and determine that Application and Certificate for Payment No. 2, as shown on Exhibit “A”, be and is hereby accepted and approved.

PASSED AND APPROVED THIS 26TH DAY OF JANUARY, 2010.

ATTEST:
 MICHAELLE E. TREMBLY
 CITY CLERK

STANLEY A. CLOUSE
 PRESIDENT OF THE COUNCIL
 AND EX-OFFICIO MAYOR

10. Approve the Professional Service Consultant Agreement between the City of Kearney and Miller & Associates for services rendered in connection with the 2009 Part 12 Improvements consisting of Water Connection District No. 2009-4 and Sanitary Sewer Connection District No. 2009-2 in 11th Street from the existing main in 11th Street and Kea West Avenue to 30th Avenue, 30th Avenue between North Railroad

Street and 11th Street, and 16th Street from 30th Avenue east to its terminus and approve **Resolution No. 2010-15.**

RESOLUTION NO. 2010-15

BE IT RESOLVED by the President and Council of the City of Kearney, Nebraska, that the Mayor be and is hereby authorized and directed to execute the Professional Service Consultant Agreement between the City of Kearney and Miller & Associates for services rendered in connection with the 2009 Part 12 Improvements consisting of Water Connection District No. 2009-4 and Sanitary Sewer Connection District No. 2009-2 in 11th Street from the existing main in 11th Street and Kea West Avenue to 30th Avenue, 30th Avenue between North Railroad Street and 11th Street, and 16th Street from 30th Avenue east to its terminus.

PASSED AND APPROVED THIS 26TH DAY OF JANUARY, 2010.

ATTEST:
MICHAELLE E. TREMBLY
CITY CLERK

STANLEY A. CLOUSE
PRESIDENT OF THE COUNCIL
AND EX-OFFICIO MAYOR

11. Approve the application for a Special Designated License submitted by TERRY PULS, dba The Speak Easy in connection with their Class IBK-07688 catering liquor license to dispense beer, wine and distilled spirits in the Extension Building located at the Buffalo County Fairgrounds, 3807 Avenue N on February 27, 2010 from 3:00 p.m. until 12:00 a.m. (midnight) for the a fund raiser.

12. Accept the Certificate of Substantial Completion submitted by Hausmann Construction and approved by Wilkins Hinrichs Stober Architects for the construction of the Peterson Senior Activity Center located at the E.K. and Mary Yanney Heritage Park and approve **Resolution No. 2010-16.**

RESOLUTION NO. 2010-16

WHEREAS, Hausmann Construction of Lincoln, Nebraska has performed services in connection with the construction of the Peterson Senior Activity Center located at the E.K. and Mary Yanney Heritage Park, and the City's engineer, Wilkins Hinrichs Stober Architects, have filed with the City Clerk the Certificate of Substantial Completion as shown on Exhibit "A" attached hereto and made a part hereof by reference.

NOW, THEREFORE, BE IT RESOLVED by the President and Council of the City of Kearney, Nebraska, and hereby find and determine that the Certificate of Substantial Completion, as shown on Exhibit "A", be and is hereby accepted and approved.

PASSED AND APPROVED THIS 26TH DAY OF JANUARY, 2010.

ATTEST:
MICHAELLE E. TREMBLY
CITY CLERK

STANLEY A. CLOUSE
PRESIDENT OF THE COUNCIL
AND EX-OFFICIO MAYOR

13. Authorize the City Manager to execute all grant related documents pertaining to the Economic Development Assistance Grant from the Economic Development Administration to complete a water and sanitary sewer extension to serve the distribution facility currently under construction by The Buckle, Inc. as well as the

surrounding area and approve **Resolution No. 2010-17.**

RESOLUTION NO. 2010-17

WHEREAS, the City of Kearney, Nebraska, is an eligible unit of a general local government authorized to file an application under the under the Public Works and Economic Development Act of 1965, as amended; and

WHEREAS, the City of Kearney, Nebraska, submitted an application to the Economic Development Administration for an amount of \$1,500,000 for the construction of public infrastructure for economic development.

NOW, THEREFORE, BE IT RESOLVED by the President and Council of the City of Kearney, Nebraska, that the City Manager be authorized and directed to proceed with the formulation of any and all contracts, documents or other memoranda between the City of Kearney and the Economic Development Administration so as to effect acceptance of the grant application.

PASSED AND APPROVED THIS 26TH DAY OF JANUARY, 2010.

ATTEST:
MICHAELLE E. TREMBLY
CITY CLERK

STANLEY A. CLOUSE
PRESIDENT OF THE COUNCIL
AND EX-OFFICIO MAYOR

14. Approve the Standard Contract for Engineering Services for the City of Kearney, Nebraska and approve **Resolution No. 2010-18.**

RESOLUTION NO. 2010-18

WHEREAS, the City Administration has recommended to the Council that a uniform, consistent policy with regard to the employment of professional services for the procurement of routine civil, structural, mechanical, and electrical engineering services, be adopted by the City of Kearney; and

WHEREAS, the City has developed a standard uniform engineering services contract; and

WHEREAS, adoption of a standard policy will give fair and equal treatment to all professionals, firms or companies seeking to provide professional engineering services to the City.

NOW, THEREFORE, BE IT RESOLVED by the President and Council of the City of Kearney, Nebraska, that the Contract for Engineer Services, marked as Exhibit "1", attached hereto and made a part hereof by reference, be and is hereby adopted as the standard Contract for Engineer Services for the City of Kearney.

PASSED AND APPROVED THIS 26TH DAY OF JANUARY, 2010.

ATTEST:
MICHAELLE E. TREMBLY
CITY CLERK

STANLEY A. CLOUSE
PRESIDENT OF THE COUNCIL
AND EX-OFFICIO MAYOR

V. CONSENT AGENDA ORDINANCES

None.

VI. REGULAR AGENDA

ANNUAL AUDIT

Mayor Clouse opened for discussion the City of Kearney Annual Financial Report prepared by the accounting firm of McDermott & Miller.

Mary Kalb from McDermott & Miller presented this matter to the Council. The average increase in net assets for the past seven years has been 8.8 percent. In looking at the numbers seven years ago, the net assets were \$94 million and this last year they were \$15,200,000 which is an impressive increase. The revenues have increased an average of 5.1 percent over this time period. Property taxes average 5.1 percent of the total revenue and the other taxes average 26 percent of the total revenue. The federal revenue was approximately \$3 million this last year, with \$1,250,000 in NDEQ loans for the Northwest Well Field and the rest of it was from FEMA, Airport, and \$650,000 for the Petersen Senior Activity Center at Yanney.

The thing that was different in their packet this year was a summary letter because some people might have difficulty in understanding the report that is required to be written. They tried to prepare this letter so that people that are charged with governance could refer to this smaller packet. This year they again reported a significant deficiency of lack of segregation of duties. It appears in the opinion in the back of the report. They also stated in their report that there were no changes in significant accounting policies and nothing was unusual this year. The most sensitive estimate that the Finance Director makes is the closure and post-closure costs because it is a larger number that can be subject to some variance. They did not encounter any difficulties in dealing with management at the City and no disagreements arose during the course of the audit to their knowledge. This letter is just a summary of the opinion of their auditors about how good things are going at the City of Kearney. At the beginning of the report is a summary analysis written by the Finance Director stating that debt has been reduced, any new debt, and the changes that took place during the year.

Moved by Lear seconded by Buschkoetter to accept the City of Kearney Annual Financial Report prepared by the accounting firm of McDermott & Miller. Roll call resulted as follows: Aye: Clouse, Buschkoetter, Lear, Lammers, Kearney. Nay: None. Motion carried.

REDEEMING VARIOUS PURPOSE BONDS, SERIES 2003

Regular Agenda Items 2 and 3 were discussed together but voted on separately.

Mayor Clouse opened for discussion the calling for the redemption of Various Purpose Bonds, Series 2003 and to consider Resolution No. 2010-19.

The City of Kearney currently has Various Purpose G.O. Bonds Series 2003 (Series 2003) outstanding. The outstanding Series 2003 Bonds have an interest coupon rate ranging from 3.30% to 4.75% and mature on April 1, 2023.

After monitoring the municipal bond market over the past several months, it appears that the City of Kearney could save considerable interest costs by refinancing the Series 2003 Bonds. It is estimated that the Various Purpose G.O. Refunding Bonds Series

2010 (Series 2010) will have an interest rate ranging from 1.25% to 4.05% and will mature on April 1, 2023. Actual interest rates will not be known until January 26, 2010. The City of Kearney has an opportunity to save approximately \$195,000 over the term of the Series 2010 Bonds by refinancing the Series 2003 Bonds.

Bruce Lefler from Ameritas presented this matter to the Council. He stated this is the refinancing of general obligation bonds that were issued in 2003 that are redeemable at the City's option. Those bonds are outstanding with maturities going from April 2010 to April 1, 2023. They are currently outstanding at an average interest rate of 4.46 percent. The refunding bonds being discussed would reduce the interest rate on those outstanding bonds by refinancing to 3.41 percent. This would result in reduction of about one percent of the interest cost over the same term without changing any of the terms of the outstanding bonds maturing through 2023 with a savings of just over \$230,000. They looked at these bonds in the refunding they did last year, but the numbers were not quite good enough to do at that time. Mr. Lefler stated if they were to go back about 18 months to the middle of 2008, they have refinanced five issues for the City and he estimated that the savings have been a little over \$1 million worth of interest expense. The City of Kearney bonds are very well received in the market place when it comes time to market them. They are able to be fairly aggressive with those rates as well.

Moved by Buschkoetter seconded by Clouse to approve the calling for the redemption of Various Purpose Bonds, Series 2003 and approve **Resolution No. 2010-19**. Roll call resulted as follows: Aye: Clouse, Lear, Lammers, Kearney, Buschkoetter. Nay: None. Motion carried.

RESOLUTION NO. 2010-19

BE IT RESOLVED by the President and Council of the City of Kearney, Nebraska:

Section 1. The following bonds of the City of Kearney Nebraska, in accordance with their option provisions are hereby called for payment on March 2, 2010, after which date interest on the bonds will cease:

Various Purpose Bonds, Series 2003, of the City of Kearney, Nebraska, date of original issue - April 1, 2003, in the principal amount of Three Million Three Hundred Ninety-five Thousand Dollars (\$3,395,000), numbered as shown on the books of the Paying Agent and Registrar, in denomination of \$5,000 each, becoming due and bearing interest as follows:

<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
\$185,000	April 1, 2010	3.30%	486890 SH 0
190,000	April 1, 2011	3.55	486890 SJ 6
205,000	April 1, 2012	3.75	486890 SK 3
200,000	April 1, 2013	3.85	486890 SL 1
215,000	April 1, 2014	4.00	486890 SM 9
225,000	April 1, 2015	4.10	486890 SN 7
230,000	April 1, 2016	4.20	486890 SP 2
240,000	April 1, 2017	4.30	486890 SQ 0
260,000	April 1, 2018	4.40	486890 SR 8

265,000	April 1, 2019	4.45	486890 SS 6
275,000	April 1, 2020	4.50	486890 ST 4
290,000	April 1, 2021	4.60	486890 SU 1
300,000	April 1, 2022	4.70	486890 SV 9
315,000	April 1, 2023	4.75	486890 SW 7

Said bonds are hereinafter referred to as the "Refunded Bonds."

The Refunded Bonds are subject to redemption at any time on or after April 1, 2008, at par and accrued interest, and said interest is payable semiannually. The proceeds of the Refunded Bonds were used for the purpose of paying the costs (including payment of \$5,975,000 General Obligation Bond Anticipation Notes, Series 2001, date of original issue - April 1, 2001, due April 1, 2003) of improving streets and alleys, intersections and areas formed by the crossing of streets, avenues or alleys and streets adjacent to real estate owned by the City in Paving Improvement District Nos. 2000-822, 2000-829, 2000-837, 2000-838, 2000-839, 2000-841, 2000-842, 2000-843, 2000-844, 2000-845, 2000-846, 2000-847, 2000-848, 2000-849, 2000-850, 2000-851, 2000-852, 2000-854, 2000-855, 2000-856 and 2000-857.

Section 2. The Refunded Bonds are to be paid at the office of the Treasurer of the City of Kearney, in Kearney, Nebraska, as paying agent and registrar (the "Paying Agent").

Section 3. A true copy of this resolution shall be filed immediately with the Paying Agent for the Refunded Bonds, and said Paying Agent is hereby instructed to mail notice to each registered owner of said bonds not less than thirty days prior to the date fixed for redemption, all in accordance with the ordinance authorizing said Refunded Bonds.

PASSED AND APPROVED THIS 26TH DAY OF JANUARY, 2010.

ATTEST:
 MICHAELLE E. TREMBLY
 CITY CLERK

STANLEY A. CLOUSE
 PRESIDENT OF THE COUNCIL
 AND EX-OFFICIO MAYOR

ORDINANCE NO. 7566 AUTHORIZING ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS IN THE AMOUNT OF \$3,250,000

Regular Agenda Items 2 and 3 were discussed together but voted on separately.

Council Member Clouse introduced Ordinance No. 7566, being Subsection 3 of Agenda Item VI authorizing the issuance of General Obligation Refunding Bonds of the City of Kearney, Nebraska in the principal amount of \$3,250,000 for the purpose of providing funds which, along with City funds on hand, will pay and redeem \$3,395,000 of the City's outstanding Various Purpose Bonds, Date of Original Issue - April 1, 2003; directing the application of the proceeds of said bonds; prescribing the form of said bonds; providing for the levy and collection of taxes to pay the same; providing for the sale of the bonds; authorizing the delivery of the bonds to the purchaser; and to provide for publication in pamphlet form by authority of the City Council and effective date of this ordinance, and moved that the statutory rules requiring ordinances to be read by title on three different days be suspended and said ordinances be considered for passage on

the same day upon reading by number only, and then placed on final passage and that the City Clerk be permitted to call out the number of the ordinance on its first reading and then upon its final passage. Council Member Kearney seconded the motion to suspend the rules. President of the Council asked for discussion or if anyone in the audience was interested in the ordinance. No one responded. Clerk called the roll which resulted as follows: Aye: Clouse, Lammers, Kearney, Buschkoetter, Lear. Nay: None. Motion to suspend the rules having been concurred in by three-fourths of the City Council, said motion was declared passed and adopted. City Clerk read Ordinance No. 7566 by number. Roll call of those in favor of the passage of said ordinance on the first reading resulted as follows: Aye: Clouse, Lammers, Kearney, Buschkoetter, Lear. Nay: None. Motion carried. Ordinance was read by number.

Moved by Kearney seconded by Lammers that Ordinance No. 7566 be passed, approved and published as required by law. Roll call resulted as follows: Aye: Clouse, Kearney, Buschkoetter, Lear, Lammers. Nay: None. Motion carried.

By reason of the roll call voted on the first reading and final passage of the ordinance, Ordinance No. 7566 is declared to be lawfully passed and adopted upon publication in pamphlet form and made available to the public at the Office of the City Clerk, the Kearney Police Department and the Kearney Public Library.

REVIEW ONE AND SIX YEAR STREET IMPROVEMENT PLAN

Mayor Clouse opened for review the One & Six Year Street Improvement Plan and set the public hearing for February 23, 2010 to adopt the One & Six Year Street Improvement Plan.

The Nebraska Department of Roads (DOR) annually requires the City of Kearney to submit One and Six Year Plans for street improvements. The proposed plan is presented at one meeting to give the City Council and community time to review it and propose changes prior to adopting the Plan following the public hearing on February 23, 2010. The proposed 2010 One and Six Year Plans were presented to the Council. The proposed plans incorporate street improvements from the previous Six Year Plan, various new improvements related to community development needs, and other street/reconstruction needs.

City Engineer Bruce Grupe presented this matter to the Council. He gave a summary of the following projects which are listed on the One Year Plan.

Project No.	Location	Est. Total Cost
447	25th Street from Avenue I to Avenue L - 600'	\$600,000
474	56th Street from 100' east of Avenue Q east 1600'	\$1,468,000
410	39th Street from Avenue F to Avenue M - 1700'	\$1,843,000
411	39th Street from Pony Express to Avenue F - 2100'	\$2,236,000
511	6th Avenue from 110' south of 8th Street south 280' cul-de-sac	\$75,000
512	5th Avenue from 16th Street to 19th Street - 1070'	\$260,000
513	Avenue K from 17th Street to 18th Street - 350'	\$265,000
514	17th Street from Avenue K to Avenue M - 522'	\$165,000
515	18th Street from 8th Avenue to 9th Avenue - 300'	\$100,000
516	Talmadge Street from 330' west of 3rd Avenue west 700'	\$350,000
517	15th Avenue from 8th Street to 11th Street - 1200'	\$420,000

518	16th Avenue from 8th Street to 11th Street - 1100'	\$390,000
519	8th Street from 148' west of 15th Avenue to 16th Avenue - 720'	\$260,000
520	30th Avenue from 16th Street north 527'	\$200,000
521	16th Street from 30th Avenue east 1540'	\$500,000
522	30th Avenue from 11th Street to 16th Street - 990'	\$665,000
523	11th Street from Kea West Avenue to 30th Avenue - 3950'	\$2,255,000
Total Estimated Cost		\$12,052,000

City Manager Michael Morgan stated an agreement has been reached and the County Board has approved projects #474 and #523 regarding the two projects that involve City/County cooperation related to the data center, 56th Street extension and 11th Street related to The Buckle project. The City will partner in that project to pave the third and fourth lane of 11th Street and construct the storm drainage. The goal is to have 11th Street be a 4-lane with new drainage, curb and gutter to City standards this year. That portion of 56th Street that is inside the City limits will be 4-lanes paved until it reaches the City limits and then it will be a typical paved 2-lane County road to 500 feet west of the existing Cherry Avenue. It will be about one quarter mile east of the east line of the data center site.

City Engineer stated that he usually does not go into a lot of detail on the Six Year Plan because it is subject to change and is required to meet the criteria of the State each year. It is very similar to the Six Year Plan that was presented last year. There are not a lot of revisions that have been made. City Manager stated as the ½ cent sales tax gets freed up in the next few years, this Six Year Plan will change as some of these streets get prioritized. The focus is on the One Year Plan.

Council member Lammers asked about the status of the paving project on 6th Street where they found the base to be unstable and was not completed. City Manager stated that this can certainly be added to the Six Year Plan, but for now it will fall under maintenance. The worst two blocks have been done. They will continue to repair until it can be completed.

City Manager Michael Morgan stated that Central Avenue is also in bad condition. This list does not include what the State anticipates to do. When Cherry Avenue is completed, there is an agreement in place that the State can relinquish 2nd Avenue to the City, but it must meet a certain condition to do so. Central Avenue is quickly and significantly deteriorating.

Director of Public Works Rod Wiederspan stated regarding 2nd Avenue from 25th Street to 32nd Street, the State has already done the surveying and are currently in the designing phase. That project will be a total removal and replacement in 2012 or 2013. This would be a 50/50 project with the State. The City's portion of the funding would come out of its STP dollars for that project. City Manager stated that the disagreement they have had with the State is that their preference is to white top and use asphalt on 2nd Avenue and the City's preference is concrete. They could get the project done with less City dollars, but it would be asphalt. City staff does not believe an overlay on that road would last very long due to the condition of the road. That is why it is a 50/50 split as opposed to an 80/20 like they normally do. They agreed that by using its STP money the City would pay additional money to have it totally removed and replaced with concrete.

City Manager stated that the City has accumulated those federal Service Transportation Program (STP) funds for some time. The good news is that they have accumulated, but the bad news is Cherry Avenue inflation is going up and will wipe them out eventually. The City has expressed to the State that eventually the City will have to use some of those funds because they cannot just keep carrying them forward forever. They will see how that works in the next couple of years depending on where they are at on Cherry Avenue.

City Manager Michael Morgan stated regarding Cherry Avenue, they have had some good news in the past few weeks. It is the expectation that they will finish the environmental document by October 2010 and then take another twelve months to finish the design, bid and begin construction in the fall of 2011.

Mayor Clouse stated another project is the South Central Curb and Sidewalks project which is on the Six Year Plan. City Engineer stated due to the grant funding, that project would be brought forward on next year's One Year Plan. It is just in the design mode this year.

City Manager stated that in the past they had projects on the Six Year Plan, but they did not have funds to pay for them. At the present time, they try to focus and match what they have the ability to pay for on these lists by using the sales tax funds and other transportation funds. There are also some unknowns now regarding the project on 39th Street for which we know we will receive \$1.5 million from the stimulus funds, but it could also be as much as \$2.6. Although this project has been approved, the City might not know the amount until it is completed. City Engineer stated they must wait and see how successful the other projects are around the State and if there will there be any funding available when we get to that point. If the City receives additional funds, some of these projects could be moved up or new projects added.

Council member Lammers asked since Talmadge Street is extending west approximately 700 feet, will it ever go out to Kea West Avenue. City Engineer stated they have been working with the County to try to find a solution to get at least a gravel road to connect with Kea West Avenue. It might be done under an agreement at sometime to share some of the costs.

City Manager stated the project listed for 39th Street from 30th Avenue west for \$1.6 million is somewhat deceptive because the City has offered \$500,000 out of the ½ cent sales tax in 2012 toward that project. They are working with some development in the area and asked the County to potentially come in and do some of the work for a gravel street. There is an agreement out to the developer that limits the City's costs for the development going west out to the Equestrian Hills Subdivision after the annexation has been completed and some other requirements have been met. This also would be done with an agreement between the City and County to work together on this project if that were to occur.

Moved by Lammers seconded by Lear to approve setting the public hearing for February 23, 2010 to adopt the One & Six Year Street Improvement Plan. Roll call resulted as follows: Aye: Clouse, Buschkoetter, Lear, Lammers, Kearney. Nay: None. Motion carried.

OPEN ACCOUNT CLAIMS: NPPD - \$59,445.45, PLATTE VALLEY STATE BANK - \$54,282.54

Moved by Buschkoetter seconded by Kearney that Open Account Claims in the amount of \$54,282.54 payable to Platte Valley State Bank, and in the amount of \$59,445.45 payable to Nebraska Public Power District be allowed. Roll call resulted as follows: Aye: Lammers, Kearney, Buschkoetter. Nay: None. Clouse and Lear abstained. Motion carried.

VII. REPORTS

None

VIII. ADJOURN

Moved by Kearney seconded by Lammers that Council adjourn at 7:38 p.m. Roll call resulted as follows: Aye: Clouse, Lammers, Kearney, Buschkoetter, Lear. Nay: None. Motion carried.

ATTEST:

**MICHAELLE E. TREMBLY
CITY CLERK**

**STANLEY A. CLOUSE
PRESIDENT OF THE COUNCIL
AND EX-OFFICIO MAYOR**