

*Kearney, Nebraska
August 26, 2008
7:00 p.m.*

A meeting of the City Council of Kearney, Nebraska, was convened in open and public session at 7:00 p.m. on August 26, 2008, in the Council Chambers at City Hall. Present were: Stanley A. Clouse, President of the Council; Michaelle Trembly, City Clerk; Council Members Randy Buschkoetter, Don Kearney, Bruce Lear, and Bob Lammers. Absent: None. Michael Morgan, City Manager; Michael Tye, City Attorney; Wendell Wessels, Director of Finance and Administration; Kirk Stocker, Director of Utilities; Rod Wiederspan, Director of Public Works; Dan Lynch, Police Chief; Jim Lynaugh, Airport Manager; and Luke Olson, Management Assistant were also present. Some of the citizens present in the audience included: Mike Ostrosky, Terry Gibbs, Bruce Forster, Jeff Drahota, Roger Jasnoch, Brad Kernick, Steven Amundson, Clyde Mickelsen, Joan Mickelsen, Randy Schleiger and family, Tim Hughbanks, Dave Chally, Jerry Thompson, 25 members of the Kearney Volunteer Fire Department, Kristi Grint, Steve Altmaier from KGFW Radio, Sara Giboney from Kearney Hub.

Notice of the meeting was given in advance thereof by publication in the Kearney Hub, the designated method for giving notice, a copy of the proof of publication being attached to these minutes. Advance notice of the meeting was also given to the City Council and a copy of their acknowledgment or receipt of such notice is attached to these minutes. Availability of the Agenda was communicated in the advance notice and in the notice to the Mayor and City Council. All proceedings hereafter shown were taken while the meeting was open to the attendance of the public.

I. ROUTINE BUSINESS

INVOCATION

Reverend Doug Shada from the Cornerstone Berean Church provided the Invocation.

PLEDGE OF ALLEGIANCE

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

ANNOUNCEMENT

Mayor Clouse announced that in accordance with Section 84-1412 of the Nebraska Revised Statutes, a current copy of the Open Meetings Act is available for review and is posted towards the back of the Council Chambers.

RECOGNITION – KVFD FIREFIGHTERS AWARDS FOR FIREFIGHTER 1 COURSE

Mayor Clouse and Council Members recognized Toby Badura, Scott Klassen, Seth Lunbery, Derek Oliver, Wendy Spencer, and J. Paul Younes of the Kearney Volunteer Fire Department that have completed the Firefighter 1 Course. These individuals have already dedicated a minimum of 120 hours in this course alone. In addition to the Firefighter 1 Course, these individuals are continuously training with other firefighters at

monthly and specialty trainings. Fire Chief Jerry Thompson presented the firefighters with an award.

There were approximately 25 members of the Kearney Volunteer Fire Department present.

RECOGNITION – OUTGOING BOARD MEMBERS

Mayor Clouse and Council Members recognized and presented a Service Award to the following outgoing board members: Randy Schlieger, Downtown Improvement Board; Megan O’Dea and Larry Vogel, Golf Advisory Board; Mary Kalb, Kearney Housing Agency; Steve Davis, Library Advisory Board; John Bancroft, Park & Recreation Advisory Board; Dottie Bowman, Planning Commission.

II. UNFINISHED BUSINESS

There was no Unfinished Business.

III. PUBLIC HEARINGS

None.

IV. CONSENT AGENDA

Moved by Kearney seconded by Lear that Subsections 1 through 17 of Consent Agenda Item IV be approved. Roll call resulted as follows: Aye: Clouse, Lear, Lammers, Kearney, Buschkoetter. Nay: None. Motion carried.

1. Approve Minutes of Regular Meeting held August 12, 2008.

2. Approve the following Claims:

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

AT&T \$144.69 Smcs; Ace Irrigation \$449.65 Smcs; Agri Coop \$874.96 Smcs; Alamar Uniforms \$1,690.92 smcs,ps; Almquist,R \$87.50 Smcs; Amer Fence \$12,889.30 Co; Amer First Aid \$232.77 Smcs; Anderson Brothers \$494.02 Smcs; Apple Market \$7.98 Smcs; Ask Supply \$38.59 Smcs; Aurora Co-op \$42.40 Smcs; Auto Glass Center \$500.08 Smcs; Baker & Taylor Books \$8,257.86 Smcs; Barney Abstract \$270.00 Smcs; BBC Audiobooks \$112.26 Smcs; Beckenhauer,T \$624.75 Smcs; Blessing \$186,497.28 Co; Bluecross Blueshield \$170,170.31 Smcs; Bosselman \$32,815.08 Smcs; Brilliance Audio \$121.50 Smcs; Broadfoot's Sand \$7,939.88 smcs,co; Brown Traffic Products \$4,120.00 Smcs; Bruce Furniture \$3,301.57 Smcs; Buffalo Co Court \$591.77 Ps; Buffalo Co Mutual Aid \$50.00 Smcs; Builders \$6,178.31 smcs,co; CDW Government \$4,683.98 Co; Central Hydraulic \$5,075.15 Smcs; Charlesworth & Associates \$360.00

Smcs; Charter \$839.55 Smcs; Chesterman \$2,059.20 Smcs; City of Ky \$112,241.30 smcs,ps; Claussen,T \$61.57 Smcs; College Savings Plan of NE \$75.00 Ps; Construction Rental \$43.00 smcs,co; Copycat Printing \$79.70 Smcs; Crouch/Churchich \$8,561.80 Co; Cummins Central Power \$241.13 Smcs; D&D Industries \$300.00 Smcs; Dawson Co PPD \$1,551.85 Smcs; Dell \$970.80 Co; Depository Trust \$116,285.00 Ds; Derman,B \$44.07 Smcs; Dreyer,D \$69.07 Smcs; Eakes \$2,862.48 Smcs; Eickhoff,B \$20.00 Ps; Elliott Equipment \$526.70 Smcs; EMC Ins \$3,626.00 Smcs; Eustis Body Shop \$806.50 Smcs; Excel Systems Software \$4,738.75 Co; Express Police Supply \$11,489.93 Co; Factual Data-Midwest \$85.73 Smcs; Faz,A \$58.50 Smcs; Fiddelke Heating \$817.63 Smcs; Flynn,B \$594.75 Smcs; Fort Ky Shooting \$6,625.00 Smcs; Freeman,M \$50.93 Smcs; Frontier \$13,884.41 smcs,co; Gale \$4,606.73 Smcs; Garret Tires \$6,329.19 Smcs; Gintzler,M \$486.20 Smcs; GI Independent \$500.00 Smcs; GI Police Dept \$400.00 Smcs; Great Plains One Call \$565.32 Smcs; Great Platte River Archway \$1,433.10 Smcs; Greyhouse Publishing \$227.95 Smcs; H&H Distributing \$1,248.80 Smcs; Harley Davidson \$274.08 Smcs; HD Supply \$1,721.28 Smcs; Hibberd,T \$15.82 Smcs; Hoehner Turf \$3,657.00 Smcs; Hogan's Sporting Goods \$105.00 Smcs; IA/NE IAAI Fire & Arson \$1,000.00 Smcs; IAEI \$15.00 Smcs; ICMA RC \$3,124.62 Ps; Inland Truck Parts \$127.51 Smcs; Institute Technology \$1,250.00 Smcs; Intellicom \$5,280.00 Smcs; IRS \$110,234.09 Ps; Interstate All Battery \$27.83 Smcs; Investment Property \$1,000.00 Smcs; J&J Construction \$7,000.00 Co; Jack Lederman \$2,681.30 smcs,co; Jack's Uniforms \$223.64 Smcs; Johnson Service \$4,030.00 Smcs; Ky Clinic \$481.00 smcs,ps; Ky Concrete \$18,601.52 smcs,co; Ky Crete & Block \$89.30 smcs,co; Ky Hub \$3,492.85 Smcs; Ky Swim Team \$25.00 Smcs; Ky Towing \$225.00 Smcs; KHAS-TV \$2,560.00 Smcs; Kirkham Michael \$6,990.86 Co; Kolar,J \$594.75 Smcs; KOLN/KGIN \$925.00 Smcs; Konica Minolta \$191.07 Smcs; KRVN \$434.42 Smcs; LECC/NE Sheriff's Assn \$60.00 Smcs; Leigh Environmental \$3,400.00 Smcs; Lewis,N \$100.00 Smcs; Linweld \$12.92 Smcs; Lockmobile \$8.00 Smcs; Magic Cleaning \$910.00 Smcs; Mail Express \$1,081.42 Smcs; Marlatt Machine Shop \$457.64 Smcs; Meteorlogix \$615.00 Er; Mid American Signal \$1,525.62 Smcs; Mid-State Units \$150.00 Smcs; Midwest Labs \$6,466.25 Smcs; Milco Environmental \$1,353.25 Smcs; Milks,K \$25.00 Smcs; Miller & Associates \$33,130.39 smcs,co; Miller Signs \$595.00 smcs,co; Misko Sports \$5.00 Smcs; Municipal Emergency \$961.83 Smcs; NE Child Support \$2,707.13 Ps; Ne Dept of Aeronautics \$995.00 Ds; NE Dept of Roads \$9,389.70 Co; NE Machinery \$153.00 Co; NEland Distributors \$609.00 Smcs; Norm's Plumbing \$122.36 Smcs; Northwest Electric \$7,238.95 Smcs; Northwestern Energy \$454.61 Smcs; Nova Fitness Equipment \$354.50 Ps; Obermiller Seamless \$3,015.00 Co; Officenet \$319.00 Smcs; Ohri,R \$58.50 Smcs; O'Keefe Elevator \$154.91 Smcs; On Site Mobile Sharpening \$70.15 Smcs; Otto Environmental \$10,798.52 Smcs; Paramount \$391.38 Smcs; Piranhadisc Sales \$86.25 Smcs; Platte Valley Comm \$2,870.78 Smcs; Powerplan \$4,420.09 Smcs; Presto-X \$152.00 Smcs; Pro-Tint \$25.00 Smcs; Pulliam,R \$486.20 Smcs; Qualification Targets \$420.99 Smcs; Random House \$362.80 Smcs; Ready Mixed Concrete \$6,235.13 smcs,co; Recorded Books \$113.36 Smcs; Rich,T \$386.20 Smcs; Rick's Sod Farm \$14,111.00 smcs,co; Riverside Manufacturing \$333.97 Ps; Roper's Radiator \$145.00 Smcs; Sanitation Products \$4,709.16 Smcs; Schmidt,T \$22.00 Smcs; See Clear Cleaning \$1,400.00 Smcs; Service Plus \$3,841.94 Co; Sesna,D \$58.50 Smcs; S-F Analytical Lab \$65.00 Smcs; Shakrzakor,S \$94.18 Smcs; Siel Construction \$201,596.75 Co; Siris Corp \$1,700.00 Smcs; Smith Signs \$1,538.00 Smcs; Snap-On Tools \$449.95 Smcs; Snow,T \$486.20 Smcs; SOS Portable Toilets \$350.00 Smcs; Springer Roofing \$16,248.00 Co; Steinbrink Landscaping \$18,079.00

Co; Steinbrook,S \$1,413.97 Smcs; Stott,D \$110.70 Smcs; Summit Heating \$346.71 Smcs; Sun Life Financial \$1,840.50 Smcs; Sungard Public Sector \$3,150.00 Smcs; Tailon,R \$50.70 Smcs; Taser Int'l \$350.00 Smcs; Tee's Plus \$110.00 Smcs; Ten Thousand Villages \$5.00 Smcs; Theis,J \$60.00 Smcs; Thomas and Means \$250.00 Smcs; Tool Doctor \$154.19 Smcs; Treat Amer Food Service \$1,069.32 Smcs; Turner Body Shop \$360.00 Smcs; Tye & Rademacher \$14,100.90 Smcs; US Govt \$750.00 Smcs; Underground Construction \$4,229.45 Co; Unique Management \$393.80 Smcs; UNK-Health Care \$3,196.99 Smcs; UNK-Office of VCBF \$9,866.26 Smcs; Village Uniform \$189.60 Smcs; Walsh,C \$81.61 Smcs; Walter's Electric \$2,110.00 Smcs; Warrington,D \$58.50 Smcs; Watson,G \$22.84 Smcs; Weiler,D \$214.50 Smcs; West Payment Center \$1,948.89 Smcs; Wiegand Security \$75.00 Smcs; Wilke,C \$477.53 Smcs; Wilke-Donovan \$2.63 Smcs; Wilkins Hinrichs Stober \$40,044.99 smcs,co; WPCI \$78.50 Ps; Young,M \$254.60 Smcs; Zimmerman Printers \$218.00 Smcs; Payroll Ending 8-16-2008 -- \$319,302.02. The foregoing schedule of claims is published in accordance with Section 19-1102 of the Revised Statutes of Nebraska, and is published at an expense of \$_____ to the City of Kearney.

3. Receive recommendations of Planning Commission and set September 9, 2008 at 7:00 p.m. as date and time for hearing on those applications where applicable.
4. Approve setting September 9, 2008 at 7:00 p.m. as time and date for the Board of Equalization to assess costs for Paving Improvement District Nos. 2006-909, 2006-910, 2006-911, 2006-912, 2006-913, 2007-914; Water District Nos. 2006-543, 2006-544, 2006-545, 2006-546, 2007-547; Sewer District Nos. 2006-486, 2006-487, 2006-488, 2007-489.
5. Approve the final allocation of levy authority in the amount of \$132,600.00 for the Community Redevelopment Authority of the City of Kearney for fiscal year 2008-2009 and the final allocation of levy authority in the amount of \$40,000.00 for Offstreet Parking District No. 1 for fiscal year 2008-2009 and approve **Resolution No. 2008-138**.

RESOLUTION NO. 2008-138

WHEREAS, Neb. Rev. Stat. Section 77-3443.03, (R.R.S. 1943), as amended), requires Community Redevelopment Authorities and Offstreet Parking Districts to submit a preliminary request for levy allocation, on or before August 1, to the City Council; and

WHEREAS, the Community Redevelopment Authority of the City of Kearney submitted to the City, on July 3rd, 2008, a preliminary request for levy allocation in the amount of \$132,600.00; and

WHEREAS, the Downtown Improvement Board, on behalf of Offstreet Parking District No. 1, submitted to the City, on July 2, 2008, a preliminary request for levy allocation in the amount of \$40,000.00; and

WHEREAS, Neb. Rev. Stat. Section 77-3443.04, as amended, requires the City Council to adopt, by September 1, a resolution (by a majority vote of members present) which determines a final allocation of levy authority to the Community Redevelopment Authority and Offstreet Parking District No. 1.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Kearney, Nebraska, that, pursuant to the provisions of Neb. Rev. Stat. Section

77-3443.04 (R.R.S. 1943), as amended, that a final allocation of levy authority of \$132,600.00 is hereby approved for the Community Redevelopment Authority of the City of Kearney for 2008 and a final allocation of levy authority of \$40,000.00 is hereby approved for Offstreet Parking District No. 1 for 2008.

BE IT FURTHER RESOLVED by the Mayor and City Council of the City of Kearney, Nebraska, that, pursuant to the provisions of Neb. Rev. Stat. Section 77-3443.04 (R.R.S. 1943), that the City Clerk is ordered to forward a copy of this resolution to the chairperson of the Community Redevelopment Authority of the City of Kearney and the chairperson of the Downtown Improvement Board.

BE IT FURTHER RESOLVED that all ordinances and resolutions or parts if ordinances and resolutions in conflict herewith are hereby repealed.

BE IT FURTHER RESOLVED that this Resolution shall be in full force and effect September 1, 2008, and shall be published in pamphlet form.

PASSED AND APPROVED THIS 26TH DAY OF AUGUST, 2008.

ATTEST:
MICHAELLE E. TREMBLY
CITY CLERK

STANLEY A. CLOUSE
PRESIDENT OF THE COUNCIL
AND EX-OFFICIO MAYOR

6. Approve Change Order No. 1 showing an increase in the amount of \$406.06, Application and Certificate for Payment No. 6 in the amount of \$5,911.88 submitted by Eriksen Construction Co., Inc. and approved by Miller & Associates in connection with the Northwest Well Field Improvements; Phase III – Water Conditioning Facility and Control System and approve **Resolution No. 2008-139**.

RESOLUTION NO. 2008-139

WHEREAS, Eriksen Construction Co. of Blair, Nebraska has performed services in connection with the Northwest Well Field Improvements – Phase III (Water Conditioning Facility and Control System), and the City's engineer, Miller & Associates, have filed with the City Clerk Change Order No. 1 showing an increase in the amount of \$406.06 as shown on Exhibit "A" attached hereto and made a part hereof by reference; and

WHEREAS, Eriksen Construction Co. and the City's engineer, Miller & Associates, have filed with the City Clerk Application and Certificate for Payment No. 6 in the amount of \$5,911.88, as shown on Exhibit "B" attached hereto and made a part hereof by reference and as follows:

Original Contract Sum	\$410,900.00
Change Order No. 1 (8-26-2008)	<u>+ 406.06</u>
Contract Sum To Date	411,306.06
Gross Amount Due	370,706.06
Retainage	11,121.18
Amount Due to Date	359,584.88
Less Previous Certificates for Payment	<u>353,673.00</u>
Current Payment Due	\$ 5,911.88

NOW, THEREFORE, BE IT RESOLVED by the President and Council of the City of Kearney, Nebraska, and hereby find and determine that Change Order No. 1, as

shown on Exhibit "A", and Application and Certificate for Payment No. 6, as shown on Exhibit "B" be and are hereby accepted and approved.

PASSED AND APPROVED THIS 26TH DAY OF AUGUST, 2008.

ATTEST:
MICHAELLE E. TREMBLY
CITY CLERK

STANLEY A. CLOUSE
PRESIDENT OF THE COUNCIL
AND EX-OFFICIO MAYOR

7. Approve Application and Certificate for Payment No. 1 in the amount of \$11,493.00 submitted by Concrete Workers, Inc. and approved by Miller & Associates for the 2008 Part 2 Improvements consisting of Paving Improvement District No. 2007-920 for the alley lying between 24th Street to 25th Street from 1st Avenue to 2nd Avenue; Paving Improvement District No. 2007-921 for the alley lying between 1st Avenue and 2nd Avenue from 23rd Street to 24th Street; Paving Improvement District No. 2007-922 for the alley lying between 25th Street and 26th Street from Central Avenue to Avenue A; Paving Improvement District No. 2007-923 for the alley lying between Central Avenue and Avenue A from 23rd Street to 24th Street; Paving Improvement District No. 2007-924 for the alley lying between Central Avenue and 1st Avenue from 23rd Street to 24th Street and approve **Resolution No. 2008-140**.

RESOLUTION NO. 2008-140

WHEREAS, Concrete Workers, Inc. of Kearney, Nebraska has performed services in connection with the 2008 Part 2 Improvements consisting of Paving Improvement District No. 2007-920 for the alley lying between 24th Street to 25th Street from 1st Avenue to 2nd Avenue; Paving Improvement District No. 2007-921 for the alley lying between 1st Avenue and 2nd Avenue from 23rd Street to 24th Street; Paving Improvement District No. 2007-922 for the alley lying between 25th Street and 26th Street from Central Avenue to Avenue A; Paving Improvement District No. 2007-923 for the alley lying between Central Avenue and Avenue A from 23rd Street to 24th Street; Paving Improvement District No. 2007-924 for the alley lying between Central Avenue and 1st Avenue from 23rd Street to 24th Street, and the City's engineer, Miller & Associates, have filed with the City Clerk Application and Certificate for Payment No. 1 in the amount of \$11,493.00, as shown on Exhibit "A" attached hereto and made a part hereof by reference and as follows:

Original Contract Sum	<u>\$210,225.00</u>
Contract Sum To Date	210,225.00
Gross Amount Due	12,770.00
Retainage	1,277.00
Amount Due to Date	11,493.00
Less Previous Certificates for Payment	<u>.00</u>
Current Payment Due	\$ 11,493.00

NOW, THEREFORE, BE IT RESOLVED by the President and Council of the City of Kearney, Nebraska, and hereby find and determine that Application and Certificate for Payment No. 1, as shown on Exhibit "A" be and is hereby accepted and approved.

PASSED AND APPROVED THIS 26TH DAY OF AUGUST, 2008.

ATTEST:
MICHAELLE E. TREMBLY
CITY CLERK

STANLEY A. CLOUSE
PRESIDENT OF THE COUNCIL
AND EX-OFFICIO MAYOR

8. Approve Application and Certificate for Payment No. 2 in the amount of \$7,398.00 submitted by Blessing, LLC and approved by Miller & Associates for the 2008 Part III Improvements consisting of Paving Improvement District No. 2007-915 for 14th Street from 6th Avenue to 9th Avenue; Paving Improvement District No. 2007-916 for 9th Avenue from 13th Street to 14th Street; Paving Improvement District No. 2007-917 for 9th Avenue from 16th Street to 19th Street and approve **Resolution No. 2008-141.**

RESOLUTION NO. 2008-141

WHEREAS, Blessing, LLC of Kearney, Nebraska has performed services in connection with the 2008 Part III Improvements consisting of Paving Improvement District No. 2007-915 for 14th Street from 6th Avenue to 9th Avenue; Paving Improvement District No. 2007-916 for 9th Avenue from 13th Street to 14th Street; Paving Improvement District No. 2007-917 for 9th Avenue from 16th Street to 19th Street, and the City's engineer, Miller & Associates, have filed with the City Clerk Application and Certificate for Payment No. 2 in the amount of \$7,398.00 as shown on Exhibit "A" attached hereto and made a part hereof by reference and as follows:

Original Contract Sum	<u>\$336,216.00</u>
Contract Sum to Date	336,216.00
Total Completed and Stored to Date	9,720.00
Retainage	972.00
Amount Due to Date	1,350.00
Less Previous Certificates for Payment	<u>1,350.00</u>
Current Payment Due	\$ 7,398.00

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

PASSED AND APPROVED THIS 26TH DAY OF AUGUST, 2008.

ATTEST:
MICHAELLE E. TREMBLY
CITY CLERK

STANLEY A. CLOUSE
PRESIDENT OF THE COUNCIL
AND EX-OFFICIO MAYOR

9. Approve Change Order No. 1 showing a decrease in the amount of \$5,763.00, Application and Certificate for Payment No. 2-Final in the amount of \$152,903.20, and the Certificate of Substantial Completion submitted by Blessing, LLC and approved by Miller & Associates for the 2007 Part VI Improvements – Bid B consisting of Paving Improvement District No. 2008-925 for 9th Street Place from west line of Block 1, Park View Estates Fourth to its terminus in a cul-de-sac; Paving Improvement District No. 2008-926 for 8th Street from the west line of Block 3, Park View Estates Fourth, thence to its terminus being the east line of Park View Estates Fourth, AND TOGETHER WITH 10th Avenue from 8th Street, thence south to its terminus being the south line of Park View Estates Fourth and approve **Resolution No. 2008-142.**

RESOLUTION NO. 2008-142

WHEREAS, Blessing, LLC of Kearney, Nebraska has performed services in connection with the 2007 Part VI Improvements – Bid B consisting of Paving Improvement District No. 2008-925 for 9th Street Place from west line of Block 1, Park View Estates Fourth to its terminus in a cul-de-sac; Paving Improvement District No. 2008-926 for 8th Street from the west line of Block 3, Park View Estates Fourth, thence to its terminus being the east line of Park View Estates Fourth, AND TOGETHER WITH 10th Avenue from 8th Street, thence south to its terminus being the south line of Park View Estates Fourth, and the City's engineer, Miller & Associates, have filed with the City Clerk Change Order No. 1 showing a decrease in the amount of \$5,763.00 as shown on Exhibit "A" attached hereto and made a part hereof by reference; and

WHEREAS, Blessing, LLC and the City's engineer, Miller & Associates, have filed with the City Clerk Application and Certificate for Payment No. 2-Final in the amount of \$152,903.20 as shown on Exhibit "B" attached hereto and made a part hereof by reference and as follows:

Original Contract Sum	\$251,417.50
Change Order No. 1 (8-26-2008)	- <u>5,763.00</u>
Contract Sum to Date	245,654.50
Total Completed and Stored to Date	245,654.50
Retainage	.00
Amount Due to Date	245,654.50
Less Previous Certificates for Payment	<u>92,751.30</u>
Current Payment Due	\$152,903.20

WHEREAS, the Engineer and Contractor have now certified to the City Clerk that work is completed as of July 25, 2008, as shown by Exhibit "C" attached hereto and made a part hereof by reference.

NOW, THEREFORE, BE IT RESOLVED by the President and Council of the City of Kearney, Nebraska, and hereby find and determine that Change Order No. 1, as shown on Exhibit "A", Application and Certificate for Payment No. 2-Final, as shown on Exhibit "B", and the Certificate of Substantial Completion as shown on Exhibit "C" be and are hereby accepted and approved.

PASSED AND APPROVED THIS 26TH DAY OF AUGUST, 2008.

ATTEST:
 MICHAELLE E. TREMBLY
 CITY CLERK

STANLEY A. CLOUSE
 PRESIDENT OF THE COUNCIL
 AND EX-OFFICIO MAYOR

10. Approve Change Order No. 1 showing a decrease in the amount of \$14,956.00, Application and Certificate for Payment No. 3-Final in the amount of \$18,803.20, and the Certificate of Substantial Completion submitted by Midlands Contracting, Inc. and approved by Miller & Associates for the 2007 Part VI Improvements – Bid A consisting of Water District No. 2008-549 for 9th Street Place from west line of Block 1, Park View Estates Fourth to its terminus in a cul-de-sac; Water District No. 2008-550 for 8th Street from the west line of Block 3, Park View Estates Fourth, thence to its terminus being the east line of Park View Estates Fourth, AND TOGETHER WITH 10th Avenue from 8th

Street, thence south to its terminus being the south line of Park View Estates Fourth; Sanitary Sewer District No. 2008-491 for 9th Street Place from west line of Block 1, Park View Estates Fourth to its terminus in a cul-de-sac; Sanitary Sewer District No. 2008-492 for 8th Street from the west line of Block 3, Park View Estates Fourth, thence to its terminus being the east line of Park View Estates Fourth, AND TOGETHER WITH 10th Avenue from 8th Street, thence south to its terminus being the south line of Park View Estates Fourth and approve **Resolution No. 2008-143.**

RESOLUTION NO. 2008-143

WHEREAS, Midlands Contracting, Inc. of Kearney, Nebraska has performed services in connection with the 2007 Part VI Improvements – Bid B consisting of Water District No. 2008-549 for 9th Street Place from west line of Block 1, Park View Estates Fourth to its terminus in a cul-de-sac; Water District No. 2008-550 for 8th Street from the west line of Block 3, Park View Estates Fourth, thence to its terminus being the east line of Park View Estates Fourth, AND TOGETHER WITH 10th Avenue from 8th Street, thence south to its terminus being the south line of Park View Estates Fourth; Sanitary Sewer District No. 2008-491 for 9th Street Place from west line of Block 1, Park View Estates Fourth to its terminus in a cul-de-sac; Sanitary Sewer District No. 2008-492 for 8th Street from the west line of Block 3, Park View Estates Fourth, thence to its terminus being the east line of Park View Estates Fourth, AND TOGETHER WITH 10th Avenue from 8th Street, thence south to its terminus being the south line of Park View Estates Fourth, and the City's engineer, Miller & Associates, have filed with the City Clerk Change Order No. 1 showing a decrease in the amount of \$14,956.00 as shown on Exhibit "A" attached hereto and made a part hereof by reference; and

WHEREAS, Midlands Contracting, Inc. and the City's engineer, Miller & Associates, have filed with the City Clerk Application and Certificate for Payment No. 3-Final in the amount of \$18,803.20 as shown on Exhibit "B" attached hereto and made a part hereof by reference and as follows:

Original Contract Sum	\$202,988.00
Change Order No. 1 (8-26-2008)	<u>- 14,956.00</u>
Contract Sum to Date	188,032.00
Total Completed and Stored to Date	188,032.00
Retainage	.00
Amount Due to Date	188,032.00
Less Previous Certificates for Payment	<u>169,228.80</u>
Current Payment Due	\$ 18,803.20

WHEREAS, the Engineer and Contractor have now certified to the City Clerk that work is completed as of June 10, 2008, as shown by Exhibit "C" attached hereto and made a part hereof by reference.

NOW, THEREFORE, BE IT RESOLVED by the President and Council of the City of Kearney, Nebraska, and hereby find and determine that Change Order No. 1, as shown on Exhibit "A", Application and Certificate for Payment No. 3-Final, as shown on Exhibit "B", and the Certificate of Substantial Completion as shown on Exhibit "C" be and are hereby accepted and approved.

PASSED AND APPROVED THIS 26TH DAY OF AUGUST, 2008.

ATTEST:
 MICHAELLE E. TREMBLY
 CITY CLERK

STANLEY A. CLOUSE
 PRESIDENT OF THE COUNCIL
 AND EX-OFFICIO MAYOR

11. Approve Application and Certificate for Payment No. 2 in the amount of \$90,286.92 submitted by Blessing, LLC and approved by Brungardt Engineering for the construction of the E.K. & Mary Yanney Heritage Park North Parking Lot Addition and approve **Resolution No. 2008-144.**

RESOLUTION NO. 2008-144

WHEREAS, Blessing, LLC has performed services in connection with the construction of the E.K. & Mary Yanney Heritage Park North Parking Lot Addition and the City's engineer, Brungardt Engineering, has filed Application and Certificate for Payment No. 2 in the amount of \$90,286.92 as shown on Exhibit "A", attached hereto and made a part hereof by reference:

Original Contract Sum	\$1,004,396.00
Change Order No. 1 (4-8-2008)	- 136,500.00
Contract Sum to Date	867,896.00
Total Completed and Stored to Date	307,538.00
Retainage	30,753.80
Amount Due to Date	276,784.20
Less Previous Certificates for Payment	186,497.28
Current Payment Due	\$ 90,286.92

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

PASSED AND APPROVED THIS 26TH DAY OF AUGUST, 2008.

ATTEST:
 MICHAELLE E. TREMBLY
 CITY CLERK

STANLEY A. CLOUSE
 PRESIDENT OF THE COUNCIL
 AND EX-OFFICIO MAYOR

12. Approve Application and Certificate for Payment No. 7 in the amount of \$404,340.70 submitted by Starostka Group Unlimited, Inc. and approved by Miller & Associates for the Northwest Well Field Improvements; Phase II - Water Transmission Main and approve **Resolution No. 2008-145.**

RESOLUTION NO. 2008-145

WHEREAS, Starostka Group Unlimited of Grand Island, Nebraska has performed services in connection with the Northwest Well Field Improvements; Phase II – Water Transmission Main, and the City's engineer, Miller & Associates, have filed with the City Clerk Application and Certificate for Payment No. 7 in the amount of \$404,340.70 as shown on Exhibit "A" attached hereto and made a part hereof by reference and as follows:

Original Contract Sum	\$4,098,297.20
Change Order – None	<u> .00</u>
Contract Sum to Date	4,098,297.20
Total Completed and Stored to Date	3,723,511.61
Retainage	372,351.16
Amount Due to Date	3,351,160.45
Less Previous Certificates for Payment	- 2,462,737.75
Less Bacteria Testing/Flushing/Chlorination	- 182,530.00
Pressure Testing	- 149,552.00
Less Late Completion (October 2007 – May 2008)	<u>- 152,000.00</u>
Current Payment Due	\$ 404,340.70

NOW, THEREFORE, BE IT RESOLVED by the President and Council of the City of Kearney, Nebraska, and hereby find and determine that Application and Certificate for Payment No. 7, as shown on Exhibit “A”, be and is hereby accepted and approved.

PASSED AND APPROVED THIS 26TH DAY OF AUGUST, 2008.

ATTEST:
 MICHAELLE E. TREMBLY
 CITY CLERK

STANLEY A. CLOUSE
 PRESIDENT OF THE COUNCIL
 AND EX-OFFICIO MAYOR

13. Approve the request submitted by the Kearney Area Arts Council to temporarily block off 24th Street from Central Avenue to Avenue A on September 6, 2008 from 8:00 a.m. until 10:00 p.m. for their annual Uptown Arts Festival.

14. Approve the recommendation submitted by the Downtown Improvement Board to temporarily block off Central Avenue from 22nd Street to 24th Street on August 28, 2008 from 12:00 p.m. until 1:00 a.m. to conduct “Destination Downtown” and that the street be cleared of parked vehicles.

15. Approve the application for a Special Designated License submitted by SPORTS FANS, LLC, dba Fanatics in connection with their Class C-78257 liquor license to dispense beer, wine and distilled spirits in the Extension Building located at the Buffalo County Fairgrounds, 3807 Avenue N on September 6, 2008 from 4:00 p.m. until 1:00 a.m. for a wedding reception and dance.

16. Approve the Plans and Specifications for 2008 Part 4 Improvements for the construction of the 39th Street and 17th Avenue Intersection Improvements and set the bid opening date for September 16, 2008 at 2:00 p.m.

17. Approve the application for a Special Designated License submitted by BOULEE LLC, dba “Bico’s Sports Bar & Grill” in connection with their Class I-70918 liquor license to dispense beer and distilled spirits in the Extension Building at the Buffalo County Fairgrounds, 3807 Avenue N on September 22, 2008 from 5:00 p.m. until 1:00 a.m. for a concert.

V. CONSENT AGENDA ORDINANCES

None.

VI. REGULAR AGENDA

OTIS AIR SERVICE – FIXED BASE OPERATOR AT AIRPORT

Mayor Clouse opened for discussion the Fixed Base Operator Use and Operations Agreement for Hangar T-926 between the City of Kearney and Otis Air Service and to consider approval of Resolution No. 2008-146.

There were approximately 40 people present in the audience interested in this matter.

Airport Manager Jim Lynaugh presented this matter to the Council. Air Midway has served according to a lease agreement as the City's Fixed Based Operator (FBO) at the Kearney Regional Airport for several years. The current lease expires September 30, 2008. Air Midway provides fuel, oil and transient aircraft services, as well as line service and pilot/passenger facilities. They also contract with UNK to provide support services for the University's aviation program.

Clyde Mickelsen from Air Midway met with City staff two years ago to discuss the renewal of the lease for an additional two years. During those discussions, it was understood that the City would be evaluating all Airport leases and fee schedules and that the City would be requesting proposals for selecting a Fixed Base Operator. As a reminder, Mr. Mickelsen was notified in April of 2008 that the City was starting the process.

The City prepared Requests for Proposals based on standards required by the FAA with a due date of June 27, 2008. The advertisement was placed in the following sources:

- Kearney Hub
- Lincoln Journal Star
- Omaha World Herald
- Grand Island Independent
- North Platte Telegraph
- Trade-A-Plane

The City received proposals from the following:

Otis Air Service
P.O. Box 780948
Wichita, KS 67278

Excel Aviation
2905 East 39th Street
Kearney, NE 68847

Advanced Aviation Services
3845 West 56th Street
Kearney, NE 68845

On July 16 and 17, 2008 the Review Committee, consisting of Jon Krebs, Jim Lynaugh, Wendell Wessels, Suzanne Brodine and Michaelle Trembly, conducted interviews with each company. Based on the review process and follow-up discussions, the committee recommends that Otis Air Service be selected as the City's new FBO for the Kearney Regional Airport. The past few weeks, the City has been working closely with Otis Air Services to reach agreement regarding the provisions of the new FBO agreement. Further, the City and Otis Air Service has met with UNK officials to discuss the transition

process.

The Airport Advisory Board, at their August 18, 2008 meeting discussed the FBO selection and Otis Air Service met with the Air Transportation Committee this week to discuss their operation and future goals.

Under the proposed agreement the following fees will increase:

- Rental fee for the hangar facility - \$1,799 to \$1,900.00 per month
- Fuel flowage fee - .07 cents to .09 cents per gallon of all fuel received
- Annual fuel farm rental - \$1,680 to \$2,160

The total fees collected for the rental of the hangar - \$21,588 and will increase to \$22,800. The total fees collected for the fuel farm rental - \$20,160 and will increase to \$25,920

Mike Ostrosky, President of Otis Air Service, stated that the company currently owns a 421 which is an 8-seat pressurized twin airplane with more capabilities than the current airplane that is on the charter certificate. The plan is to put that plane on another person's charter certificate or establish his own charter certificate in accordance with the agreement.

Mayor Clouse asked what would be done in the interim. Mr. Ostrosky stated in his industry when someone goes to charter an airplane, it is not always from the airport that the person is leaving from. There is a big charter industry. Where they charter from depends on where the person is leaving from and the capability they want. He would be happy to help the customer find the right fit. He gave an example of a company needing to charter an 8-seat corporate jet which he would not be able to supply. He would then help them secure a charter company that would come in and pick them up. During the interim this is what would occur, except he would be looking to supplement what his company would be able to handle in the future. There are other companies in the region that are looking for business and could also supply charter service. Currently, as he understands it (without having access to a lot of the records) they have been doing about one trip every other week.

Mr. Ostrosky stated that everyone he has met has expressed their desire to keep the program going for UNK. As a businessman, he would need some type of a contract to continue that program. He met with the Chancellor and the Dean of the Industrial Technology School at UNK about a month ago to outline the process. He met with the Dean again last week and they indicated their support to continue their program, but have not presented him with anything to bid on. He needs to know what he could do to keep their program going. Many of the questions revolve around how many students are flying, how many hours they are flying and what do they anticipate for the future, but he has not gotten a clear response with that information. When he met with the Dean he had an outline of what was currently going on with aircraft, but still could not answer those other questions. It has been very difficult for him at this point to put anything together and respond to the University, except his willingness to work with them and help them in this process. UNK has not approached him with a program or asked how much it will cost them to do it. There is no existing contract with UNK, but it appears to him that they want to keep this program going. When this opening was first advertised, he

asked multiple times if there was a contract with UNK and was told that there was each time. The Chancellor and the Dean told him that they did not think that there was a contract and could not produce one. Last week, the owner of the current FBO stated there was no contract with UNK. Mr. Ostrosky stated that the contract does not have to be written and it could be a verbal contract, but provisions have to be determined.

Council member Lammers asked for more information about the fee structures for training. Mr. Ostrosky state the contract requires him to provide flight instruction. He will have to look at the market and find out from people who will be using the service what the needs are. Since he does not have the contract with the University, it will be difficult for him to determine what type of airplane to put out there. It could range from a starter airplane to something that could be rented and taken across country. If there is no contract with the University and he is doing just flight instruction by itself, the rate structure will be competitive with the current market in airports in the vicinity. He would not raise the rates so high, that his assets do not get used.

Council member Buschkoetter asked if Mr. Ostrosky believed that it would be in his best interests to keep the UNK program going and economically add to his bottom line. Mr. Ostrosky stated that is true if it is structured correctly. Early in this process one of the questions that he asked of the current FBO owner was why not keep the current flight school program because there is space for them. His answer was because that program does not make money and needs to be subsidized. Assuming that information that he received from the current FBO owner is correct, before he would enter into a contract with the university it would have to be structured so he would not lose money on it. He believed that everyone would agree that neither he nor the City should subsidize the University's program and he would not be able to do that anyway. He said he is certainly interested in increasing his business. If the contract would be a money maker or at least a break even, he would be willing to continue it. He felt it is also a benefit to the community to keep this University program going and would bring in other business to the airport.

Council member Lammers asked what enhancements to the program Mr. Ostrosky would be doing as an FBO. Mr. Ostrosky explained that his background is contracting with corporate flight departments to run their side of the business for large airplanes, which will be the other part of his business here. In his business, he quickly learn what the customer wants and what would attract them to stop at Kearney. The first kind of customer is the one who has to come to Kearney and the other is those who stop to buy gas as they are going across the country. Even though he is a private business, there is a relationship with the City, the community and the FBO and they all want to put their best face forward. The airport is the gateway to the community as people arrive there. The FBO at Kearney compared to others in small communities would not rank very high in appearance. One of the first things that he is going to do is remodel. What that customer wants is a quick turn and good gas prices. The current facility is not terrible, but he has to raise it up so not only does it serve the customer, but people will say they want to come back here.

Council member Lear asked for more information about Mr. Ostrosky's background and his company. Mr. Ostrosky stated that he has a degree in aerospace engineering and went straight into the military and flew F-111 and E-111 aircraft and was an instructor

pilot for about five years through the first Gulf War. He then left the military and worked as an electrical engineer for about a year and was hired as a test pilot for Cessna and became manager of flight production test at Cessna at their jet division. He left that position to help found a company that had classified department defense contracts and ran a fairly large operation worldwide. He left that for personal reasons because his job required that he leave for 40-50 days and his wife would not know where he was at. Since she did not like that, he decided to go back to the flight test world and was test pilot until they closed the factory in 2003. He decided that he wanted to do something where he was more in control of his future. At that time, he started looking at taking on a flight department which started with more of a mutual arrangement and evolved into being incorporated. His business is managing these corporate flight departments. He does not operate any other F.B.O. operations.

Jeff Drahota, 1103 East 33rd Drive, stated that he currently works for the Fish and Wildlife service where he provides biological expertise for the rainwater basin for the wildlife management district office in Kearney. He currently uses the airplanes and the pilot who is OAS certified at the airport and wanted to know if the new FBO is interested in continuing this service or intends to get approval from the OAS for planes and/or pilot services.

Steven Amundson, 502 West 27th Street, stated he is a faculty member at University of Nebraska at Kearney and is also a pilot. He is a renter and a user of aircraft for personal use other than flight training which was another group represented by several attending this meeting. That group wanted to know what type of aircraft might be available for their use. He stated it was important to recognize the number of people who were attending this meeting for the sole purpose of the success, the future and the growth of Kearney Airport. They wanted to wish Mr. Ostrosky good luck in his business venture, the growth and development of Kearney and to let him know that there are people who really care about aviation in Kearney. During his flights to his home roots in Minnesota, he stops in places like Yankton, South Dakota and Norfolk, Nebraska and he does not hear a lot of noise on the radio. When he lands in the middle of the afternoon, he usually does not find a lot of people out there. That is not the case with the Kearney Airport. He believed it was important to share that spirit with the new FBO and take on the opportunity and the challenges that are there.

Mr. Ostrosky stated the question regarding the OAS certified plane and pilot is essentially the first time he had heard about it. He stated issues like this have been some of the difficulty of this process. The current FBO and management had indicated their desire to keep things going in this community, but have not helped him understand what needs to be kept going although he has asked many questions. He would liked to have heard this question two months ago and sat down with Mr. Drahota and figured out what they need to make this happen. He is committed to reaching some type of agreement, but cannot guarantee that it will happen on day one since he is only five weeks away. It would have certainly been easier if he would have known a couple months ago. He is committed to any customer in the community, but wanted them to keep in mind that he cannot base his business on one customer. There might be a particular airplane or function that works great for one, but not for anyone else so he could not subsidize that type of service.

Mr. Ostrosky further stated that since the University has not responded with what their direct needs are, he would have to look and see what he is going to put in the airport first. In order to blend both an instruction capability and a cross country capability, his first thought would be a 172RG (with retractable gear) single engine airplane or something in that category. His decision will be based on what the customer base is and if the University comes up with a formal request of what they would like to see. His understanding is that they have five airplanes at the airport now, one 172RG, one 152, a twin engine Piper Aztec and two 172's.

Mayor Clouse asked how long it would take to ramp up if there is a demand for that size from UNK. Mr. Ostrosky responded that as an example, right now on just one website there are 300 172's for sale. There are hundreds of aircraft for sale with all types of ancestry.

If a contract comes in, it would take a relatively short period of time to get an aircraft. He also has given the University several options on how to keep this program running during the interim. Students have other things to learn besides flying. Even if there are a couple of weeks or a month before all the airplanes are ready, not all of those airplanes would be needed on October 1. There is nothing preventing those students from getting their flying portion at UNO or one of the two providers for UNO. Although that would be inconvenient, they could move past that in a short interim if the University makes a timely request. He believed it was very difficult for him to respond at this time.

Council member Lear stated since there is currently a group of planes at the airport, he understands that Mr. Ostrosky has offered to lease space in his facilities to keep operating if necessary. Mr. Ostrosky stated he had made that offer. He added that there were not many talks that took place. He and his wife planned to talk to the current FBO last week about these issues and they refused to talk to him at the last minute. One of the things that would have made the transitions easier would have been to find out what contracts the current owner has, what are the kinds and conditions of the planes he has and look at purchasing them. The last response Mr. Ostrosky had from the current FBO operator was that he did not want to talk until after this Council meeting. This has been a catch 22 because he was unable to prepare for what he wants to do when the people who say they want to keep this going refuse to talk about what he wants to do. In his lease, with City approval, he could sublet the current facility either to Air Midway for the flight school or the University entity.

Moved by Lammers seconded by Lear to approve the Fixed Base Operator Use and Operations Agreement for Hangar T-926 between the City of Kearney and Otis Air Service and approve **Resolution No. 2008-146**. Roll call resulted as follows: Aye: Clouse, Kearney, Buschkoetter, Lear, Lammers. Nay: None. Motion carried.

RESOLUTION NO. 2008-146

BE IT RESOLVED by the President and Council of the City of Kearney, that the President be and is hereby authorized and directed to execute the Fixed Base Operator Use and Operations Agreement on behalf of the City of Kearney, Nebraska, with Otis Air Service for Hangar T-926 at the Kearney Regional Airport, a copy of the Agreement, marked Exhibit "1", is attached hereto and made a part hereof by reference.

PASSED AND APPROVED THIS 26TH DAY OF AUGUST, 2008.

ATTEST:
MICHAELLE E. TREMBLY
CITY CLERK

STANLEY A. CLOUSE
PRESIDENT OF THE COUNCIL
AND EX-OFFICIO MAYOR

2008-2009 COMPREHENSIVE AND WORKERS COMPENSATION INSURANCE PROGRAM

Mayor Clouse opened for discussion the 2008-2009 Comprehensive and Workers' Compensation Insurance Program for the City of Kearney and to consider approval of Resolution No. 2008-147.

The City selected Barney Insurance last year to provide the City's Comprehensive and Workers' Compensation insurance for the 2007-2008 fiscal year. Barney Insurance has provided the rates for the 2008-2009 fiscal year and we are pleased to report that the overall cost will only increase 3.9%. In reality, the actual rates are lower, but the overall cost has increased due to the City adding almost \$18,000,000 in property and increased payroll which affects workers' compensation rates. Program costs are listed below.

<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
\$898,000	\$608,000	\$620,841

The City's risk management efforts led by Kristi Grint in cooperation with the employee safety committee, has had a direct impact on not only loss reduction, but ultimately the premiums we are charged. They and all other City employees are to be commended for their efforts.

The City of Kearney's 2008-09 budget includes \$650,000 for purchase of insurance. The City is also building a reserve fund which has a current balance of \$340,000.

Tim Hughbanks, 6207 Avenue L, from Barney Insurance presented this matter to the Council. The Council had been provided a packet with a summary of this year's insurance renewal pricing. Last year when the renewal was presented, the City realized some substantial savings. Over the course of the past 12 months there has been a lot of skepticism locally, but mostly statewide with some other communities that are looking at making some changes, as to how well this would hold for the City of Kearney. Their agency had no doubt and was one of the reasons they pushed so hard to represent Employers Mutual because they knew they would hold true and he was happy to report that they have. This was true in light of the large losses experienced due to the tornado and hail storm. Employers has maintained their course and decided that they would renew the City's policy at a flat premium. There are several lines that reflect some slight reductions in liability costs. The primary increases that can be seen on the summary are actual exposure changes with some property increases. These were changes in the way the policy was written last year. Any time you make an exposure change, there will obviously be a premium change, but the rates have stayed flat in that regard.

A large part of the reason that Employers Mutual has agreed to renew at such a

favorable premium is due almost exclusively to their relationship with the City of Kearney and the people they have had the opportunity to work with there. That began with City Manager and his background in risk management and filters down to all the employees they have had contact with. It is apparent that wherever they go that everyone takes this seriously. He has had the opportunity to work closely with the Risk Management Coordinator who is super to work with and has a good relationship with their office. There are few customers that he has worked with that have any better knowledge or are as efficient and organized.

Mr. Hughbanks stated he and others from his staff have had the opportunity to attend several safety audits throughout the City. They have accompanied Mick Anderson, who heads up those audits and have seen the cooperation with each of the department heads and employees at each of those locations. They have been astounded at every stop they make as to how receptive they are of those ideas and suggestions that are made. Every time they have one of those audits, he visits with their underwriter and lets him know what they have experienced. The underwriter has made it quite clear that he has not had the opportunity to work with communities that have been that involved.

City Manager stated there were specific concerns stated last year about the premium not really being a premium and that it would dramatically change after we bound the coverage. The premium at renewal is \$576,000 and the final premium was \$597,000 due to numerous autos being added and property being moved around. There will always be those types of movement throughout the year. That is not a significant increase and he recalled the total premium prior to last year was \$898,000 which is \$301,000 savings in one year. This year's premium reflects about \$621,000 before we do any additional changes with the work comp. It is very likely that due to the City's work comp experience being so positive that it could get anywhere from a \$40,000-\$50,000 dividend back. In reality, the City's total cost for its insurance program after that dividend is received down the road; the renewal will be cheaper than it was last year. So the anticipation that the premium was going to go up and the City would be struggling with it this year has not been the case. Over a 2-year period they have saved close to \$600,000-\$650,000 which is one specific reason why in the 2008-2009 budget the City is able to hold the property tax rates down. This is a significant savings for the City of Kearney. EMC and Barney Insurance have been outstanding to work with and all the employees have done a great job and the City's overall risk management effort that reflect that. He does not know of many employers the size of the City of Kearney that can say for two months, they did not have a single work comp claim.

City Manager recommended to the Council that due to the City's loss history, especially in the work comp area, and since it has been budgeted and have reserve set aside in the work comp program, they would like to go to \$100,000 deductible program. The program that they requested from Barney Insurance and EMC would still have a cap of \$270,000 (an aggregate) on total for the year. The immediate saving in premiums is \$150,000; however, that amount goes down as there are claims. This is the precursor to at some point going to partially self funded workers comp. With the City's work loss history, if anyone should be self funded it probably should be the City. The stop loss market in that area and the self funded programs is currently somewhat unpredictable, they believe that it will level off in the future. This is still a fairly conservative approach for the City.

He has discussed this in great detail with Finance Director Wendell Wessels and he is also comfortable with it. This would not be proposed if staff did not already have the reserve set aside and if it had not been budgeted for next year's budget the total amount if the City did not do the deductible. Essentially, those funds would be set aside and apply them as necessary. Even if the City has the worst year in history, its total exposure over and above is still only about \$150,000. Compared to work comp two years ago, it is still \$150,000 less than the premiums currently being paid. It can be looked at several different ways. In his professional opinion, although he is not as conservative as the City's consultant, Bob Charlesworth, and the Finance Director, they agree this would be the appropriate first step. The total premium with this renewal is \$470,314 not counting the potential dividend that the City might receive later compared to \$898,000 just two years ago.

City Manager wanted to clarify and set the facts straight, that although the City got this great rate that we paid significant sums to our insurance consultant; the City paid approximately \$5,000 for the year.

Moved by Lear seconded by Buschkoetter to approve **Resolution No. 2008-147** authorizing the City Manager to finalize any documents necessary to place in effect the insurance coverages provided by Employers Mutual Company, by and through Barney Insurance, for the 2008-2009 fiscal year. Roll call resulted as follows: Aye: Clouse, Buschkoetter, Lear, Lammers, Kearney. Nay: None. Motion carried.

RESOLUTION NO. 2008-147

BE IT RESOLVED by the President and Council of the City of Kearney, Nebraska, that the City of Kearney does hereby accept and adopt for its 2008-2009 insurance coverages with Employers Mutual Company, by and through Barney Insurance, located 5205 2nd Avenue, Kearney, Nebraska.

BE IT FURTHER RESOLVED that the City Manager be and is hereby authorized and directed to execute any documents necessary to place in effect the insurance coverages provided by Employers Mutual Company, by and through Barney Insurance.

PASSED AND APPROVED THIS 26TH DAY OF AUGUST, 2008.

ATTEST:
MICHAELLE E. TREMBLY
CITY CLERK

STANLEY A. CLOUSE
PRESIDENT OF THE COUNCIL
AND EX-OFFICIO MAYOR

KEARNEY VISITORS BUREAU ANNUAL REPORT

Mayor Clouse stated Roger Jasnoch from the Kearney Visitors Bureau requested to present their Annual Report.

Roger Jasnoch, Director of the Kearney Visitors Bureau, and Brad Kernik, Chairman of the Board, were present. Mr. Jasnoch stated that in 1996 the Visitors Bureau and the City of Kearney first started their journey on their partnership with the occupation tax in terms of the adoption of the hotel occupation tax. Those funds were used to start the Arch project and get that off the ground. In 1981, the Visitors Bureau and Buffalo

County were one of the first counties in the state to pass the lodging tax in Nebraska. Both partnerships have allowed the Visitors Bureau to bring new groups, numerous groups and conventions into the community. The Visitors Bureau will touch about 200,000 people a year and they are trying to expand that in each market.

Kearney's economy is driven by many different engines. The retail segment is one of those that he would compare with any community our size in the Midwest and we would be head and shoulders above those from the standpoint of health and vibrancy and retail sales. The health care continues to push their economic boundaries from the standpoint they bring more people from further away to the community. With the University, we have the opportunity to educate a lot of Nebraskans and people from all over the states, as well as a growing number of foreign students. Manufacturing certainly provides a number of primary jobs. There are a number of value added projects that are going on in Agriculture that the commodity prices have shown up in their retail sales figures. The last engine from the standpoint of tourism brings many visitors to the community for conventions and special event groups. Each one of these segments feeds off each other by creating more jobs and stimulating retail growth and adding to our quality of life. As an example, maybe one of the reasons Kearney has so many places to eat in the community and attractions are because we have so many visitors.

The convention business is the foundation that Kearney's hospitality industry is built on and in recent years with the adding of some of the venues of the special events with the Firstier Arena and UNK and Kearney Catholic and Kearney Public Schools and working with the fair board to rebuild the expo center, that is a growth area for Kearney to bring additional people into the community. Competition is redefined everyday for the hospitality industry. To keep what Kearney has here as well as adding new, it needs additional resources to be able to accomplish that because of that increased competition.

Mayor Clouse stated in accordance with the agreement with the Visitors Bureau, Council Member Randy Buschkoetter is a member of the Visitors Board. Council member Buschkoetter echoed that the increased competition in the past few years. It is hard work to maintain what they already have. Since he is not in the hospitality business, he has found it to be very educational to be on this Board for the past couple of years. The Visitors Bureau does a good job in holding on to what they have and continue to expand it.

Council member Lammers stated what he believes most people do not know about the Visitors Bureau standpoint is there is a lot of money that they provide that helps draw these people to the community.

Mr. Jasnoch further stated that in addition to athletic events, they do speech, drama and debate. What helps is a good volunteer base, especially with athletic events and Kearney has come to the forefront with that.

OPEN ACCOUNT CLAIMS: PLATTE VALLEY STATE BANK - \$44,510.36, STAN CLOUSE - \$49.10

Moved by Buschkoetter seconded by Kearney that the Open Account Claim in the amount of \$49.10 payable to Stan Clouse be allowed. Roll call resulted as follows: Aye: Lear, Buschkoetter, Lammers, Kearney. Nay: None. Clouse. Motion carried.

Moved by Clouse seconded by Kearney that the Open Account Claim in the amount of \$44,510.36 payable to Platte Valley State Bank be allowed. Roll call resulted as follows: Aye: Clouse, Buschkoetter, Lammers, Kearney. Nay: None. Lear abstained. Motion carried.

VII. REPORTS

None.

VIII. ADJOURN

Moved by Clouse seconded by Kearney that Council adjourn at 8:01 p.m. Roll call resulted as follows: Aye: Clouse, Lammers, Kearney, Buschkoetter, Lear. Nay: None. Motion carried.

ATTEST:

**STANLEY A. CLOUSE
PRESIDENT OF THE COUNCIL
AND EX-OFFICIO MAYOR**

**MICHAELLE E. TREMBLY
CITY CLERK**