

The Mayor and Council of the City of Fairbury met in regular session in the Council Chambers located at 612 D Street, Fairbury, Nebraska, on the 1st day of July, 2014, at 7:30 p.m. Mayor Homer L. Ward called the meeting to order.

Notice of meeting was given in advance thereof by publication in the Fairbury Journal News, Fairbury, Nebraska, the designated method of giving notice, as shown by affidavit of publication. The Open Meetings Act was posted in the meeting room and pointed out by Mayor Ward as required by law.

Roll call found the following Council Members present: Doug Brown, Roger Bailey, Tim Polson, Phil Rogge, Ed Friesen, and Kelly Davis. Absent: Rick Carmichael and Brad Kuzelka.

Mayor Ward called for the submittal of forms to request future agenda items. No forms were submitted during the meeting.

Mayor Ward read the Consent Agenda:

1. Approval of the minutes of the regular meeting of June 17, 2014.
2. Approval of claims.
3. Approval of the appointment of Warner Krumme to the Library Board. Term to expire July 2018.
4. Approval of the re-appointment of Patricia Tedrow to the Library Board. Term to expire July 2018.

Polson moved to approve the consent agenda. Motion seconded by Rogge. On roll call, Polson, Bailey, Brown, Rogge, Friesen, and Davis voted "yes." Carmichael and Kuzelka absent. Motion carried.

Mayor Ward opened the Public Hearing concerning a Modification to the General Redevelopment Plan of the City of Fairbury, Nebraska for an area of the City that has been declared blighted and substandard and in need of redevelopment pursuant to the Nebraska Community Development Law. Ed Friesen, Chairman of the Community Redevelopment Authority addressed the Council. Friesen stated we are adding six new areas into already existing areas that connect some of the redevelopment opportunities. Friesen stated a map of the proposed blight areas was included in Council packets and the map is also available by contacting Laura Bedlan Zoning Administrator. Friesen stated one of the areas is in the downtown area along the main corridor on 5th Street, another area is connecting a section of E Street as it comes down the hill, another area is part of the City Park, another area is north on F Street that allows development in that area, another area is along the Capri Motel area from the corner to the Capri Motel, and another area is on H Street north of the funeral home. Some of these areas are where there may be some proposed development. Friesen stated by adding these additional areas, this allows us to capture some tax increment financing (TIF) monies that will help in the redevelopment of those areas. Friesen stated we have connected some areas that would allow some opportunities for those developers to step in that we can do something

in these areas. Friesen stated we are also taking out of our blight and substandard area – very well development wetlands that are south of the dike, south of West 3rd Street to the river and from Frederick Street (which is Crystal Springs road) over to C Street. Friesen stated a City of the 2nd Class is allowed to have 50% declared as blight and substandard. Friesen stated with these declarations, we will be at approximately 47%. Friesen stated the Planning Commission and also the Community Redevelopment Authority have made the recommendation to approve the necessary amendments to add and remove the areas to/from the existing redevelopment plan. No one else addressed the Council during the public hearing. Mayor Ward declared the hearing closed.

Mayor Ward read from the agenda “Consider recommendation from the Insurance Committee and the Finance and Keno Committee regarding the health insurance with an effective date of August 1, 2014”. Dan Duren with Benefit Management addressed the Council. Duren stated insurance information was included in the Council packets showing the renewal with BCBS and also showing the recommendation with CoOpportunity. Duren stated the August 1 renewal with Blue Cross Blue Shield (BCBS) would be approximately an 11% increase for the Traditional Medical Plan and a 9.09% increase for the HSA Plan (the High Deductible Medical Plan). Duren stated after looking at options with both BCBS and also a new carrier called CoOpportunity, the Insurance Committee recommended that we make a move from BCBS to CoOpportunity with two plan designs. Duren stated the first plan is very similar to the current Traditional Plan – so there is a deductible, co-insurance, drug card, office visit co-pays, etc. The second plan is the High Deductible Medical Plan eligible for HSA and also for HRA/VEBA. Duren stated the Insurance Committee also recommended with the High Deductible Medical Plan that \$1,000.00 of additional City money would go into fund some of their deductibles or be there available for their use and for a family situation it would be an additional \$2,000.00. Brown moved to approve the recommendation from the Insurance Committee regarding the health insurance with an effective date of August 1, 2014 to move to CoOpportunity and with the High Deductible Medical Plan to fund an additional \$1,000.00 for single and \$2,000.00 for family. Motion seconded by Friesen. City Attorney David Barga stated that Mark Fahleson had talked to him about some of the details regarding the health insurance. Barga stated the portion that talks about the percentage of what the employer will pay for full-time employees for the family coverage and for individual coverage “the employer agrees to carry and pay 98% of the health insurance premium for its full-time employees and eligible part-time employees and pay 85% of the health insurance premium for family coverage”. Barga stated that Fahleson indicated that this is part of the union negotiation process as well and the unions have indicated to the best of his knowledge that they are essentially okay with this, but have not perhaps signed off finally as part of the union negotiation process. Barga stated Fahleson’s recommendation was to approve this recommendation dependent upon final approval by those union negotiation processes. Barga stated he thinks that Duren has some concerns about if this is held up, there may be some costs associated to the City – so you could approve this recommendation that way or approve it with that pending language. Barga stated you could amend the motion or leave the motion the way it is; as it stands now, it would be approved as it is printed – the only other thing would be if you wanted to change that you would add pending the final approval through the negotiation process with the unions; but if you prefer not to do that and approve it the way it is – that is the motion that is on the floor now. Friesen stated the recommendation is that we do it

pending final approval through the union negotiation process. Barga stated that was Fahleson's recommendation; however, he thinks Duren has some concerns about if there is a delay, it could cost the City some money as far as premiums. Council member Doug Brown stated it would cost the City a lot of money. Duren stated in effect what happens is by July 15, the employer application has to be into CoOpportunity and by the end of the month the employee applications have to be submitted so we can have an August 1 effective date. Duren stated if we delay that, the cost increase, not just the city's but the overall costs would increase \$7,137.00 a month; that is not including what we are saving by going to CoOpportunity which is approximately \$25,000.00 a month. Council member Phil Rogge stated it sounds like we need to keep the motion as it is now. Council member Kelly Davis stated July 15 is just two weeks away, doesn't think we should chance that. On roll call, Polson, Bailey, Brown, Rogge, Friesen, and Davis voted "yes." Carmichael and Kuzelka absent. Motion carried.

Mayor Ward read from the agenda "consider recommendation from the Finance and Keno Committee regarding HRA". Duren stated the Insurance Committee discussed for those participants on the High Deductible Medical Plan, the City would contribute an additional \$1,000.00 August 1 – no reference as to where the money would go. Duren stated it is \$1,000.00 for single and \$2,000.00 for family. Duren stated the Finance and Keno Committee also discussed the HRA/VEBA this evening and their recommendation is to use what is called a HRA/VEBA. Duren stated the HRA/VEBA will allow some of the City's employees that are currently under a flexible spending account, to actually get the \$1,000.00 for single or \$2,000.00 for family. Duren stated if the employee is under a flexible spending account, they cannot open or contribute to a Health Savings Account (HSA). Duren stated some of the city's employees will not move from the Traditional Plan over to the High Deductible Medical Plan without that money. Duren stated the HRA/VEBA is a means to get that money to the employee. Mayor Ward stated the employees have a broader use of the HRA/VEBA. Duren stated the HRA/VEBA is also really good with post retirement, when they retire they can actually use the money (if they have any money left over) for Medicare Part B premiums, Medicare supplements, Medicare D and any other medical expense. Duren stated the money goes in tax free for the employee and the money comes out tax free as long as they use the money for medical purposes. Duren stated these claims are adjudicated; there needs to be receipts, payments before those dollars will be paid out. Brown moved to approve the recommendation from the Finance and Keno Committee to approve the HRA/VEBA contributions of \$1,000.00 for single and \$2,000.00 for family. Motion seconded by Davis. On roll call, Polson, Bailey, Brown, Rogge, Friesen, and Davis voted "yes." Carmichael and Kuzelka absent. Motion carried.

Mayor Ward read from the agenda "consider recommendation from the Finance and Keno Committee regarding in lieu of benefit". Duren stated the City has some employees that are covered by their spouse's plans and they get no benefit from any other means from the City other than beyond the health insurance. Duren stated if you take an employee that is not eligible for a health savings account because they are covered by a spouse that is not eligible for a high deductible medical plan; those employees would probably gravitate to your highest cost plan which is the Traditional Plan which is \$864.00 a month which they will never use. Duren stated basically money is going to BCBS for people that never use the health insurance. Duren stated by offering what we call an in

lieu of benefits, we could then say here is X amount of dollars, we will stick that in the HRA/VEBA – money goes in tax free, doesn't tax the employee at all – as long as they use it for medical purposes which is all they can use it for, it also comes out tax free. Duren stated the money is tax free going in and tax free coming out for medical purposes. Duren stated the Finance and Keno Committee did not make a recommendation on a dollar amount, but they did make a recommendation that the City does provide the in lieu of benefits. Duren stated he does not see the in lieu of benefits as part of the insurance; this is more of a Council action that can be taken, to provide those employees who could take the in lieu of benefits instead of the health insurance. Brown moved to approve the recommendation from the Finance and Keno Committee to approve the in lieu of benefits with the amount being \$400.00 a month. Motion seconded by Polson. On roll call, Polson, Bailey, Brown, Rogge, Friesen, and Davis voted "yes." Carmichael and Kuzelka absent. Motion carried.

Brown moved to approve the recommendation from the Personnel Committee to approve hiring Nathan Francis and Anthony Kuehn for the two linemen positions. Motion seconded by Friesen. On roll call, Polson, Bailey, Brown, Rogge, Friesen, and Davis voted "yes." Carmichael and Kuzelka absent. Motion carried.

Brown moved to approve the recommendation from the Personnel Committee to approve Fairbury Light & Water to advertise to fill the water operator position with a prerequisite that certification would be preferred. Motion seconded by Davis. On roll call, Polson, Bailey, Brown, Rogge, Friesen, and Davis voted "yes." Carmichael and Kuzelka absent. Motion carried.

Mayor Ward read from the agenda "Consider request from Kids Connection for financial support". Carmen Hinman Vice President of Kids Connection Board of Directors addressed the Council. Hinman stated she wants to share the status of Kids Connection which is the only facility day care here in Fairbury and to possibly ask for some support from the City. Hinman stated she wants to give the details of what is going on since the transition in December 2013 of a new board of directors entering into Kids Connection. Hinman stated their mission is to provide a safe, secure, loving, and educational environment for children. Hinman introduced the Board of Directors that are in attendance this evening: Jan Knobel, President and Jamie Swartz, Treasurer. Chris Stewart, Secretary was unable to attend this evening. They are amending bylaws so they can have up to seven board members. Also present is Denise Carpenter the Center Director, Grandpa Gary as a foster grandparent with the Center, Elaine White is employed at the Center, and Tonya also works at the Center. Hinman stated the Center currently has 20 full-time and part-time employees; they currently have 32 families enrolled, totaling 51 children. Hinman stated if the parent's request, the facility transports kids to and from school – busing is available and currently the charge is \$4.00 round trip. Hinman stated at the current time they are paying most employees minimum wage – at best they are paying \$8.50 per hour with the exception of the director who receives a salary. Hinman also shared the monthly highlights of the Center's new life since December 2013, the improvements made around the Center, and their sources of income. Hinman also shared their goals and hopes for Kids Connection and the results if financial support isn't given. Council member Kelly Davis asked if they have a dollar amount in mind. Hinman stated they would be appreciative of any support at all that they

could garner. Council member Phil Rogge stated he supports their facility, but asked how do I explain to others in the community that do day care, that we give money to Kids Connection and not to them? Hinman stated they are the only non-profit day care and they are coming to the Council as a non-profit so they do have the overhead expenses, they do provide the transportation of kids to school that other day cares in the community do not provide. Council member Ed Friesen stated we're not unfamiliar with budget crunches, but I don't know where the dollars would come from out of our budget right now to help. Hinman stated she appreciated those comments and they came here this evening not knowing; they have talked as a board of directors that it is their responsibility and their liability to start getting the word out there and asking everybody they possibly can for continued support because if we don't then they are failing the Center and they are failing the children as well. Hinman stated they didn't come here knowing that they would walk away with any sort of dollar amount and that is why they didn't say would we give them so much, because at this point they would be appreciative of any financial support they could get from anyone. Rogge stated he appreciates the fact that they came forward and hopefully with the media coverage it will help with their exposure. Hinman stated if nothing more, it is getting the word out there that they do need some support. Hinman stated the media support that they need is positive media support, not negative so that they can hopefully continue to recruit and that is why they are reflecting the positive awesome things that are going on at the Center and of course the not so positive thing is that they are struggling financially. Davis stated it would be a shame to lose this facility which has been a great asset to Fairbury for a lot of years; they've been here for 25 years. Davis stated this is a bad time as everyone is also being contacted to support the theatre and the bowling alley. Mayor Ward thanked Hinman for their presentation and stated we appreciate their time and their efforts. No action taken.

Ben McBride, President of the Museum Board, presented the 2013–2014 Annual Report for the Museum. McBride stated during the last fiscal year, the Museum has had 658 guests come through and explore the great Museum. The number of the guests have increased by 223 from the previous year. McBride stated the money they have collected from donations is \$1,747.75 along with an additional \$360.00 from grill fest which was their last event. McBride stated the Museum's expenses for the last year for utilities were \$5,437.40; for repairs and maintenance, \$839.74; office supplies, \$712.91; and material costs, \$1,989.63. McBride stated the roof will be redone soon; he has talked to Scarborough – they are doing a couple other jobs right now, but we are on the list. McBride stated they did get new thermostats installed so that will hopefully save them some expense for utilities; they also have ceiling fans running to help circulate the air. McBride stated unfortunately some of their heat pumps are having issues, so hopefully he will have some bids to present later to the Council. McBride stated the Museum has hosted quite a few events this last year: tractor show, kids game day, first responders appreciation day, 2nd annual car show, trail of treasures flea market, Christmas traditions, Victorian Tea party, and grill fest. McBride stated having these events and advertising have helped a great deal with getting new faces in the Museum. McBride stated the events hosted have been fun for everyone that attended and also for all of the board members. McBride stated this coming year they are going to cut down on the number of events to about five events; that way they can publicize more and hopefully have a better crowd come to each event. McBride stated they will probably do the grill fest, Victorian Tea party, Christmas traditions, car show. McBride stated they had 53 entries in the car

show last year; he's hoping for more this year. McBride invited everyone to attend the 3rd annual car show which will be September 21, 2014 from 8:00 a.m. – 4:00 p.m. McBride stated they are getting more work done at the Museum – they have two meeting nights a month and two work nights a month. McBride stated their next big task will be getting the school house operational again. Museum board member David Lange came in and redid the floors in the front; hopefully they'll get the school house finished soon. McBride stated the Museum now has a wonderful curator, PaRen Sims – she is doing a great job of running the Museum. Sims has given a number of tours this year in non-hours of the Museum to the boy scouts, girl scouts, Cedarwood has had many tours, and home schooled children. Sims has found a lot of loose pictures that were scattered throughout the Museum of which she has categorized the pictures. McBride stated they are getting the fossil room ready to open soon – fossils which have been found around Jefferson County. Brown stated McBride and the Museum Board do a good job for the minimal amount of money they get; he thanked them for what they all do. Davis stated he helped with the grill fest and that was his first time being in that Museum – he and his wife were amazed of all of the contents – it's a very nice Museum and they are all doing a fantastic job with the Museum.

Rogge moved to approve the recommendation from the Public Works Committee to approve the request from the Fairbury City Fire Department to block off City Pool Drive (located between the pool and community center), the use of electricity, and the swimming pool bathrooms for the National Night Out on August 5, 2014 from 4:00 p.m. – 8:00 p.m. instead of 6:00 – 8:00. Motion seconded by Polson. Rogge stated the Council needs to be very supportive of this event and it is also an opportunity for the community to get involved and to see the Fire Departments, the Police Department, the Sheriff Department, the Ambulance Department, Emergency Management, and the Ministerial Association is also going to get involved with the event. Rogge asked if we could move our Council meeting from August 5 so the Council would be able to participate and show their support. Bargaen stated the state statute requires that the council meeting be set by ordinance; so unless there is a reason like weather, etc. there has to be a meeting. On roll call, Polson, Bailey, Brown, Rogge, Friesen, and Davis voted "yes." Carmichael and Kuzelka absent. Motion carried.

Rogge moved to approve the additional liability coverage on the City's policy in the amount of \$200.00 for the National Night Out on August 5, 2014 for the dunk tank and water fight to be taken out of the General Fund. Motion seconded by Friesen. Chris Goeking, Volunteer Emergency Services Coordinator stated basically the water fight will be set up for youth. Goeking stated he has talked to the Board of Public Works – they don't have a problem with them tying on to a fire hydrant and running two garden hoses for the youth to participate. Goeking stated they also thought about having a dunk tank – each item is an extra \$100.00 to add to the liability coverage on the insurance since it isn't specifically covered right now. Goeking stated they are doing this for PR for the Fire Department – they are still in much need of volunteers. Goeking stated he thinks it would be great if the City Council would be supportive by showing an interest and coming down to be a part of the event. Mayor Ward stated it would be great exposure for everybody. Goeking stated he is requesting the \$200.00 be taken out of the general fund. On roll call, Polson, Bailey, Brown, Rogge, Friesen, and Davis voted "yes." Carmichael and Kuzelka absent. Motion carried.

Polson moved to approve the Special Designated Liquor License application for B-4 Investments, LLC dba Wally's Sports Bar and Grill for a beer garden/dance for the 5th Annual Total Sound Reunion on July 26, 2014 located at the corner of 4th & F Streets from 4:00 p.m. – 1:00 a.m. Motion seconded by Rogge. On roll call, Polson, Bailey, Brown, Rogge, Friesen, and Davis voted "yes." Carmichael and Kuzelka absent. Motion carried.

Mayor Ward read from the agenda "consider recommendation from the Personnel Committee regarding Rental Inspector". Kelly Davis read a letter from him to the Council: "the City of Fairbury, Nebraska is seeking to hire an outside firm to undertake inspections pursuant to its rental inspection ordinance, and Davis Home Inspections, a division of Davis Transport LLC, of which I am the owner/operator, has submitted a bid to the City to supply this service and is being considered by the City to perform such inspections under contract for fees paid by the City. Since I am member of the Fairbury City Council, I will abstain from participating in discussion or voting on the contract. I further state that I will not act on behalf of the City Council in determining whether performance under the contract has occurred as agreed upon. Respectfully, Kelly Davis." Brown moved to approve the recommendation from the Personnel Committee to contract with Davis Home Inspections for the Rental Inspector position. Motion seconded by Bailey. On roll call, Polson, Bailey, Brown, Rogge, and Friesen voted "yes." Davis abstained. Carmichael and Kuzelka absent. Motion carried.

Brown moved to approve the recommendation from the Personnel Committee to approve the Services Agreement for the Rental Inspector with the following items to be discussed: Item #1 – Term – the term of this agreement shall be from the effective date until July 1, 2015; Item #2 section b, the City will pay to Contractor the following amounts for inspection services: General inspections: \$45.00, Re-inspections: \$25.00, Re-renting inspections: \$35.00. Brown asked Barga to explain Special inspections and other inspections as directed. Barga stated the ordinance itself provides first of all an initial inspection for persons to get the occupancy certificate and then the re-inspection occurs if there is a problem that they find and they have to go back in to re-inspect. Barga stated the ordinance provides that there is no charge to the applicant for the first re-inspection, and each time thereafter there is a \$20.00 charge to the applicant. Barga wants the Council to be aware of what the ordinance states and what the contract is stating. Barga stated the re-renting inspections are those that the ordinance, as currently written, that it requires anytime within that first year that if it is re-rented to another tenant, then another inspection has to be done to make sure that something hasn't occurred in that time. Barga stated the special inspections are those that the tenants themselves or the official or anybody at all can request when they suspect there is an issue with the property since the last inspection took place – that would be a special inspection. Barga stated with this contract they are specifying all of those so it is clear what the contractor would get paid for each of those types of inspections. Brown asked what an appropriate amount would be for a special inspection, \$25.00. Barga stated those inspections would arise as a matter of complaint initially, so I don't see it any different than from probably a general or re-inspection; that would be for the decision of the Council. Brown stated the general inspection is \$45.00 and the re-inspection is \$25.00. Barga stated the other inspections as directed is not part of the ordinance, but he wrote the contract that way

from the City's perspective in case there were additional inspections of some kind that the City wanted performed, then they could ask the Contractor to do that – could probably set both of those at the same costs. Brown stated the amounts again: general inspections: \$45.00, re-inspections: \$25.00, re-renting inspections: \$35.00; special inspections: \$25.00; and other inspections as directed: \$25.00. Bargaen stated once Council approves the Services Agreement, then Kelly as an individual, has a chance to come back to the City with any changes he would like from his perspective as the company's owner. Brown stated the other Item is #4 – Times of inspections: reports; billings: Contractor will perform the type of inspection for a rental unit as directed by the City, (we want to scratch out "and at the times directed by the City") we want to allow the Contractor to have his own hours. Friesen stated the motion the Personnel Committee had was as directed by the City and at the times scheduled by the inspector/contractor. Bargaen suggested we also add language that takes into account the ordinance has a provision that talks about getting permission from the property owner to inspect the property and they have to agree on a certain timeframe for that to occur. Bargaen suggested "as directed by the City, agreed to by the Inspector, and as provided by the program". Bargaen stated that would take into consideration the ordinance requirement that there be permission given by the property owner to enter at a certain time. Brown stated he would state all those changes in the form of a motion: term of this agreement shall be from the Effective Date until July 1, 2015; the City will pay the Contractor the following amounts for inspection services: general inspections - \$45.00; re-inspections - \$25.00; re-renting inspections - \$35.00; special inspections - \$25.00; other inspections as directed - \$25.00; and the time of inspections "as directed by the City, agreed to by the Inspector, and as provided by the program". Motion seconded by Bailey. On roll call, Polson, Bailey, Brown, Rogge, and Friesen voted "yes." Davis abstained. Carmichael and Kuzelka absent. Motion carried. Bargaen stated the exhibit to the contract – Attachment 1, Inspection Criteria and Procedure need to be added to the contract. Bargaen stated these were to be put together by the City; he had sent the forms several months ago that could be used and should also be attached to the Services Agreement contract. Bailey moved that the contract also includes the inspection criteria and procedure as Attachment 1. Motion seconded by Polson. On roll call, Polson, Bailey, Brown, Rogge, and Friesen voted "yes." Davis abstained. Carmichael and Kuzelka absent. Motion carried.

Polson moved to adopt Resolution No. 949 approving a Modification to the General Redevelopment Plan of the City of Fairbury. Motion seconded by Rogge. On roll call, Polson, Bailey, Brown, Rogge, Friesen, and Davis voted "yes." Carmichael and Kuzelka absent. Motion carried.

Rogge moved to adjourn the meeting. Motion seconded by Bailey. On roll call, Polson, Bailey, Brown, Rogge, Friesen, and Davis voted "yes." Carmichael and Kuzelka absent. Motion carried. Meeting adjourned at 8:44 p.m.

Homer L. Ward, Mayor

ATTEST: Sharyl Preston, City Clerk