

**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 **8th day of August, 2018**, in the meeting room of the City Office, 557 North 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 2nd day of August, 2018.

AGENDA AS FOLLOWS:

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 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 D. Smith |
| 4. Minutes of the July 11 th , and July 25 th , 2018 meetings of the Mayor and City Council; | <hr/> Council member Thomas J. Kobus |
| 5. Consideration of Progress Estimate #12 for Constructors, Inc. in the amount of \$191,780.89; | <hr/> Council member Dana E. Trowbridge |
| 6. Consideration of an Electrical Change Order for Constructors, Inc. in the amount of \$13,946.90; | <hr/> Council member Kevin N. Hotovy |
| 7. Discussion / Consideration regarding the brick – Downtown Renovation Project; | |
| 8. Consideration of Claims; | |
| 9. Committee and Officer Reports; | <hr/> Council member Patrick J. Meysenburg |
| 10. Public Hearing to consider the request of Miguel Gomez, d.b.a. El Centenario Mexican Grill, LLC, for a Class I Liquor License at 412 E Street; | <hr/> Council member John P. Vandenberg |
| 11. Consideration of the application for a Class I Liquor License as requested by Miguel Gomez d.b.a. El Centenario Mexican Grill at 412 Street; | |
| 12. Consideration of delaying the dirt work on the Wastewater Treatment Plant Improvements for a savings of \$114,500; | <hr/> City Clerk Joan E. Kovar |

13. Consideration of Resolution No. 7 – 2018 supporting an expansion of the permit limits of the Butler County Landfill, Inc.;
14. Consideration of the bids received for Property and Casualty Insurance to be effective October 1, 2018;
15. Discussion with Ryan Ruth of First State Insurance concerning Health Insurance options / packages for city employees;
16. Consideration of Resolution No. 8 – 2018 subdividing property owned by James L. & Cheryl R. Kozisek into two tracts;
17. Consideration of the request by the Butler County Ambassadors to install frisbee golf in the City Park area;
18. Consideration of the bids received for the repair of the Swimming Pool roof;
19. Consideration of the proposed budgets for the upcoming fiscal year;
20. Consideration of initiating a TIF project and retaining Bacon & Vinton LLC, Attorneys at Law, to lead us through the process;
21. Adjourn.

CITY COUNCIL PROCEEDINGS

August 8, 2018

The City Council of the City of David City, Nebraska, met in open public session in the meeting room of the City Office, 557 North 4th Street, David City, Nebraska. The Public had been advised of the meeting by publication of notice in The Banner Press on August 2nd, 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 Smith, Thomas Kobus, Pat Meysenburg, Dana Trowbridge, Kevin Hotovy, and John Vandenberg, City Attorney Jim Egr, and City Clerk Joan Kovar.

Also present for the meeting were: David McPhillips, Planning Commission members Janis Cameron and Pam Kabourek, Pam Siroky of First State Insurance, Rick Schneider of Jones Insurance Agency, PAK Specialist Mandy Craig of Jones Insurance Agency, Clint Simmons of Simmons Insurance Services-LARM, Mr. & Mrs. Mark Moseman, Miguel Gomez of El Centenario Mexican Grill, LLC, Superintendent of Schools Chad Denker, Brad Sloup, Deputy Sheriff Drew Behn, and District Manager Kelly Danielson of Butler County Landfill, Inc.,

The meeting opened with the Pledge of Allegiance.

Mayor Alan Zavodny informed the public of the "Open Meetings Act" posted on the east wall of the meeting room and asked those present to please silence their cell phones.

The minutes of the July 11th and July 25th, 2018 meetings of the Mayor and City Council were approved upon a motion by Council member Trowbridge and seconded by Council member Meysenburg. Voting AYE: Council members Hotovy, Smith, Vandenberg, Kobus, Trowbridge, and Meysenburg. Voting NAY: None. The motion carried.

Council member Trowbridge made a motion to approve Progress Estimate #12 for Constructors, Inc., in the amount of \$191,780.89. Council member Kobus seconded the motion. Voting AYE: Council members Vandenberg, Meysenburg, Smith, Hotovy, Trowbridge, and Kobus. Voting NAY: None. The motion carried.

The Council had requested a break down on a change order for Constructors, Inc. in the amount of \$13,946.90 for additional electrical work on the traffic pole and LED sign. The following breakdown was received:



Constructors, Inc.
 1815 Y Street, PO Box 80268
 Lincoln, NE 68501
 (402) 434-1764, Fax (402) 441-4176

	Description	Quantity	unit	unit Price	Total
1	LED Sign	1		\$2,399.10	\$2,399.10
2	Traffic Controller	1	LS	\$6,605.50	\$6,605.50
3	Pole 86	1		\$4,942.30	\$4,942.30
				TOTAL:	\$13,946.90

Price is based off purchase and install of items listed in FO #33 Item We are also requesting a 3 working day time extension for the electrical work that needs to be completed as part of FO #33. Please direct us on how you would like us to proceed.

Council member Kobus made a motion to table consideration of the change order for Constructors, Inc. in the amount of \$13,946.90 for additional electrical work on the traffic pole and LED sign. Council member Trowbridge seconded the motion. Voting AYE: Council members Hotovy, Smith, Meysenburg, Vandenberg, Kobus, and Trowbridge. Voting NAY: None. The motion carried

Council member Trowbridge stated: "There was a meeting Monday between the Leo A. Daly Company, the design folks, Constructors, the management of Constructors, and Jim Linhart and his brick laying company. (Linhart Construction Inc.) Jim Linhart and his brick laying company were told how the bricks were to be laid on the six inches (6") of concrete with two inches (2") of sand on top and what the result was supposed to look like and how it was supposed to be done, and they were to have a mock up done across the street from the Library to the east on the corner, and they did that this morning. Council members Meysenburg, Kobus, and I attended the viewing of the mock up and it's a significant improvement from anything they have done in the past, downtown. Tom found some places, and Pat found some places that they weren't happy about, and Rex came from the parts store (Rehmer Auto Parts) and had a conversation with them as to which side of the brick is up when the brick is laying on the street, and there was some confusion on their part as to: "does the brick have a top and bottom?" and the answer is "yes, it does, the top is always the flat part". We were happy with what we saw. They have some end pieces that weren't cut, they were broken, and they are going to stop breaking them and cut them all. They are going to work on fitting them better, they're going to get them right side up, there's going to be no painted bricks, string line down the middle to try to keep the odd sizes on each edge to the point of a half a brick or better mark, which I think we need to work on, and he informed us that if there are short pieces they are going to have to reset that row so they don't come up with two inch (2") chunks on the ends. So, my thought was I was very happy, we approved what they were doing and told them that if looked like this when they got done, we're in business. They are going to pull up every brick Downtown that is not laid on concrete, they are going to take up the sub-grade, they are going to put down six inches (6") of concrete in its place, and two inches (2") of sand, and do the entire Downtown from that perspective. With everything that I can find in today's "relaying of bricks", indicates that it's six inches (6") of concrete, an inch and one-half to two inches (1½" to 2") of sand, then the bricks. They are vibrating the sand before they lay them, vibrating the

bricks after they're laid, and then I think he said they are going to vibrate them twice more after they brush sand on top of them, so we are going a good direction right now."

Council member Meysenburg stated: "They are going to finish the two streets, 5th Street ("C" – "E"), before they tear those other brick back out."

Council member Trowbridge stated: "The old bricks will be there for quite some time."

Janis Cameron asked: "Was anything said about sorting and grading?"

Council member Trowbridge stated: "We had quite a discussion as to what "sorting" meant."

Mayor Zavodny stated: "I thought you made a really good point. I don't remember if I heard you say it or if I read it, but, "you can't do it with the front end of a Bobcat", or whatever they were doing to try to go through that. So, I think the sorting process, I think you made the point, needed to improve significantly and that's one thing I jotted down."

Council member Trowbridge stated: "We brought that up to them very clearly this morning, that we were under the understanding from past visits with the Daly Company, that they would be cleaned, and we have different definitions of what that means, they would be sorted, and I think Tom and Pat made it clear to them that there were bricks that were laid in that mock up that just weren't acceptable. So, that's going to be done by the guys that are setting them; they're going to have to pitch them out."

Janis Cameron stated: "But they're going to be watching them brick by brick?"

Council member Kobus said: "Yes, they will be there. That engineer will be there from Daly."

Janis Cameron stated: "That doesn't give me a whole lot of confidence; he's been there. There's a lot to the quality of brick they are using."

Council member Kobus stated: "He told us though, if you want to come down every day that's fine. If you see something that's wrong, we'll straighten it out."

Mayor Zavodny stated: "Let me interject what I think is different and you guys correct me if you don't think so. In the past I think he had raised concerns and objections but no one was listening to him, but they met with decision makers finally. Is that a fair thing to say? That should change, maybe, the experience we have been having."

Council member Trowbridge stated: "Yes, that's the first time the owner has met with anybody; Jim Linhart of the brick company." (Linhart Construction Inc.)

Council member Kobus stated: "They are going through the brick now. I'm sure that if one brick has a chip on the edge they're not going to use it."

Mayor Zavodny stated: "I also think they are aware that there are an awful lot of people watching, so I think that's helpful; I don't think they're going to be able to sneak one in. I'm not saying they won't try, but getting away with it is a totally different thing at this point, and I've been assured that the drainage will absolutely be taken care of."

Council member Trowbridge stated: "Now, don't let us lead you to believe that this is perfection coming, because it won't be, and if we expect that we're going to be disappointed. There are going to be some flaws I'll guarantee you."

Janis Cameron asked if there were going to be increased costs and Council member Trowbridge stated: "No. We are going to see no change in cost and we are going to get a lot better product because of the varying consistencies of the soil type in downtown David City. They'll run from an area of nice black soil into gray yellow clay, and those things are not going to hold bricks at the same level, one is going to settle more than the other before we're done. Had we continued with the way they started I think we'd be in trouble within five years."

Mayor Zavodny stated: "Thank you for that report, that's very helpful and I think that sounds like good progress, so thank you to the three of you that went to do that, I appreciate it."

Mayor Zavodny asked for consideration of claims. Council member Smith made a motion to authorize the payment of claims and Council member Meysenburg seconded the motion. Voting AYE: Council members Hotovy, Kobus, Vandenberg, Smith, Meysenburg, and Trowbridge. Voting NAY: None. The motion carried.

Mayor Zavodny asked for any comments or questions concerning the Committee and Officer Reports.

It was noted that the company that used to take our recycled paper will no longer take it. Fortunately, Street Supervisor Chris Kroesing found another company willing to take it. Given the nature of recycling, if we don't have anywhere to take it we will have to discontinue accepting it.

Mayor Zavodny stated: "One of the things that I know we've talked about in open meetings, so it's been public, is what the status is of how people feel our law enforcement has been. What I was going to do is, and timing is bad, we have an election coming up I don't want to be seen as going in and messing with that, but I think we need to give them a heads up that I think the expectation around this table is we probably need to see some changes, and I thought I'd get on the County Board agenda and say "our contract is up in two years and as it stands right now I'm not too confident we would be renewing that". That means a vehicle for them and maybe two or three deputies. I think we have a responsibility to let them know that there have been some concerns shared with us from community members, etc."

Council member Trowbridge stated: "Now that the race has slowed down to a whirlwind for the sheriff, maybe we should invite all three of them to come before us and give the five-minute pitch."

Mayor Zavodny stated: "I've had that same thought because we really don't know what the expectation is of the people seeking that office. I think that's the right thing to do, maybe for the Committee of the Whole meeting in August."

Council member Hotovy made a motion to accept the Committee and Officers Reports as presented. Council member Vandenberg seconded the motion. Voting AYE: Council members Smith, Kobus, Meysenburg, Trowbridge, Vandenberg, and Hotovy. Voting NAY: None. The motion carried.

Mayor Zavodny opened the Public Hearing at 7:24 p.m. to consider the application of Miguel Gomez, d.b.a. El Centenario Mexican Grill, LLC, for a Class I Liquor License at 412 E Street.

Miguel Gomez thanked the public for the support they have been receiving over the past two years, stating they want to continue what they have been doing, making it more of a restaurant than a bar, making people happy, and being a nice place to bring your family.

There being no other comments to be made, Mayor Zavodny closed the public hearing at 7:26 p.m.

Council member Trowbridge made a motion to approve the application for a Class I Liquor License as requested by Miguel Gomez, d.b.a. El Centenario Mexican Grill, LLC, at 412 E Street. Council member Kobus seconded the motion. Voting AYE: Council members Vandenberg, Meysenburg, Smith, Hotovy, Kobus, and Trowbridge. Voting NAY: None. The motion carried.

At the July 25, 2018, special council meeting, a motion was made to accept the bid of Eriksen Construction with the additional considerations (material costs) including hiring a new dirt contractor as the original dirt contractor was no longer available. Now Ericksen Construction is saying that if we postpone the start date to October 2018 and go with the original dirt contractor, there would be a savings of \$114,500 and they would still meet the required timeframe by over 6 months.

On August 2, 2018, Craig Reinsch of Olsson Associates e-mailed the following:

Good afternoon,

I have been in contact with the Contractor regarding the updated schedule and revised project pricing, and have prepared the following summary for your consideration. As stated in previous communications, two different schedules and price adjustments have been proposed by the Contractor. A summary of the updated requests are provided below since the discussion at the July 25 meeting:

	<u>Earlier Start Option</u>	<u>Later Start Option</u>
Proposed project start	Sept. 2018	Oct. 2018
Proposed project completion (substantial)	Nov. 2019	Dec. 2019
Proposed project final completion	30 days after substantial	30 days after substantial
	\$2,669,300	\$2,554,800
Difference from original \$2.481 million	\$188,300	\$73,800

Here is the written information provided by the Contractor: "I am proposing starting the project [earlier start] this September, 2018 and completing the majority of dirt work this fall and winter, the lagoon liner work would not start until spring of 2019 with an overall project completion in early November, 2019. Using this scenario my original dirt contractor who I intended to contract the work would be replaced with one who could complete the work this year."

The second option "reflects a later start and completion date, I am proposing starting the project in October, 2018, we would work in other areas of the project rather than the lagoon and not start the lagoon dirt work until early spring of 2019 with an overall completion date of late December, 2019. Using this scenario I would use my original dirt contractor and he could start the lagoon work possibly this winter with a completion in June, 2019. The lagoon liner then could start and I would anticipate an overall completion of the project by the end of 2019."

In summary, the anaerobic lagoon cover will not be installed this year with either option, even paying additional costs to have the dirt contractor start sooner. The earlier project start time saves approximately 1 month at the start of the project, and 1.5 to 2 months at the end of the project. The difference in cost savings is \$114,500. These funds would come from the collection system portion of the project, which could reduce the amount of work able to be completed. Please note that the EPA / NDEQ deadlines are to start construction by April 1, 2019 and complete construction by October 1, 2020. Either option will meet the required timeframe by over 6 months. It was stated at the July 25th meeting to proceed as soon as possible. However, it would appear that there is a minimal schedule benefit to paying the expedited project price. I would recommend using the original dirt contractor to realize cost savings on the project.

Please review and let me know how the City would like to proceed with the contract price and schedule updates between the two provided options. I will then use that information to prepare the necessary change order for consideration.

Thanks, Craig

Craig Reinsch, PE, ENV SP | Water/Wastewater | Olsson Associates
601 P Street, Suite 200 | Lincoln, NE 68508 | creinsch@olssonassociates.com
TEL 402.474.6311 | DIR 402.458.5671 | FAX 402.474.5059



Council member Kobus made a motion to rescind his motion of July 25, 2018 to accept the bid of Eriksen Construction with the additional considerations. Council member Trowbridge seconded the motion. Voting AYE: Council members Hotovy, Smith, Meysenburg, Vandenberg, Trowbridge, and Kobus. Voting NAY: None. The motion carried.

Council member Trowbridge made a motion to accept the bid of Eriksen Construction, and approving the change order delaying the start time of the Wastewater Treatment Plant to October, 2018, using the original dirt contractor, and having an overall completion date of late December, 2019. This will be a cost savings of \$114,500 (\$188,300 - \$73,800). Council member Smith seconded the motion. Voting AYE: Council members Kobus, Hotovy, Vandenberg, Meysenburg, Smith, and Trowbridge. Voting NAY: None. The motion carried.

As Kelly Danielson of the Butler County Landfill, Inc., was not yet present to discuss agenda item #13 – Resolution No. 7 – 2018 supporting the expansion of the permit limits, Council member Smith made a motion to advance to agenda item # 14 – Consideration of the bids received for property and casualty insurance to be effective October 1, 2018. Council

member Kobus seconded the motion. Voting AYE: Council members Trowbridge, Meysenburg, Vandenberg, Hotovy, Smith, and Kobus. Voting NAY: None. The motion carried.

Bids were opened on August 1, 2018 for the Property and Casualty Insurance to be effective October 1, 2018. Bids were as follows:

LARM (League Association)	\$77,190 – 1-year resolution
	\$74,933 – 3-year resolution
FIRST STATE INSURANCE:	\$118,410 – 1 year
JONES INSURANCE:	\$98,183 – CWG/Bitco Option 1 – 1 year
	\$100,408 – CWG/Bitco Option 2 – 1 year
	\$106,315 – Travelers – 1 year
	\$127,439 – Berkshire – 1 year

Each of the bids were discussed with the respective Agent/Agency. The proposals were discussed and questions answered.

Council member Trowbridge made a motion to accept the bid of LARM (League Association of Risk Management) for the Property and Casualty Insurance effective October 1, 2018, in the amount of \$77,190.00 for a 1- year resolution. Council member Kobus seconded the motion. Voting AYE: Council members Hotovy, Smith, Meysenburg, Vandenberg, Kobus, and Trowbridge. Voting NAY: None. The motion carried.

Kelly Danielson had arrived and stated: “Butler County Landfill previously submitted the local signing application for a major expansion about two years ago; the County voted it down. We appealed it to the District Court; they reversed the decision. The County appealed that to the Nebraska Supreme Court and we would say it was reversed by a technicality not on the merits of the case. We have the opportunity to reapply, start the process over, two years after the previous application, so we will be submitting a new local signing application to the County Board again and basically starting the process all over. One of the criteria in the application is need. We have about 7 – 9 years of life left, based on current volumes, so we’ve asked most of the communities that either are within Butler County or that bring their waste to us to support the expansion, and in some ways that shows need, so it’s truly about that.”

Discussion followed. The Council questioned how many residents in David City actually utilize garbage hauling services. The Council instructed City Clerk Kovar to contact the haulers and ask how many accounts they have in David City.

Council member Trowbridge introduced Resolution No. 7 – 2018 supporting an expansion of the permit limits of the Butler County Landfill, Inc. and moved for its passage and adoption. Council member Meysenburg seconded the motion. Voting AYE: Council members Vandenberg, Smith, Hotovy, Kobus, Trowbridge, and Meysenburg. Voting NAY: None. The motion carried and Resolution No. 7 - 2018 was passed and approved as follows:

RESOLUTION NO. 7 - 2018

A RESOLUTION OF THE CITY OF DAVID CITY, NEBRASKA, SUPPORTING AN EXPANSION OF THE PERMIT LIMITS OF THE BUTLER COUNTY LANDFILL, INC.

WHEREAS, the City of David City, Nebraska (hereinafter referred to as “David City”) is an independent body of government;

WHEREAS, the County of Butler County, Nebraska is an independent body of government;

WHEREAS, Butler County Landfill, Inc. wishes to expand its current permitted limits;

WHEREAS, the Butler County Board of Supervisors have the responsibility to review and approve expansions of Butler County Landfill, Inc. beyond its current permitted limits;

WHEREAS, Butler County Landfill, Inc. has been a member of the business community for approximately 32 years and provided an economic benefit of \$2,158,051 (2017) per year in Butler County;

WHEREAS, Butler County Landfill, Inc., has been producing and marketing methane gas for a number of years now; and

WHEREAS, this renewable source of energy has become a real bonus and currently generates approximately 200,000 MMBtu of energy annually for the area;

WHEREAS, State law requires that communities and counties provide for and manage solid waste disposal services for their community and Butler County Landfill has been managing the community's solid waste needs since 1992; and

WHEREAS, in order to continue to provide this service, Butler County Landfill will need to expand their permit limits.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, that:

1. The City of David City, Nebraska, does hereby support the expansion of the permitted limits of the Butler County Landfill, Inc.; and
2. The City of David City, Nebraska, does hereby respectfully recommend that the Butler County Board of Supervisors reach a mutual agreement with Butler County Landfill, Inc. to allow an expansion of the permitted limits of the Butler County Landfill, Inc.

PASSED AND APPROVED this 8th day of August, 2018.

Mayor Alan Zavodny

ATTEST

City Clerk Joan E. Kovar

Ryan Ruth of First State Insurance was present to discuss health insurance options/packages for city employees for the upcoming year. Ryan stated: "Renewal won't come out until 60 days prior so that would put us November 1st. Right now, you have fully insured with Blue Cross Blue Shield. Basically, for a fully insured plan in the State of Nebraska we would be basically looking at BCBS or United Health Care; that would be the earliest I could go was 90 days out. Some of these self-funded plans they will start quoting them earlier and that would be September 1st, we could probably start getting numbers there. Fully insured is based on two things: age and zip code. Last year the Council let us do applications for all the employees, and

that was fully underwritten, and we got back four denials. We talked about H.S.A. versus HRA, right now it's an H.S.A. type structure, where the City contributes directly into the employees H.S.A. Do you want to keep doing that?"

Mayor Zavodny stated: "What I haven't heard is a single thing that is going to make anything cheaper."

Ryan Ruth stated: "The HRA might because right now the H.S.A. is a fixed cost to the City, and if they leave February 1st, it goes with them. The HRA is not, it's as they use it and you set the limits. Just for easy math, let's say the employee deductible is \$1,500, so they have to meet the first \$1,500, then you guys say we're going to pick up the HRA's deductible for the next \$2,000, then once they get past the next \$2,000 let's say their max out of pocket is \$4,000, they have to pick up another \$500 to get to \$4,000 total, so you can structure it that way. You can structure it that once they get to their deductible you pick up the rest, then if they don't use it, it's money saved by the City. Now, the argument is who's in control of the money and how is it being used?"

Council member Trowbridge stated: "I think our concern as an employer group should be to moderate the risk for our employees. They both effectively moderate the risk, only one of them costs us \$4,500 a year and we never see a cent back, the other one we may see a portion of a lesser expenditure returned at the end of the season, am I correct?"

Ryan Ruth stated: "Very possible; it's all going to be on your claims outcomes."

Discussion followed.

Mayor Zavodny stated: "I think I like the sound of the HRA, at this point, to be quite honest with you. We need to look at the cost to employ people. People look at how much they make, but that's just a portion as far as when you add on the other benefits. We've got to look at how much are we expending."

Ryan Ruth stated: "From what I'm seeing you guys do, compared to other employer's, you are rather generous on the contribution side of things."

Council member Trowbridge stated: "To encapsulate that, we have employees that we spend over \$20,000 a year on their health plan which is over \$10/hour, for every working hour in a year. That's one benefit only, and that's not right I'm sorry."

Ryan Ruth stated: "I've heard from some of the employees that one of the main reasons they work here is that benefit. That's a big deciding factor for them, that benefit. So, some have recognized that."

Mayor Zavodny stated: "Let's look into this. Use the same process you used last year. Gather the information you need so we can make an informed decision. Let's look for any groups that we can potentially affiliate with to make this as cost effective as we can."

Council member Trowbridge introduced Resolution No. 8 – 2018 sub-dividing the property owned by James L. & Cheryl R. Kozisek described as: A tract of land located in the Southwest Quarter (SW ¼) of the Southwest Quarter (SW ¼) of Section 20, T15N, R3E of the 6th P.M., Butler County, Nebraska, into two tracts as described, and moved for its passage and adoption. Council member Meysenburg seconded the motion. Voting AYE: Council members

Smith, Vandenberg, Hotovy, Kobus, Trowbridge, and Meysenburg. Voting NAY: None. The motion carried and Resolution No. 8 - 2018 was passed and approved as follows:

RESOLUTION NO. 8 – 2018

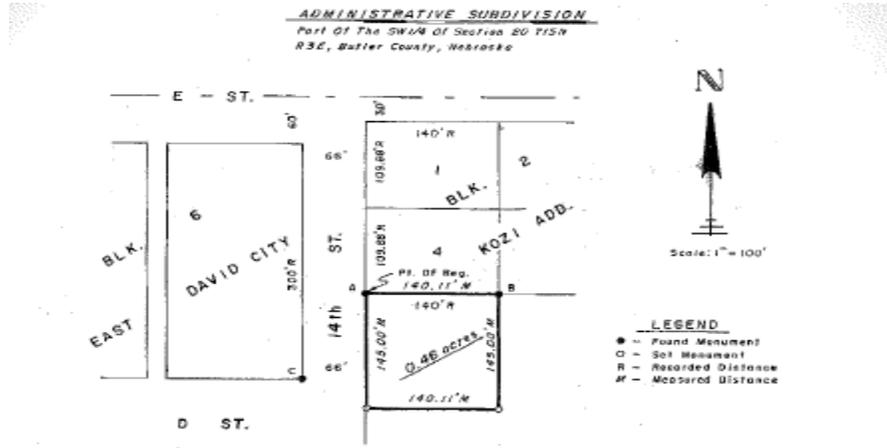
WHEREAS, James L. & Cheryl R. Kozisek, as the owners of property legally described as: A tract of land located in the Southwest Quarter (SW ¼) of the Southwest Quarter (SW ¼) of Section 20, T15N, R3E of the 6th P.M., Butler County, Nebraska, have submitted a request to divide their property into two tracts as follows:



TRACT I DESCRIPTION

A tract of land located in the SW ¼ of the SW ¼ of Section 20 T15N R3E of the 6th P.M., Butler County, Nebraska, described as follows:

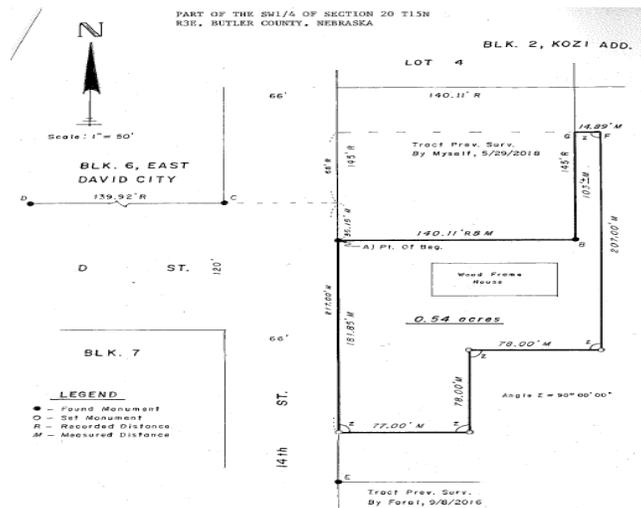
Beginning at the southwest corner of Lot 4, Block 2, Kozi Addition to David City, Butler County, Nebraska, said Point being on the east line of Fourteenth Street in said David City; thence easterly, 140.11 feet, to the southeast corner of said Lot 4; thence southerly, parallel with the east line of said Fourteenth Street, 145.00 feet; thence westerly, parallel with the south line of said Lot 4, 140.11 feet, to said east line of Fourteenth Street, thence northerly, 145.00 feet, to the Point of Beginning, containing 0.46 acres, more or less.



TRACT II DESCRIPTION

A tract of land located in the SW ¼ of the SW ¼ of Section 20 T15N R3E of the 6th P.M., Butler County, Nebraska, described as follows:

Commencing at the southeast corner of Block 6, East David City, an Addition to David City, Nebraska; thence easterly, on the easterly extension of the south line of said Block 6, 66.00 feet, to a point on the east line of Fourteenth Street; thence southerly, on the east line of said Fourteenth Street, 35.15 feet, to the Point of Beginning, said Point being 145 feet south of the southwest corner of Lot 4, Block 2, Kozi Addition to David City; thence continuing southerly, on the last described line, 181.85 feet; thence easterly, at a right angle to the last described line, 77.00 feet; thence northerly, at a right angle to the last described line, 78.00 feet; thence easterly, at a right angle to the last described line, 78.00 feet; thence northerly, at a right angle to the last described line, 207.00 feet; thence westerly, at a right angle to the last described line, 14.89 feet; thence southerly, parallel with the east line of said Fourteenth Street, 103 feet, more or less, to a point 145 feet south of the southeast corner of said Lot 4; thence westerly, 140.11 feet, to the Point of Beginning, containing 0.54 acres, more or less.



WHEREAS, there were no objections expressed concerning the request of James L. & Cheryl R. Kozisek.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, that the request of James L. & Cheryl R. Kozisek to subdivide their property described above into Tract I and Tract II, as legally described above, is hereby approved.

Passed and approved this 8th day of August, 2018.

Mayor Alan Zavodny

City Clerk Joan Kovar

As no one was present on behalf of the Butler County Ambassadors concerning their request for installing frisbee golf in the City Park Area, Council member Meysenburg made a motion to table this agenda item. Council member Hotovy seconded the motion. Voting AYE: Council members Trowbridge, Vandenberg, Kobus, Smith, Hotovy, and Meysenburg. Voting NAY: None. The motion carried.

The following bids were received for replacing the shingles on the David City Aquatic Center:

Ingwersen Roofing.....\$21,851.00

Saalfeld Construction Roofing.....\$30,241.38

INGWERSEN HOME IMPROVEMENT
 Interior & Exterior
 Remodeling & Additions
 QUALITY WORK GUARANTEED
 Windows - Doors - Decks - Siding
 PROFESSIONAL CONCRETE WORK
 Driveways - Blockwork - Patios
 Block & Brick
 Over 20 Years Experience
 FREE ESTIMATES



549-2220

INGWERSEN ROOFING
 NEW ROOFS
 Re-Roofs - Tear-Offs - Repairs
 Gutters - Chimney Repair
 REMODELING & ADDITIONS
 QUALITY WORK GUARANTEED
 Windows - Doors - Decks
 Over 20 Years Experience
 FREE ESTIMATES



141 Box 145
 Brainard, NE 68626

402 641-2774

Proposal Submitted To _____ Work To Be Performed At _____
 Name David City Swimming Pool Street Swimming Pool
 Street _____ City _____
 City _____ Date of Plans _____
 State _____
 Telephone Number _____

We hereby propose to furnish all the materials and perform all the labor necessary for the completion of.

Tear off one layer of existing shingles, clean up and
holloway Replace with Synthetic Felt paper, new Valleys
Ridge vents and Crown Corning Duration Shingles,

All material is guaranteed to be as specified, and the above work to be performed in accordance with the drawings and specifications submitted for above work and completed in a substantial workmanlike manner for the sum of \$21,851 with payments to be made as follows:

1/3 to start and the Balance due upon completion
Make check payable to Ingwersen

Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate.

Respectfully submitted 7-25-2018
 Per _____

Note - This proposal may be withdrawn by us if not accepted with 30 days.



Saalfeld Construction Roofing

2018-07-06-1037

Bath House

DESCRIPTION	QTY	REMOVE	REPLACE	TAX	TOTAL
7. Tear off, haul and dispose of comp. shingles - Laminated	86.00 SQ	41.52	0.00	0.00	3,570.72
9. Laminated - comp. shingle rfg. - w/out felt (Owens Corning Duratite)	95.00 SQ	0.00	198.79	661.84	19,546.89
10. Synthetic polyolefin barrier	86.00 SQ	0.00	37.38	97.72	3,312.40
11. Drip edge	485.85 LF	0.24	2.05	23.69	1,336.28
12. Flashing - pipe jack	4.00 EA	5.09	36.33	2.51	168.19
13. Valley metal - painted	104.37 LF	0.42	5.06	15.26	587.21
14. R & R Farnace vent - rain cap and storm collar, R"	1.00 EA	7.74	66.03	2.49	76.26
18. R&R Continuous ridge vent - shingle-over style	91.00 LF	0.61	7.67	20.54	774.02
17. R&R Chimney flashing - average (32" x 36")	1.00 EA	13.54	348.72	5.67	367.93
Totals: Bath House				829.72	29,539.90

Canopy Roof

DESCRIPTION	QTY	REMOVE	REPLACE	TAX	TOTAL
19. Tear off, haul and dispose of comp. shingles - Laminated	7.09 SQ	41.52	0.00	0.00	294.38
20. Synthetic polyolefin barrier	7.09 SQ	0.00	37.38	8.06	273.08
21. Drip edge	105.22 LF	0.24	2.05	5.13	246.08
23. Laminated - comp. shingle rfg. - w/out felt	8.00 SQ	0.00	198.79	55.73	1,646.05
Totals: Canopy Roof				68.92	2,459.59

Labor Minimums Applied

DESCRIPTION	QTY	REMOVE	REPLACE	TAX	TOTAL
16. Heat, vent. & air cond. labor minimum	1.00 EA	0.00	172.19	0.00	172.19
Totals: Labor Minimums Applied				0.00	172.19

Line Item Totals: 2018-07-06-1037

898.64 32,171.68

2018-07-06-1037

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SIDING | GUTTERS | WINDOWS | FASCIA

Summary

Line Item Total	31,273.04
Material Sales Tax	898.64
Replacement Cost Value	\$32,171.68
Net Claim	\$32,171.68

6% D. amount = \$1,930.30
 New Total = \$30,241.38

Council member Kobus made a motion to accept the bid of Ingwersen Roofing in the amount of \$21,851.00 (1/2 to start and the balance due upon completion) to replace the shingles on the David City Aquatic Center. Council member Meysenburg seconded the motion. Voting AYE: Council members Smith, Vandenberg, Trowbridge, Hotovy, Meysenburg, and Kobus. Voting NAY: None. The motion carried.

Council member Hotovy made a motion to advance to agenda item #20 – Consideration of initiating a TIF Project and retaining Bacon & Vinton LLC, Attorneys at Law, to lead us through the process. Council member Trowbridge seconded the motion. Voting AYE: Council members Meysenburg, Vandenberg, Kobus, Smith, Hotovy, and Trowbridge. Voting NAY: None. The motion carried.

Council member Kobus made a motion to retain Bacon & Vinton LLC, Attorneys at Law, to assist the City with initiating a Tax Increment Financing (TIF) Project and guiding us through the process. Council member Trowbridge seconded the motion. Voting AYE: Council members Meysenburg, Vandenberg, Smith, Kobus, Hotovy, and Trowbridge. Voting NAY: None. The motion carried.

The budgets for the upcoming fiscal year October 1, 2018 – September 30, 2019 were discussed.

Mayor Zavodny stated: “I just have a couple that I want to talk about. I projected the Library’s spending and annualized it, and their budget request seemed higher than their needs will be based on about a \$10,000 a month spending clip that they’re at. So, we could reduce that some if you so choose, and the other big one that I would say we need to talk about, and I apologize for missing the previous budget discussion, but where are we at with the Power Plant?”

Council member Trowbridge stated: “There’s going to come a motion, from this part of the table, to establish that budget for the coming year at \$50,000 total and to initiate closure proceedings immediately with a target date of January 1st for completion. Where that goes, I have no idea.”

Mayor Zavodny stated: “I have discussion I want to have on that, that will fit into that motion just fine. So, the Library and the Power Plant are my two. The other thing as I read through the budgets, mostly the financials on how we have been spending. Not that we needed a wake-up call, but with what’s happening in York, the scrutiny that’s going to come to everybody is going to be unprecedented because they’ve really got themselves into a heck of a bind. I feel badly for those people, let’s make sure we’re not the next one. In looking at things, not a huge surprise but we have a pretty big discrepancy from what we take in in Sales Tax and the programs that are supported by it. It’s always been a concern, it will continue to be a concern I think. The electric department is the golden goose. The water department, I don’t know, should do better, most of the stuff they get there is expensive, that’s not the healthiest, financially. So, those are my observations. What do you guys have?”

Council member Trowbridge stated: “A UTV at the Wastewater facility, I can’t justify to spray weeds. You buy a sprayer and throw it in the back of a pickup that we currently own and you spray the weeds.”

Mayor Zavodny asked: “Anybody want to fight for it, otherwise we delete that at this point. So, we deleted the UTV and we kept the sprayer.”

The Library budget was discussed and it was decided to leave it at \$127,150.00 as requested. The proposed new gas tanks and electronic card reader for the Airport was deleted. "O" Street was discussed concerning how it is deteriorating / disintegrating but it is too late in the game to get it in next years budget.

Council member Trowbridge stated: If you look at the raw numbers right now, and if you look at the raw numbers for the last ten years, we could have made a lot of money on that power plant but we chose not to, and it was a choice because we spent money on everything we could dream up and we spent it in big chunks, and it's too bad that it's come to this but I don't think anybody around this table had anything to do with it. There is too much risk and liability. Ok, we lose an engine, whether it's a CAT or whether it's one of those old Fairbanks, what it is, it costs us....you probably can't put a piece on that CAT for \$50,000 and you can't replace anything on the old Fairbanks motor because it's not available. So, we then lose revenue from NPPD because of diminished capacity. There is no win here. This is an employment agency out there, is all it is, Alan. 90% of last month's bills were personnel related."

Mayor Zavodny stated: "Well, and to be fair, we keep doing the same thing over and over and nothing has changed and our results haven't been good. We've got our only other employee running for another office. The ability to run it still isn't there. We've been working on that...."

Council member Trowbridge stated: "We've been working on that for ten years."

Mayor Zavodny stated: "I bet it's been more than that. Now what is the agreement with NPPD as far as notice. I know they aren't happy with us now."

Council member Trowbridge stated: "I think it's thirty days on either side but I believe we need a committee to look into that and to work with whoever. (Carsten Mlady, Account Manager, NPPD) We need to investigate to make sure that we don't lose anything and I don't believe we do, but we need to find out."

Mayor Zavodny stated: "The other person I think we need to talk to is Pat, about his switch gear and how we keep all that."

Council member Trowbridge stated: "Yes, and how long does it take him to train somebody to help him in emergency situations that he can trust to do it correctly."

Mayor Zavodny stated: "Probably that's the biggest piece that we have to worry about. In a storm, having that guy there running that operation. I think all of the arguments that have been made are fair, they are true. One of those older engines go down, I don't have confidence you're even going to be able to get parts for those."

Council member Hotovy stated: "Is this one of those things that we could cross that bridge when we get to it?"

City Clerk Kovar stated: "That's what I was going to ask. Right now, NPPD is giving us \$25,000 a month to have the plant there; to be on standby. So, why don't we keep it there and then if we lose an engine, or if we can't get an operator to come in to get it started..."

Council member Trowbridge stated: "Why don't we just write Eric a check and mail it to his house?"

City Clerk Kovar stated: "I don't know how we are going to make up the \$25,000 a month."

Council member Trowbridge stated: "You aren't going to. The years that we spent \$480,000 nobody bothered worrying about it."

City Clerk Kovar stated: "Yes, but some of that they were putting in new windows, updating the SCADA system, catalytic converters, and resurrecting the plant."

Council member Trowbridge stated: "Catalytic converters that we didn't need."

City Clerk Kovar stated: "Well now it's there so what are we going to do with it?"

Council member Trowbridge stated: "That's wonderful. Now we can sell them."

Council member Hotovy stated: "When I look at the budget, \$296,000 coming in, \$195,000 going out....."

Council member Trowbridge said: "Those are malarkey numbers and you know it."

Council member Hotovy stated: "Time out. Even if we're making \$50,000 why wouldn't we keep doing that?"

Council member Trowbridge stated: "But we're not, Kevin. Show me a year that we did. If you add the last ten years together we lost money, totally. We haven't generated an hour since last December, but we've paid overtime to those people every month since December. That's a ridiculous expenditure for our rate payers."

City Clerk Kovar stated: "So far this year we've spent \$170,971 but we've received \$250,538 from NPPD, so we are ahead so far this year."

Council member Hotovy stated: "At least we're ahead, and as long as it does remain ahead why wouldn't you keep it. I just don't understand why we....."

Council member Trowbridge stated: "Because it never has."

Mayor Zavodny stated: "Let's talk about what it gets us. Even if we have a total catastrophe, it would run a portion of the town for a little while. As far as a functional asset it's not really..."

City Clerk Kovar stated: "Although we have to keep the power plant because that's where all of our electrical switch gear equipment is."

Council member Trowbridge stated: "Well, we don't tear it down."

City Clerk Kovar stated: But then we'll still have maintenance on the plant. For next year's budget it's showing we will make \$296,000 from NPPD, and when Chad Podolak of

NPPD was here he said that is going to be increased and he's (Eric Betzen, Power Plant Supervisor) only showing his expenses at \$195,250.00"

Mayor Zavodny stated: "When NPPD talked to me, and they were pretty upset about it, it was the fact that we still, if we have a situation where Eric goes out again, and he's tenuous, he's one guy and he's had his issues, we can't operate."

City Clerk Kovar stated: "No, if he walks out we can't operate."

Much discussion followed. If an engine would blow up could someone get killed? Could we partition off the switch gear equipment?

Mayor Zavodny stated: "I think you set a budget that probably pays you for Eric, what's the point of getting someone else going at this point, just cut it way down and when he's done..."

Council member Trowbridge stated: "And make more money, really. Take the second guy out of the equation, don't replace him."

Mayor Zavodny stated: "We are discussing, what are our options. One option would be to keep Eric, we have the interlocal with Rising City, so those are things we have to examine and investigate. Long term, this isn't sustainable."

Council member Trowbridge stated: "It's just what day we quit."

Mayor Zavodny stated: "It might be when Eric just physically can't any more or just gets fed up and says "here are the keys".

City Clerk Kovar stated: "Then who is going to replace him? Because when there is a power outage, Pat (Electric Supervisor Hoelt) is out driving the line and the other guys are fixing the lines, and then they call Eric at the plant and say "Ok, you can switch this on now" or whatever, so you are going to have to hire somebody to do that."

Mayor Zavodny stated: "We start right away figuring out how to do that. We're fortunate it's the time of year when we don't have storms. It's not ideal, no, but would Butler Public Power contract with us to give us a guy during a time like that? There are a lot of different things we can examine. How involved is the switch gear piece? I don't know, but I do know that if Eric isn't here we can't run the plant so why are we pretending? It's down to what do you want to do?"

Council member Kobus stated: "I'm for phasing it out, like Skip (Council member Trowbridge) said, set a budget of \$50,000 and start talking. Get a committee together to find out everything."

Council member Trowbridge stated: "If something just jumps out of the ditch at us and says "you've got to keep this thing" and we agree with it, we can. We're on the path and we will know that quickly but it will take a trip over to Columbus (NPPD) for a couple people."

Mayor Zavodny stated: "I think we need to research what we have of value there, what it could possibly bring, we need to talk to Pat to see if he needs to hire a guy in the electric

department or train someone to run that switch gear equipment. So, do we want to set the budget at \$50,000?”

Council member Trowbridge stated that would fund it for four months: October, November, December, and January.

Mayor Zavodny stated: “Beginning October 1st, we set the budget for the power plant at \$50,000 for the next year. That give us those four months to decide if we want to continue it. Then we would have to submit an amended budget if we decide to do something different, but that sets a time frame, it allows the operator the time to do the research that we’ve identified we need to do, and there you go.”

Council member Vandenburg stated: “But if you leave the budget as is, it doesn’t mean you have to spend it.”

Mayor Zavodny stated: “That’s actually a better idea, lets leave the budget as it is, form the committee, do research, and then make decisions. If we don’t spend it, we don’t spend it.”

Council member Trowbridge stated: “We need to be honest with Tom, (Dion – Power Plant Operator) we need to let him know what’s happening.”

Mayor Zavodny stated: “I think both of them need to be advised.”

There being no further business to come before the Council, Council member Hotovy made a motion to adjourn. Council member Vandenberg seconded the motion. Voting AYE: Council members Meysenburg, Trowbridge, Smith, Kobus, Vandenberg, and Hotovy. Voting NAY: None. The motion carried and Mayor Zavodny declared the meeting adjourned at 9:25 p.m.



CERTIFICATION OF MINUTES
August 8, 2018

I, Joan Kovar, duly qualified and acting City Clerk for the City of David City, Nebraska, do hereby certify with regard to all proceedings of August 8th, 2018; 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 Kovar, City Clerk