

CITY COUNCIL PROCEEDINGS

December 10, 2008

The City Council of the City of David City, Nebraska, met in open public session in the meeting room of the City Office, 557 N 4th Street, David City, Nebraska. The Public had been advised of the meeting by publication of notice in The Banner Press on December 4th, and an affidavit of the publisher is on file in the office of the City Clerk. The Mayor and members of the City Council acknowledged advance notice of the meeting by signing the Agenda which is a part of these minutes. The advance notice to the Public, Mayor, and Council members conveyed the availability of the agenda, which was kept continuously current in the office of the City Clerk and was available for public inspection during regular office hours. No new items were added to the agenda during the twenty-four hours immediately prior to the opening of the Council meeting.

Present for the meeting were: Mayor Dana Trowbridge, Council members Gary Smith, Ted Lukassen, Bill Scribner, and Nick Hein, City Administrator Joe Johnson, City Attorney Jim Egr, and City Clerk-Treasurer Joan Kovar. Council members Bill Schatz and Bill Yindrick were absent.

Also present were: Dr. Kaufmann, Jim Redler, Council members elect Gary Kroesing and Mike Rogers, Economic Development Director Willow Holoubek, Zoning Administrator Roger Kotil, Electric Distribution Supervisor Pat Hoefft, and Banner Press Editor Larry Peirce.

The meeting opened with the Pledge of Allegiance.

Mayor Trowbridge informed the public of the "Open Meetings Act" posted on the east wall of the meeting room and Resolution No. 2-2008 establishing rules and procedures for public participation at city council meetings.

As Council member Hein had not yet arrived, City Attorney Egr stated that Mayor Trowbridge could advance to agenda item #5 - Petitions, Communications, and Citizens Concerns.

Mayor Trowbridge asked for Petitions, Communications, and Citizens' Concerns in addition to those contained in the Agenda packets. There were none.

Mayor Trowbridge called for Committee and Officers' Reports in addition to those written reports contained in the Agenda packet. There were no additional reports. Council member Scribner commended the police department for outstanding work as contained in the police department report concerning five felony arrests for two counts each of robbery and two counts each of 1st Degree Assault, both felonies.

Council member Nick Hein arrived at 7:10 p.m.

Council member Hein read the following letter from Council member Yindrick: "I apologize for my absence tonight, but I am committed to my sons music concert this evening. I wanted to take this time to welcome our new council members and let you know I look forward to working with you on our continued path of progress for David City. Sincerely, Councilman Bill Yindrick"

The minutes of the November 12th, 2008 meeting of the Mayor and City Council were approved upon a motion by Council member Lukassen and seconded by Council member Hein. Voting AYE: Council members Smith, Scribner, Hein, and Lukassen. Voting NAY: None. Council members Yindrick and Schatz were absent. The motion carried.

Mayor Trowbridge asked for consideration of claims. Council member Smith made a motion to authorize the payment of claims. Council member Lukassen seconded the motion. Voting AYE: Council members Scribner, Hein, Lukassen, and Smith. Voting NAY: None. Council members Yindrick and Schatz were absent. The motion carried.

Council member Smith made a motion to accept the Committee and Officer Reports as presented. Council member Lukassen seconded the motion. Voting AYE: Council members Hein, Scribner, Lukassen, and Smith. Voting NAY: None. Council members Schatz and Yindrick were absent. The motion carried.

Council member Hein made a motion to pass and adopt Resolution No. 33 - 2008 approving the execution of an agency agreement with the Department of Aeronautics of the State of Nebraska for project No. 3-31-0025-06-2009 to be submitted by the Department to the Federal Aviation Administration to obtain federal assistance for the development of the airport. Council member Scribner seconded the motion. Voting AYE: Council members Smith, Lukassen, Scribner, and Hein. Voting NAY: None. Council members Schatz and Yindrick were absent. The motion carried and Resolution No. 33-2008 was passed and adopted as follows:

RESOLUTION NO. 33 - 2008

A RESOLUTION ADOPTING AND APPROVING THE EXECUTION OF AN AGENCY AGREEMENT WITH THE DEPARTMENT OF AERONAUTICS OF THE STATE OF NEBRASKA FOR PROJECT NO. 3-31-0025-06-2009 TO BE SUBMITTED BY THE DEPARTMENT TO THE FEDERAL AVIATION ADMINISTRATION TO OBTAIN FEDERAL ASSISTANCE FOR THE DEVELOPMENT OF THE AIRPORT.

Be it resolved by the Mayor and Members of the City Council of David City, Nebraska, that:

1. The City of David City shall enter into an Agency Agreement with the Department of Aeronautics for Project No. 3-31-0025-06-2009 for the purpose of obtaining Federal assistance in the development of the Airport and that such agreement shall be set forth hereinbelow.
2. The Mayor of the City of David City is hereby authorized and directed to execute said Agency Agreement on behalf of the City of David City, and the City Clerk is hereby authorized to attest said execution.
3. The said agreement, referred to hereinabove, is inserted in full and attached herewith, and made a part hereof as Exhibit "O".

Passed and approved this 10th day of December, 2008.

Mayor Dana Trowbridge

City Clerk Joan E. Kovar

**AGENCY AGREEMENT
Project No. 3-31-0025-06-2009**

This is an agreement between the City of David City, Nebraska, hereinafter referred to as the "Airport Sponsor" and the Nebraska Department of Aeronautics, hereinafter referred to as the "Department," made and entered into in accordance with, and for the purpose of, complying with the laws of the State of Nebraska.

The Airport Sponsor desires to develop the David City Municipal Airport and to use federal airport aid funds available for that purpose. Therefore, the Airport Sponsor hereby designates the Department as its agent in accordance with Neb. Rev. Stat. § 3-124 and 3-239 (reissue 2007), and the Department hereby accepts such designation and agrees to act as the agent of the Airport Sponsor.

It is mutually understood and agreed between the parties that the Airport Sponsor has submitted to the Department its proposed project for the development of said airport, and that such project has been approved by the Department, in accordance with Neb. Rev. Stat. § 3-239, (reissue 2007).

The Airport Sponsor hereby warrants, undertakes and agrees that if the Federal Aviation Administration makes a grant offer, and the Airport Sponsor executes a Grant Agreement, it will develop and manage said airport in the manner set forth in the Grant Agreement and abide by the conditions, rules and regulations of the Federal Aviation Administration.

The terms and conditions of this Agency Agreement and the respective duties, undertakings and agreements of the parties with respect to this Agency Agreement and with respect to the project of airport development, are as follows:

- A. The Department shall accept, receive, receipt for, and disburse all funds granted by the United States for airport aid in accordance with federal laws, rules and regulations and in accordance with Neb. Rev. Stat. § 3-101 to 3-154 and 3-239, (reissue 2007), as the agent of the Airport Sponsor.
- B. Upon receipt of such federal funds, the Department shall deposit them in the State Treasury, according to law, and shall cause disbursement to be made there from as follows:

FIRST: If the Department advances funds to the Airport Sponsor as the equivalent of the United States' share of allowable project cost, the Department shall reimburse itself for any such advancement out of such federal funds thereafter received.

SECOND: The Department shall cause the balance of such federal funds due the Airport Sponsor to be paid promptly to the Airport Sponsor.

- C. The Department shall maintain accurate records of all the funds received and expended by it in connection with the project. These records shall be open to inspection by the Airport Sponsor, the Federal Aviation Administration and their authorized representatives in the offices of the Department at all reasonable times.
- D. The Airport Sponsor reserves the right, power and authority to execute the Application for Federal Assistance, the federal Grant Agreement, all construction and engineering contracts, all agreements related to the purchase of land and all amendments to these items. Aside from the matters so reserved, the Department shall, as agent for the Airport Sponsor, process, execute and submit to the Federal Aviation Administration all papers,

forms and documents required by that agency for the approval, carrying out and completion of the project.

- E. The Airport Sponsor agrees to reimburse the Department for its administrative costs of furnishing all services performed by it as agent of the Airport Sponsor, including, but not limited to, the services set forth in the attached Exhibit A, "Administrative Services". Departmental administrative costs charged to the project are considered allowable costs for federal and state participation. These costs will be charged according to the "Schedule of Fees and Charges" shown in the attached Exhibit B, which schedule shall be subject to change upon notification in writing by the Department to the Airport Sponsor.

As used herein, the following words, terms and phrases shall have the meanings herein given:

"Application for Federal Assistance" means the document prepared as the formal application submitted to the Federal Aviation Administration for a grant of federal funds.

"Develop" means to plan, construct or improve the airport as defined in the Application for Federal Assistance.

"Project" means a plan of action for the accomplishment of specific airport developments.

"Grant Agreement" means the contract between the United States of America and the Airport Sponsor in which the Federal Aviation Administration, on behalf of the United States, agrees to pay a portion of the allowable costs of the project.

Executed by the Nebraska Department of Aeronautics this 14th day of November, 2008.

Director

Executed by the City of David City this 10th day of December, 2008.

(Resolution do not sign)

City Clerk

(Resolution do not sign)

Mayor

**EXHIBIT A
AGENCY AGREEMENT
ADMINISTRATIVE SERVICES**

1. Conduct airport site inspections.
2. Review and secure federal approval of Airport Layout Plans (ALP).
3. Prepare and process CIP Data Sheets and related documents used to request an allocation of federal funds, if requested by the Sponsor.
4. Assist in the preparation and processing of Environmental Impact Statements and other environmental studies.
5. Review and process land acquisition documents, title opinions, sponsor certifications and audit reports.
6. Prepare an independent cost analysis of consultant costs, if requested by the Sponsor.

7. Prepare a Disadvantaged Business Enterprise (DBE) Program, if requested by the Sponsor and represent the Sponsor in the DBE Unified Certification Program.
8. Review, process, and secure federal approval of all contracts mad agreements, change orders and amendments to these agreements.
9. Attend pre-design conferences and conduct design (plan-in-hand) inspections.
10. Review and process the plans, specifications, special provisions and contract documents. Provide U.S. Labor Department wage rate determinations.
11. Attend prebid and preconstruction conferences.
12. Prepare and secure execution of Applications for Federal Assistance and associated documents. Prepare and process program changes.
13. Process Grant Agreements and amendments.
14. Review periodic pay estimates and forward federal funds to the Airport Sponsor.
15. Prepare applications, requests, transfers or letters of credit for Grant Agreement payments.
16. Conduct or participate in periodic and final inspections.
17. Prepare and/or process other federal documents not otherwise specifically covered above.

**EXHIBIT B
AGENCY AGREEMENT
SCHEDULE OF FEES AND CHARGES**

- A. Salary Costs. Charges will be the monthly rate worked times a factor of 2.5 for overhead and benefits for the following positions:

Engineer VI	Engineering Associate (all)*
Engineer V	Engineering Aide (all)*
Engineer IV	Accountant (all)
Engineer III	Accounting Clerk*
Engineer II*	Attorney (all)
Engineer I*	Drafter (all)*

* Employees in these positions receive time and one half for time worked over 40 hours per week.

- B. Living Costs and Outside Expenses. Actual.

Charges will be actual expenses and shall include meals, lodging, telephone calls, etc. normally paid by Department.

- C. Materials, Supplies, & Rental Equipment. Actual.

Charges will be actual costs and shall be charged in accordance with invoices, billings, contracts or agreements.

D. Transportation. Actual.

Charges will be those established by Department policy for all users for operating a state automobile or using a state aircraft.

Council member Hein introduced Resolution No. 34 - 2008 and moved for its passage and adoption. Council member Scribner seconded the motion. Voting AYE: Council members Smith, Lukassen, Scribner, and Hein. Voting NAY: None. Council members Schatz and Yindrick were absent. The motion carried and Resolution No. 34 - 2008 was passed and adopted as follows:

RESOLUTION NO. 34 - 2008

A RESOLUTION OF THE CITY OF DAVID CITY, NEBRASKA, PROHIBITING PARKING OF ANY VEHICLE ON THE NORTH SIDE OF E STREET BETWEEN THE INTERSECTIONS OF 8TH AND E STREET AND 9TH AND E STREET.

WHEREAS, the City of David City, Nebraska (hereinafter referred to as "City") is an independent body of government, and

WHEREAS, Municipal Code, Chapter 5, Article 7, Section 5-703, provides "the Governing Body may, by resolution, set aside any street, alley, public way or portion thereof where the parking of a particular kind or class of vehicle shall be prohibited, or where the parking of any vehicle shall be prohibited."

NOW, THEREFORE, be it resolved by the Mayor and City Council of the City of David City, Nebraska:

SECTION 1. It shall be unlawful to park any vehicle upon the north side of "E" Street between the intersections of 8th & "E" Streets and 9th & "E" Streets.

SECTION 2. Any person(s) parking any vehicle in violation of this Resolution shall be subject to the penalties provided in Chapter 5, Section 7 of the Municipal Code Book and such vehicle may be removed and stored under the supervision of the Municipal Police in a suitable location without further notice to the owner or operator of such vehicle.

SECTION 4. Any person(s) who shall violate or refuse to comply with the enforcement of any of the provisions of this Resolution shall be deemed guilty of a misdemeanor and upon conviction thereof, shall be fined not more than one hundred (\$100.00) dollars for each offense. A new violation shall be deemed to have been committed every twenty-four (24) hours of such failure to comply.

SECTION 5. If any provision or clause of this Resolution or application thereof to any person or entity or circumstance is held to be unconstitutional or otherwise invalid by any court or competent jurisdiction, such invalidity shall not affect other sections, provisions, clauses or applications hereof which can be implemented with the invalid provision(s), clause(s) or application(s) hereof, and to this end the provisions and clauses of this Resolution are declared to be severable.

SECTION 6. This Resolution shall become effective upon adoption by the City Council and shall be posted in clear view of the general public within thirty (30) days after the effective date.

PASSED AND APPROVED this 10th day of December 2008.

Mayor Dana Trowbridge

ATTEST

City Clerk Joan E. Kovar

Council member Lukassen made a motion to approve an agreement with Olsson Associates for the David City Water System Wells Project and authorize Mayor Trowbridge to execute the same. Council member Smith seconded the motion. City Attorney Egr stated that he had reviewed both agreements concerning the Water System Wells Project + the "D" Street Reconstruction Project and he saw no problems. Voting AYE: Council members Scribner, Hein, Smith, and Lukassen. Voting NAY: None. Council members Schatz and Yindrick were absent. The motion carried.

Council member Hein made a motion to approve an agreement with Olsson Associates for the "D" Street reconstruction project and authorize Mayor Trowbridge to execute the same. Council member Smith seconded the motion. Voting AYE: Council members Scribner, Lukassen, Smith, and Hein. Voting NAY: None. Council members Yindrick and Schatz were absent. The motion carried.

Ordinance No. 1095 was introduced and passed on first reading on November 12, 2008. Council member Smith made a motion to pass and adopt Ordinance No. 1095 on the second reading. Council member Scribner seconded the motion. Voting AYE: Council members Lukassen, Hein, Scribner, and Smith. Voting NAY: None. Council members Schatz and Yindrick were absent. The motion carried and Ordinance No. 1095 was passed on second reading as follows:

ORDINANCE NO. 1095

AN ORDINANCE TO AMEND THE LAND USE PLAN BY CHANGING THE ZONING CLASSIFICATION OF REAL ESTATE DESCRIBED FROM FS (FLEX SPACE) TO I-2 (HEAVY INDUSTRIAL), REPEAL ANY ORDINANCES IN CONFLICT HEREWITH; DESCRIBE THE TIME WHEN THIS ORDINANCE SHALL BE IN FULL FORCE AND EFFECT, AND PROVIDE FOR PUBLICATION OF THE ORDINANCE IN PAMPHLET FORM.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA:

Section 1. That the land use plan be amended as follows:

- a. To amend the following property from FS (Flex Space) to I-2 (Heavy Industrial):

Property located in the N $\frac{1}{2}$ of the NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 18, T15N, R3E of the 6th P.M., David City, Butler County, Nebraska, containing approximately 14.79 acres, owned by Timpote Trailer Company.

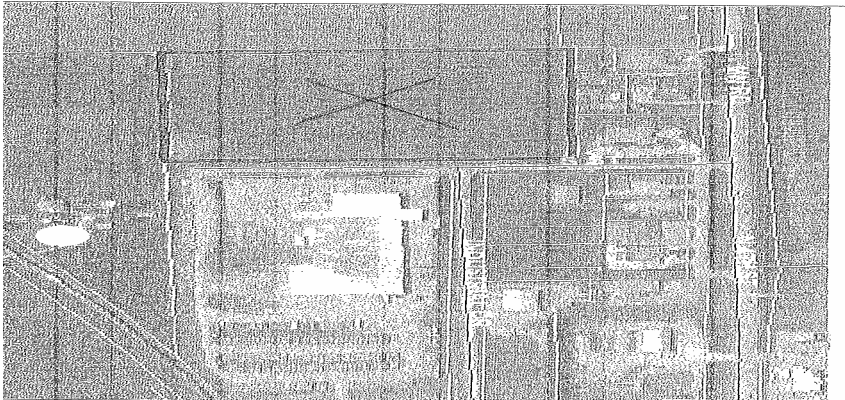
Section 2. That any ordinance or section of any ordinance passed and approved prior to the passage, approval, and publication or posting of this ordinance and in conflict with its provisions, is hereby appealed.

Section 3. This ordinance shall be published in pamphlet form and shall be in full force and effect from and after its passage, approval, and publication as provided by law.

Passed and adopted this ___ day of _____, 2008.

Passed on 2nd reading only 12/10/08
Mayor Dana Trowbridge

Passed on 2nd reading only 12/10/08
City Clerk Joan E. Kovar



Legal Description: 18 15 3 PT NE $\frac{1}{4}$ SW $\frac{1}{4}$ 15.53 AC - The tract of land located in the N $\frac{1}{2}$ of the NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 18 T15N R3E of the 6th P.M., Butler County, Nebraska, described as follows:
Commencing at the southeast corner of said N $\frac{1}{2}$; thence westerly, 341.60 feet, on the south line of said N $\frac{1}{2}$, to the Point of Beginning, said Point being the southwest corner of a parcel of land conveyed in Microfilm Book 81 page 521; thence continuing westerly, 977.83 feet, on the last described line, to the southwest corner of said N $\frac{1}{2}$; thence northerly, 658.98 feet, to the northwest corner of said N $\frac{1}{2}$; thence easterly, 979.92 feet, on the north line of said N $\frac{1}{2}$; thence southerly, 657.35 feet, to the Point of Beginning, containing 14.79 acres, more or less.

Ordinance No. 1096 was introduced and passed on first reading only on November 12, 2008. Council member Smith made a motion to pass and adopt Ordinance No. 1096 on the second reading. Council member Scribner seconded the motion. Voting AYE: Council members Lukassen, Hein, Scribner, and Smith. Voting NAY: None. Council members Schatz and Yindrick were absent. The motion carried and Ordinance No. 1096 was passed on second reading as follows:

ORDINANCE NO. 1096

AN ORDINANCE TO AMEND THE OFFICIAL ZONING MAP BY CHANGING THE ZONING CLASSIFICATION OF REAL ESTATE DESCRIBED FROM FS (FLEX SPACE) TO I-2 (HEAVY INDUSTRIAL), REPEAL ANY ORDINANCES IN CONFLICT HEREWITH; DESCRIBE

THE TIME WHEN THIS ORDINANCE SHALL BE IN FULL FORCE AND EFFECT, AND PROVIDE FOR PUBLICATION OF THE ORDINANCE IN PAMPHLET FORM.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA:

Section 1. That the Official Zoning Map be amended as follows:

- a. To amend the following property from FS (Flex Space) to I-2 (Heavy Industrial):

Property located in the N½ of the NE¼ of the SW¼ of Section 18, T15N, R3E of the 6th P.M., David City, Butler County, Nebraska, containing approximately 14.79 acres, owned by Timpete Trailer Company.

Section 2. That any ordinance or section of any ordinance passed and approved prior to the passage, approval, and publication or posting of this ordinance and in conflict with its provisions, is hereby appealed.

Section 3. This ordinance shall be published in pamphlet form and shall be in full force and effect from and after its passage, approval, and publication as provided by law.

Passed and adopted this ____ day of _____, 2008.

Passed on 2nd reading only 12/10/08
Mayor Dana Trowbridge

Passed on 2nd reading only 12/10/08
City Clerk Joan E. Kovar

Ordinance No. 1097 was introduced and passed on 1st reading only on November 12, 2008. Council member Hein made a motion to pass and adopt Ordinance No. 1097 on the second reading. Council member Smith seconded the motion. Voting AYE: Council members Lukassen, Scribner, Smith, and Hein. Voting NAY: None. Council members Schatz and Yindrick were absent. The motion carried and Ordinance No. 1097 was passed on second reading as follows:

ORDINANCE NO. 1097

AN ORDINANCE RELATING TO FLUORIDATION; TO PROHIBIT THE ADDITION OF FLUORIDE TO THE CITY'S WATER SYSTEM; TO REPEAL CONFLICTING ORDINANCES AND SECTIONS; TO PROVIDE FOR AN EFFECTIVE DATE; AND TO PROVIDE FOR PUBLICATION IN PAMPHLET FORM.

WHEREAS, Section 71-3305 of the Nebraska Statutes requires any city with a population of one thousand or more to add fluoride to the city's water system, unless the voters of the City adopt an Ordinance to prohibit fluoridation;

BE IT ORDAINED BY THE VOTERS OF THE CITY OF DAVID CITY, NEBRASKA:

SECTION 1. That after complying with all procedures required by law, the addition of fluoride to the water supply of the City of David City, Nebraska is hereby prohibited.

SECTION 2. That any ordinance or section of any ordinance passed and approved prior to or subsequent to the passage, approval, and publication or posting of this ordinance and in conflict with its provisions, is hereby appealed.

SECTION 3. This ordinance shall be published in pamphlet form and shall take effect immediately upon adoption by a majority of the persons voting on said issue at the general election of November 4, 2008.

DATED this _____ day of _____, 2008.

Passed on 2nd reading only 12/10/08
Mayor Dana Trowbridge

Passed on 2nd reading only 12/10/08
City Clerk Joan E. Kovar

Council member Scribner made a motion to approve the first addendum to the Methane Pipeline Lease Agreement. Council member Smith seconded the motion. {See Sections d and e} Voting AYE: Council members Lukassen, Hein, Smith, and Scribner. Voting NAY: None. Council members Schatz and Yindrick were absent. The motion carried. Following is the First Addendum:

FIRST ADDENDUM TO PIPELINE LEASE AGREEMENT

The First Addendum ("First Addendum") to THIS PIPELINE LEASE AGREEMENT ("Lease") is made and entered into this 10th day of December, 2008, by and between the City of David City, Nebraska, a municipal corporation organized under Nebraska law (the "Lessor"), and Timberline Energy, L.L.C., a Delaware limited liability company ("Lessee"). Lessor and Lessee shall sometimes be individually referred to herein as a "Party" or collectively, as the "Parties."

WITNESSETH:

WHEREAS, on May 14, 2008, Lessor approved Ordinance No. 1076 to authorize Lessor to install a pipeline beginning at the Butler County Landfill, then north to County Road 36, then west to PO Road, then south to County Road 35½, then west to the City Limits of David City, Nebraska (the "Pipeline Route"), along with all related valves and equipment necessary for operation of the pipeline (collectively, the "Pipeline"); and

WHEREAS, on May 28, 2008, Lessor and Lessee executed the Lease.

WHEREAS, Lessee desires to lease the Pipeline from Lessor, and Lessor desires to lease the Pipeline to Lessee, all in accordance with the terms set forth in this First Addendum and the Lease.

NOW, THEREFORE, IN COSIDERATION OF THE TERMS AND CONDITIONS STATED HEREIN which the Parties hereto agree to be valuable consideration, the parties hereto agree to the following amendments, changes, and addendums to the Lease, to wit:

1. SECTION 12, INSURANCE, of the Lease is amended to read as follows:

12. Insurance.

a. It is expressly understood and agreed that Lessor shall have no obligation to carry any insurance of any kind with respect to the Pipeline or the commodities carried therein. Unless the Parties hereto agree otherwise in writing. Lessee will, at all times during the term of this Lease, at its own expense, carry and maintain or cause to be carried or maintained with reputable insurance companies reasonably acceptable to Lessor, Insurance coverages and limits which are typical in the industry for a Pipeline of this nature. Within ten (10) days after the Effective Date, Lessee shall furnish to Lessor a certificate of Insurance evidencing that such insurance is in force.

b. All policies in any way related to this Lease or the Pipeline shall be unqualifiedly endorsed specifically to name Lessor as an additional insured. Should Lessee fail to procure or to maintain in force the insurance specified herein, Lessor may secure such insurance, and the cost thereof shall be borne by Lessee.

c. Lessee shall provide that any contractor or subcontractor performing any work related to this Lease or the Pipeline, shall obtain insurance which complies in all aspects with the provisions of this Section 12.

d. Lessee shall defend and/or indemnify the Lessor for any alleged incident, except for alleged incidents that are solely the fault of the Lessor.

e. Lessee shall name Lessor as an Additional Insured on Lessee's liability policy on a primary and non-contribution bases.

IN WITNESS WHEREOF, each Party has caused this First Addendum to the Lease to be executed on the date indicated above.

ATTEST TO:

LESSOR:
CITY OF DAVID CITY, NEBRASKA

Joan E. Kovar
City Clerk
City of David City, Nebraska

Name: Dana Trowbridge
Its: Mayor

LESSEE:
TIMBERLINE ENERGY, LLC

By: _____
Name: _____
Its: _____

Mayor Dana Trowbridge presented a Certificate of Appreciation to Council member Ted Lukassen - 1st Ward - for his eight years of dedicated service to the City of David City. Mayor Trowbridge stated that Councilman Ted Lukassen was relatively quiet but spoke volumes when he did speak. Mayor Trowbridge stated that Council member Lukassen did a great job with zoning and planning issues and thanked Lukassen for his dedication in a number of areas. Council member Lukassen received a round of applause for his service and dedication to the City. Council member Bill Schatz - 3rd Ward - was not present to receive his certificate of appreciation. Mayor Trowbridge stated that the City owed a debt of gratitude to Council member Schatz as he was always prepared, studied the issues, and always presented the other side of the coin for discussion. Schatz was interested in zoning and planning, was instrumental in the Wellhead Protection Program and water conservation, and made numerous contributions to various issues.

There being no further business to come before the Council, Council member Lukassen made a motion to adjourn. Council member Hein seconded the motion. Voting AYE: Council members Scribner, Smith, Hein, and Lukassen. Voting NAY: None. Council members Schatz and Yindrick were absent. The motion carried and Mayor Trowbridge declared the meeting adjourned at 7:26 p.m.

Mayor Dana Trowbridge

City Clerk Joan E. Kovar

CITY COUNCIL PROCEEDINGS

December 10, 2008

The organizational meeting of the Mayor and City Council of the City of David City, Nebraska, was held on December 10, 2008, in open public session in the meeting room of the City Office, 557 4th Street, David City, Nebraska, immediately following the regular meeting of the Mayor and City Council. The Mayor and members of the City Council acknowledged advance notice of the meeting by signing the Agenda which is a part of these minutes. The advance notice to the Public, Mayor, and Council members conveyed the availability of the agenda, which was kept continuously current in the office of the City Clerk and was available for public inspection during regular office hours. No new items were added to the agenda during the twenty-four hours immediately prior to the opening of the Council meeting.

City Attorney Jim Egr presented the Oath of Office to Council members Michael E. Rogers – 1st Ward, Gary L. Kroesing – 2nd Ward, and incumbent Gary Smith – 3rd Ward, and they were seated.

Present for the meeting were: Mayor Dana Trowbridge, Council members Gary Smith, Nick Hein, Gary Kroesing, Bill Scribner, and Mike Rogers, City Administrator Joe Johnson, City Attorney Jim Egr, and City Clerk-Treasurer Joan Kovar. Council member Bill Yindrick was absent.

Also present were: Dr. Kaufmann, Jim Redler, ex-council member Ted Lukassen, Economic Development Director Willow Holoubek, Zoning Administrator Roger Kotil, Electric Distribution Supervisor Pat Hoeft, and Banner Press Editor Larry Peirce.

Mayor Trowbridge welcomed the newly elected council members and stated that he looked forward to working with them. Trowbridge stated he hopes that if anyone had axes to grind or personal interests, that they left them at the door so the Council can work as a united group for the advancement and best interests of the City.

Mayor Trowbridge asked for nominations for the election of City Council President. Council member Scribner nominated Council member Gary Kroesing. Council member Rogers seconded the motion. There were no other nominations and City Attorney Egr stated Gary Kroesing was Council President by acclamation. Therefore, Mayor Trowbridge declared Gary Kroesing the Council President.

Mayor Trowbridge asked for two council members to serve on the Finance Committee. Council members Gary Smith and Mike Rogers volunteered. Mayor Trowbridge thanked Council members Smith and Rogers for volunteering and appointed them to the Finance Committee.

Mayor Trowbridge announced the appointment of Department Heads, Police Chief and Officers, and other appointed officials. Trowbridge stated that there was no need to appoint a Fire Chief as the fire department is no longer under the City. Mayor Trowbridge stated that there were no guaranties; this is not etched in stone. The appointments will continue as long as jobs are being performed to the satisfaction of the Mayor and Council. The appointments were as follows:

APPOINTED OFFICIALS

CODE SECTION	OFFICIAL TITLE	APPOINTEE
202	City Administrator	Joseph J. Johnson
203 204	City Clerk +) City Treasurer)	Joan E. Kovar *
203.01	Deputy Clerk	Tami L. Comte
205	City Attorney	James M. Egr
	Special Prosecutor	Julie Reiter
206	City Physician	Victor J. Thoendel, M.D.
207	Chief of Police	Stephen M. Sunday *
208	Police Officers	James D. Sylvester, Sergeant Vincent A. Brehm Kevin L. Broman Chere' N. Fisher
209	Fire Chief	Matt Hilger
210	Street Superintendent	James K. McDonald *
	Electric Supervisor	Pat Hoeft *
	Power Plant Supervisor	John J. Kabourek *
	Water/Sewer Supervisor	Gary Janicek *
211	Zoning Administrator	Roger Kotil
212	Park & Auditorium Supervisor	Bill Buntgen *

* Denotes Department Head

The Council considered declaring Friday, December 26, 2008, a paid City Holiday and closing all City Offices except for the David City Police Department Patrol and Utility related emergency matters. Mayor Trowbridge stated that he calculated that it costs approximately \$6,500 for total personnel costs to give the employees a day off. Discussion followed. Council member Scribner made a motion, rather than declaring a paid holiday, to allow all City Offices, except for the David City Police Department Patrol and Utility related emergency matters, to close on Friday, December 26, 2008, contingent upon the employees using vacation or

personnel leave, or taking the time off without pay. Council member Hein seconded the motion. Voting AYE: Council members Smith, Kroesing, Rogers, Hein, and Scribner. Voting NAY: None. Council member Yindrick was absent. The motion carried.

Council member Hein made a motion to appoint Ted Lukassen as a member of the David City Board of Zoning Adjustment for a three year term Dec. 2008 thru October 2011. Council member Smith seconded the motion. Voting AYE: Council members Scribner, Rogers, Kroesing, Smith, and Hein. Voting NAY: None. Council member Yindrick was absent. The motion carried.

Mayor Trowbridge asked for volunteers from the Council to serve on the David City Swimming Pool Committee. The Swimming Pool Committee normally meets once a month while the pool is open. The committee currently consists of City Administrator Joe Johnson, Council member Gary Smith, Park Supervisor Bill Buntgen, and Pool Manager Yvonne Pence. Council member Bill Scribner volunteered to serve on the Swimming Pool Committee. Mayor Trowbridge officially appointed Bill Scribner to serve on the David City Swimming Pool Committee.

Mayor Trowbridge scheduled a Committee of the Whole Meeting for Monday, December 22, 2008 at 6:00 p.m. in the City Office meeting room.

Council member Smith made a motion to recess the December 10, 2008, council meeting to Monday, December 22, 2008, at 6:00 p.m. for consideration of the remaining agenda items. Council member Kroesing seconded the motion. Voting AYE: Council members Hein, Scribner, Rogers, Kroesing, and Smith. Voting NAY: None. Council member Yindrick was absent. The motion carried. At 7:45 p.m. Mayor Trowbridge declared the meeting recessed to Monday, December 22nd, at 6:00 p.m.

Mayor Dana Trowbridge

City Clerk Joan E. Kovar

CITY COUNCIL PROCEEDINGS
(meeting recessed from December 10, 2008)

December 22, 2008

Mayor Trowbridge called the meeting of the City Council of David City, Nebraska to order at 6:00 p.m. on Monday, December 22, 2008, in the Council Room of the City Office, 557 No. 4th Street, David City, Nebraska, to continue the meeting of December 10th, 2008 which had been in recess.

Present for the meeting were: Mayor Dana Trowbridge, Council members Gary Smith, Bill Yindrick, Nick Hein, Gary L. Kroesing, Bill Scribner, and Michael E. Rogers, City Administrator Joe Johnson, City Attorney Jim Egr, and City Clerk-Treasurer Joan E. Kovar.

Also present were: Jan & Dick Schmid, Water Supervisor Gary Janicek, Bill Schatz, and Banner Press Editor Larry Peirce.

Mayor Trowbridge informed the public of the "Open Meetings Act" posted on the east wall of the meeting room.

Council member Kroesing made a motion to come back into session from the December 10, 2008, meeting which had been in recess. Council member Smith seconded the motion. Voting AYE: Council members Yindrick, Rogers, Scribner, Hein, Smith, and Kroesing. Voting NAY: None. The motion carried.

Council member Scribner made a motion to re-consider agenda item #6: Consideration of declaring Friday, December 26, 2008 a paid City Holiday and closing all City Offices except for the David City Police Department patrol and utility related emergency matters. Council member Rogers seconded the motion. Voting AYE: Council members Smith, Kroesing, Yindrick, Rogers, and Scribner. Voting NAY: Council member Hein. The motion carried.

Council member Scribner stated that following the December 10th council meeting the President and Governor respectively declared Friday, December 26, 2008, as a Federal and State Holiday. Therefore, Council member Scribner made a motion to declare Friday, December 26, 2008, this year only, as a paid Holiday closing all City Offices. Council member Rogers seconded the motion. Discussion followed in which Mayor Trowbridge stated that the City operates under a lid. Council member Yindrick stated that he researched this issue and found that Seward, Columbus, Schuyler, and Wahoo will remain open, and stated that he felt that was a sound financial economic decision. Voting AYE: Council member Scribner. Voting NAY: Council members Smith, Yindrick, Hein, Kroesing, and Rogers. The motion failed. {It was noted that the original motion to allow the employees the day off contingent upon taking vacation, floating holiday, or a day without pay still stands.}

City Attorney Egr stated that it was not necessary to recess the City Council meeting in order to convene as the David City Development Agency.

Council member Kroesing made a motion to convene as the David City Development Agency. Council member Rogers seconded the motion. Voting AYE: Council members Hein, Smith, Scribner, Yindrick, Rogers, and Kroesing. Voting NAY: None. The motion carried.

Present for the meeting were: Chairman Dana Trowbridge, Committee members Gary Smith, Gary Kroesing, Bill Scribner, Mike Rogers, Nick Hein, and Bill Yindrick.

Chairman Dana Trowbridge declared that the David City Development Agency was considering Resolution No. 35-2008CDA recommending approval of a Redevelopment Plan and making findings in regard thereto.

Committee member Hein made a motion to pass and approve Resolution No. 35-2008CDA recommending approval of a Redevelopment Plan and making findings in regard thereto. Committee member Yindrick seconded the motion. Voting AYE: Committee members Scribner, Kroesing, Rogers, Smith, Yindrick, and Hein. Voting NAY: None. The motion carried and Resolution No. 35-2008CDA was passed and approved as follows:

COMMUNITY DEVELOPMENT AGENCY

RESOLUTION NO. 35-2008CDA

RESOLUTION OF THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF DAVID CITY, NEBRASKA, RECOMENDING APPROVAL OF A REDEVELOPMENT PLAN AND MAKING FINDINGS IN REGARD THERETO

WHEREAS, this Community Development Agency of the CITY OF DAVID CITY, Nebraska ("Agency"), has pursuant to Section 18-2111 of the Nebraska Community Development Law (the "Act"), prepared a redevelopment plan for redevelopment of an area within the city limits of the CITY OF DAVID CITY; and

WHEREAS, the Agency has submitted said redevelopment plan to the Planning Commission of the City for its recommendation;

WHEREAS, the Agency deems it to be in the public interest and in furtherance of the purposes of the Act to implement the redevelopment plan substantially in the form attached hereto;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Agency recommends the adoption and approval of the Redevelopment Plan substantially in the form attached hereto.
2. In compliance with section 18-2114 of the Act, the Agency finds and determines as follows: The estimated cost of acquisition is at least \$1,000.00 for right of way; the estimated cost of preparation for redevelopment is minimal, as it is part of the sewer construction budget of \$350,000; financing of the foregoing costs shall be from a tax increment revenue bond issued in the amount of \$350,000 and from additional funds provided by the City and others; the project real estate shall be acquired by the city who intends to prepare for development and develop the property for infrastructure uses and therefore does not intend to dispose of the property; no families or businesses will be displaced as a result of the project.
3. The Agency has conducted a cost benefit analysis of the project, provided in "Redevelopment Plan" attached to the Redevelopment Contract, pursuant to Section 18-2113 of the Act and finds no adverse impact on the city, employers, employees or taxing entities affected by the project.

4. The Agency has determined that the proposed land uses and building requirements in the Redevelopment Area are designed with the general purpose of accomplishing a coordinated, adjusted, and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development; including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations, or conditions of blight.

Passed and approved this 22nd day of December, 2008.

COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF DAVID CITY, NEBRASKA.

BY _____
Dana Trowbridge, Chairperson

ATTESTED:

Joan E. Kovar, Secretary

Committee member Yindrick made a motion to adjourn as the David City Development Agency. Committee member Hein seconded the motion. Voting AYE: Committee members Rogers, Kroesing, Scribner, Smith, Hein, and Yindrick. Voting NAY: None. The motion carried.

Mayor Trowbridge declared the Public Hearing open at 6:26 p.m. to consider adopting Resolution No. 36-2008 approving a Redevelopment Plan for real estate located north and Northwest of David City. City Administrator Joe Johnson discussed Tax Increment Financing (T.I.F.) and the North West draining project. Property owner Dick Schmid asked if there would be additional meetings to discuss the proposed drainage project and the improved storm sewers and City Administrator Johnson stated that there would be. It was also noted that there would be no additional tax to the existing property owners. There being no further comments, Mayor Trowbridge declared the Public Hearing closed at 6:35 p.m..

Council member Hein made a motion to pass and adopt Resolution No. 36-2008. Council member Kroesing seconded the motion. Voting AYE: Council members Smith, Rogers, Yindrick, Scribner, Kroesing, and Hein. Voting NAY: None. The motion carried and Resolution No. 36-2008 was passed and approved as follows:

RESOLUTION NO. 36-2008

**RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY,
APPROVING A REDEVELOPMENT PLAN; MAKING FINDINGS WITH REGARD TO SUCH
PLAN AND APPROVING OTHER ACTION THEREON.**

WHEREAS, the City of David City, Nebraska a municipal corporation has determined it to 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 1943, as amended (the "Act"), prescribes the requirements and procedures for the planning and implementation of redevelopment projects; and

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

WHEREAS, The Community Development Agency, has prepared a Redevelopment Plan pursuant to Section 18-2111 of the Act:

NOW, THEREFORE, be it resolved by the Mayor and City Council of the City of David City, Nebraska:

1. The Redevelopment Plan as contained in the form attached to this Resolution as Attachment "A" is hereby determined to be feasible and in conformity with the general plan for the development of the City of David City as a whole and the Redevelopment Plan is in conformity with the legislative declarations and determinations set forth in the Act;

2. The Mayor and City Council specifically find, as follows:

- (a) The project described in the redevelopment plan attached thereto, would not be economically feasible without the use of tax-increment financing;
- (b) The project would not occur in the Redevelopment Area without the use of tax-increment financing; and
- (c) The costs and benefits of the Project, including costs and benefits to other affected political subdivisions, the economy of the community,

and the demand for public and private services have been analyzed by the governing body and have been found to be in the long term best interests of the community impacted by the project.

3. Approval of the Redevelopment Plan is hereby approved, ratified and affirmed and the Agency is hereby directed to implement the Redevelopment Plan in accordance with the Act, with such changes and revisions as are determined to be appropriate by the Agency.

4. Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property described herein, shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2009 as to the following described real estate, to wit:

- A tract of land located in the E ½ of the SW ¼ of Section 18 T15N R3E of the 6th P.M., Butler County, Nebraska, described as follows: Beginning at the northwest corner of the E ½ of said SW ¼ ; thence easterly, 979.92 feet, on the north line of said SW ¼ ; thence southerly, 657.35 feet, parallel with the westerly right-of-way line of Nebraska Highway No. 15, to a point on the north line of Schmid's Addition of David City; thence westerly, 330 feet, more or less, on the north line of said Schmid's Addition, to a point on the northerly extension of the east line of Block 1 of said Schmid's Addition; thence southerly, 866.27 feet, to the southeast corner of the north 70 of Lot 8 of said Block 1; thence westerly, 393.54 feet, parallel with the west line of said Block 1, to a point on the north line of said Schmid's Addition; thence westerly, 254 feet, to the southwest corner of the N ½ of the NE ¼ of said SW ¼ ; thence northerly, 658.98 feet, to the Point of Beginning, containing 22.64 acres, more or less.
- All of Lots 1, 3, 4, 5, 6, and 7; the south 73 feet of Lot 8; the west 254 feet of the north 70 feet of Lot 8; the west 254 feet of Lots 9, 10, 11, 12, and 13; and that portion of vacated S Street lying north of and adjacent to Lot 13; all in Block 1, Schmid's Addition to David City, Butler County, Nebraska, containing 16.70 acres, more or less.
- DAVID CITY S 103' OF LOT 6 BLK 2 SCHMIDS ADD
- DAVID CITY LOT 8 IN 1993 REPLAT OF LOTS 1-5 BLK 3 SCHMIDS ADD
- DAVID CITY LOTS 3-6 IN 1993 REPLAT OF LOTS 1-5 BLK 3 SCHMIDS ADD
- DAVID CITY 18 15 3 PT OF LOT 8 IN S1/2SE1/4 4.65 AC ANNEX
- DAVID CITY 18 15 3 PT OF LOT 8 ANNEX

City of David City, Butler County, Nebraska, as follows:

- a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds, of each such public body in the same proportion as all other taxes collected by or for the bodies; and
- b. That portion 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 Agency to pay the principal of; the interest on, and any premiums due in connection with the bonds, loans, notes, or advances on money to, or indebtedness incurred by, whether

funded, refunded, assumed, or otherwise, such Agency for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness including interest and premium due have been paid, the Agency shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such redevelopment project shall be paid into the funds of the respective public bodies.

5. The Mayor and Clerk are authorized and directed to execute and deliver, from time to time, to the County Clerk, Treasurer and Assessor, the Notice of Allocation of Taxes with the appropriate description of real estate, as established pursuant to the Redevelopment Plan.

Passed and approved this 22nd day of December, 2008.

CITY OF DAVID CITY, BUTLER COUNTY, NEBRASKA

BY _____
Dana Trowbridge, Mayor

ATTEST:

Joan E. Kovar, City Clerk

ATTACHMENT "A"

REDEVELOPMENT PLAN

DESCRIPTION OF PROJECT AND REDEVELOPMENT PLAN FOR THE NORTHWEST INDUSTRIAL AREA

OVERVIEW:

This plan is intended to improve, through redevelopment, the north west portion of David City, described on Exhibit "A", (the "Redevelopment Area") that lacks adequate drainage, paving and other utilities. This area in the City of David City has been declared blighted and substandard within the meaning of the Community Development Law of the State of Nebraska.

This plan is intended to accomplish the following redevelopment projects: (1) provide storm water drainage in the area by the installation of storm water drains and mains through one or more routes; (2) provide for acquisition of property for future industrial and commercial development by the Community Development Agency or developers; (3) provide for consolidation of industrial tracts through public right-of-way abandonment; (4) provide for the paving, curbing and guttering of streets in the redevelopment area by the creation of improvement and assessment districts; (5) provide for the extension of water, sewer and other

utility lines in the redevelopment area; and (6) provide grants to the City and Developers for the project acquisition, costs of preparation for redevelopment and infrastructure and other costs allowable under the Community Development Law.

This plan is intended to be amended from time to time by separate redevelopment contracts, to provide for specific commercial projects in the redevelopment area, including but not limited to industrial and commercial buildings and expansion of existing structures.

THE REDEVELOPMENT PLAN:

1. Relationship of the Plan to Local Objectives: The projects will eliminate surface water flooding that is a continuing issue, causing serious public safety and health problems in the area. Additionally, installation of public infrastructure will assist development of the area creating jobs and adding value to the community.
2. Statement as to the Kind and Number of Additional Public Facilities or Utilities Required to Support Land Use After Redevelopment:
 - a. The following utilities will required to implement these redevelopment projects:
 - i. Storm water drainage and retention. Three possible routes for a storm drain are shown on attached Exhibit "B"
 - ii. Paving and curb and guttering the following streets, as funding becomes available is contemplated as a part of this redevelopment plan:
 - b. Land acquisition and development for industrial and commercial purposes is contemplated by this plan. This acquisition may be accomplished by either the Agency or private developers.
3. Boundaries And Site Plan Of Redevelopment Project Area: Exhibit "C" shows the boundaries and site plan, of the Redevelopment Project Area.
4. Land Use Land use for the project area is currently comprised of a mixed use common to communities of this size. Single family structures, industrial and commercial facilities.
5. Information On Population Densities, Land Coverage And Building Intensities: Population estimate is 2.3 persons per single family dwelling. Land coverage is limited by City of David City Zoning Regulations which are incorporated herein. Building intensity is limited by said regulations.
6. Zoning and Ordinance Changes: No zoning or ordinance changes are required for the project.
7. Proposed Changes to Streets: This plan proposes that "S" Street be vacated west of the intersection of Industrial Drive and "S" Street. This will allow the expansion of the current Timpte manufacturing plant to the north. Paving of the following streets will be done as and when money becomes available: Industrial Drive between "O" Street and "S" Street. These street projects will be paved in the future.
8. Statement of Public Cost/Benefit Analysis: This plan requires that the Agency will issue its Tax Increment Revenue Bonds and deliver the same to the City. Funds received by the City will be used to pay for a portion of the installation of the infrastructure, land acquisition and grants contemplated by this Plan. The first priority is the storm sewer drainage. The City will finance the installation of infrastructure through the use of: (a)

Tax Increment Revenue (TIF) Bonds for the project which will be repaid from the increased ad valorem tax stream created by the construction of new structures on the property shown on attached Exhibit "D"; (b) general obligation bonds; (c) grants; and (d) other sources of revenue of the City and Agency, including special assessments.

- a. Tax Benefits: eliminating flooding in this area will increase property values and assessments. Construction in the future will create additional sources of revenue for the City.
 - b. School District: No significant additional burden is contemplated on the School District as a result of the activities in this plan.
 - c. No tax shifts appear to result from the project.
 - d. No observable impacts on employers and employees within the area are noted.
 - e. Labor Supply for Existing Industries: the plan does not have an impact on local industries
 - f. Community Housing Inventory: Housing is deemed adequate for all issues related to the plan..
 - g. No other impacts have been identified of a negative nature.
9. Issuance of Tax Increment Revenue Bonds.
The Plan initially projects the use of approximately \$300,000 in net Bond proceeds to finance public improvements. The Agency shall issue additional bonds from time to time to pay for or reimburse infrastructure development and to make grants for development pursuant to separate redevelopment contracts.
10. Pledge of Incremental Taxes. Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in described in attached Exhibit "D" shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2009, as follows:
- a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds, of each such public body in the same proportion as all other taxes collected by or for the bodies; and
 - b. That portion 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 pay the principal of; the interest on, and any premiums due in connection with the bonds, loans, notes, or advances on money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such redevelopment project shall be paid into the funds of the respective public bodies.

FUTURE PLAN AMENDMENTS

11. Plan Amendments. The Redevelopment Plan will be amended from time to time. Additional property may be pledged for payment of the bonds described in Paragraph 9

hereof in the same manner as set forth in paragraph 10.

OBLIGATIONS OF THE DAVID CITY COMMUNITY DEVELOPMENT AGENCY:

12. Issuance of Bonds. Agency on or about December 1, 2008, will issue Series 2008 A Bonds in the aggregate principal amount of approximately \$300,000.00, and bearing interest from and after the date of issue, bearing interest at Four Percent (4%) per Series 2008A Bonds). The Series 2008 Bonds shall be limited obligations of the Agency, and shall be solely payable from and secured by TIF Revenues and other security specifically pledged therefore, which includes all real estate in the Redevelopment Project, pledged pursuant to this Redevelopment Plan and future Plan amendments as set forth herein. Thereafter the Agency shall issues additional bonds to the extent that development supports amortization of such bonded debt.
13. Pledge of TIF Revenues. Pursuant to the Resolution, the Agency will pledge the TIF Revenues as Security for the Bonds. The TIF Revenues pledged hereby specifically include the TIF revenues generated from the division of ad valorem real property taxes pursuant to section 18-2147 of the act on property described on Exhibit "D" and the plan amendments contemplated herein.
14. Grant of Proceeds of Bonds. Agency will deliver the Series 2008 A Bonds issued pursuant to this Plan to the City for the purpose of paying Project Costs, which shall included engineering and special counsel costs..
15. Creation of Fund. Agency will create a special fund to collect and hold the TIF Revenues. Such special fund shall be used for no purpose other than to pay Bonds.

OBLIGATIONS OF THE CITY OF DAVID CITY:

16. Installation of Infrastructure. The City of David City will provide for the installation of the infrastructure described in this plan, from time to time from such sources of funds as it may have.
17. Agency Determinations: The proposed land uses and building requirements in the Project are designed with the general purpose of accomplishing, in conformance with the general plan of development of the City, a coordinated, adjusted, and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development; including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary or unsafe dwelling accommodations, or conditions of blight;
 - (a) The Redevelopment Contract is feasible and in conformity with the general plan for the development of the City as a whole and the plan is in conformity with the legislative declarations and determinations set forth in the Act;

- (b) Based on the representations of Developer and other information provided to the Agency,
- (i) the Project would not be economically feasible without the use of tax-increment financing;
 - (ii) the Project would not occur in the Redevelopment Area without the use of tax-increment financing; and
 - (iii) the costs and benefits of the Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the governing body and the Agency and have been found to be in the long-term best interest of the community impacted by the Project;

Exhibit "A"

Redevelopment Project Area

The Project Area includes the following properties:

- DAVID CITY 18 15 3 PT OF LOT 8 ANNEX
- DAVID CITY PT OF LOT 8 IN S1/2SE14 .40 AC LAND & LOT SUB DIV ADD (ANNEX)
- DAVID CITY 18 15 3 PT OF LOT 8 IN S1/2SE1/4 4.65 AC ANNEX
- DAVID CITY 18 15 3 PT OF LOT 8 (IN S1/2SE1/4) 1.18 AC
- DAVID CITY 18 15 3 PT NE1/4SW1/4 ANNEXED 1.75 AC
- DAVID CITY LOT 1 BLK 2 SCHMIDS ADD
- DAVID CITY LOTS 7 & 8 & N 22.6' OF LOT 6 BLK 2 SCHMIDS ADD
- DAVID CITY LOT 2 BLK 2 SCHMIDS ADD
- DAVID CITY LOT 3 BLK 2 SCHMIDS ADD
- DAVID CITY S 103' OF LOT 6 BLK 2 SCHMIDS ADD
- DAVID CITY LOT 4 (137.86' X 200'), N 20' OF E 200' OF OL A & LOT 5 BLK 2 SCHMIDS ADD
- DAVID CITY OL A OF 1993 REPLAT OF LOTS 1-5 (LESS N 20' OF THE E 200') BLK 3 SCHMIDS ADD
- DAVID CITY 18 15 3 LOT 7 BLK 3 SCHMIDS ADD
- DAVID CITY LOT 8 IN 1993 REPLAT OF LOTS 1-5 BLK 3 SCHMIDS ADD
- DAVID CITY LOTS 3-6 IN 1993 REPLAT OF LOTS 1-5 BLK 3 SCHMIDS ADD
- DAVID CITY LOTS 2 & 3 SYPALS SUBDIV
- DAVID CITY PT LOT 4 SYPALS SUBDIV
- DAVID CITY PT OF LOT 4 SYPALS SUBDIV
- DAVID CITY LOT 1 IN 1993 REPLAT OF LOTS 1-5 BLK 3 SCHMIDS ADD AND TRACT IN PT SE1/2SW1/4
- DAVID CITY LOT 1 SYPALS SUBDIV
- DAVID CITY 18 15 3 PT SE1/4SW1/4 SCHMIDS ADD
- DAVID CITY 18 15 3 PT LOT 2 BLK 1 PT SE1/4SW1/4 SCHMIDS ADD
- DAVID CITY 18 15 3 PT SE1/4SW1/4 SCHIMIDS ADD
- A tract of land located in the E ½ of the SW ¼ of Section 18 T15N R3E of the 6th P.M., Butler County, Nebraska, described as follows: Beginning at the northwest

corner of the E ½ of said SW ¼ ; thence easterly, 979.92 feet, on the north line of said SW ¼ ; thence southerly, 657.35 feet, parallel with the westerly right-of-way line of Nebraska Highway No. 15, to a point on the north line of Schmid's Addition of David City; thence westerly, 330 feet, more or less, on the north line of said Schmid's Addition, to a point on the northerly extension of the east line of Block 1 of said Schmid's Addition; thence southerly, 866.27 feet, to the southeast corner of the north 70 of Lot 8 of said Block 1; thence westerly, 393.54 feet, parallel with the west line of said Block 1, to a point on the north line of said Schmid's Addition; thence westerly, 254 feet, to the southwest corner of the N ½ of the NE ¼ of said SW ¼ ; thence northerly, 658.98 feet, to the Point of Beginning, containing 22.64 acres, more or less.

- All of Lots 1, 3, 4, 5, 6, and 7; the south 73 feet of Lot 8; the west 254 feet of the north 70 feet of Lot 8; the west 254 feet of Lots 9, 10, 11, 12, and 13; and that portion of vacated S Street lying north of and adjacent to Lot 13; all in Block 1, Schmid's Addition to David City, Butler County, Nebraska, containing 16.70 acres, more or less.

The properties that TIF will be captured on are:

- A tract of land located in the E ½ of the SW ¼ of Section 18 T15N R3E of the 6th P.M., Butler County, Nebraska, described as follows: Beginning at the northwest corner of the E ½ of said SW ¼ ; thence easterly, 979.92 feet, on the north line of said SW ¼ ; thence southerly, 657.35 feet, parallel with the westerly right-of-way line of Nebraska Highway No. 15, to a point on the north line of Schmid's Addition of David City; thence westerly, 330 feet, more or less, on the north line of said Schmid's Addition, to a point on the northerly extension of the east line of Block 1 of said Schmid's Addition; thence southerly, 866.27 feet, to the southeast corner of the north 70 of Lot 8 of said Block 1; thence westerly, 393.54 feet, parallel with the west line of said Block 1, to a point on the north line of said Schmid's Addition; thence westerly, 254 feet, to the southwest corner of the N ½ of the NE ¼ of said SW ¼ ; thence northerly, 658.98 feet, to the Point of Beginning, containing 22.64 acres, more or less.
- All of Lots 1, 3, 4, 5, 6, and 7; the south 73 feet of Lot 8; the west 254 feet of the north 70 feet of Lot 8; the west 254 feet of Lots 9, 10, 11, 12, and 13; and that portion of vacated S Street lying north of and adjacent to Lot 13; all in Block 1, Schmid's Addition to David City, Butler County, Nebraska, containing 16.70 acres, more or less.
- DAVID CITY S 103' OF LOT 6 BLK 2 SCHMIDS ADD
- DAVID CITY LOT 8 IN 1993 REPLAT OF LOTS 1-5 BLK 3 SCHMIDS ADD
- DAVID CITY LOTS 3-6 IN 1993 REPLAT OF LOTS 1-5 BLK 3 SCHMIDS ADD
- DAVID CITY 18 15 3 PT OF LOT 8 IN S1/2SE1/4 4.65 AC ANNEX
- DAVID CITY 18 15 3 PT OF LOT 8 ANNEX

Council member Smith made a motion to approve the bid of Vessco Inc., 226 SE 16th Street, Ames, IA 50010 in the amount of \$49,500.00 plus approximately an additional \$2,000 for freight for a M.W. Watermark, Automatic Filter Press, Model FP1000G32-100-30/40S (lime sludge belt press system) for the David City Water Treatment Plant. Council member Hein seconded the motion. Voting AYE: Scribner, Kroesing, Rogers, Yindrick, Hein, and Smith. Voting NAY: None. The motion carried.

There being no further business to come before the Council, Council member Hein made a motion to adjourn. Council member Kroesing seconded the motion. Voting AYE: Council members Smith, Scribner, Rogers, Yindrick, Kroesing, and Hein. Voting NAY: None. The motion carried and Mayor Trowbridge declared the meeting adjourned at 7:01 p.m.

Mayor Dana Trowbridge

City Clerk Joan E. Kovar



CERTIFICATION OF MINUTES
December 10, 2008

I, Joan E. Kovar, duly qualified and acting City Clerk for the City of David City, Nebraska, do hereby certify with regard to all proceedings of December 10th, recessed to December 22, 2008; that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the City Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that the minutes of the meeting of the City Council of the City of David City, Nebraska, were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided with advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

Joan E. Kovar, City Clerk