

Kearney, Nebraska
October 12, 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 October 12, 2010, in the Council Chambers at City Hall. Present were: Randy Buschkoetter, Vice-President of the Council; Michaelle Trembly, City Clerk; Council Members Don Kearney, Bruce Lear. Absent: Stanley Clouse and Bob Lammers. Michael Morgan, City Manager; Michael Tye, City Attorney; Wendell Wessels, Director of Finance; Suzanne Brodine, Assistant City Manager; Kirk Stocker, Director of Utilities; Rod Wiederspan, Director of Public Works were also present. Some of the citizens present in the audience included: Jerry Schroeder, Jon Abegglen, Brenda Splitter, Monty Splitter, Randy Volkmer, Pamela Wilkinson, Allen Mitchel, Debbie Mitchel, 5 UNK students, Steve Altmaier from KGFW 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

The Council members led the audience in the Pledge of Allegiance.

ANNOUNCEMENT

Vice-President Buschkoetter 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

Vice-President Buschkoetter and Council Members recognized Monty Splitter for serving 14 years on the Examining Board for Plumbers. He was presented a plaque.

ORAL COMMUNICATIONS

There was no Oral Communications.

II. UNFINISHED BUSINESS

There was no Unfinished Business.

III. PUBLIC HEARINGS

None.

IV. CONSENT AGENDA

Moved by Kearney seconded by Lear that Subsections 1 through 12 of Consent Agenda Item IV be approved. Roll call resulted as follows: Aye: Buschkoetter, Kearney, Lear. Nay: None. Clouse and Lammers absent. Motion carried.

1. Approve Minutes of Regular Meeting held September 28, 2010.
2. Approve the following Claims:

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

Amer First Aid \$126.13 smcs; Anderson,S \$91.50 smcs; Ask Supply \$156.30 smcs; Audio Go \$468.21 smcs; B&S Concrete \$563.00 co; Baker & Taylor Books \$3,974.35 smcs; Bear Frame & Alignment \$78.95 smcs; Benson,G \$171.98 smcs; Blessing \$551,855.42 co; Bluecross Blueshield \$106,963.40 smcs; Bramer,K \$22.62 smcs; Broadfoot's \$754.50 smcs,co; Brown's Shoe Fit \$100.00 smcs; Buffalo Co Sheriff \$127,027.00 smcs; Builders \$7.17 smcs; Casey's General Store \$80.22 smcs; Center Point Large Print \$192.36 smcs; Central Fire \$8,689.00 smcs; Charter \$89.24 smcs; Chesterman \$2,081.76 smcs; CHS Agri Service Center \$693.38 smcs; City of Ky \$16,412.70 co,ps,smcs; Civicplus \$5,676.00 smcs; College Savings Plan of NE \$200.00 ps; Computer Hardware \$168.00 smcs; Conseco Life Ins \$19.00 ps; Construction Rental \$43.90 co; Copycat Printing \$978.48 smcs; Craig's Ag Supply \$818.75 smcs; Credit Management \$198.71 ps; Cummins Central Power \$311.23 smcs; Dan Roeder Concrete \$164,706.65 co; Depository Trust \$113,431.85 ds; Development Council \$15,000.00 smcs; DPC Industries \$4,709.43 smcs; Dugan Business Forms \$1,342.28 smcs; Dutton-Lainson \$56.77 smcs; Eakes \$909.35 smcs; Eirich,T \$50.00 smcs; Elliott Equipment \$3,244.18 smcs; Erbsen,S \$93.00 smcs; Expression Wear \$382.00 ps; Farm Plan \$1,409.94 smcs; Felsburg Holt & Ullevig \$600.00 smcs; Fiddelke Heating \$75.00 smcs; Footjoy \$63.34 smcs; Frontier \$8,655.10 smcs; Gale \$6,413.82 smcs; Gangwish Turf \$47.85 smcs; Gear for Sports \$3,719.81 smcs; Haupt,J \$35.00 smcs; HD Supply \$1,972.81 smcs; Holz Construction \$989.00 smcs; Hometown Leasing \$444.91 smcs,co; Hotsy Equipment \$169.68 smcs; HSBC Bank Nevada \$318.25 ps; Hydrite Chemical \$15,916.52 smcs; Ice,S \$21.42 smcs; ICMA RC \$75,963.24 ps; Infinisource \$2,036.16 smcs; IRS \$131,849.57 ps; Jack Lederman \$17.00 smcs; JLC \$279,957.00 co; Ky Area Comm Found \$6,000.00 smcs; Ky Housing \$126.00 smcs; Ky

Hub \$2,322.39 smcs; Ky Humane Society \$6,825.00 smcs; Ky Visitors Bureau \$92,624.93 smcs; Ky Volunteer Fire \$3,000.00 smcs; Kelley,L \$60.00 smcs; Kendall,B \$4.68 smcs; KGFW-AM \$120.00 smcs; Konica Minolta \$565.52 smcs; Kowalek,G \$271.98 smcs; Krull Ins \$1,950.00 smcs; League of NE Municipalities \$33,362.00 smcs; Linweld \$16.60 smcs; Magic Cleaning \$350.00 smcs; Mail Express \$36.20 smcs; Marlatt Machine Shop \$1,283.70 smcs; Maverick Books \$25.00 smcs; Menards \$159.53 smcs,co; Metlife \$196.23 ps; Midlands Contracting \$347,883.44 co; Milco Environmental \$542.41 co; Miller & Associates \$3,904.00 co; Mollring,J \$100.00 smcs; Munster,S \$400.00 smcs; Murphy Tractor \$10,476.97 smcs; NE Child Support \$2,454.98 ps; NE Community Foundation \$3,000.00 smcs; NE Municipal Clerks \$35.00 smcs; NE Public Health \$3,607.33 smcs; New Directions \$9,760.24 smcs; Northwestern Energy \$1,390.35 smcs; Novus \$35.00 smcs; Natl Account System Lincoln \$96.06 ps; NWAGA \$25.00 smcs; Office Depot \$504.58 smcs; Officenet \$424.31 smcs; O'Keefe Elevator \$453.44 smcs; Otto Environmental \$5,996.40 smcs; Pan,J \$24.16 smcs; Paramount \$194.24 smcs; Peerless Machine \$2,347.05 smcs; Platte Valley Comm \$1,220.58 smcs; Poggioli,J \$20,000.00 co; Presto-X \$61.95 smcs; Protex Central \$150.00 smcs; Pulliam,R \$440.00 smcs; Random House \$246.92 smcs; Ready Mixed Concrete \$4,252.50 smcs; Recorded Books \$3,352.57 smcs; Rinker Materials \$2,872.80 smcs; Salem Press \$309.40 smcs; School Specialty \$80.39 smcs; Sheldon,S \$16.05 smcs; Sirsi Dynix \$17,719.84 smcs; Snap-On Tools \$187.60 smcs; Snow,T \$350.00 smcs; Solid Waste Agency \$44,315.58 smcs; Spelts Schultz \$4,399.00 smcs; Stanley Security Solutions \$6,154.98 smcs; State of NE/AS Central \$4,186.61 smcs; Sun Life Financial \$39,596.22 smcs; Sydow,J \$40.00 smcs; Thurston Heating \$815.00 smcs; Titleist \$929.00 smcs; Tri-County Glass \$125.00 smcs; TruGreen ChemLawn \$159.60 smcs; Turfwerks \$301.42 smcs; Tye & Rademacher \$11,838.15 smcs; VanMeter,R \$7.86 smcs; Verizon Wireless \$1,089.72 smcs; Village Uniform \$544.10 smcs; Water Environment Federation \$377.00 smcs; Weis Fire & Safety \$92.70 smcs; Wells Fargo Equipment \$44,444.42 ds; Williams,M \$29.00 smcs; WS Darley \$132.55 smcs; Payroll Ending 9-25-2010 -- \$338,513.21. 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. Approve the Agreement between the City of Kearney and the Nebraska Department of Roads regarding the National Bridge Inspection Standards responsibilities and adopt **Resolution No. 2010-194**.

RESOLUTION NO. 2010-194

A RESOLUTION ADOPTING AND APPROVING THE EXECUTION OF AN AGREEMENT WITH THE STATE OF NEBRASKA, DEPARTMENT OF ROADS REGARDING THE NATIONAL BRIDGE INSPECTION STANDARDS RESPONSIBILITIES

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

1. The City shall enter into an Agreement with the Nebraska Department of Roads for the purpose of defining responsibilities in meeting the National Bridge Inspection Standards.

2. The Mayor is hereby authorized and directed to execute said Agreement of behalf of the City of Kearney, and the City Clerk is authorized to attest said execution.

3. This resolution will be marked Exhibit "A" and a copy attached to each original agreement.

PASSED AND APPROVED THIS 12TH DAY OF OCTOBER, 2010.

ATTEST:
MICHAELLE E. TREMBLY
CITY CLERK

RANDY BUSCHKOETTER
VICE-PRESIDENT OF THE COUNCIL

4. Authorize Administration to proceed with reclassifying the Kearney Regional Airport to a Class II airport and adopt **Resolution No. 2010-195**.

RESOLUTION NO. 2010-195

WHEREAS, City staff has recommended reclassifying the Kearney Regional Airport from a Class III airport to a Class II airport to better serve the community and surrounding area; and

WHEREAS, a Class II airport serves scheduled operations of small air carrier aircraft and unscheduled operations of large air carrier aircraft; and

WHEREAS, a Class II airport is designated as a primary status airport, is eligible to access discretionary F.A.A. funding and is protected from future Essential Air Service funding cuts; and

WHEREAS, being designated as a Class II airport, it is necessary to construct an additional fire station and will require two additional firefighters; and

WHEREAS, funds will be available from the sale of any airport property and will be included in the budget for each fiscal year.

NOW, THEREFORE, BE IT RESOLVED by the Vice-President and Council of the City of Kearney, Nebraska, that City staff is hereby authorized and directed to proceed with the reclassification of the Kearney Regional Airport from a Class III airport to a Class II airport.

PASSED AND APPROVED THIS 12TH DAY OF OCTOBER, 2010.

ATTEST:
MICHAELLE E. TREMBLY
CITY CLERK

RANDY BUSCHKOETTER
VICE-PRESIDENT OF THE COUNCIL

5. Approve setting October 28, 2010 at 7:00 p.m. as time and date for the Board of Equalization to determine a connection fee in the amount of special benefits accruing to the property in 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; Water Connection District No. 2009-3 for 17th Street from Avenue K to Avenue M; and Sewer Connection District No. 2009-1 for 17th Street from Avenue K to Avenue M.

6. Approve the Technical and Professional Services Contract between the City of Kearney and Miller & Associates as the Project Administrator for management and supervision services as part of the Community Revitalization 2009 Supplemental Program and adopt **Resolution No. 2010-196**.

RESOLUTION NO. 2010-196

WHEREAS, the City of Kearney has been awarded a Community Development Block Grant from the Nebraska Department of Economic Development as part of the Community Revitalization 2009 Supplemental Program in the amount of \$141,427; and

WHEREAS, grant funds will be used to improve sidewalks and install handicapped ramps at intersections spanning an area west to east from Avenue C to Avenue N and north to south from 27th Street to Railroad Street; and

WHEREAS, the City of Kearney requested proposals from firms in Central Nebraska for a Project Administrator for management and supervision services under a Community Development Block Grant program; Grant No. 09CR204; and

WHEREAS, City staff received one proposal and recommends pursuing a contract with Miller & Associates of Kearney to provide management and supervision services.

NOW, THEREFORE, BE IT RESOLVED by the President and Council of the City of Kearney, Nebraska, that the President be and is hereby authorized and directed to execute, on behalf of the City of Kearney, the Technical and Professional Services Contract between the City of Kearney and Miller & Associates as Project Administrator for management and supervision services as part of the Community Revitalization 2009 Supplemental Program; Grant No. 09CR204, as set forth in the Contract. The said Contract, marked Exhibit "A", is attached hereto and made a part hereof by reference.

PASSED AND APPROVED THIS 12TH DAY OF OCTOBER, 2010.

ATTEST:
MICHAELLE E. TREMBLY
CITY CLERK

RANDY BUSCHKOETTER
VICE-PRESIDENT OF THE COUNCIL

7. Approve the application for a Special Designated License submitted by Chicken Bones of Kearney, Inc., dba Chicken Coop Sports Bar & Grill in connection with their Class I-54354 liquor license to dispense beer, wine and distilled spirits in the Exhibit Building located at the Buffalo County Fairgrounds, 3807 Avenue N on October 30, 2010 from 1:00 p.m. until 1:00 a.m. for a MMA Fight Event.

8. Approve partially funding the paving of the entrance road at Kearney Raceway Park in the amount of \$35,000.00.

9. Approve Change Order No. 2 showing an increase in the amount of \$6,621.00 submitted by Central Contracting and approved by Wilkins Hinrichs Stober Architects for the Kearney Regional Airport Terminal Addition and Renovation Project and adopt **Resolution No. 2010-197.**

RESOLUTION NO. 2010-197

WHEREAS, Central Contracting of Kearney, Nebraska has performed services in connection with the construction of the Kearney Regional Airport Terminal Addition and Renovation Project, and the City's engineer, Wilkins Hinrichs Stober Architects, have filed with the City Clerk Change Order No. 2 showing an increase to the contract sum in the amount of \$6,621.00, as shown on Exhibit "A", attached hereto and made a part hereof by reference as follows:

Original Contract Sum	\$694,450.00
Change Order No. 1 (9-28-2010)	+ 13,102.00
Change Order No. 2 (10-12-2010)	+ 6,621.00
Contract Sum to Date	<u>\$714,173.00</u>

NOW, THEREFORE, BE IT RESOLVED by the President and Council of the City of Kearney, Nebraska, and hereby find and determine that Change Order No. 2, as shown on Exhibit "A", be and is hereby accepted and approved.

PASSED AND APPROVED THIS 12TH DAY OF OCTOBER, 2010.

ATTEST:
 MICHAELLE E. TREMBLY
 CITY CLERK

RANDY BUSCHKOETTER
 VICE-PRESIDENT OF THE COUNCIL

10. Approve the application for a Special Designated License submitted by Kearney Investment Corp., dba Holiday Inn in connection with their Class CK-17964 catering liquor license to dispense beer, wine and distilled spirits in Crystal Ballroom 2, 3 and 4 located at the Younes Conference Center, 416 Talmadge Road, on November 8, 2010 from 5:30 p.m. until 7:30 p.m. for a reception.

11. Approve the application for a Special Designated License submitted by Kearney Investment Corp., dba Holiday Inn in connection with their Class CK-17964 catering liquor license to dispense beer, wine and distilled spirits in Crystal Ballroom 1, 2, 3 and 4 located at the Younes Conference Center, 416 Talmadge Road, on November 9, 2010 from 5:00 p.m. until 7:00 p.m. for a reception.

12. Approve the application for a Special Designated License submitted by Kearney Investment Corp., dba Holiday Inn in connection with their Class CK-17964 catering liquor license to dispense beer, wine and distilled spirits in Diamond Ballroom 1 through 10 located at the Younes Conference Center, 416 Talmadge Road, on November 19, 2010 from 5:00 p.m. until 12:00 a.m. for a reception/fund raiser.

V. CONSENT AGENDA ORDINANCES

None.

VI. REGULAR AGENDA

KNIGHTS OF COLUMBUS MANAGER APPLICATION

Vice-President Buschkoetter opened for discussion the Manager Application for Pamela Wilkinson submitted by CMO, Inc., dba Knights of Columbus 1728 in connection with their Class I-27979 liquor license located at 1900 Central Avenue.

Pamela Wilkinson, 5383 Bison Road, presented this matter to the Council. She was hired in July as the new Knights of Columbus Hall manager. The plan is to rent out the hall for wedding receptions, business meetings, anniversary, parties, etc. Some of the

events require bar service. Vice-President Buschkoetter stated wedding receptions many times have underage children attending them and asked what step their organization has for making sure that no minors are served. Ms. Wilkinson stated they have a person posted at the doors that make sure there are no drinks of any kind going in or out of the hall. They check IDs of everyone that appears to be 40 and under and put a bracelet on each person who is old enough to drink.

Moved by Lear seconded by Buschkoetter to approve the Manager Application for Pamela Wilkinson submitted by CMO, Inc., dba Knights of Columbus 1728 in connection with their Class I-27979 liquor license located at 1900 Central Avenue. Roll call resulted as follows: Aye: Buschkoetter, Lear, Kearney. Nay: None. Clouse and Lammers absent. Motion carried.

REDEVELOPMENT PROJECT FOR ACCENT CABINETRY

Vice-President Buschkoetter opened for discussion the redevelopment project for Redevelopment Area #3 for an area described as Lots 3 and 4 of Block 16, Whiteaker's Grove Addition to the City of Kearney, Buffalo County, Nebraska and to consider Resolution No. 2010-198.

CRA Chairman Jon Abegglen, 3114 8th Avenue, presented this matter to the Council. This project is east of the Avenue N Overpass in Redevelopment Area #3. The developers are Allen and Debbie Mitchel and their plan is to build 2,772 square foot warehouse for storage of their cabinet inventory for Accent Cabinetry. The CRA approved this application on September 16th and now seeks the Council's approval of tax increment financing for qualified expenses which include paving, parking, landscaping, demolition, etc. The anticipated new valuation of this property being developed is \$133,000. The most recent valuation is \$28,500 so there will be an increased increment of \$104,000 in an area that can use some help in augmenting development activity. The request is for a tax increment of about 75 percent of the anticipated tax increment that will be generated which is about \$1,667 per year. That amounts to about \$16,671 which will be given to the developer over a ten-year period to defray the costs to get the area developed and their project completed. This is an area where there have not been many projects and believe that it is a great project to hopefully get development moving in that area. They have a lot of traffic flowing to that area and this would spur the interest in the area by developing it.

City Manager Michael Morgan stated although this is a smaller project, it is a very worthy one. It is one that the City continues to solicit and is a good fit for this area. The CRA is about all types and sizes of projects and this is a good example of that. Mr. Abegglen stated it has been a while since they have done a small business project, most of them have been fairly large over the past 7-10 years. They are glad that the Mitchels came forth and requested some funds from the CRA. The only other project they have done in Redevelopment Area #3 is they took some levy money and helped with the improvements at Hammer Park, but that was not tax increment funds.

Council member Kearney asked if the mill levy would rise over the next ten years, would it exceed the \$1,667 each year. Mr. Abegglen stated that the agreements are written for a specific dollar amount which is based on the increment. When they achieve that,

say in eight years, then it would be done at that time, but 15 years is the maximum. Finance Director Wendell Wessells stated that the CRA has to certify the final eligible costs to the City and cannot be paid more than that amount.

Moved by Buschkoetter seconded by Kearney to approve the redevelopment project for Redevelopment Area #3 for an area described as Lots 3 and 4 of Block 16, Whiteaker's Grove Addition to the City of Kearney, Buffalo County, Nebraska and adopt **Resolution No. 2010-198**. Roll call resulted as follows: Aye: Buschkoetter, Kearney, Lear. Nay: None. Clouse and Lammers absent. Motion carried.

RESOLUTION NO. 2010-198

WHEREAS, the City of Kearney, Nebraska, a municipal corporation and city of the first class, has determined it be desirable to undertake and carry out urban redevelopment projects in areas of the City which are determined to be substandard and blighted and in need of redevelopment; and

WHEREAS, the Nebraska Community Development Law, Chapter 18, Article 21, Nebraska Reissue Revised Statutes of 1991, as amended (the "Act"), prescribes the requirements and procedures for the planning and implementation of redevelopment projects; and

WHEREAS, the City has declared an area of the City to be substandard and blighted and in need of redevelopment pursuant to the Act; and

WHEREAS, the Community Redevelopment Authority of the City of Kearney, Nebraska (the "Authority"), has prepared a Redevelopment Plan for Area #3 pursuant to Section 18-2111 of the Act ("Redevelopment Plan"), and recommended the Redevelopment Plan to the Planning Commission of the City; and

WHEREAS, the Planning Commission of the City reviewed the Redevelopment Plan pursuant to the Act and submitted its recommendations, if any, to the Authority, pursuant to Section 18-2114 of the Act; and

WHEREAS, in accordance with Section 18-2114 of the Act, the Authority submitted its recommendation, along with the recommendation from the Planning Commission to the City Council; and

WHEREAS, following consideration of the recommendations of the Planning Commission and the Authority, and following the public hearing with respect to the Redevelopment Plan, the City approved the Plan; and

WHEREAS, there has been presented to the City by the Authority for approval pursuant to and in accordance with Section 18-2119 of the Act a specific Redevelopment Project within the Redevelopment Plan and as authorized in the Redevelopment Plan, as legally described as a tract of land described as Lots 3 and 4 of Block 16, Whiteakers Grove Addition to the City of Kearney, Buffalo County, Nebraska; and

WHEREAS, the City Council has determined that the proposed Redevelopment Project would not be economically feasible without the use of tax increment financing; that the proposed Redevelopment Project would not occur in the community without the use of tax increment financing, and; that the costs and benefits of the proposed Redevelopment Project have been found to be in the long-term best interests of the community.

NOW, THEREFORE, BE IT RESOLVED by the Vice-President and City Council of the City of Kearney, Nebraska that:

1. The Redevelopment Plan of the City previously approved for the area described on the attached Exhibit "A", including the Redevelopment Project legally described as a tract of land described as Lots 3 and 4 of Block 16, Whiteakers Grove Addition to the City of Kearney, Buffalo County, Nebraska, is hereby determined to be feasible and in conformity with the general plan for the development of the City of Kearney as a whole and the Redevelopment Plan, including the Redevelopment Project identified on Exhibit "A", is in conformity with the legislative declarations and determinations set forth in the Act.

2. The City Council hereby determines that the proposed Redevelopment Project would not be economically feasible without the use of tax increment financing; that the proposed Redevelopment Project would not occur in the community without the use of tax increment financing, and; that the costs and benefits of the proposed Redevelopment Project are found to be in the long-term interests of the community.

3. Approval of the Redevelopment Plan is hereby ratified and reaffirmed, as amended by this Resolution, and the Authority is hereby directed to implement the Redevelopment Plan in accordance with the Act.

4. Pursuant to Section 18-2147 of the Act, ad valorem taxes levied upon real property in a redevelopment project for the benefit of any public body, included or authorized in the Plan which is legally described as a tract of land described as Lots 3 and 4 of Block 16, Whiteakers Grove Addition to the City of Kearney, Buffalo County, Nebraska, shall be divided, for a period not to exceed 10 years after the effective date of the provision, which effective date shall be October 12, 2010, as follows:

a. That proportion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each public body upon the redevelopment project valuation (as defined in the Act) shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body; and

b. That proportion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Authority to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds, loans, notes or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, the redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon taxable real property in such a redevelopment project shall be paid into the funds of the respective public bodies.

c. Any interest and penalties due for delinquent taxes shall be paid into the funds of each public body in the same proportion as are all other taxes collected by or for the public body.

5. The Vice-President and City Clerk are authorized and directed to execute and file with the Treasurer and Assessor of Buffalo County, Nebraska, an Allocation Agreement and Notice of Pledge of Taxes with respect to the Redevelopment Project substantially in the form attached hereto as Exhibit "B" with appropriate insertions.

PASSED AND APPROVED THIS 12TH DAY OF OCTOBER, 2010.

ATTEST:
MICHAELLE E. TREMBLY
CITY CLERK

RANDY BUSCHKOETTER
VICE-PRESIDENT OF THE COUNCIL

FEDERAL HIGHWAY TRANSPORTATION FUNDING AGREEMENT

Vice-President Buschkoetter opened for discussion the Nebraska City of the First Class Federal Highway Transportation Funding Agreement to maximize federal funding opportunities for transportation projects at the local level and to consider Resolution No. 2010-199.

Director of Public Works Rod Wiederspan presented this matter to the Council. He stated this agreement spells out a new way that the state is going to handle the City's STP funds. In the past, Kearney was allowed to bankroll the funds; annually the City receives about \$700,000 in federal money. The state will no longer allow bankrolling the funds. The annual amount from the Federal Highway Fund is about \$12 million that comes into the state and is distributed to all the First Class cities. The change is that \$12 million needs to be spent annually within the State of Nebraska. The last large projects Kearney did were the Avenue M-N Overpass and the 30th Avenue Overpass. By signing this agreement, all 15 First Class cities in Nebraska are going together and pooling their allocation for the STP money and lining up projects based on each community needs in the future. Kearney may not spend any of its STP money this year and may be next year or the following year before the City of Kearney would actually build up enough to build a project.

The STP money fund that has been created has a balance of \$5 million, which has been obligated to the Cherry Avenue Bypass when it becomes a project in the near future. They are standing behind that agreement and will honor that project. In the future, they will have to work on prioritizing projects with all the communities of the First Class.

Vice-President Buschkoetter asked since Kearney is pooling these monies with the other 14 First Class cities, how are the priorities determined in terms of what money is spent out of that pool of money. Director of Public Works stated each city has one representative on the committee who will sit on that board and determine which city gets the funds and when. The State Department of Roads is still going to oversee the funds as far as seeing that all communities get their fair share. Kearney will no longer receive the \$700,000 each year on a federal project; however, this will allow each community to build up enough to do a multi-million dollar project with those federal funds which makes it much easier to manage the project. As they found with the stimulus money, the way the federal government is looking at how their dollars are spent, it costs the city about 30-33 percent to meet the requirements to use that money.

City Manager stated the goal is suppose to reflect the pro-rata share eventually. The only reason that Kearney is going along in proposing this for the Council is that all the other First Class cities are doing it. The hope was Kearney could hold out and suggest another process, but none of the other cities have agreed to do that. Also, federal funding that the state received does not have to go to First Class cities; it is just a State of Nebraska requirement. In fairness to the State of Nebraska, Kearney appreciates the fact that they have been giving that money in the form of surface transportation service funds to local governments because they actually could do something different.

The major change in how Kearney is going to operate is that it will be coming forward with plans and specifications for projects a year, two or three before it might be receiving the funding. Kearney has learned with the federal dollars it has used, if Kearney has a project that meets the requirements that is ready to go, it is more likely to get funded sooner than later. The process for designing a few of these larger projects will need to be expedited. Director of Public Works stated that Kearney will be designing and putting projects on the shelf, waiting for the opportunity to get federal funding. If a project in another community falls through and there is money available, then Kearney could move up on the priority list and hopefully move projects up. By the time Kearney moves through the federal process with the new NEPA documents, any large project will easily take six years which is much longer than before to get through the process.

City Manager stated another reason to approve this is because there is nothing that says that this money will not go away in the future. Kearney wants to be in a position each year to make certain that it has a priority project that is ready to be funded.

Director of Public Works stated the 39th Street project was done with the stimulus money when Kearney was pressing it rather quickly to get it out on the street. That project did not have to go through a full environmental study, but it did have to go through the environmental review process. The projects that use federal money are going to take a long time to get in the works. It will cost more to prepare the design phase on federal criteria. A couple of the large projects projected are 30th Avenue extending north of 39th Street for one half mile and 56th Street Improvements going west. These large projects are arterial or collector type work that would qualify. Local streets would not qualify for federal funding. He foresees that work on the state highway that the Department of Roads does that Kearney used its STP money to offset its percentage of the City's project cost, would be a priority for all communities to use, so he did not see much changing there.

These new regulations will affect the City's One and Six Year Plan. The Six Year projects will sit there until Kearney is ready to build them. Typically in the past, Kearney designs a project in a year, go out for bids and build it. With the new process, Kearney is going to have to start designing those six-year projects well in advance of the actual construction date. It will move a lot of those projects up, design them and put them on the shelf so they are ready to go. The budget will be affected because Kearney will be up-fronting the expense for the design. Some cities got into a difficult position because they were not able to meet some of the requirements for those funds so that is why Kearney received the amount of stimulus money that it did. In order to put Kearney in the best position, staff will prioritize and design those projects in advance.

City Manager stated that every state does it differently, but this is the method Nebraska wants to use. Kearney will do its very best to maximize those dollars. Director of Public Works stated that all the communities were carrying a balance this year and Kearney's balance was \$5 million. Kearney already had previous agreements with the state to fund Cherry Avenue with that money; therefore, they are honoring those agreements. Communities that did not have agreements or any other money obligated, the state took it and used it on their highway projects this year. Those communities are starting at zero.

Vice-President Buschkoetter asked if in a few years this is not working for Kearney very well, are there options of getting out. Director of Public Works stated as a group, it can get out at any time; unfortunately, if Kearney is not in this group than the Department of Roads can refuse to fund its projects. If Kearney wants to change how it does things with the state or change how the funds are distributed, Kearney has a better chance working as a group than it would individually.

City Manager stated regarding Cherry Avenue funding that Phase I is funded and the City's funds are available through Phases I and II. Kearney is not obligated for anything else in the project. The federal and state funding are available 100 percent for Phase I (up to 56th Street), but Phase II funding has not been decided.

Moved by Kearney seconded by Lear to approve the Nebraska City of the First Class Federal Highway Transportation Funding Agreement to maximize federal funding opportunities for transportation projects at the local level and adopt **Resolution No. 2010-199**. Roll call resulted as follows: Aye: Buschkoetter, Kearney, Lear. Nay: None. Clouse and Lammers absent. Motion carried.

RESOLUTION NO. 2010-199

WHEREAS, many cities of the First Class have not had enough projects brought forward to spend the amount of money allocated to their funding class for a particular year; and as a result, some of the funding allocated for local city of the First Class priorities has been and will be spent on State of Nebraska priority projects rather than city of the First Class priorities; and

WHEREAS, for the City of Kearney to continue to participate in the L200 federal transportation funding program, it is imperative that Kearney work cooperatively with the other cities of the First Class to ensure that this funding is still locally controlled; and

WHEREAS, it would be in the best interests of the City of Kearney to participate by executing the Nebraska City of the First Class Federal Highway Transportation Funding Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Vice-President and Council of the City of Kearney, Nebraska, that the Vice-President be and is hereby authorized and directed to execute the Nebraska City of the First Class Federal Highway Transportation Funding Agreement on behalf of the City, a copy marked as Exhibit "A", is attached hereto and made a part hereof be reference.

BE IT FURTHER RESOLVED that the City Clerk be and is hereby directed to file an executed copy of the Interlocal Agreement with the League of Nebraska Municipalities.

PASSED AND APPROVED THIS 12TH DAY OF OCTOBER, 2010.

ATTEST:
MICHAELLE E. TREMBLY
CITY CLERK

RANDY BUSCHKOETTER
VICE-PRESIDENT OF THE COUNCIL

OPEN ACCOUNT CLAIMS: NPPD - \$36.89, STAN CLOUSE - \$34.59

Moved by Lear seconded by Buschkoetter that Open Account Claims in the amount of \$36.89 payable to Nebraska Public Power District and in the amount of \$34.59 payable to Stan Clouse be allowed. Roll call resulted as follows: Aye: Buschkoetter, Lear,

Kearney. Nay: None. Clouse and Lammers absent. Motion carried.

VII. REPORTS

COPS GRANT

Assistant City Manager Suzanne Brodine stated application was made this summer for a COPS Grant. This grant helps offset police positions for a community that either might lose a position due to budget cuts or a community that needs, but perhaps does not have, the budget increase to fund those positions. Kearney has received notice that it has been awarded approximately \$340,000 to fund two positions for three years. The City's commitment to receive these funds would be to provide an additional year of funding for those positions. This would not be a problem for the City and it would certainly keep those officers on. Currently, staff is going through the process of the reporting requirements and the set up parts in order to receive these funds. Staff is looking at hiring those officers as early as January 2011. A resolution would be brought back to Council to approve acceptance of those funds and begin the hiring process.

VIII. ADJOURN

Moved by Kearney seconded by Lear that Council adjourn at 7:30 p.m. Roll call resulted as follows: Aye: Buschkoetter, Kearney, Lear. Nay: None. Clouse and Lammers absent. Motion carried.

ATTEST:

RANDY BUSCHKOETTER
VICE-PRESIDENT OF THE COUNCIL

MICHAELLE E. TREMBLY
CITY CLERK