

**MINUTES
ALBION CITY COUNCIL
REGULAR MEETING
TUESDAY, MARCH 9, 2010**

A Regular Meeting of the Albion City Council of the City of Albion, Nebraska was convened in open and public session at 7:30 p.m., on March 9, 2010 in the Council Chambers. Present were Mayor James Jarecki, Councilmembers Rasmussen, Hoefler, and Riedmiller, absent was Warner. City Employees present were City Administrator Devine, City Attorney Bird, Water Utility Billing Clerk Knust, Water Commissioner Morearty, Sewer Commissioner Luettel, City Code Official Barb Hanson. Also present were Jim Dickerson with the Albion News, Roger Protzman with JEO, Terry Galloway with AMGL. Notice of this meeting along with the agenda was simultaneously given in advance to all members of the Board. Notice of this meeting was given in advance by publication, a designated method for giving notice; a copy of proof of publication is attached to these minutes. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public.

Councilman Rasmussen made a motion to excuse Warner from this meeting, seconded by Hoefler, **Vote: Yeas; Riedmiller, Hoefler, Rasmussen. Nays; None. Absent; Warner.**

3. APPROVE THE MINUTES OF THE FEBRUARY 9, 2010 MEETING

Councilman Rasmussen made a motion to approve the minutes of the February 9, 2010 meeting, seconded by Hoefler. **Vote: Yeas; Hoefler, Riedmiller, Rasmussen. Nays; None. Absent; Warner.**

4. REVIEW ANNUAL AUDIT REPORT PRESENTED BY TERRY GALLOWAY

Terry Galloway reviewed the audit report. Terry handed out a scorecard.

- ❖ Section Three discusses the unrestricted net assets. Anything above 33% is good, Albion is at 37% government wide. The governmental activities showed below 33%, and as we go forward, we will get this increased. Business type activities are sitting at 61% which is good.
- ❖ Section Four gets into the unreserved fund balance as a percent of the General Fund Expenditures. That's basically the same as measuring the cash reserves for the general fund. Albion is at 47%, which is just under 6 months, and this is very good. Last year we were at 31%.
- ❖ Section Five talks about the Outstanding General Obligations Debt as a percent of valuation. Anything less than 3% bondwriter's say is excellent, Albion is at 1%. We are in excellent shape.
- ❖ Section Six measures the Debt Coverage Ratio, particularly the business type activities with the utility funds on a two times debt service coverage ratio. Albion is at 2.37, which is good.
- ❖ Section Seven reviews the top five revenue sources for the governmental activities. The first one is property taxes. Second is State Allocation, or Highway Allocation. This averages about \$146/person, the state average is \$140/person. Sales Tax is the third one, the average is about \$200/per capita for a city our size, Albion is getting \$262. Franchise tax is number four which is at \$123/person, average is \$75. Fifth is Grants and Contributions, the average is \$100/person, Albion is getting \$131/person.
- ❖ Section Eight breaks down cash reserves between operating cash reserves and replacement reserves. It will calculate a replacement reserve anytime your fixed assets or capital assets fall below a 50% depreciation factor. Albion has done a good job at replacing equipment. There should be about \$400,000 in cash reserves in operating, Albion has about \$901,000. Business type activities which are Water, Sewer, Solid Waste, calculates out to about \$200,000 in cash reserves, Albion has about \$700,000. There are good cash reserves in Albion, and in comparison with the peer groups, Albion is one of the best. Devine said that the accelerated payment made by Valero was 40% of the property tax revenue for last year.

MINUTES – ALBION CITY COUNCIL – REGULAR MEETING MARCH 9, 2010

This is revenue that the City will not receive for year ended 2010. There will not be any Municipal Equalization Funds this year either. This will need to be kept in mind when thinking about the cash reserves on hand.

- ❖ Section Nine gets into the Net Depreciated Net Assets as a percent of original cost. Albion is at 56%.
- ❖ Section Ten talks about the operating income as a percent of the total operating revenue. We try to maintain it at 15%, Water is at 20%, Sewer funds are at 49%, Solid Waste is at 18%.
- ❖ Section Eleven tells us if we're using Highway Allocation Money in a timely basis. Albion is at zero, which is good.
- ❖ Section Twelve is the levy rate which includes Airport. The average is .46 cents, Albion is at just below .41 cents. Overall Albion is below. The average per person's property tax in the peer group is \$150. Albion is at \$126-\$130.
- ❖ Section Thirteen covers State Allocations. Highway allocation is at \$85/person, state aid is normally about \$9/person.
- ❖ Section Fourteen is Departmental Costs.
 - (1) Administration: The peer group average is \$100/person, Albion is at \$98/person.
 - (2) Police: average is \$80/person, Albion is at \$101/person. The next four to five years communities will need to decide what level of service they will be able to spend/provide. At some point it may come down to a prioritization as to what Albion will be able to afford to spend
 - (3) Fire: this one includes debt for the fire hall which is why it is so high. The peer group average per capita is \$40. Albion is at \$84.
 - (4) Library: The peer group is \$40 per capita. Albion is at \$31 per capita.
 - (5) Park: The peer group average/recommended amount is \$60 per capita. Albion is at \$27 per capita.
 - (6) Pool: Albion under state-wide average of \$40 per capita and is at \$29 per capita.
 - (7) Airport: Albion is under state-wide average of \$20 per capita and is at \$11 per capita.

Albion is sitting good going into this next year.

5. UPDATE ON NEW WELL PROJECT

- DISCUSS TIMELINE
- DISCUSS FINANCING OPTIONS
- DISCUSS SCHEDULING SPECIAL MEETING TO REVIEW PLANS & SPECS

Steve McNulty of HHS called Devine and notified him that if we slow our timeline down a little bit, the City will qualify for more forgivable State Revolving Loan Funds. After July 1st, Albion will be eligible for 20% of the project in forgivable funds due to the stimulus package. John Zwingman has also spoken with McNulty and Albion's project is probably number 1 or 2 as far as drinking water projects. Devine spoke with John about whether this would initiate an Administrative Order if the project is delayed. Devine will tell John that the City will need the Plans and Specs in two weeks. A special meeting will be set to review and consider them for approval.

6. UPDATE ON WASTE WATER TREATMENT PROJECT

- DISCUSS TIMELINE
- DISCUSS LAND ACQUISITION STRATEGY

Roger Protzman with JEO discussed the Timeline. He reviewed the Environmental Responses.

MINUTES – ALBION CITY COUNCIL – REGULAR MEETING MARCH 9, 2010

❖ Department of Interior Fish and Wildlife. They have concerns with endangered species in the Platte River System. They are asking for an engineering analysis on the affects of depletion by going with this system. They are concerned that by Albion choosing a land application, this will take water away from the Beaver River and therefore taking water away from the Platte River System. Other options would be to create an offset such as pumping an irrigation system into the Beaver, which Roger is not recommending.

- ❖ The U.S. Army Core of Engineers, their comment is it to do some delineation.
- ❖ Game and Parks had similar comments as the Dep't of Interior Fish and Wildlife.
- ❖ Department of Roads wants to make sure that the right of way will not be impacted.

Roger said that a purchase agreement is going to be needed. Roger said that he would like to have the environmental issues resolved before moving forward to the engineering proposal for design agreement.

7. REVIEW AND CONSIDER FOR APPROVAL APPLICATIONS FOR ALBION CDBG OWNER OCCUPIED REHAB GRANT AS RECOMMENDED BY ALBION HOUSING AUTHORITY BOARD

There are three applications for the CDBG Rehab Grant that are recommended for approval. Councilman Rasmussen made a motion to approve all three applications for the Albion CDBG Owner Occupied Rehab Grant as recommended by Albion Housing Authority Board, seconded by Riedmiller. **Vote: Yeas; Hoefler, Rasmussen, Riedmiller. Nays; None. Absent; Warner.**

8. CONSIDER APPROVAL OF MAYORAL APPOINTMENT OF DR. ANTHONY KUSEK AS THE PHYSICIAN MEDICAL DIRECTOR OF THE ALBION EMS PROGRAM FOR TERM ENDING DECEMBER 31, 2010, AND AUTHORIZATION OF MAYOR TO SIGN SUBSEQUENT AGREEMENT

Attorney Bird said that Statutes provide that you can have a director which will limit the liability of the group. Councilman Riedmiller made a motion to approve Mayoral Appointment of Dr. Anthony Kusek as the Physician Medical Director of the Albion EMS Program for the Term Ending December 31, 2010, and Authorization of Mayor to Sign Subsequent Agreement, seconded by Hoefler. **Vote: Yeas; Rasmussen, Hoefler, Riedmiller. Nays; None. Absent; Warner.**

9. CITY ADMINISTRATOR REPORT

- **Water/Sewer**
No other news than what has been presented at this meeting.
- **Park & Pool**
Frisch Electric will provide an estimate for expanding electrical hook-ups at the camp grounds.
Building Permit has been issued for the shade structure at the Sports Complex.
Thomas Wells has been hired as 2010 season Pool Manager, Ryan Wells and Stephanie Paulson have been hired as assistant managers.
Still working on getting estimates for repairing/replacing pool deck.
- **Street**
Patching material has been ordered so that potholes can be filled when the streets are dry.

10. CITY CODE OFFICIAL REPORT

Hanson has been spending a lot of time on the wind energy project. The County has agreed to hire a secretary for Hanson and Thorin to split.

MINUTES – ALBION CITY COUNCIL – REGULAR MEETING MARCH 9, 2010

11. REVIEW ANNUAL WATER/SEWER REPORT AS PRESENTED AND CONSIDER FOR APPROVAL

Councilman Hoefler made a motion to approve the Annual Water/Sewer Report as Presented, seconded by Rasmussen. **Vote: Yeas; Riedmiller, Hoefler, Rasmussen. Nays; None. Absent; Warner.**

12. CONSIDER RESPONDING TO GOOGLE FIBER REQUEST FOR INFORMATION REGARDING BROADBAND COMMUNICATION

Devine said that Google is testing ultra high broadband networks in some trial locations across the country. There aren't any upfront costs to do this. Councilman Riedmiller made a motion to approve application for Google Fiber Request for Information Regarding Broadband Communication, seconded by Rasmussen. **Vote: Yeas; Rasmussen, Riedmiller, Hoefler. Nays; None. Absent; Warner.**

13. APPROVE BILLS AS PRESENTED

Councilman Hoefler made a motion to approve the bills as presented, excluding JEO bill until further discussion, seconded by Riedmiller. **Vote: Yeas; Rasmussen, Hoefler, Riedmiller. Nays; None. Absent; Warner.**

- **DISCUSS INVOICES FROM JEO FOR ADDITIONAL SERVICES THAT EXCEEDED THE ORIGINAL SCOPE OF SERVICES FOR THE WASTEWATER TREATMENT FACILITY STUDY**

Roger Protzman said that they spent about 50 extra hours on the WWTF Project, and is requesting reimbursement for this. This amount is \$4,422.00. The agreement was for 3, and 5 options were reviewed. There were 20 sites evaluated and generally they only do 6. Hoefler suggested to pay half of the bill. Luettel said that if problems arise with environmental issues, JEO have dealt with those issues before. Councilman Hoefler made a motion to approve payment of 50% of the \$4422.00 bill, in the amount of \$2211.00, seconded by Riedmiller. **Vote: Yeas; Riedmiller, Hoefler, Jarecki. Nays; Rasmussen. Absent; Warner.**

14. CONSIDER REQUEST OF AEDC FOR RELEASE OF SALES TAX FUNDS FOR ALBION ECONOMIC DEVELOPMENT PLAN PROGRAM ACTIVITIES

The CAC had a meeting earlier tonight, and they recommended approval. AEDC has agreed to assist in financing for the Fairview Lanes Bowling Alley. Councilman Hoefler made a motion to approve Request of AEDC for Release of Sales Tax Funds for Albion Economic Development Plan Program Activities, seconded by Rasmussen. **Vote: Yeas; Riedmiller, Rasmussen, Hoefler. Nays; None. Absent; Warner.**

15. REVIEW AND DISCUSS BLIGHT AND SUBSTANDARD STUDY PROVIDED BY HANNA:KEELAN ASSOCIATES

- **PUBLIC HEARING ON THE STUDY WILL BE HELD AT THE NEXT MEETING**

Devine said that this is to make sure that this is what the council wants so there can be a public hearing at the next meeting. Devine will leave the study as it is.

16. DISCUSS ITEMS TO PLACE ON NEXT MEETING AGENDA

- **DISCUSS HAVING A PUBLIC HEARING AT A FUTURE MEETING ON PLACING KENO ON THE NOVEMBER BALLOT AS REQUESTED BY MITCH PATZEL**
- Special Meeting for Plans and Specs for the WWTF will be March 26th at noon.
- The City Council can pass an Ordinance or Resolution to put Keno on the November Ballot, and it will need to be at a public hearing. If the Council doesn't want it, they don't have to discuss it. The Council can decide how to designate the funds. This will be presented at the next City Council meeting. The City makes around 10%, the vendor makes around 6%.
- Blight and Substandard For Redevelopment Area #2 Public Hearing

MINUTES – ALBION CITY COUNCIL – REGULAR MEETING MARCH 9, 2010

17. ADJOURN

At 9:23 p.m. Councilman Rasmussen made a motion to adjourn, seconded by Riedmiller. **Vote: Yeas; Hoefler, Rasmussen, Riedmiller. Nays; None. Absent; Warner.**

I the undersigned Clerk hereby certify that the foregoing is a true and correct copy of proceedings had and done by the Mayor and Council; that all subjects included in the foregoing proceedings were contained in the Agenda for the meeting, kept continually current and available for inspection at the office of the Clerk; that such subjects were contained in said Agenda for at least 24 hours prior to said meeting; that at least one copy of all reproducible material discussed at the meeting was available at the meeting for the examination and copying of the public; that said minutes were in written form and available for public inspection with in ten working days and prior to the next convened meeting of said body; that all next media requesting notification of meetings of said body were provided advance notification of the time and place of said meeting and subjects to be discussed at said meeting.

Jim Jarecki, Mayor

ATTEST:

Andrew Devine, City Clerk