

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 15th 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, Rick Carmichael, Roger Bailey, Tim Polson, Phil Rogge, Ed Friesen, and Brad Kuzelka. Absent: Kelly Davis.

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 July 1, 2014.
2. Approval of claims.
3. Approval of the June 2014 Reconciliation Report.

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

Kuzelka moved to approve the recommendation from the Public Works Committee to allow the Street and Alley Department to purchase a 1987 Mack dump truck from McBride Trucking in the amount of \$25,000.00. Motion seconded by Polson. On roll call, Polson, Bailey, Carmichael, Brown, Rogge, and Kuzelka voted "yes." Friesen abstained. Davis absent. Motion carried.

Kuzelka moved to approve the recommendation from the Public Works Committee to go with the estimate from Constructors Inc. for the two inch asphalt overlays in the amount of \$62,745.00 for two projects. Motion seconded by Rogge. Rogge stated the asphalt overlay projects are 11th Street from H Street to I Street by McNish Park and 9th Street from H Street to K Street by Jefferson School. On roll call, Polson, Bailey, Carmichael, Brown, Rogge, Friesen, and Kuzelka voted "yes." Davis absent. Motion carried.

Friesen moved to approve the recommendation from the Public Safety Committee to allow the Fire Department to purchase a new Thermal Imager in the amount of approximately \$7,700.00. Motion seconded by Carmichael. Friesen stated the Fire Department had purchased a used thermal imager a number of years ago; this will be upgrading to a new thermal imager. Friesen stated the Fire Department has the purchase of a new thermal imager in their budget. On roll call, Polson, Bailey,

Carmichael, Brown, Rogge, Friesen, and Kuzelka voted “yes.” Davis absent. Motion carried.

Brown moved to approve a 1% increase in 2014-2015 Restricted Funds Limitation. Motion seconded by Bailey. Brown stated the City approves this increase every year per the recommendation from the city auditor. On roll call, Polson, Bailey, Carmichael, Brown, Rogge, Friesen, and Kuzelka voted “yes.” Davis absent. Motion carried.

Mayor Ward read from the agenda: “consider August 5, 2014 Council meeting”. City Attorney David Barga stated the Council was considering changing the time of the Council meeting to accommodate Council members to attend the “National Night Out” celebration in the City Park. Barga stated state statute provides that the Council meetings must meet at the time and place that are set in ordinance. The City’s ordinance states that the Council meetings must be the first and third Tuesdays of the month at 7:30 p.m. Barga stated the time cannot be changed without amending the ordinance. Friesen stated the Council members could go early to the celebration and if committee meetings are needed could possibly have them after the Council meeting. No action taken.

Friesen moved to adopt Resolution No. 950 proposing and submitting to voters at the 2014 General Election an increase of the Local Sales and Use Tax Rate of an additional One-Half of One Percent from One and One-Half Percent to Two Percent. Motion seconded by Polson. Barga stated the additional increase is a process put in statute about two years and to date only three cities in Nebraska have done this. Barga stated this provides for additional revenue at the local level from sales tax up to 2 percent – most cities in Nebraska are at 1.5% which is the old limit. Barga stated the legislature allowed up to 2% for purposes of funding public infrastructure. For this to occur there has to be an election, either a primary or general election – the deadline to have the ballot initiative to the County Election Commissioner is September 1. Barga stated his recommendation is to postpone adopting Resolution No. 950 until the next council meeting on August 5. Barga stated one of the requirements in the statute for this to occur is the City must enter into an interlocal agreement with another local political subdivision in the City of Fairbury that is geared toward infrastructure projects. Barga stated the other obvious entity to contract with would be the Fairbury Community Redevelopment Authority; that entity already deals with a lot of infrastructure project and it also has the authority to work on infrastructure projects. Barga stated he will have an interlocal agreement between the City of Fairbury and the Fairbury Community Redevelopment Authority (CRA) for the next council meeting. Barga stated the other requirement we would need to complete the attachment, Exhibit A, to the resolution about the purposes of the sales tax. Barga stated Exhibit A spells out the proposed ballot language for the County Election Commissioner to put on the ballot. Barga stated the statute requires a few questions be answered like the years within which the revenue will be collected and does provide authority for payment of bonds with that revenue – you don’t have to issue bonds, but it provides authority for that. Barga stated for now, the language he used for the projects that will be funded; the statute provides a laundry list of projects all for public infrastructure and what he did was simply add that language from the statute to allow for the broadest usage of those funds. Barga stated these funds could be used to help with street repairs, could be used for any expenses upcoming with

Fairbury's water treatment plant, etc. Bargaen stated at this point all of those potential projects are listed. Bargaen stated there is also a question that the statute asks that you answer which is include any, or note any taxes or fees that will be reduced by the imposition of this sales tax. Bargaen stated at this point he put it is not contemplated that it will reduce any other taxes or fees but he doesn't know if that is the situation in Fairbury. Rogge asked if the money would have to be funneled through LB840. Bargaen stated the statute does provide that there can be funds provided as part of an LB840 project, but it doesn't have to be according to his reading of the statute. Bargaen stated there is also a provision allowing that some funds could be used for a TIF project, a redevelopment project – just some of the possibilities. Bargaen stated the statute provides that not all of the funds raised must be used for the interlocal agreement that is part of the requirement to have the sales tax – doesn't say any of it has to be spent on that, but you have to have an interlocal agreement. Rogge stated it would be a way to get our water filtration system. Bargaen stated the statute specifically states water treatment systems, water distribution facilities, water resource projects, so it would be well within the realm to use funds for the water filtration plant at some point. Bargaen stated the statute doesn't require that you specifically specify what those funds would be used for; would be best to leave the language broad so in case there would be projects – streets or water filtration plant – you would be able to use it for those projects. Bargaen stated another possible use of the funds is to purchase necessary equipment for provisions of municipal services. Bargaen stated the language follows the guidelines of the comprehensive plan and also the general redevelopment plan. Friesen moved to postpone Resolution No. 950 until the August 5, 2014 Council meeting. Motion seconded by Rogge. On roll call, Polson, Bailey, Carmichael, Brown, Rogge, Friesen, and Kuzelka voted "yes." Davis absent. Motion carried.

Within the Mayor's report, Mayor Ward stated he has attended meetings with Black Hills Energy and they are in the process of replacing 8½ miles of steel pipeline within our City. The bids will be opened by the end of the month; they anticipate doing the entire project between September 1 and December 5. Mayor Ward stated there will be a lot of activity to get this all accomplished; we are the first City the gas company will be doing and the project will probably be in excess of three million dollars.

Rogge moved to adjourn the meeting. Motion seconded by Polson. On roll call, Polson, Bailey, Carmichael, Brown, Rogge, Friesen, and Kuzelka voted "yes." Davis absent. Motion carried. Meeting adjourned at 7:50 p.m.

Homer L. Ward, Mayor

ATTEST: Sharyl Preston, City Clerk