



City of Grand Island

Tuesday, September 09, 2003

Council Session

Item G2

Approving Minutes of August 26, 2003 City Council Regular Meeting

*The Minutes of August 26, 2003 City Council Regular Meeting are submitted for approval.
See attached MINUTES.*

Staff Contact: RaNae Edwards

OFFICIAL PROCEEDINGS

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL REGULAR MEETING

August 26, 2003

Pursuant to due call and notice thereof, a Regular Meeting of the City Council of the City of Grand Island, Nebraska was conducted in the Council Chambers of City Hall, 100 East First Street, on August 26, 2003. Notice of the meeting was given in the Grand Island Independent on August 20, 2003.

Mayor Jay Vavricek called the meeting to order at 7:00 p.m. The following members were present: Councilmembers Meyer, Whitesides, Pielstick, Gilbert, Nickerson, Seifert, Pauly, Hornady, Walker and Haase. The following City Officials were present: City Administrator Marlan Ferguson, City Clerk RaNae Edwards, Public Works Director Steve Riehle, City Attorney Doug Walker and Finance Director David Springer.

PLEDGE OF ALLEGIANCE was said followed by the INVOCATION given by Father Walt Phelan, St. Mary's Catholic Church, 204 South Cedar Street.

RESERVE TIME TO SPEAK ON AGENDA ITEMS: Three individuals reserved time to speak on agenda items.

PRESENTATIONS AND PROCLAMATIONS:

Mayor Jay Vavricek recognized candidates Rod Foley and Jose Zapata by presenting them with a Certificate of Appreciation for submitting their names for Councilmember to Ward I.

Parting Comments from City Administrator Marlan Ferguson Reflecting on His Years of Service with the City. City Administrator Marlan Ferguson commented on his four years of service with the City. A power point presentation was presented listing the following 10 successes among others during his service with the City: 1) Heartland Events Center fund-raising, 2) South Locust widening and Interstate 80 interchange, 3) retaining CNH manufacturing in our community, 4) the passage of a Local Option Municipal Economic Development Plan LB-840, 5) Upgrading water and electric utilities, 6) the Apache Helicopter project, 7) the redevelopment of old City Hall, 8) the creation of the Workforce Development One-Stop Center, 9) the Downtown Alleys, and 10) The Wood River flood control project. Mr. Ferguson thanked his family, staff, and the citizens of Grand Island.

PUBLIC HEARINGS:

Public Hearing on Request of Carl Mettenbrink, 2200 East One-R Road for a Conditional Use Permit for a Used Car Lot Located at 2809 West Old Highway 30. Craig Lewis, Building Department Director reported that Carl Mettenbrink representing Grand Island Farm Supply had submitted a request for a conditional use permit to allow for the continued operation of a used

car and truck sales establishment at 2809 West Old Highway #30. The City Council earlier this year amended the City Code to require that existing vehicle sales establishments without improved hard surfaced lots receive approval in the form of a conditional use permit from the City Council. Section 36-49(A) allows for a waiver approved by the City Council for businesses that were operating at the same location prior to March 9,1999. No public testimony was heard.

Public Hearing on Acquisition of Utility Easement Located at 4704 Seedling Mile Road. (Lanzendorf Holdings). Gary Mader, Utility Director reported that acquisition of a utility easement located at 4704 Seedling Mile Road, was required in order to have access to install, upgrade, maintain, and repair power appurtenances. This easement would be used to provide electrical service to a newly established lot in the Subdivision. No public testimony was heard.

Public Hearing on Proposed Amendments to FY 2002-2003 Annual Budget. David Springer, Finance Director reported on August 27, 2002, City Council approved the FY2002-2003 Annual Budget with Addendum #1 by Ordinance #8761. Amendment #1 was being submitted for Council consideration. This amendment would increase the appropriation for the Waste Water Treatment Plant (WWTP) Fund by \$16,281,165 for the retirement of the 1994 series bonds and related expenses. The WWTP budgeted revenues would increase by \$15,970,000 for bond proceeds. The revision would also increase budgeted appropriation for the Downtown Business Improvement District by \$48,000 to enable the District to dissolve. No public testimony was heard.

ORDINANCES:

Councilmember Pielstick made the motion that the statutory rules requiring ordinances to be read by title on three different days be suspended and that ordinances numbered

#8835 – Consideration of Approving FY 2003-2004 Annual Single City Budget, The Annual Appropriations Bill Including Addendum #1

#8836 – Consideration of Approving Salary Ordinance Pertaining to IBEW

#8837 - Consideration of Amendments to FY 2002-2003 Annual Budget

be considered for passage on the same day upon reading by number only and that the City Clerk be permitted to call out the number of these ordinances on their first reading and then upon final passage and call for a roll call vote on each reading and then upon final passage. Councilmember Seifert seconded the motion. Upon roll call vote, all voted aye. Motion adopted.

Mayor: Is there any one in the audience interested in these Ordinances? No public comment was heard.

City Clerk: Ordinances #8835, #8836, and #8837 on first reading. All those in favor of the passage of these ordinances on first reading, answer roll call vote. Upon roll call vote, all voted aye. It was noted that Councilmember Pielstick voted no on Ordinances #8835 and #8837. Councilmember Haase voted no on Ordinance #8835. Motion adopted.

City Clerk: Ordinances #8835, #8836, and #8837 on final passage. All those in favor of the passage of these ordinances on final passage, answer roll call vote. Upon roll call vote, all voted aye. It was noted that Councilmember Pielstick voted no on Ordinances #8835 and #8837. Councilmember Haase voted no on Ordinance #8835. Motion adopted.

Mayor: By reason of the roll call votes on first reading and then upon final passage, Ordinances #8835, #8836, and #8837 are declared to be lawfully passed and adopted upon publication as required by law.

CONSENT AGENDA: Councilmember Pielstick requested item G-4 be removed from the Consent Agenda. Councilmember Meyer requested item G-19 be removed from the Consent Agenda. Motion by Hornady, second by Seifert, carried unanimously to approve the Consent Agenda, with the exceptions of G-4 and G-19. Upon roll call vote, all voted aye. Motion adopted.

Receipt of Official Document – Civil Service Minutes of July 22, 2003.

Approving Minutes of August 12, 2003 City Council Regular Meeting.

Approving Minutes of August 19, 2003 City Council Study Session. Councilmembers Haase and Whitesides abstained.

Approving Appointments of Al Avery, Beckie Bixby, Dianne Miller, and Mike Nolan to the Zoning Board of Adjustment.

Approving Appointments of Ed Armstrong, Dan Eakes, Matt Shonsey, Dr. W.J. Thiemann, Tom Ward, Tim White, and Lisa Willman to the Economic Development Program Citizens Advisory Committee. Councilmember Walker voted no.

Approving Request of Carl Mettenbrink, 2200 East One-R Road for a Conditional Use Permit for a Used Car Lot Located at 2809 West Old Highway 30.

#2003-236 – Approving Authorization of Business Improvement Board to Administer Funds Collected for BID #5.

#2003-237 – Approving Acquisition of Utility Easement Located at 4704 Seedling Mile Road. (Lanzendorf Holdings)

#2003-238 – Approving Bid Award for Kimball Street Reservoir Rehabilitation and Pine Street Reservoir Demolition with Diamond Engineering Company of Grand Island, Nebraska in an Amount of \$712,930.00.

#2003-239 – Approving Bid Award for Storage Building at Fire Station #3 with Roger Krzycki Construction of Grand Island, Nebraska in an Amount of \$59,972.00.

#2003-240 – Approving Changes to the By-Laws of the Community Development Advisory Committee.

#2003-241 – Approving Amendment to the City of Grand Island Homeownership Opportunity Program (HOP) Guidelines for New Housing and Existing Housing.

#2003-242 – Approving Changes to the Owner-Occupied Rehabilitation Program Guidelines.

#2003-243 – Approving Certificate of Final Completion for Asphalt Maintenance Project 2002-AC-1 with J.I.L. Asphalt Paving Company of Grand Island, Nebraska.

#2003-244 – Approving Certificate of Final Completion for Sanitary Sewer District #500, Seedling Mile Road with Starostka Group Co. of Grand Island, Nebraska.

#2003-245 – Approving Certificate of Final Completion for Sanitary Sewer District #501, Freedom Acres with The Diamond Engineering Company of Grand Island, Nebraska.

#2003-246 – Approving Bid Award for Utility Tractor for Street & Transportation Division of the Public Works Department with Fairbanks of Grand Island, Nebraska in an Amount of \$24,995.00.

#2003-248 – Approving Grant Application to the Nebraska State Historical Society Foundation for Interior Finish Materials for the Stolley House.

Approving Appointments of Sue Pirnie and Lee Elliott to the Community Redevelopment Authority Board. Motion was made by Hornady, second by Walker to approve the appointments to the Community Redevelopment Authority Board. Councilmember Pielstick mentioned concerns to approving appointments to a board that was no longer a part of the City. City Administrator Marlan Ferguson stated CRA was still authorized by Council and the Chamber provided administrative services. Upon roll call vote, Councilmembers Meyer, Whitesides, Gilbert, Nickerson, Seifert, Pauly, Hornady, Walker, and Haase (Haase voted no for Lee Elliott) voted aye. Councilmember Pielstick voted no. Motion adopted.

#2003-247 – Approving Changes to the Human Resources Handbook. Motion was made by Seifert, second by Hornady to approve Resolution #2003-247. Brenda Sutherland, Human Resources Director reported that changes being made to the Handbook. Clarification was made to personal days, numbering of step changes, and hours worked to calculate overtime pay. Councilmember Meyer commented on hours worked and felt we should keep it the way it was which included holidays and vacation hours. Councilmember Whitesides stated we needed to clarify what was being done.

Upon roll call vote, Councilmembers Whitesides, Pielstick, Gilbert, Nickerson, Seifert, Pauly, Hornady, Walker, and Haase voted aye. Councilmember Meyer voted no. Motion adopted.

REQUESTS AND REFERRALS:

Request by Pheasant's Forever to Serve Alcohol at CAAP Skeet Range. City Clerk RaNae Edwards reported that the City Clerk's Office had received a letter from Pheasant's Forever to hold its annual Appreciation Banquet at the Grand Island Skeet Club and were requesting to serve alcoholic beverages. As this was City owned property, it had been the policy of the City to have Council approval. If approval was given they would be required to obtain a Special Designated Liquor License.

Councilmember Pielstick voiced concerns about having guns present when alcohol was being served and Councilmember Gilbert questioned what safe guards would be used with regards to minors in attendance. Steve Groeteke, 20 Lillian Lane, Doniphan answered questions of the council.

Motion was made by Hornady, second by Whitesides, to approve the request from Pheasant's Forever. Upon roll call vote, Councilmembers Meyer, Whitesides, Gilbert, Nickerson, Seifert, Pauly, Hornady, Walker, and Haase voted aye. Councilmember Pielstick voted no. Motion adopted.

RESOLUTIONS:

#2003-249 – Approving Addendum to Lease Purchase Agreement with Fonner Park. Doug Walker, City Attorney reported that on October 9, 2001 the City of Grand Island entered into a Lease Purchase Agreement with Fonner Park Exposition and Events Center ("Heartland") to develop an exposition and events center that would be owned by the City when all of the lease payments had been made.

Heartland was required to obtain commitments for all of the funds to be used for the construction of the events center other than the City portion which would consist of lease payments made over a ten year period. The original agreement required Heartland to have all of the fundraising complete by October 9, 2003. Heartland has raised approximately 86% of the funding to construct the event center; however, it would not be able to meet the deadline in the original agreement for having 100% of the funds raised.

One of the provisions of the addendum to paragraph three of the original purchase agreement was to give Heartland until October 9, 2005 to complete the fundraising requirements. Another issue addressed by the addendum to the lease purchase agreement was that of obtaining a sales tax exemption for the supplies and materials used to construct the events center.

The addendum contains changes to paragraph number six to the original agreement which enhances the city's position for seeking and obtaining a ruling from the Nebraska Department of Revenue that would exempt the project from sales taxes. If the city was successful in obtaining an exemption this could result in significant savings on the original estimated cost of the project.

Another development that had occurred since the original Lease Purchase Agreement was signed is that the Nebraska Department of Economic Development has promulgated rules for municipalities to apply for grants pursuant to the Local Civic, Cultural and Convention Center Financing Act. The addendum to the purchase agreement states that the City would seek a grant

to help provide some of the construction costs of the event center. If Grand Island was successful in obtaining a grant it would be eligible to receive up to \$500,000 for this project.

Motion was made by Seifert, second by Walker, to approve Resolution #2003-249. Upon roll call voted, all voted aye. Motion adopted.

#2003-250 – Consideration of Approving 1% Increase to the Lid Limit. David Springer, Finance Director reported that in 1998 the Nebraska State Legislature passed LB989, which put a cap on the amount of restricted revenues a political subdivision could budget for.

The restricted revenues that the City of Grand Island included in the budget were Property Taxes, Payments in Lieu of Property Tax, Local Option Sales Tax, Motor Vehicle Tax and State Aid. Of these restricted revenues, property tax was the only revenue that the City could control.

The increase in restricted funds authority using the 1% additional amount and the population growth (when available) was not an increase in budgeted revenues. It only provided the ability to increase restricted revenues, particularly property tax, in a future year if necessary, if council so decides.

Discussion was had concerning taxes and unused restricted funds.

Motion was made by Whitesides, second by Meyer, to approve Resolution #2003-250. Upon roll call vote, Councilmembers Meyer, Whitesides, Gilbert, Nickerson, Seifert, Pauly, Hornady, and Walker voted aye. Councilmembers Haase and Pielstick voted no. Motion adopted.

#2003-251 – Approving IBEW Contract. Brenda Sutherland, Human Resources Director reported that the City and the IBEW Union (International Brotherhood of Electrical Workers) had been involved in contract negotiations to replace the current contract which would expire on September 30, 2003.

Employees represented by the IBEW were found in the Utilities department, the Finance department, and the Information Technology department. A red-lined copy of the current contracts with the proposed changes were available in the Human Resources Department.

The proposed contract would run for five years with wage changes as follows: Year 1 - survey plus 2% COLA, Year 2 - 2.5% COLA, Year 3 - 3% COLA, Year 4 - survey and Year 5 - 3% COLA. The salary changes in the first year ranged between 2.5% and 5% per the survey with an additional 2% COLA.

Motion was made by Pielstick, second by Hornady, to approve Resolution #2003-251. Upon roll call vote, all voted aye. Motion adopted.

#2003-252 – Approving Bid Award for Sludge Handling Improvements Project at the Wastewater Treatment Plant (Project 2003-WWTP-1) with John T. Jones Construction of Fargo, North Dakota in an Amount of \$8,462,000.00. Steve Riehle, Public Works Director reported that the Wastewater Division of the Public Works Department advertised for bids for this project on

July 1, 2003 and opened bids on August 7, 2003. The Public Works Department, Wastewater Division, and the Purchasing Division of the City Attorney's Office had reviewed all bids received.

Four bids were received with base bids ranging from \$8,041,000 to \$9,950,000. The engineer's opinion of costs for the base bid was \$7,800,000. The additive alternate bids ranged from \$421,000 to \$533,000. The engineer's opinion of costs for the alternate was \$371,000. The estimate was considered within the range of accuracy for an estimate of costs for this type of project.

Consulting Engineering Firm CH2MHill had reviewed the bids to see where differences exist between the estimate and the bid. The major difference lies in the structural and architectural bids. The estimate was developed on the basis of a cost per square foot whereas the contractor's bid was based on detailed quantity take-offs. The contractor's bid for the structural and architectural was higher than the estimate because of the heavy mechanical equipment needing support in the second floor of the facility.

Staff recommended that the bid be awarded to John T Jones Construction of Fargo, North Dakota with a base bid of \$8,041,000 plus \$421,000 for the additive alternate bid for a total bid of \$8,462,000 as the lowest responsible bid. Reference checks with the Engineer and staff with the City of Omaha's Wastewater Division were very favorable.

Staff recommended against rejecting all bids and re-advertising because all of the bidders had shown their numbers and the bids the second time around would almost always be higher unless the project could be scaled back. Mr. Riehle stated we could not scale back the operations portions of this project and keep pace with increasing wastewater flows. They also do not want to eliminate the odor control measures that are part of this project.

Discussion was had concerning the time frame and odor control issues. Mr. Riehle stated he thought this would be completed some time next fall.

Motion was made by Meyer, second by Whitesides, to approve Resolution #2003-252. Upon roll call vote, all voted aye. Motion adopted.

PAYMENT OF CLAIMS:

Motion by Seifert, second by Walker, carried unanimously to approve the Claims for the period of August 13, 2003 through August 26, 2003, for a total amount of \$3,529,762.79. Motion adopted.

SPECIAL ITEMS:

Councilmember Larry Seifert commented on his 13 years of service. He thanked his family, current and previous council members, and city staff. Mayor Jay Vavricek presented Councilmember Seifert with a plaque and certificate.

Mayor's Appointment of ward I Councilmember. Mayor Jay Vavricek recommended to the City Council his appointment of Carole Cornelius for the position vacated on August 26, 2003 by Larry Seifert for City Councilmember Ward 1.

Council Approval of Ward 1 Councilmember. Motion was made by Seifert, second by Walker, to approve the appointment of Carole Cornelius to the position of Councilmember of Ward 1. Upon roll call vote, all voted aye. Motion adopted.

Administration of Oath to Carole Cornelius for Ward 1 Councilmember. RaNae Edwards, City Clerk administered the Oath of Office to Carole Cornelius for Councilmember Ward 1.

ADJOURNMENT: The meeting was adjourned at 8:45 p.m.

Respectfully submitted,

RaNae Edwards
City Clerk