

## CITY COUNCIL PROCEEDINGS

January 9, 2002

The Mayor and City Council of the City of David City, Nebraska met in open public session in the meeting room of the City Office, 557 4th Street, David City, Nebraska. The Public had been advised of the meeting by publication of notice in The Banner-Press on 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 notices 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 Stephen Smith, Council members Ted Lukassen, Gary Kroesing, Gary Smith, Bill Schatz, Mark Kirby and Nick Hein, City Administrator Andrew Brannen, City Attorney Jim Egr, Electric Supervisor Tim Kovar, Police Chief Stephen Sunday, City Clerk Joan E. Kovar. Also present were: Jim Redler, Tony Smith representing the firm of Jerome J. Smith, C.P.A., P.C., Phil Lorenzen of Kirkpatrick Pettis, and Sherri Nun of the Banner Press.

The minutes of the December 12<sup>th</sup>, 2001 meeting of the Mayor and City Council were approved upon a motion by Council member Kroesing and seconded by Council member Kirby. All of the Council members were present, all voted YEA, and the motion carried.

Stephen Smith asked for Petitions, Communications and Citizens' Concerns in addition to those contained in the Agenda packets. There were no petitions or communications. Council member Hein stated he received comments concerning the size of the bath house at the new aquatic center and explained the reasoning for the size. (The new bathhouse is required to meet state health department regulations -certain number of showers, urinals, etc. - as well as ADA regulations. The western portion of the bathhouse houses the mechanical room and the east side has a fairly large storage room).

Mayor Smith asked for consideration of claims. Council member Kroesing made a motion to authorize the payment of claims. Council member Smith seconded the motion. Council member Hein questioned the police department's Alltel Cellular bill of \$243.65. At the last meeting Hein questioned the bill of \$175.18 and Chief Sunday stated that he had switched to a less expensive plan. Sunday will review this. Council member Lukassen questioned what the claims were for to Momar for \$1,138.86, which was for ice breaker for the street department, and to Postmaster Paczosa for \$227.00, which was for 3 rolls of stamps for \$102.00 and the yearly presort mailing fee for \$125.00. YEA to authorizing the payment of claims: Council members Schatz, Hein, Kirby, Lukassen, Kroesing, and Smith. Voting NAY: None. The motion carried.

Council member Hein made a motion to advance ahead to agenda item #15 - Consideration of amending the terms of the lease for the park house property. Council member Kirby seconded the motion. All of the Council members were present, all voted YEA, and the motion carried.

Jim Redler was present to ask the Council to consider amending the terms of the lease for the park house property as follows:

1. Section VI of the lease states: *It is understood and agreed, that if, during the continuance of this lease, the said residence/dwelling on the Park House Tract shall be so damaged by fire or other casualty as to be rendered un-tenant-able, then in*

*case such damage shall not be repaired by the Lessee within sixty (60) days thereafter, it will be optional with either party hereto by written notice not later than seventy (70) days after said fire or casualty to terminate this Lease.*

Jim Redler stated that sixty (60) days is not very much time to repair a home damaged by fire or tornado and requested that this be amended.

2. Redler would like permission to add on to the existing house. City Administrator Brannen informed Redler that he will need to submit a building permit and as long as it meets the set-back requirements there will not be a problem. Pre-authorization to add on to the premise will not be added to the lease. Council member Hein made note of the stipulation that "the maximum lot coverage shall not exceed seventy (70) percent of the total lot area".
3. Redler also requested that his son, Doug, also be named on the lease. Jim is worried that if he makes improvements to the house, and then something happens to him, the City may decide to increase the lease payment. This way if something happens to Jim the lease will continue on for Doug.

Council member Hein made a motion to 1) amend the terms of the lease for the park house property by amending Section VI to read *"It is understood and agreed, that if, during the continuance of this lease, the said residence/dwelling on the Park House Tract shall be so damaged by fire or other casualty as to be rendered un-tenant-able, the Lessee shall start repairs within 60 days and be substantially completed within six (6) months. In case such damage shall not be repaired by the Lessee within six (6) months thereafter, it will be optional with either party hereto by written notice not later than seven (7) months after said fire or casualty to terminate this Lease,* 2) to allow an addition to the house contingent upon the addition meeting all building codes and set-backs, and 3) to allow Jim Redler's son Doug, to also be listed on the lease. Council member Kirby seconded the motion. All of the Council members were present, all voted YEA, and the motion carried.

Council member Kirby made a motion to advance ahead to agenda item #10 - Presentation of the City's Keno Lottery Operations as prepared by the firm of Jerome J. Smith, C.P.A., P.C.. Council member Hein seconded the motion. All of the Council members were present, all voted YEA, and the motion carried.

Tony Smith, representing the firm of Jerome J. Smith, C.P.A., reported that they completed the agreed-upon procedures of the City's Keno Lottery operation for the fiscal year ended September 30, 2001. The Lottery Operator and Sponsor are in compliance. Tony Smith expressed his sincere thanks to Andrew Brannen, Joan Kovar, and Barb Hiatt for their cooperation and assistance given during the course of the agreed upon procedures and examinations.

Council member Kroesing made a motion to accept the Keno report entitled "City of David City, Nebraska, Keno Lottery, Statement of Gross Proceeds Distribution for the Fiscal Year Ended September 30, 2001, together with Independent Accountant's Reports". Council member Hein seconded the motion. All of the Council members were present, all voted YEA, and the motion carried.

Mayor Smith called for Committee and Officers' Reports in addition to those written reports contained in the Agenda packet.

Police Chief Sunday reported the following:

- 1) Sunday submitted an application for grant money for five (5) fully equipped police cars to a group of private investors. Chief Sunday will be attending a hearing in Lincoln, concerning the application, about the middle of March. We should receive an answer in April or May.

2) Police Officer Carter submitted an application and received grant money for lap top computers for in the police vehicles. There is no match requirement from the City.

3) The police department is still having problems with the photo copy machine at the police station. Mayor Smith stated if they are still having problems Sunday should get bids for a new one.

4) After doing some research regarding state statutes and visiting with City Attorney Jim Egr, Sunday learned that we don't have to sell the junk/abandoned vehicles at a public auction or with sealed bids; we can sell them outright. 35 days after towing a vehicle it can be disposed of. If the vehicle is valued under \$250, the vehicle can be sold outright and the money put in the General Fund. If valued over \$250, a notice must be sent to last known owner before disposing of the vehicle. If we don't hear from them, the vehicle is sold, but the money must be held in escrow for two years. If the owner does not claim the money within the two years the money is placed in the General Fund.

Electric Supervisor Tim Kovar reported that all of the aluminum poles for the park project have been received. They will start on that project in late spring. The electric system crew have been cleaning and painting the electric shop between their regular duties.

City Clerk Kovar stated they are still running parallel utility billing, because the new program is still not working correctly.

City Administrator Brannen submitted reports to the Nebraska Department of Health, NDEQ, and USDA for funds for proposed improvements to the water plant and water distribution system. The USDA stated that they have grant money available but that we do not qualify because we do not have a big enough burden. A gentleman from DEQ told Brannen that he thought we made a mistake on the grant request. This will be reviewed.

City Attorney Egr stated that Randy Janak was in court the other day concerning the condition of his property. Janak did not have an attorney present. Janak stated that he assumed the attorney would be there. Judge Gilbright told Janak that she had the authority to put him in jail if she finds him in contempt. The trial was postponed to February 5 at 10:30 a.m.. Joe Smith will go to trial on January 17, 2002, concerning his property.

Mayor Smith scheduled a Committee of the Whole meeting for Thursday, January 31, at 5:30 p.m..

Council member Hein made a motion to accept the Committee and Officers' Reports as presented. Council member Kirby seconded the motion. Voting YEA: Council members Lukassen, Smith, Schatz, Kroesing, Kirby, and Hein. Voting NAY: None. The motion carried.

At 8:00 p.m., Mayor Smith declared the Public Hearing open to consider the Barb Vogl property located at 1070 No. 8<sup>th</sup> Street, David City, Nebraska, which is in violation of David City Code Article 4-401. (Barb Vogl's boyfriend is Randy Janak) Police Chief Sunday stated that Randy Janak has paid the insurance and licensed all of the vehicles on the property except for one. Therefore, the licensed vehicles are in compliance. Sunday distributed pictures of the lot. Janak made significant progress by licensing the vehicles but is still not in compliance. Mayor Smith declared the Public Hearing closed at 8:10 p.m..

As the Council determined that the Barb Vogel property located at 1070 8<sup>th</sup> Street is still not in compliance, Council member Hein made a motion to proceed with the necessary steps concerning the clean-up of the Barb Vogel property located at 1070 8<sup>th</sup> Street in David City. This

will include the consideration of a resolution at the February 13<sup>th</sup> council meeting that directs the municipality to begin clean-up of the Barb Vogel property located at 1070 8<sup>th</sup> Street. Council member Smith seconded the motion. All of the Council members were present, all voted YEA, and the motion carried.

At 8:17 p.m., Mayor Smith declared the Public Hearing open to consider the Rick Lord property located at 479 Oak Street, David City, Nebraska, which is in violation of David City Code Article 4-401. Police Chief Sunday distributed pictures and the condition of the property has not changed. Mayor Smith declared the Public Hearing closed at 8:22 p.m..

Council member Kroesing made a motion that the Rick Lord property located at 479 Oak Street, David City, is still not in compliance, and if the nuisance is not abated by the February 13 council meeting the Council will proceed with a resolution directing the municipality to begin clean-up of the Rick Lord property located at 479 Oak Street, David City. Council member Hein seconded the motion. Voting YEA: Council members Lukassen, Schatz, Smith, Kirby, Kroesing, and Hein. Voting NAY: None. The motion carried.

Mayor Smith declared a ten minute recess at 8:25p.m. The meeting resumed at 8:35 p.m.

As the general audit was not ready, Council member Hein made a motion to table the presentation of the general audit as prepared by Scow, Rief, Kruse, & Schumacher. Council member Kirby seconded the motion. All of the Council members were present, all voted YEA, and the motion carried.

Council member Kroesing made a motion to pass and adopt Ordinance No. 918 on the second reading. Council member Smith seconded the motion. Voting YEA: Council members Hein, Schatz, Lukassen, Smith, Kroesing, and Kirby. Voting NAY: None. The motion carried and Ordinance No. 918 was passed on the second reading as follows:

**ORDINANCE NO. 918**

AN ORDINANCE RELATING TO ELECTRIC SERVICE RATES AND MINIMUM CHARGES, TO PROVIDE A NEW SCHEDULE OF ELECTRIC RATES, CUSTOMER CLASSIFICATIONS, MINIMUM CHARGES, AND CUSTOMER SERVICE CHARGES, TO DISTINGUISH RESIDENTIAL RATES, COMMERCIAL RATES, INDUSTRIAL RATES, OFF-PEAK INDUSTRIAL RATES, AND IRRIGATION RATES, TO SET AVAILABILITY RATING; TO REPEAL ALL PARTS OF THE CODE, RESOLUTIONS AND ORDINANCES IN CONFLICT HEREWITH; AND, TO PROVIDE WHEN THE ORDINANCE SHALL TAKE EFFECT.

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

Section 1. NEW SCHEDULE: Relating to electric service and minimum charges, to provide a schedule of electric rates, minimum charges, and customer service charges, to distinguish residential rates, commercial rates, industrial rates, off-peak industrial rates, and irrigation rates; to set availability rating; to provide and establish the following tariff of rates to consumers of electric service from the electric distribution system of the City of David City, Nebraska.

**RESIDENTIAL SERVICE**

*Available*

To residential customers in the established service area of David City.

*Applicable*

To single-family residences and individually metered apartments for all domestic purposes when all service is supplied through a single meter. It is not applicable to residences where a commercial enterprise is conducted.

*Character of Service*

A.C. 60 Hertz, Single-Phase 120 volt, 2 wire or 120/240 volts, 3 wire.

*Rate*

Customer Service Charge - \$7.00 per month (or partial month)

Summer	Winter	
\$0.0725	\$0.0725	per kilowatt-hour for the first 500 kilowatt-hours used per month
\$0.0650	\$0.0500	per kilowatt-hour for the next 500 kilowatt-hours used
\$0.0575	\$0.0330	per kilowatt-hour for all additional use.

Subject to Application of Production Cost Adjustment (PCA)

*Minimum Bill*

Customer Service Charge

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**RESIDENTIAL SUMMER CONTROLS**

*Applicable*

To residential consumers who have allowed the Utility Department to install, and operate, such devices as would be required to cycle central air conditioning units during periods of peak electrical demand and imposed upon the electrical system. Window air conditioning units, on a separate electric circuit can be included in this rate.

*Rate*

Customer Service Charge - \$7.00 per month

Summer	Winter	
\$0.0725	\$0.0725	per kilowatt-hour for the first 500 kilowatt-hours used per month
\$0.0600	\$0.0500	per kilowatt-hour for the next 500 kilowatt-hours used
\$0.0550	\$0.0330	per kilowatt-hour for all additional use.

Subject to Application of Production Cost Adjustment (PCA)

*Minimum Bill*

Customer Service Charge

*Seasonal Billing Periods*

Summer - Summer period is for the meter readings obtained during the four month period of June through September.

Winter - Winter period is for the meter readings obtained during the eight month period of October through May.

*Terms of Payment*

Utility bills are mailed on approximately the 25<sup>th</sup> day of each month and are payable upon receipt. They become due the 1<sup>st</sup> day of each month and become delinquent if not received in the City Office by 5:00 p.m. on the 10<sup>th</sup> day of the month. If the 10<sup>th</sup> of the month falls on a week-end, customers will be given the following regular business day. A ten percent (10%) penalty is

imposed on all delinquent bills.

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**COMMERCIAL SERVICE**

*Available*

To any non residential consumer in the established service area of David City.

*Applicable*

To any non-residential consumer for lighting, heating and power purposes where the customer's billing demand does not exceed 35 Kw or 10,000 Kwh for three consecutive months.

*Character of Service*

A.C. 60 Hertz, single-phase or three-phase at any of the Cities standard voltages.

***Single Phase Rate***

Customer Service Charge - \$7.00 per month (or partial month)

Summer	Winter	
\$0.0800	\$0.0800	per kilowatt-hour for the first 1000 kilowatt-hours used per month
\$0.0625	\$0.0560	per kilowatt-hour for the next 1000 kilowatt-hours used
\$0.0625	\$0.0450	per kilowatt-hour for all additional use.

Subject to Application of Production Cost Adjustment (PCA)

*Minimum Bill*

Customer Service Charge, or \$1.65 per month per horsepower for the first 10 horsepower and \$0.95 per horsepower of connected load thereafter, or whichever is the largest.

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***Three Phase Rate***

Customer Service Charge - \$14.00 per month (or partial month)

Summer	Winter	
\$0.0800	\$0.0800	per kilowatt-hour for the first 1000 kilowatt-hours used per month
\$0.0625	\$0.0560	per kilowatt-hour for the next 1000 kilowatt-hours used
\$0.0625	\$0.0450	per kilowatt-hour for all additional use.

Subject to Application of Production Cost Adjustment (PCA)

*Minimum Bill*

Customer Service Charge or \$1.65 per month per horsepower for the first 10 horsepower and \$0.95 per horsepower of connected load thereafter, or whichever is the largest.

***Seasonal Billing Periods***

Summer - Summer period is for the meter readings obtained during the four month period of June through September.

Winter - Winter period is for the meter readings obtained during the eight month period of October through May.

*Terms of Payment*

Utility bills are mailed on approximately the 25<sup>th</sup> day of each month and are payable upon receipt. They become due the 1<sup>st</sup> day of each month and become delinquent if not received in the City Office by 5:00 p.m. on the 10<sup>th</sup> day of the month. If the 10<sup>th</sup> of the month falls on a weekend, customers will be given the following regular business day. A ten percent (10%) penalty is imposed on all delinquent bills.

*Load Control Rebate*

A load control rebate of \$2 per Kw or \$2 per ton of air conditioning will be allowed to those Commercial customers who would be willing to allow the Utility Department to cycle any large electrical devices to control system peak electrical demand or who would control those electrical loads themselves. Electric loads controlled by the Customer must be on a verifiable control system.

*Power Factor Adjustment*

The rates set forth in this schedule are based on the maintenance by the customer of a power factor of not less than 90% leading or lagging at all times. If it is determined by test that the power factor at the time of the Customer's peak load is less than 90%, the Utility Department, at its option, may correct the power factor of the Customer's load at the expense of the Customer.

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**INDUSTRIAL SERVICE**

*Available*

To any non residential consumer in the established service area of David City.

*Applicable*

To any consumer whose monthly consumption equals or exceeds 10,000 Kwh and whose monthly peak demand equals or exceeds 35 Kw for three consecutive months.

*Character of Service*

A.C. 60 Hertz, single-phase or three-phase at any of the Cities standard voltages.

*Rate*

Demand Charge

Summer	\$14.60 per kilowatt of maximum billing demand
Winter	\$11.50 per kilowatt of maximum billing demand

Energy Charge

Summer	\$0.030 per kilowatt-hour used
Winter	\$0.025 per kilowatt-hour used

Subject to Application of Production Cost Adjustment (PCA)

*Minimum Bill*

The minimum bill shall be the Billing Demand or \$275.00 per month whichever is greater.

*Determination of Billing Demand*

The maximum demand for any billing period shall be the larger of: The highest integrated kilowatt load registered on the meter during any thirty (30) minute period occurring in the billing period; or fifty four percent (54%) of the highest kilowatt demand registered on the meter during the preceding months of June, July, August, or September.

*Seasonal Billing Periods*

Summer - Summer period is for the meter readings obtained during the four month period of June through September.

Winter - Winter period is for the meter readings obtained during the eight month period of October through May.

*Terms of Payment*

Utility bills are mailed on approximately the 25<sup>th</sup> day of each month and are payable upon receipt. They become due the 1<sup>st</sup> day of each month and become delinquent if not received in the City Office by 5:00 p.m. on the 10<sup>th</sup> day of the month. If the 10<sup>th</sup> of the month falls on a weekend, customers will be given the following regular business day. A ten percent (10%) penalty is imposed on all delinquent bills.

*Load Control Rebate*

A load control rebate of \$2 per Kw or \$2 per ton of air conditioning will be allowed to those Commercial customers who would be willing to allow the Utility Department to cycle any large electrical devices to control system peak electrical demand or who would control those electrical loads themselves. Electric loads controlled by the Customer must be on a verifiable control system.

*Power Factor Adjustment*

The rates set forth in this schedule are based on the maintenance by the customer of a power factor of not less than 90% leading or lagging at all times. If it is determined by test that the power factor at the time of the Customer's peak load is less than 90%, the Utility Department, at its option, may correct the power factor of the Customer's load at the expense of the Customer.

*Fluctuating Loads*

Customers operating equipment having a highly fluctuating or large instantaneous demand, such as welders and X-ray machines, shall be required to isolate these loads from the balance of the electric system if they unduly interfere with service on the lines. The customer shall be required to pay all nonbetterment costs for corrective equipment to eliminate the interference.



*Available*

To any non residential consumer in the established service area of David City.

*Applicable*

To any consumer whose monthly consumption equals or exceeds 10,000 Kwh and whose monthly peak demand equals or exceeds 35 Kw for three consecutive months and whose peak demand during the winter season exceeds the peak demand experienced during the preceding summer season.

*Character of Service*

A.C. 60 Hertz, single-phase or three-phase at any of the Cities standard voltages.

*Rate*

Demand Charge

Summer	\$14.60 per kilowatt of maximum billing demand
Winter	\$ 7.15 per kilowatt of maximum billing demand

Energy Charge

Summer	\$0.030 per kilowatt-hour used
Winter	\$0.0175 per kilowatt-hour used

Subject to Application of Production Cost Adjustment (PCA)

**Rate - Effective March 1, 2003**

Demand Charge

Summer	\$14.60 per kilowatt of maximum billing demand
Winter	\$ 7.50 per kilowatt of maximum billing demand

Energy Charge

Summer	\$0.030 per kilowatt-hour used
Winter	\$0.025 per kilowatt-hour used

Subject to Application of Production Cost Adjustment (PCA)

*Minimum Bill*

The minimum bill per month shall be the Billing Demand or \$250.00 during the winter months, \$275.00 during the summer months, or whichever is the greater between the billing demand or the summer/winter minimum.

*Determination of Billing Demand*

The maximum demand for any billing period shall be the larger of: The highest integrated kilowatt load registered on the meter during any thirty (30) minute period occurring in the billing period; or fifty four percent (54%) of the highest kilowatt demand registered on the meter during the preceding months of June, July, August, or September.

*Seasonal Billing Periods*

Summer - Summer period is for the meter readings obtained during the four month period of June through September.

Winter - Winter period is for the meter readings obtained during the eight month period of

October through May.

*Terms of Payment*

Utility bills are mailed on approximately the 25<sup>th</sup> day of each month and are payable upon receipt. They become due the 1<sup>st</sup> day of each month and become delinquent if not received in the City Office by 5:00 p.m. on the 10<sup>th</sup> day of the month. If the 10<sup>th</sup> of the month falls on a week-end, customers will be given the following regular business day. A ten percent (10%) penalty is imposed on all delinquent bills.

*Load Control Rebate*

A load control rebate of \$2 per Kw or \$2 per ton of air conditioning will be allowed to those Commercial customers who would be willing to allow the Utility Department to cycle any large electrical devices to control system peak electrical demand or who would control those electrical loads themselves. Electric loads controlled by the Customer must be on a verifiable control system.

*Power Factor Adjustment*

The rates set forth in this schedule are based on the maintenance by the customer of a power factor of not less than 90% leading or lagging at all times. If it is determined by test that the power factor at the time of the Customer's peak load is less than 90%, the Utility Department, at its option, may correct the power factor of the Customer's load at the expense of the Customer.

*Fluctuating Loads*

Customers operating equipment having a highly fluctuating or large instantaneous demand, such as welders and X-ray machines, shall be required to isolate these loads from the balance of the electric system if they unduly interfere with service on the lines. The customer shall be required to pay all non-betterment costs for corrective equipment to eliminate the interference.

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**IRRIGATION SERVICE**

*Available*

To irrigation customers in the established service area of David City.

*Applicable*

Applicable: **Off-Peak**: During the irrigation season, the utility may interrupt pump service during the peak hours. The peak hours shall be between 10:30 a.m. and 9:30 p.m. (Central Daylight Savings Time), Monday thru Saturday, excluding holidays. The City, at their sole discretion may change the period of interruptible hours.

*Rate: On-peak irrigation (Firm)*

\$35.00 per Horsepower connected per year. Energy consumed shall be billed at the rate of 5.4¢ per kilowatt hour per month, payable as used

*Rate: Off-peak irrigation (Non-Firm)*

\$15.00 per Horsepower connected per year. Energy consumed shall be billed at the rate of 3.4¢ per kilowatt hour per month, payable as used.

*Minimum Bill*

The minimum bill shall be the Horse Power Charge

*Determination of Connected Load*

The connected load in horsepower shall be taken from the name plates of the motors or from an actual measurement of horsepower input to the motor, or motors, operating under maximum load conditions. The City reserves the right at any time to check the customer's load for recalculation of the connected load.

*Terms of Payment*

The total horsepower charge shall be billed on approximately April 25<sup>th</sup> of each year and total amount payable upon receipt. It shall become due the first day of May each year and become delinquent at 5:00 p.m. on the 10<sup>th</sup> day of May. A ten percent (10%) penalty is imposed on all delinquent bills.

Bills for the kwh usage are mailed on approximately the 25<sup>th</sup> day of each month and are payable upon receipt. They become due the 1<sup>st</sup> day of each month and become delinquent at 5:00 p.m. on the 10<sup>th</sup> day of each month. A ten percent (10%) penalty is imposed on all delinquent bills.

*Power Factor Adjustment*

The rates set forth in this schedule are based on the maintenance by the customer of a power factor of not less than 90% whether leading or lagging at all times. Power factor adjustments will be made in the horsepower billing, when the power factor, as determined by test, at the time of the maximum use is less than 90%. The measured maximum horsepower will be multiplied by 90 percent and divided by the customer's power factor expressed in percent.

**LOAD CONTROL REBATE**

A load control rebate of \$2 per Kw or \$2 per ton of air conditioning will be allowed to those Commercial customers who would be willing to allow the Utility Department to cycle any large electrical devices to control system peak electrical demand or who would control those electrical loads themselves. Electric loads controlled by the Customer must be on a verifiable control system.

**FLUCTUATING LOADS**

Customers operating equipment having a highly fluctuating or large instantaneous demand, such as welders and X-ray machines, will be charged \$1.50 per month per KVA of such nameplate rating of such equipment or other equipment for energy used, and such charges will be in addition to the bill determined by the kilowatt hours recorded by the meter and billed at scheduled rates. It will be added to the minimum bill for services in the event the energy for other services does not equal the amount of a minimum bill for such other services.

Section 2. **RATE MODIFICATION**: Whereas the rates offered to the customer by the City is based upon the current rate being paid by the City to its wholesale supplier, the City shall reserve the right, during the term of the rates, to adjust said rates to the consumer by an amount

not to exceed two (2) mills per kilowatt hour greater than the adjustment to the City by its wholesale supplier.

Section 3. That all rates in Ordinances and Resolutions in conflict herewith are hereby repealed.

Section 4. That all rates included in this Ordinance shall be effective as of March 1, 2002.

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2002

\_\_\_\_\_  
**2<sup>nd</sup> reading only**  
Mayor

Attest:

\_\_\_\_\_  
**2<sup>nd</sup> reading only**  
City Clerk

Council member Kroesing introduced Ordinance No. 920. Council member Kirby made a motion to suspend the statutory rule that requires an Ordinance be read on three separate days. Council member Hein seconded the motion. Voting YEA: Council members Smith, Kirby, Schatz, Hein, Lukassen, and Kroesing. Voting NAY: None. The motion carried.

Council member Kroesing made a motion to pass and adopt Ordinance No. 920 on the third and final reading. Council member Lukassen seconded the motion. Voting YEA: Council members Hein, Kirby, Smith, Kroesing, Lukassen, and Schatz. Voting NAY: None. The motion carried and Ordinance No. 920 was passed and adopted as follows:

**ORDINANCE NO. 920**

AN ORDINANCE OF THE CITY OF DAVID CITY, NEBRASKA TO SET THE PAY FOR THE CITY ADMINISTRATOR, REPEAL ALL ORDINANCES OR PORTIONS OF ORDINANCES IN CONFLICT THEREWITH; TO PROVIDE FOR PUBLICATION OF THIS ORDINANCE, AND TO PROVIDE FOR A TIME WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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

SECTION 1. The Mayor and City Council of David City, Nebraska, do hereby establish and fix the salary for City Administrator Andrew Brannen at \$50,000 per year, plus 2% of any grants obtained after the passage of this ordinance.

SECTION 2. Any and all ordinances, or sections thereof, passed and approved prior to the passage, approval and publication or posting of this ordinance, and in conflict with its provisions, is hereby repealed.

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 and city ordinance.

PASSED AND APPROVED this 9<sup>th</sup> day of January, 2002.

Mayor

City Clerk

Council member Kirby made a motion to authorize Mayor Stephen Smith to execute the "Renewal of Maintenance Agreement No. 27" with the State of Nebraska Department of Roads. Council member Lukassen seconded the motion. All of the Council members were present, all voted YEA, and the motion carried.

Council member Hein introduced Resolution No. 1 - 2002 and moved for its passage and adoption. Council member Kroesing seconded the motion. Voting YEA: Council members Schatz, Kirby, Smith, Lukassen, Kroesing, and Hein. Voting NAY: None. The motion carried and Resolution No. 1 - 2002 was passed and adopted as follows:

**RESOLUTION NO. 1 - 2002**

WHEREAS, the City of David City wishes to purchase a new Caterpillar Wheel Loader, and

WHEREAS, it is in the best interest of the City to enter into a Lease Purchase Agreement with Caterpillar Financial Services Corporation.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, that Mayor Stephen Smith is authorized to enter into a Lease Purchase Agreement with Caterpillar Financial Services Corporation to obtain: one (1) 924GZ Caterpillar Wheel Loader for the total price of \$98,037.00 with balance, plus interest in consecutive annual installments, all in accordance with the Lease Purchase Agreement.

Passed and approved this 9<sup>th</sup> day of January, 2002.

Mayor Stephen Smith

City Clerk Joan E. Kovar

City Administrator Brannen present a financial summary concerning the new family aquatic center as follows:

	October 2000 to September 2001	November 2000 to October 2001
Sales Tax Collections	\$ 218,963	\$ 223,581
Projected Total Amount Collected	\$2,189,631	\$2,235,806
Total Assuming 1.5% Annual Increase	\$2,235,806	<b>\$2,392,915</b>

<u>Project</u>	<u>Sales Tax Allocation</u>
Track	\$170,000
Park Lakes/Trail	\$110,000
Ballfields	\$ 66,000
<u>Auditorium/Tennis Courts</u>	<u>\$ 22,000</u>
Total:	\$368,000

Total Projected Collections	\$2,392,915
<u>Total Allocated to Other Projects</u>	<u>\$ 368,000</u>
<b>Total Funds Available to Aquatic Center</b>	<b>\$2,024,915</b>
<u>Amount Needed to Satisfy \$1.2 million Bond Issue</u>	<u>\$1,478,538</u>

**Amount Available for Potential Lease Purchase                    \$ 546,377**

**REVENUES**

	<u>Amount</u>
Proceeds from Bond Issue	\$1,100,000
Peter Kiewit Foundation Grant	\$ 100,000
Nebraska Game & Parks Commission Grant	\$ 100,000
Amount Pledged to Date	<u>\$ 145,000</u>
<b>Total Available Revenue</b>	<b>\$1,445,000</b>

**EXPENDITURES**

	<u>Amount</u>
Base Bid with Alternates	\$1,730,550
Engineering, Design, Construction Observation	\$ 255,855
Miscellaneous (change orders, amenities, etc.)	<u>\$ 35,000</u>
<b>Total Projected Expenditures</b>	<b>\$2,021,405</b>

**Surplus/Deficit    -\$576,405**

Philip A. Lorenzen, First Vice President, Kirkpatrick Pettis presented the proposed debt service schedule:

City of David City, Nebraska  
 Illustration of 9+ Year Lease Purchase Revenue Bond Series 2002  
 Dated March 1, 2002, Junior Lien Bond, held by Utility Reserve

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**DEBT SERVICE SCHEDULE**

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<u>DATE</u>	<u>PRINCIPAL</u>	<u>COUPON</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>FISCAL TOTAL</u>
11/15/02	50,000.00	5.000000	19,050.00	69,050.00	69,050.00
5/15/03			12,250.00	12,150.00	
11/15/03	50,000.00	5.000000	12,250.00	62,250.00	74,500.00
5/15/04			11,000.00	11,000.00	
11/15/04	55,000.00	5.000000	11,000.00	66,000.00	77,000.00
5/15/05			9,625.00	9,625.00	
11/15/05	55,000.00	5.000000	9,625.00	64,625.00	74,250.00
5/15/06			8,250.00	8,250.00	

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11/15/06	60,000.00	5.000000	8,250.00	68,250.00	76,500.00
5/15/07			6,750.00	6,750.00	
11/15/07	65,000.00	5.000000	6,750.00	71,750.00	78,500.00
5/15/08			5,125.00	5,125.00	
11/15/08	65,000.00	5.000000	3,500.00	70,125.00	75,250.00
5/15/09			3,500.00	3,500.00	
11/15/09	70,000.00	5.000000	1,750.00	1,750.00	77,000.00
5/15/10			1,750.00	1,750.00	
11/15/10	<u>70,000.00</u>	5.000000	<u>1,750.00</u>	<u>71,750.00</u>	73,500.00
	540,000.00		135,550.00	675,550.00	
ACCRUED					
	540,000.00		135,550.00	675,550.00	
	=====		=====	=====	

Dated 3/ 1/ 2 with delivery of 3/ 1/ 2

Bond Years	2,711.000
Average Coupon	5.000000
Average Life	5.020370
N I C %	5.000000 % Using 100.0000000

Weighted Bond Years	2,711.000
Weighted Average Life	5.020370
Weighted N I C %	5.000000 % Using 100.0000000
T I C %	4.995919 % From Delivery Date

Phil Lorenzen stated that internal borrow would be a good option at this time. Phil will analyze this significantly and this will be discussed further at the next Committee of the Whole meeting.

A tree was removed on the west side of the aquatic center construction site in order to make room for the crane to set in a manhole. There are two other trees south of the bathhouse that may partially hang over the pool vessel. Council member Hein stated that these are not appealing trees. Hein thought one was an elm and the other a locust. Council member Schatz questioned if this request to remove trees shouldn't go before the Tree Board. Council member Lukassen agreed stating that if this doesn't go before the Tree Board what are they there for? Mayor Smith stated the Tree Board is to set regulations and make recommendations to the Council, but the Council makes the decision.

Council member Kroesing made a motion to approve the removal of two trees at the aquatic center construction site. Council member Smith seconded the motion. All of the Council members were present, all voted YEA, and the motion carried.

The Council determined there was no need to go into executive session.

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 YEA: Council members Smith, Schatz, Kirby, Lukassen, Kroesing, and Hein. Voting NAY: None. The motion carried and Mayor Smith declared the meeting adjourned at 9:30 p.m..



