

**ACKNOWLEDGEMENT OF RECEIPT OF NOTICE OF MEETING
OF THE MAYOR AND CITY COUNCIL OF
THE CITY OF DAVID CITY, NEBRASKA**

The undersigned members of the governing body of the City of David City, Nebraska, hereby acknowledge receipt of advance notice of a regular meeting of said body and the agenda for such meeting to be held at 7:00 o'clock p.m. on the **11th day of June, 2014**, in the meeting room of the City Office, 557 N 4th Street, David City, Nebraska.

This agenda is available for public inspection in the office of the City Clerk and may be modified up to twenty-four hours prior to the opening of the meeting.

Dated this 3rd day of June, 2014.

AGENDA AS FOLLOWS:

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| 1. Roll Call; | <hr/> Mayor Alan Zavodny |
| 2. Pledge of Allegiance; | |
| 3. Inform the Public about the location of the Open Meetings Act and the Citizens Participation Rules; | <hr/> Council President Gary L. Kroesing |
| 4. Consideration of going into Executive Session to discuss a personnel matter; | |
| 5. Minutes of the May 14 th , and May 28 th , 2014, meetings of the Mayor and City Council; | <hr/> Council member Michael E. Rogers |
| 6. Consideration of Claims; | |
| 7. Committee and Officer Reports; | |
| 8. Consideration of Ordinance #1204 imposing an additional sales tax of ½% upon the same transactions within the City of David City on which the State of Nebraska is authorized to impose a tax; | <hr/> Council member Ruddy L. Svoboda |
| 9. Consideration of the request by Rex Rehmer for a donation to the Butler County Chamber Fireworks display; | <hr/> Council member William Scribner |
| 10. Consideration of re-allocating the \$20,000 budgeted for a building addition for the purchase of doors for the Water Department; | <hr/> Council member Gary D. Smith |
| 11. Public Hearing concerning improvements to the David City Airport; | <hr/> Council member John P. Vandenberg |
| 12. Consideration of purchasing a new compressor for the heat pump /air-conditioner at the City Auditorium; | |
| 13. Consideration of the request by Scott Samek for a Fireworks Permit; | <hr/> City Clerk Joan E. Kovar |

14. Consideration of Resolution No. 12 – 2014 concerning non-residential service deposits being retained until a final bill has been requested and the customer is no longer a non-residential customer, and, that the deposits may be reviewed annually to determine whether the amount of the non-residential deposit or commercial equivalent is equal to current charges in the billing cycle, and if not, then to adjust the deposit up or down;
15. Consideration of providing campers in the City Park information on where they can monitor weather reports and where they can go for shelter in case of dangerous weather;
16. Consideration of creating a Utility Superintendent position;
17. Consideration of allocating \$47,500 of the Sales Tax Revenues to the Park, less \$12,000 for field conditioner and ear-marking \$7,500 for the Ball Association;
18. Consideration of offering supplemental insurance to the City employees;
19. Adjourn.

CITY COUNCIL PROCEEDINGS

June 11, 2014

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 June 5th, 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 Alan Zavodny, Council members Gary Kroesing, Mike Rogers, Ruddy Svoboda, Gary Smith, and John Vandenberg. City Administrator Abbie Cornett, Attorney Tim Wollmer, and City Clerk Joan Kovar were also in attendance. Council member Scribner was absent.

Also present for the meeting were: Roger Helgoth of Kirkham Michael, Robert Evnen of Woods & Aitken LLP, Ryan Ruth of Agency One Insurance, Benefits Specialist Don Mroczek of Platinum Services Inc., Mike Burwell, Rex Rehmer, Caroline Yates, Janis Cameron, Park/Auditorium Supervisor Bill Buntgen, Water/Sewer Supervisor Gary Janicek, and Electric Plant Supervisor Eric Betzen.

The meeting opened with the Pledge of Allegiance.

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

Council member Smith made a motion to go into executive session to discuss a personnel matter. Council member Vandenberg seconded the motion. Voting AYE: Council

members Kroesing, Vandenberg, Smith, and Svoboda. Voting NAY: None. Council members Scribner and Rogers were absent. The motion carried.

Mayor Zavodny stated, "At 7:01 p.m. we are going into executive session to discuss a personnel matter. Mayor Zavodny, Council members Kroesing, Vandenberg, Svoboda, and Smith, Attorney Tim Wollmer, City Administrator Cornett, Roger Helgoth of Kirkham Michael, Robert Evnen of Woods & Aitken LLP, and City Clerk Kovar went into executive session at 7:01 p.m.

Council member Mike Rogers arrived at 7:15 p.m. and joined the Executive Session.

At approximately 7:35 Roger Helgoth was excused from the Executive Session.

As a motion and second is not needed to come out of executive session, Mayor Zavodny declared the City Council out of executive session at 7:55 p.m.

The minutes of the May 14th and May 28th, 2014 meetings of the Mayor and City Council were approved upon a motion by Council member Rogers and seconded by Council member Svoboda. Voting AYE: Council members Smith, Kroesing, Rogers, Svoboda, and Vandenberg. Voting NAY: None. Council member Scribner was absent. The motion carried.

Mayor Zavodny asked for consideration of claims. Council member Smith made a motion to authorize the payment of claims and Council member Kroesing seconded the motion. Voting AYE: Council members Svoboda, Rogers, Vandenberg, Kroesing, and Smith. Voting NAY: None. Council member Scribner was absent. The motion carried.

Mayor Zavodny called for Committee and Officer Reports.

Mayor Zavodny stated that the whole City crew did an exceptional job dealing with the storm we had on June 3rd. There were poles on the ground, wires everywhere, and everyone pulled together and did an exceptional job. The efforts the employees put forward were very much appreciated.

Power Plant Supervisor Eric Betzen thanked Council member Gary Kroesing for coming out with a pen, paper, and spotlight in an effort to assist the crews.

Council member Vandenberg made a motion to accept the committee and officers reports as presented. Council member Rogers seconded the motion. Voting AYE: Council members Kroesing, Svoboda, Smith, Rogers, and Vandenberg. Voting NAY: None. Council member Scribner was absent. The motion carried.

Council member Kroesing introduced Ordinance No. 1204 imposing an additional sales tax of ½% upon the same transactions within the City of David City on which the State of Nebraska is authorized to impose a tax for a ten year period. Council member Kroesing made a motion to suspend the statutory rule that requires an Ordinance be read on three separate days. Council member Rogers seconded the motion. Voting AYE: Council members Svoboda, Smith, Vandenberg, Rogers, and Kroesing. Voting NAY: None. Council member Scribner was absent. The motion carried.

Council member Kroesing made a motion to pass and adopt Ordinance No. 1204 on the third and final reading. Council member Smith seconded the motion. Voting AYE: Council members Rogers, Vandenberg, Svoboda, Smith, and Kroesing. Voting NAY: None. Council member Scribner was absent. The motion carried and Ordinance No. 1204 was passed on third and final reading as follows:

ORDINANCE NO. 1204

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, IMPOSING AN ADDITIONAL SALES TAX OF ONE-HALF PERCENT (.50%) UPON THE SAME TRANSACTIONS WITHIN THE CITY OF DAVID CITY ON WHICH THE STATE OF NEBRASKA IS AUTHORIZED TO IMPOSE A TAX, FOR A TEN (10) YEAR PERIOD.

WHEREAS, the Mayor and Council of the City of David City, Nebraska, did on August 14, 2013, pass a resolution (Resolution No. 14 – 2013) which submitted to the qualified electors of the City of David City, Nebraska, the issue of whether the governing body of the City of David City, Nebraska, should impose a tax of one-half percent (.50%) upon the same transactions within the City of David City on which the State of Nebraska is authorized to impose a tax, for a ten (10) year period commencing October 1, 2014 and ending October 1, 2024 with the proceeds collected to be used for water treatment works and systems, water distribution facilities, and water resources projects, including, but not limited to, pumping stations, transmission lines, and mains and their appurtenances within the City of David City, Nebraska.

WHEREAS, the above-referred to resolution was submitted to the qualified electors at the statewide primary election on May 13, 2014, at which time a majority of the qualified electors approved such tax.

WHEREAS, the required documents were not received by the State of Nebraska by June 3, 2014, the additional one-half percent (.50%) city sales tax rate will not go into effect until January 1, 2015 and will end on October 1, 2024.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, that an additional sales tax of one-half percent (.50%) upon the same transactions within the City of David City on which the State of Nebraska is authorized to impose a tax, shall commence January 1, 2015.

BE IT FURTHER ORDAINED that the City Clerk is hereby authorized and directed to submit a certified copy of this ordinance to the State Tax Commissioner, to be accompanied with a certified map of the City, and a certified copy from the Election Commissioner of the election results and a statement indicating the issue has not been voted on and failed within the prior 23 months.

PASSED AND ADOPTED THIS 11th DAY OF JUNE, 2014.

Mayor Alan Zavodny

City Clerk Joan Kovar

Rex Rehmer, representing the Butler County Chamber, was present to request a donation for the fireworks display during the Fair.

Council member Rogers made a motion to contribute \$1,500 from the Keno Funds towards the fireworks display at the Butler County Fair. Council member Smith seconded the motion. Voting AYE: Council members Vandenberg, Svoboda, Smith, Kroesing, and Rogers. Voting NAY: None. Council member Scribner was absent. The motion carried.

The Mayor and Council discussed reallocating the \$20,000, budgeted for a building addition, for the purchase of doors for the water department.

Water/Sewer Supervisor Gary Janicek stated: "We originally budgeted \$20,000 to add a garage onto the water plant. Terry Samek met with Kevin Betzen and me at the water plant and he said to make it look nice and blend in with the original building, \$20,000 wouldn't begin to cut it (the costs). So, we visited with Don Hilger who originally built our addition onto the Astro building, the side that's heated that we keep our equipment in, he said there would be no problem putting a couple of doors on the east side of the building to help us getting.....right now in the winter time we have to move equipment out of the way to get stuff out of there. We should be able to get everything in that shed then and have access to where, like with the backhoe in the winter time, the one service truck that we keep in there in the winter time, we can just open the doors and drive them right out. \$20,000 will way cover it."

Mayor Zavodny stated: "Are you proposing this just because we can do this, or is this the best thing to do? What I would hate to do is put up garage doors and then say "We really don't have the room." Maybe, if \$20,000 wasn't enough, we just don't spend the \$20,000 this year. We get bids for what it will cost and budget for it next year."

Water/Sewer Supervisor Gary Janicek stated: "He said it would probably be \$30,000 - \$40,000 to just add a single car garage onto the water plant to make it look nice."

Mayor Zavodny stated: "So, for \$10,000 or \$20,000 more you will actually add space that we could use. That to me, to some extent, seems like the better use of money than just putting doors in because we can, or can afford that. If our need is more space and accessibility that would seem like the way to go."

Water/Sewer Supervisor Gary Janicek stated: "The door will sure help out because we cram everything into that. We cram some of Pat's equipment in there to keep it in the heat that they use in the winter time, air compressors. We got by without it, we shift stuff around. That addition is full, in the winter time, with equipment."

Mayor Zavodny stated: "But you use the term "cram" that's probably not a healthy way for us to go about things. So what does the council want to do, do you want to go with the doors

or are we better off just not spending the \$20,000 at all right now and budgeting for some more room.”

Council member Kroesing made a motion to table consideration of re-allocating the \$20,000 budgeted for a building addition, for the purchase of doors, for the water department. Council member Vandenberg seconded the motion. Voting AYE: Council members Svoboda, Smith, Rogers, Vandenberg, and Kroesing. Voting NAY: None. Council member Scribner was absent. The motion carried.

At 8:08 p.m. Mayor Zavodny opened the Public Hearing concerning improvements to the David City Airport.

City Administrator Abbie Cornett stated: “We have been dealing quite a bit with Hershey Aviation and met this morning with Jared Storm and Kirkham Michael with the Airport design. He has his funding and would like to break ground on his business at the Airport this fall. So it will be bringing all of his business here, except for the spray part, out of Wahoo. We have the designs for the building and I will start with Eric of Kirkham Michael on Monday for the FAA approval on that. He has plans drawn up with both “Chief” and “Behlens”. His original plan was 11 acres. He has cut it down to 3 acres with then an option to expand if his business expands. We also met with Adam Osborn in regards to a long term lease for a private hangar and have started the loan process through the Department of Aviation for our new six (6) - T Hangars. Everything we are doing fits either around or to the side of our Airport design. That was the big thing for the FAA. Whatever we do, it has to fit in with our registered design plan.”

Discussion followed. It was discussed that an automatic card reader at the Airport would be very beneficial as well as a courtesy car. They also discussed the need for new and additional hangars and the need for bi-fold doors because the doors on the current hangars are rendered inoperable in the winter.

There being no further comments, Mayor Zavodny closed the Public Hearing at 8:16 p.m.

Park/Auditorium Supervisor Bill Buntgen stated: “We just found out last Friday that the heat pump is out and it controls the air-conditioner too.

Council member Smith made a motion to accept the bid of \$2,786.00 from Osborn Sales and Service for the purchase of a new compressor for the heat pump/air conditioner at the City Auditorium. Council member Rogers seconded the motion. Voting AYE: Council members Kroesing, Svoboda, Vandenberg, Rogers, and Smith. Voting NAY: None. Council member Scribner was absent. The motion carried.

Council member Smith made a motion to approve the request by Scott Samek for a fireworks permit to sell permissible fireworks at 375 Nebraska Street (Amigo’s parking lot). Council member Rogers seconded the motion. Voting AYE: Council members Svoboda, Kroesing, Vandenberg, Rogers, and Smith. Voting NAY: None. Council member Scribner was absent. The motion carried.

Council member Rogers made a motion to approve Resolution No. 12 – 2014 concerning non-residential service deposits being retained. Council member Kroesing seconded the motion. Voting AYE: Council members Svoboda, Smith, Vandenberg, Kroesing,

and Rogers. Voting NAY: None. Council member Scribner was absent. The motion carried and Resolution No. 12 – 2014 was passed and approved as follows:

RESOLUTION NO. 12 - 2014

WHEREAS, the Mayor and City Council of the City of David City, Nebraska, have authority, by virtue of Chapter 3, Article 3, §3-810, and Chapter 3, Article 2, §3-214 of the Municipal Code of the City of David City, Nebraska, to establish the amounts of service deposits to be charged to customers, and the administrative policies governing them.

WHEREAS, it is necessary to adjust the administrative policies governing them.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, that a service deposit for electrical service shall be required of all new subscribers for such services as a guarantee of payment. The amounts of such deposits and the administrative policies governing them shall be established by the City Administrator and approved by the City Council, and shall be on file at the City Office. The funds from deposits shall be invested by the City Treasurer and the income from the investment shall be used for the repair and maintenance of the electrical system.

FURTHERMORE, all residential service deposit amounts shall be returned after the customer has established twenty-four consecutive months of utility bill payment without having been delinquent in payment.

FURTHERMORE, all non-residential service deposit amounts shall be retained until which time a final bill has been requested and the customer is no longer a non-residential customer. The amount of the deposit may also be reviewed annually to determine whether the amount of the deposit or commercial equivalent is equal to current charges in the billing cycle, and if not, then to adjust the deposit up or down.

CALCULATION OF SERVICE DEPOSIT:

Residential Customer:

Customer owned property	\$50.00
Customer renting property	\$300.00 (renter must pay at least \$200.00 immediately and then may make arrangements to pay the additional \$100 deposit over a two month period.)

In the event a customer previously lived in David City, they will still be required to make a deposit when they request service.

If the customer previously left town owing utility bills, then the customer will be required to pay all outstanding bills, plus 14% interest per year on the outstanding amount, and the required deposit will be as follows:

Customer owned property	\$100.00
Customer renting property	\$350.00

In the event of a divorce, separation, or split of tenants, the original deposit will apply to the property that the deposit was made for, regardless of which party actually made the deposit. If the party moving out relocates in David City, another service deposit will be required for this property.

Commercial Customer:

Transfer of ownership of existing business:
Customer shall make a deposit equal to the average billing for the previous twelve months, with a minimum service deposit of \$100.00.
(Average Billing shall be based on all existing services: Electric, Water, Sewer, Sales Tax, and any other applicable charges.)

New Commercial Installation:

Customer shall make a service deposit equal to two times the average monthly billing. The estimated KWH for billing shall be calculated by using the required KWH, if known, or if unknown, using a minimum of 15kw multiplied by 200 hours. The monthly average cost per kilowatt hour for commercial class customers shall be used in calculating the actual dollar amount of billing.

Industrial Customer:

Transfer of ownership of existing business:
Customer shall make a service deposit equal to two times the estimated monthly billing. The estimated KWH for billing shall be calculated by using the required KW multiplied by 200 hours. The average cost per kilowatt hour for Industrial Class Customers shall be used in calculating the actual dollar amount of billing.

A service deposit for electrical service shall be considered sufficient to cover water and/or sewer service, also. **If a customer does not use City electric service**, but does have City water service, then a service deposit shall be required. A water service deposit based upon meter size and utilizing two months average billing shall be required.

Service deposits in the following amounts shall be paid for these meter size services:

5/8 x 3/4 meter	\$20.00
3/4" meter	\$25.00
1" meter	\$70.00
1½ " meter	\$150.00
2" meter	\$425.00
3" meter	\$575.00
4" meter	\$600.00

BE IT RESOLVED, that all motions and/or resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this resolution shall be in full force and effect immediately upon its adoption.

PASSED AND APPROVED this 11th day of June, 2014.

Mayor Alan Zavodny

City Clerk Joan E. Kovar

A letter was received from Loss Control Manager Steve Hecker, LARM (League Association of Risk Management) that stated he conducted a loss control inspection on June 23, 2014. Steve noted that once possible risk exposures are identified it is his role to provide the City recommendations and resources to assist in mitigating or eliminating risk exposures. He stated that the following IMPORTANT recommendation requires a follow-up within 30 days to see if progress has been made on the recommendation.

- Provide campers in the city park information on where they can monitor weather reports and where they can go for shelter in case of dangerous weather.

Council member Kroesing stated: "We've got all these people setting out here in these town houses, and these triplexes on a piece of flat concrete that can get air borne in an instance and most of them have no clue where to go except an open field or a ditch in front of their house and we're worried about somebody that's mobile that can jump in it and take off. I have a problem with this; I really have a problem with this, I'm sorry."

Rex Rehmer stated: "Can't they go to the fire department? We always let people in during storms. We herd them all into the bathrooms and sit down and wait until it's over. During storms there is normally somebody there."

Council member Smith stated: "First thing you should ask yourself, "Have you ever been in a camper with a storm right over the top of you, a tornado?" Where you going to go?"

Council member Kroesing stated: "Same place you're going to go if in you're in a duplex."

Council member Smith stated: "I'm not talking about duplexes, they are out there forever. These are here temporarily. I'm asking you "have you ever been in a tornado in a camper?"

Council member Kroesing stated: "My choice was never to go that direction. I don't know why you'd want the responsibility; who's going to be responsible for this?"

Council member Vandenberg stated: "I think just a sign of information or something for the campers."

City Clerk Kovar stated: "According to the letter that I received from LARM, who is our new insurance carrier, we need to give them a response in 30 days as to how we are going to handle this issue. So, we either need to say we are going to put up a sign that gives them instructions as what to do if there is inclement weather, or give options of where to go."

Mayor Zavodny stated: "Well if we have 30 days I guess we need to talk to people about what the locations and options are. Let's do this, I don't know that this has to be a motion that we go through; it could be administrative. At the Committee of the Whole, if we could talk to the fire department between now and then and say "as our response to our insurance carrier, would you accept people if they knock on your door?" and go that route."

Council member Rogers made a motion to table consideration of creating a utility superintendent position until the September council meeting. Council member Kroesing seconded the motion. Voting AYE: Council members Svoboda, Smith, Vandenberg, Kroesing, and Rogers. Voting NAY: None. Council member Scribner was absent. The motion carried.

Council member Kroesing made a motion to allocate \$47,500 of the sales tax revenues to the Park, less \$12,276 for field conditioner, and ear-marking \$7,500 for the Ball Association. The Ball Association needs to provide specific invoices and costs. Council member Vandenberg seconded the motion. Voting AYE: Council members Smith, Rogers, Svoboda, Vandenberg, and Kroesing. Voting NAY: None. Council member Scribner was absent. The motion carried.

Benefits Specialist Don Mroczek of Platinum Services Inc., gave a short presentation concerning a supplemental insurance plan available to the city employees. He stated that the following businesses have his plan: County, Schools, St. Joseph's Villa, Bank of the Valley, Kuhlman Accounting, and Henningsen Foods. There is no cost to the City to offer it to the employees, it is just giving him permission to come in and offer it to the employees. This does not go through the City's payroll system, it goes directly through the employee's checking account. The plan covers cancer, heart attack, and stroke all in one plan. The benefits are paid tax free directly to the employee once they submit the bills to the insurance company. This plan has wellness benefits and will pay for 28 items under the wellness benefit. The employee receives \$300 a year for using the wellness benefit. The Company is Guaranteed Trust Life located in Glenville, Illinois."

City Administrator Abbie Cornett stated that Mike Jones of Jones Insurance would also like access to the employees. She also contacted Hillary of Christian Insurance. Abbie is going to set up four (4) hours at the City Library one morning and let the employees go through there on their own time to select the booth and presentation they want to hear.

Mayor Zavodny stated: "We'll set a date, give you four hours to set up and present, and we'll let the employee know so they can come see you."

There being no further business to come before the Council, Council member Rogers made a motion to adjourn. Council member Vandenberg seconded the motion. Voting AYE: Council members Smith, Svoboda, Rogers, Vandenberg, and Kroesing. Voting NAY: None. Council member Scribner was absent. The motion carried and Mayor Zavodny declared the meeting adjourned at 8:43 p.m.



CERTIFICATION OF MINUTES
June 11, 2014

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 June 11, 2014; 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